



RIDGEBROOK HILLS MHC

2737 W Washington Center Rd
Fort Wayne, Indiana 46818

APPRAISAL REPORT

Date of Report: October 31, 2023

Colliers File #: CMH231905

PREPARED FOR
Brian Spear
Sunrise Communities
410 S Aurora Ave
Clearwater, FL 33765

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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October 31, 2023

Brian Spear
Sunrise Communities
410 S Aurora Ave
Clearwater, FL 33765

RE: Ridgebrook Hills MHC
2737 W Washington Center Rd
Fort Wayne, Indiana 46818

Colliers File #: CMH231905

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 October 31, 2023. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed 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, Prospective Value Upon Stabilization and Site Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. 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	Leased Fee	October 30, 2023	\$51,100,000
Prospective Value Upon Stabilization	Leased Fee	August 1, 2026	\$58,000,000
OTHER CONCLUSIONS			AS OF OCTOBER 30, 2023
Insurable Replacement Cost			\$340,000
Site Value			\$6,610,000

The subject is a Manufactured Housing Community (All Age) totaling 738 homesites located on a 146.96-acre site at 2737 W Washington Center Rd in Fort Wayne, Indiana. The improvements were built in 1968, are in average condition and have a remaining economic life of 30 years based on our estimate. The subject's common amenities include: clubhouse, pool, basketball court, and playground.

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

EXTRAORDINARY ASSUMPTIONS

A Prospective Value Upon Stabilization is supplied within this report. As this is a future date, an Extraordinary Assumption is made that there will be no major, unspecified changes to the subject, local market, or overall real estate market between the date of inspection and the Prospective Date of Value. We also note that the client did not require an inspection for this assignment. The property was last inspected in February of 2023 and we assume that the overall quality and condition of the property has not changed since our last inspection.

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**



Chuck Schierbeck, MAI, MICP

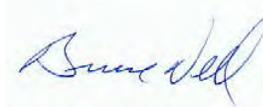
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CERTIFICATION

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ADDENDA

Insurable Replacement Cost

Subject Data

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Ridgebrook Hills MHC
Property Type	Manufactured Housing Community - All Age
Address	2737 W Washington Center Rd
City	Fort Wayne
State	Indiana
Zip Code	46818
County	Allen
Core Based Statistical Area (CBSA)	Fort Wayne, IN
Market	Fort Wayne, IN
Census Region	Midwest
Census Subregion	East North Central
Longitude	-85.181310
Latitude	41.129522
Number Of Parcels	1
Assessor Parcel	02-07-21-200-006.000-073

Total Taxable Value \$12,682,500

Census Tract Number 0106.04

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	135.25	5,891,273
Excess	0.00	0
<u>Surplus</u>	<u>11.72</u>	<u>510,305</u>
Total	146.96	6,401,578
Topography	Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Appeal	Average	
Current Zoning	Manufactured Home Park District (MHP, R1, & I1)	
Flood Zone	Zone X (Unshaded) & Zone AE	
Seismic Zone	Low Risk	

IMPROVEMENT INFORMATION

Number Of Homesites	738
Development Density	5.0 Units/Acre (738 Units / 146.96 Acres)
Total Number Of Common Area Buildings	2
Number Of Stories	1
Year Built	1968
Property Class	B
Quality	Average
Condition	Average
Marketability	Average
Parking Type	Homesite and Visitor
Number Of Parking Spaces	771
Parking Spaces/Homesite	1.0
Project Amenities	The subject's common amenities include: clubhouse, pool, basketball court, and playground.

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	86.2%
Stabilized Occupancy	95.0%
Estimated Lease-Up Period	33 Months
Current Average Rent/Homesite	\$481/Homesite
Concluded Average Rent/Homesite	\$481/Homesite
Potential Gross Income (PGI)	\$4,966,736
Vacancy & Credit Loss	14.0%
Effective Gross Income (EGI)	\$4,370,373
Total Expenses	\$1,472,682
Net Operating Income (NOI)	\$2,897,691
Capitalization Rate (OAR)	6.50%

VALUATION SUMMARY

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	OCTOBER 30, 2023	AUGUST 1, 2026

INCOME CAPITALIZATION APPROACH

Direct Capitalization	\$51,100,000	\$58,000,000
Direct Capitalization \$/Homesite	\$69,241/Homesite	\$78,591/Homesite
Net Operating Income	-	\$3,773,235
NOI \$/Homesite	-	\$5,113/Homesite
Capitalization Rate	-	6.50%
INCOME CONCLUSION	\$51,100,000	\$58,000,000
Income Conclusion \$/Homesite	\$69,241/Homesite	\$78,591/Homesite

SALES COMPARISON APPROACH

SALES CONCLUSION	\$49,900,000	\$56,450,000
Sales Conclusion \$/Homesite	\$67,615/Homesite	\$76,491/Homesite

FINAL VALUE CONCLUSION

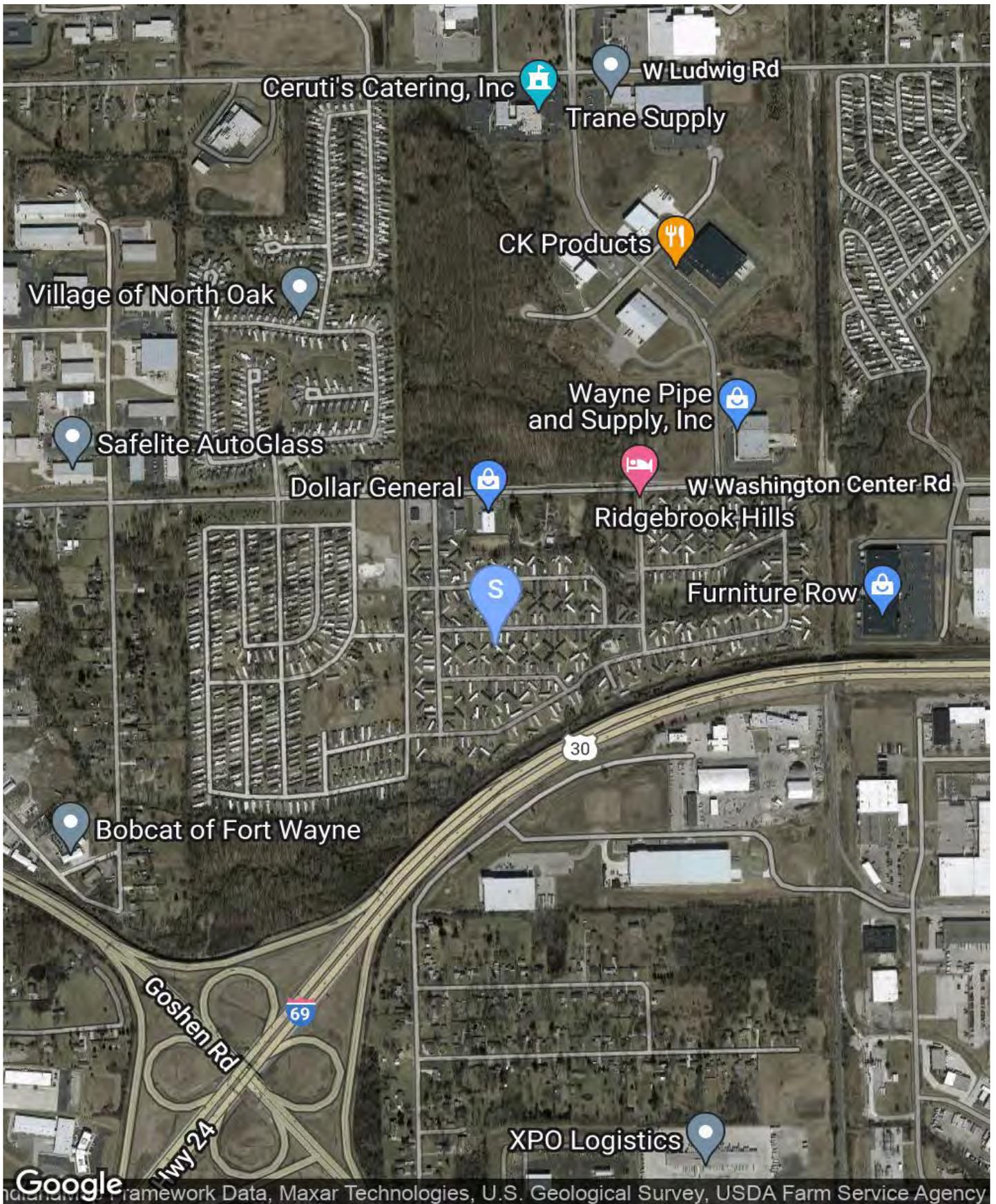
FINAL VALUE	\$51,100,000	\$58,000,000
Final \$/Homesite	\$69,241/Homesite	\$78,591/Homesite

LAND VALUATION

LAND VALUE	\$6,610,000	-
Value/Acre	\$45,000	-

OTHER CONCLUSIONS

Insurable Replacement Cost	\$340,000
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PROPERTY IDENTIFICATION

The subject is a Manufactured Housing Community (All Age) property totaling 738 homesites. It is located on a 146.96-acre site at 2737 W Washington Center Rd in Fort Wayne, Allen County, Indiana. The assessor's parcel number is: 02-07-21-200-006.000-073.

The legal description of the subject property is as follows:

146.96 A Irr Tract Pt of SW 1/4 Sec 21 lying N of I69 & Pt Frl NE 1/4 W of RR & Pt E 1/2 NW 1/4 lying N I69

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, Prospective Value Upon Stabilization and Site Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

INTENDED USE

The intended use of this appraisal is to assist the client with a potential loan that would be collateralized by this asset.

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	October 31, 2023
Date of Inspection	February 17, 2023
Valuation Date – As-Is	October 30, 2023
Valuation Date – Prospective Upon Stabilization	August 1, 2026

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 RIDGEBROOK HILLS LLC, who acquired title to the property on December 29, 2021

Three-Year Sales History

The subject property previously sold on December 29, 2021 as improved with arm's-length transaction per document number 2017063258 of the Allen County Deed Records. Based on discussions with the current owner

and/or broker and a review of public records and private data services, the prior sale appears to have been an arm's-length transaction and was not impacted by any concessions. Since acquiring the subject property the owners have implemented multiple rent increases that have totaled \$95/ month. This has increased the NOI significantly. In addition, capitalization rates for Manufactured Housing have not increased dramatically since the time of sale.

Subject Sale Status

The property being appraised is known to be the subject of a pending purchase and sale agreement, but the appraiser was unable to obtain the terms of the contract. The current owner and/or broker confirmed that the property is under contract for sale but declined to disclose the details of the agreement.

DEFINITIONS

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

DEFINITIONS OF VALUE

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

Market Value

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

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

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee interest.

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

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

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

Prospective Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being 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 yet achieved sellout or a stabilized level of long-term occupancy.⁴

⁴ 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 Fort Wayne, IN market and Allen County sub-market overviews 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) 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, Prospective Value Upon Stabilization and Site Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. 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 fully described within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › Adam Buchman (Registered Appraiser Assistant) provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

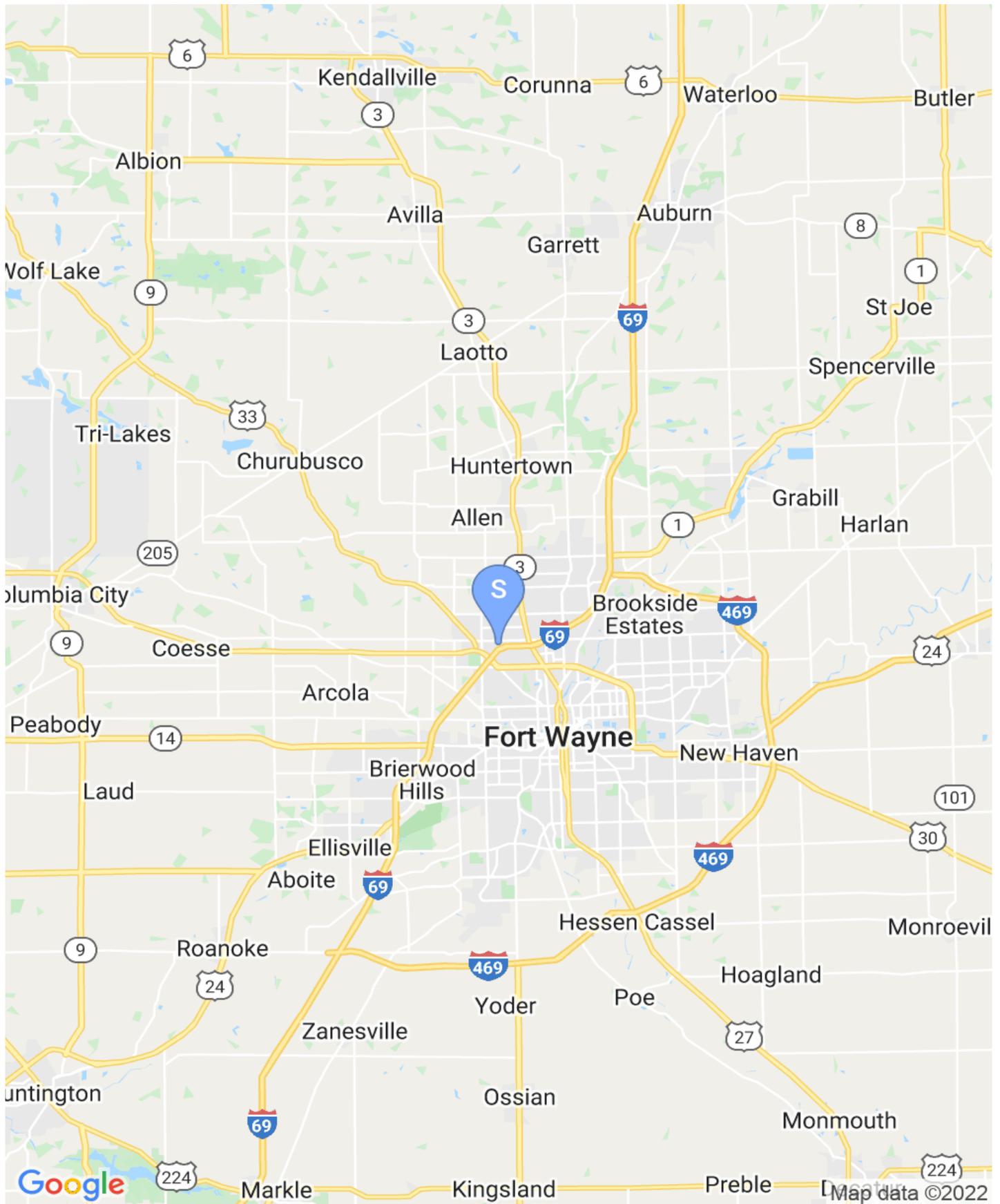
SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Allen County Tax Assessor
Zoning Information	City of Fort Wayne Zoning Code
Site Size Information	Allen County Tax Assessor
Building Size Information	Allen County Tax Assessor
New Construction	City of Fort Wayne / Allen County
Flood Map	InterFlood
Demographics	Pitney Bow es/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Allen County Property Records
Other Property Data	Allen County Property Records
Rent Roll	Ow ner
Income/Expense Statements	Ow ner

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
Chuck Schierbeck, MAI, MICP	Yes	Exterior Only	February 17, 2023
Bruce Nell, MAI, AI-GRS, MRICS	No	-	-
Adam Buchman	No	-	-

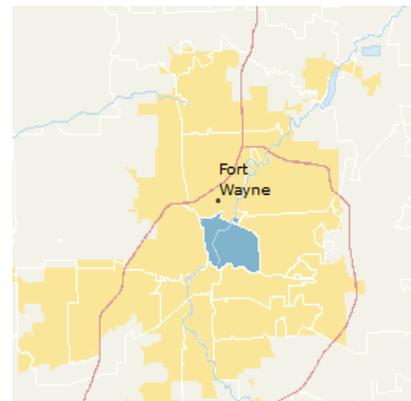
The appraiser was not accompanied by anyone from the property on the inspection. We note that the client for this assignment did not request an in person site visit, however, the property was last inspected on the date indicated above.



INTRODUCTION

The Fort Wayne, IN Metropolitan Statistical Area is comprised of two counties in northeastern Indiana: Allen and Whitley. The MSA is anchored by the city of Fort Wayne. The Fort Wayne metropolitan area is part of the northern Indiana region, with a population of 419,601 at the 2020 census, and is considered part of the Great Lakes Megalopolis.

The MSA's economy is focused on seven core industries, including advanced manufacturing, defense contracting, financial services, and transportation/distribution. Approximately 100 trucking corporations and over 30 companies provide support through two interstates, four U.S. highways, and seven state roads that cross the county. The transportation industry benefits from easy access to Interstates 75, 80, and 90. Fort Wayne International Airport is currently home to four notable carriers: United, Delta, American, and Allegiant Air. The Port of Indiana-Burns Harbor on Lake Michigan and the Port of Toledo on Lake Erie provide access to the Saint Lawrence Seaway. Both ports have an experienced workforce and the facilities needed to deal with bulk, break bulk, project cargo, and containers.



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 Fort Wayne metropolitan area had a 2022 total population of 426,023 and experienced an annual growth rate of 0.7%, which was higher than the Indiana annual growth rate of 0.4%. The metropolitan area accounted for 6.2% of the total Indiana population (6,834,593). Within the metropolitan area the population density was 427 people per square mile compared to the lower Indiana population density of 189 people per square mile and the lower United States population density of 93 people per square mile.

POPULATION			
YEAR	US	IN	CBSA
2020 Total Population	331,501,080	6,785,644	420,208
2022 Total Population	334,017,687	6,834,593	426,023
2027 Total Population	344,637,383	6,977,614	440,945
2020 - 2022 CAGR	0.4%	0.4%	0.7%
2022 - 2027 CAGR	0.6%	0.4%	0.7%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	IN	CBSA
2022 Per Square Mile	93	189	427
2027 Per Square Mile	96	193	442

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2022 median age for the metropolitan area was 36.61, which was 4.81% younger than the United States median age of 38.38 for 2022. The median age in the metropolitan area is anticipated to grow by 0.49% annually, increasing the median age to 37.52 by 2027.

MEDIAN AGE			
YEAR	US	IN	CBSA
2022	38.38	37.87	36.61
2027	39.16	38.63	37.52
CAGR	0.40%	0.40%	0.49%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

The Fort Wayne, IN MSA is home to Indiana's fifth-largest public university, Indiana University-Purdue University Fort Wayne (IPFW), with an annual enrollment of approximately 12,000 students. IPFW is a coeducational public university cooperatively managed by two state university systems: Indiana University and Purdue University. The university offers approximately 200 graduate and undergraduate degree programs within nine colleges and schools, including a branch of the Indiana University School of Medicine. IPFW has an endowment of approximately \$48.6 million. Ivy Tech Community College of Indiana serves the region with the northeast campus in Fort Wayne. The college enrolls approximately 10,000 students annually.

Household Trends

The 2022 number of households in the metropolitan area was 167,568. The number of households in the metropolitan area is projected to grow by 0.8% annually, increasing the number of households to 174,586 by 2027. The 2021 average household size for the metropolitan area was 2.54, which was 1.01% 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 0.05% annually, reducing the average household size by 2026.

NUMBER OF HOUSEHOLDS			
YEAR	US	IN	CBSA
2022	129,171,249	2,713,380	167,568
2027	134,179,366	2,799,110	174,586
CAGR	0.8%	0.6%	0.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	IN	CBSA
2022	2.53	2.45	2.51
2027	2.51	2.43	2.49
CAGR	(0.11%)	(0.19%)	(0.12%)

Source: Pitney Bowes/Gadberry Group - GroundView®

The Fort Wayne metropolitan area had 29.51% renter occupied units, compared to the higher 30.41% in Indiana and the higher 35.54% in the United States.

HOUSING UNITS			
	US	IN	CBSA
Owner Occupied	64.46%	69.59%	70.49%
Renter Occupied	35.54%	30.41%	29.51%

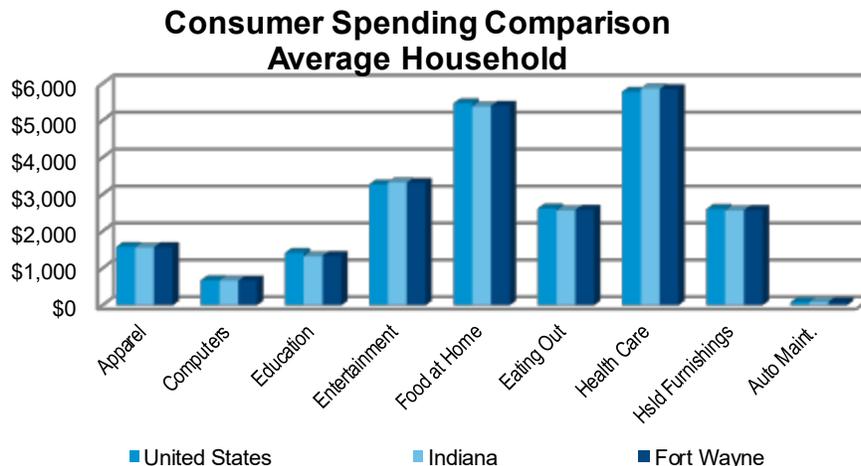
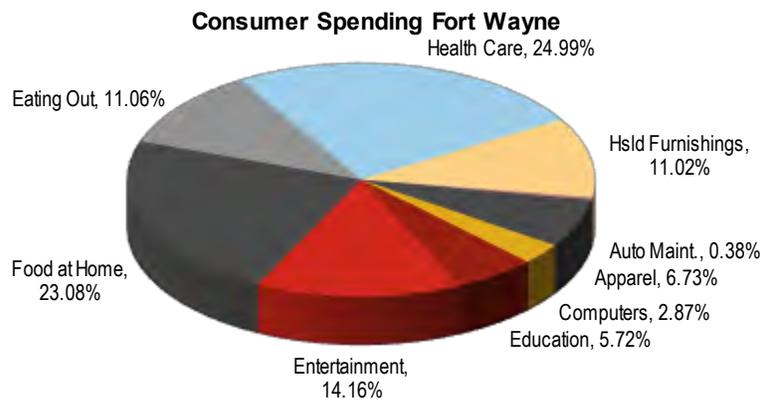
Source: Pitney Bowes/Gadberry Group - GroundView®

The 2021 median household income for the metropolitan area was \$58,541, which was 11.8% lower than the United States median household income of \$66,358. The median household income for the metropolitan area is projected to grow by 3.7% annually, increasing the median household income to \$70,351 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 Fort Wayne, IN MSA's cost of living is 87.5 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	IN	CBSA
2022	\$71,362	\$63,478	\$64,109
2027	\$89,318	\$78,722	\$78,906
CAGR	4.6%	4.4%	4.2%

Source: Pitney Bowes/Gadberry Group - GroundView®

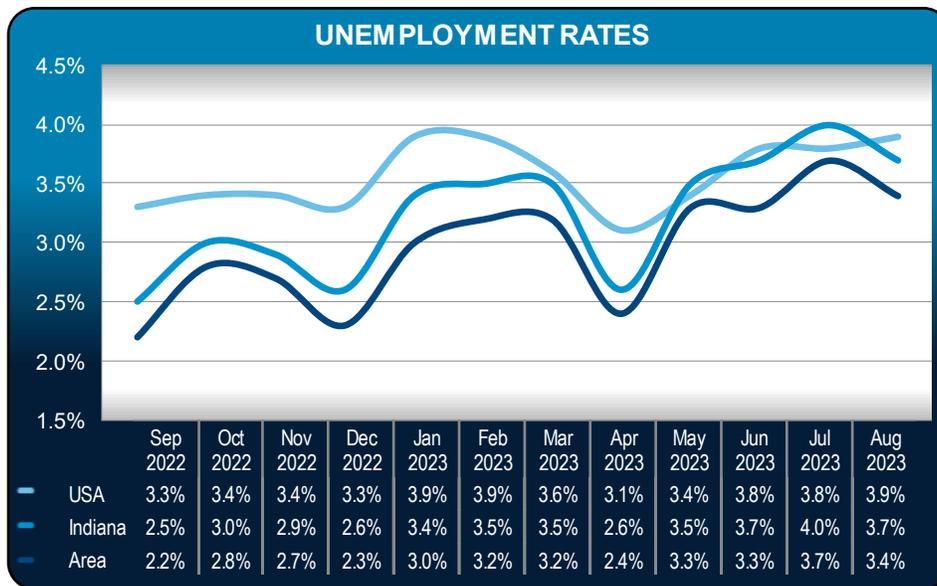


EMPLOYMENT

Total employment has increased annually over the past decade in the state of Indiana by 1.2% and increased annually by 1.4% in the area. From 2021 to 2022 unemployment decreased in Indiana by 0.9% and decreased by 1.1% in the area. In the state of Indiana unemployment has decreased over the previous month by 0.3% and decreased by 0.3% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2013 - 2022							
TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Indiana		Fort Wayne, IN Metropolitan Statistical Area		United States*	Indiana	Fort Wayne, IN Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2013	2,953,672	1.4%	190,025	1.1%	7.4%	7.5%	7.3%
2014	3,036,685	2.8%	194,804	2.5%	6.2%	5.9%	5.6%
2015	3,109,791	2.4%	199,672	2.5%	5.3%	4.8%	4.5%
2016	3,186,420	2.5%	203,699	2.0%	4.9%	4.4%	4.1%
2017	3,217,049	1.0%	205,689	1.0%	4.4%	3.5%	3.2%
2018	3,276,805	1.9%	210,679	2.4%	3.9%	3.4%	3.1%
2019	3,291,950	0.5%	213,817	1.5%	3.7%	3.3%	3.1%
2020	3,102,706	(5.7%)	201,541	(5.7%)	8.1%	7.3%	7.6%
2021	3,225,060	3.9%	209,068	3.7%	5.3%	3.9%	3.9%
2022	3,302,632	2.4%	215,521	3.1%	3.6%	3.0%	2.8%
CAGR	1.2%	-	1.4%	-	-	-	-

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



The preceding chart depicts unemployment trends in the region, Indiana and the U.S. Overall levels of unemployment in the region experienced a minor decline throughout the past three months. By the end of December 2021, unemployment in the region was 0.3% lower than Indiana’s and 2.5% lower than the national average.

TOP EMPLOYERS

EMPLOYER NAME	INDUSTRY
Parkview Health	Healthcare/Social Assistance
General Motors	plant for the GMC Sierra and Chevy Silverado
Lutheran Health Network	Regional healthcare system
Sweetwater Sound	Online music technology and instrument retailer
Lincoln Financial Group	Insurance and financial services
Amazon	E-commerce and logistics
BFGoodrich	Rubber tire manufacturer
Shambaugh & Son	Engineering, construction, and manufacturing
Fort Wayne Metals	Electrical wire R&D, manufacturing, and distribution
Master Spas	Manufacturer of swim spas and hot tubs

Source: <http://www.hoosierdata.in.gov>

The preceding chart depicts the top employers in Allen County. Principal employers in the region are spread throughout the healthcare/social assistance sector. Parkview Birthing Center is one of the largest employers in the area. The center is at Parkview Women's & Children Hospital on the campus of Parkview Regional Medical Center. Parkview Health is among the county's largest employers. The health system serves Northeast Indiana and is comprised of seven hospitals, including Parkview Regional Medical Center, the flagship hospital in Fort Wayne. Lutheran Hospital is also among the top employers. As part of the Lutheran Health Network, Lutheran Hospital is a 396-bed tertiary care facility that provides healthcare services to patients in Fort Wayne, northeastern Indiana, and northwestern Ohio.

AIRPORT STATISTICS

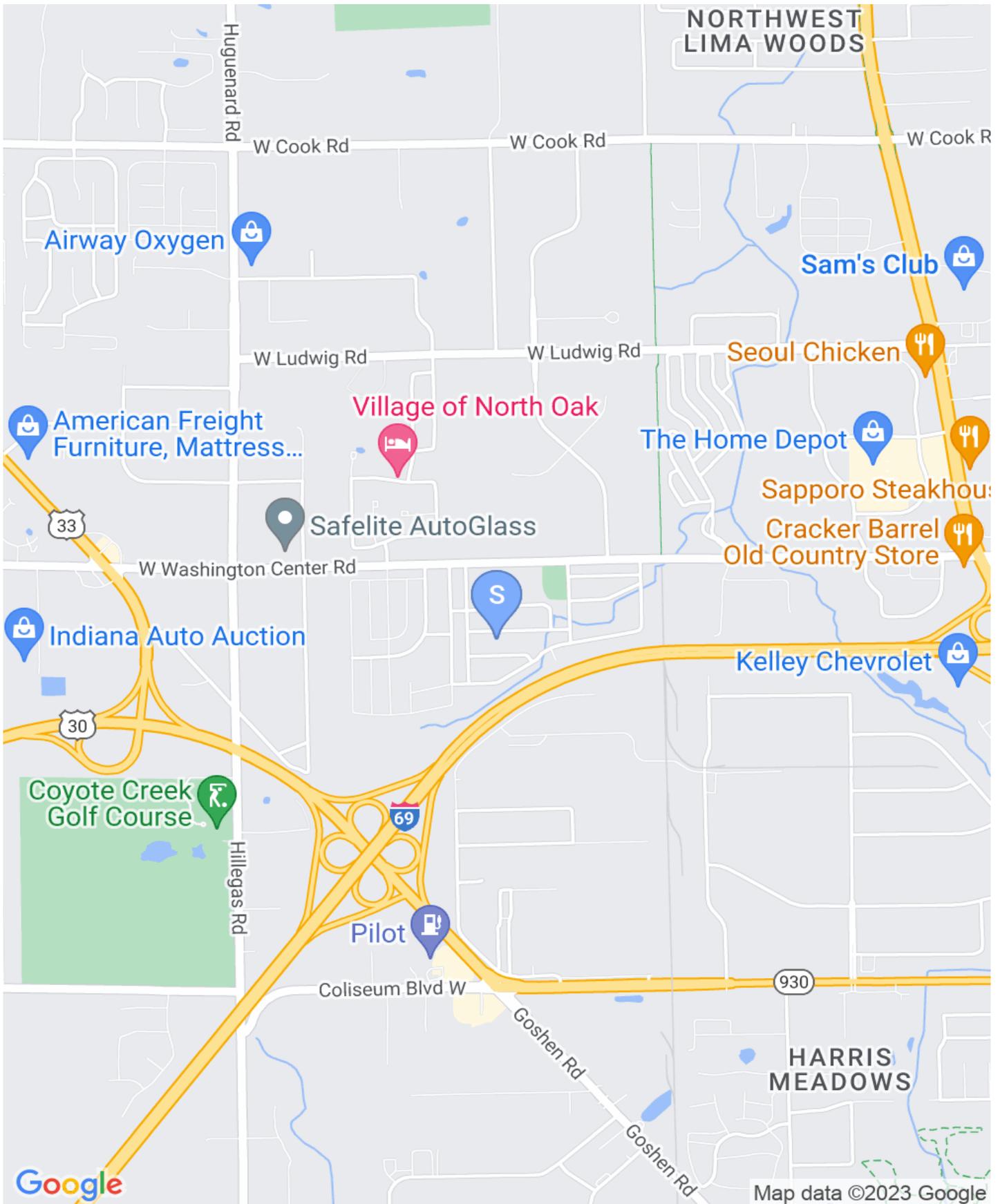
The following chart summarizes the local airport statistics.

FORT WAYNE INTERNATIONAL AIRPORT (FWA)		
YEAR	ENPLANED PASSENGERS	% CHG
2010	273,056	-
2011	272,796	(0.1%)
2012	280,732	2.9%
2013	294,968	5.1%
2014	323,252	9.6%
2015	353,872	9.5%
2016	360,369	1.8%
2017	359,658	(0.2%)
2018	372,030	3.4%
2019	402,400	8.2%
2020	213,125	(47.0%)

Source: U.S. Department of Transportation

SUMMARY

The Fort Wayne, IN MSA continues to be the economic center of Northeast Indiana. The regional economy has achieved significant diversification with industries including manufacturing, aerospace, defense, distribution, and logistics. Real estate in the Fort Wayne market should ultimately enjoy relative strength in terms of value stability and appreciation for the foreseeable future.



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 Fort Wayne, Indiana, the seat of Allen County. According to the 2020 census, the population was 263,886. The city is approximately 140 miles northeast of Indianapolis, 18 miles west of the Ohio border, and 50 miles south of the Michigan border. The city is served by Interstates 69 and 469, U.S. Routes 27 and 30, and State Routes 3, 14 and 930. Air transportation is provided by Fort Wayne International Airport, a commercial service airport approximately eight miles southwest of the city's downtown area.

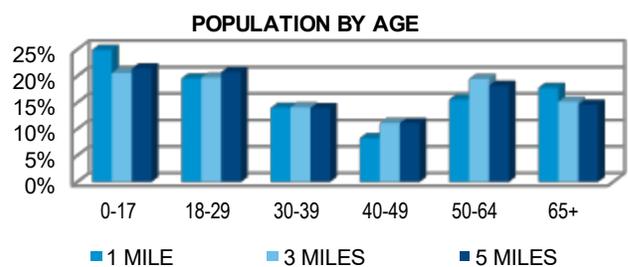
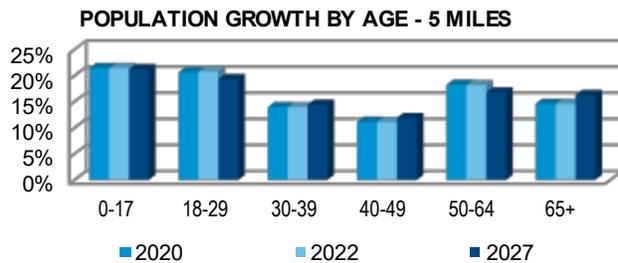
DEMOGRAPHIC PROFILE

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			
2010 Population	2,746	38,138	118,745	2022	\$48,057	\$67,617	\$73,451
2020 Population	2,802	39,733	124,703	2027	\$59,461	\$82,967	\$92,565
2022 Population	2,855	40,459	125,263	Change 2022-2027	23.73%	22.70%	26.02%
2027 Population	2,813	41,500	128,517	MEDIAN HOUSEHOLD INCOME			
Change 2010-2020	2.04%	4.18%	5.02%	2022	\$40,967	\$57,792	\$57,679
Change 2020-2022	1.89%	1.83%	0.45%	2027	\$47,089	\$68,540	\$71,267
Change 2022-2027	(1.47%)	2.57%	2.60%	Change 2022-2027	14.94%	18.60%	23.56%
POPULATION 65+				PER CAPITA INCOME			
2020 Population	504	6,028	18,203	2022	\$19,568	\$29,274	\$31,983
2022 Population	507	6,122	18,268	2027	\$24,422	\$36,145	\$40,583
2027 Population	532	7,034	20,945	Change 2022-2027	24.80%	23.47%	26.89%
Change 2020-2022	0.60%	1.56%	0.36%	2022 HOUSEHOLDS BY INCOME			
Change 2022-2027	4.93%	14.90%	14.65%	<\$15,000	14.4%	8.3%	9.2%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	17.3%	9.9%	10.4%
2010 Households	1,283	15,994	48,762	\$25,000-\$34,999	12.4%	10.4%	10.6%
2020 Households	1,266	17,131	52,532	\$35,000-\$49,999	18.7%	15.0%	13.9%
2022 Households	1,268	17,324	52,713	\$50,000-\$74,999	22.4%	23.1%	19.9%
2027 Households	1,265	17,883	54,531	\$75,000-\$99,999	8.7%	15.5%	14.6%
Change 2010-2020	(1.33%)	7.11%	7.73%	\$100,000-\$149,999	3.4%	12.5%	13.6%
Change 2020-2022	0.16%	1.13%	0.34%	\$150,000-\$199,999	1.8%	3.5%	4.5%
Change 2022-2027	(0.24%)	3.23%	3.45%	\$200,000 or greater	0.9%	1.7%	3.4%
HOUSING UNITS (2022)				MEDIAN HOME VALUE			
Owner Occupied	1,157	11,042	31,616	AVERAGE HOME VALUE	\$32,344	\$107,277	\$122,922
Renter Occupied	142	6,257	21,048	HOUSING UNITS BY UNITS IN STRUCTURE			
HOUSING UNITS BY YEAR BUILT				1, detached	418	11,033	34,374
Built 2010 or later	35	767	2,364	1, attached	2	426	1,246
Built 2000 to 2009	97	1,656	5,661	2	0	448	1,815
Built 1990 to 1999	382	3,030	7,592	3 or 4	0	603	2,342
Built 1980 to 1989	375	2,511	6,010	5 to 9	0	1,100	3,570
Built 1970 to 1979	185	2,288	6,340	10 to 19	36	1,137	2,914
Built 1960 to 1969	24	2,519	6,897	20 to 49	0	308	1,909
Built 1950 to 1959	78	2,290	6,283	50 or more	0	446	2,317
Built 1940 to 1949	79	850	3,069	Mobile home	843	1,798	2,173
Built 1939 or earlier	14	1,413	8,497	Boat, RV, van, etc.	0	0	5

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 69	north-south	Interstate Highway	This is within two miles of the subject property.
U.S. Route 27	north-south	Local Highway	This is within two miles of the subject property.
U.S. Route 33	north-south	Local Highway	This is within two miles of the subject property.
U.S. Route 30	east-west	Local Highway	This is within one mile of the subject property.
State Route 14	east-west	Local Highway	This is within seven miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
West Washington Center Road	east-west	Secondary Arterial	The subject property fronts this street.

Public transportation is available near the subject property. The immediate area is served by Fort Wayne Citilink, with bus stops on West Washington Center Road.

Economic Factors

Fort Wayne has a diversified economy supported by a group of industries, including manufacturing, education, tourism, logistics, and financial services. Manufacturing companies based in Fort Wayne includes the General Motors Fort Wayne assembly plant, which is one of the top employers in the city with approximately 3,000 employees. The headquarters of several insurance companies are in Fort Wayne, such as Lincoln Financial Group, which is one of the largest insurance companies in the country. Steel Dynamics is the only Fortune 500 Company headquartered in the city. The area is a center for the defense industry with companies such as BAE Systems, Harris Corporation, Raytheon Systems, and the Fort Wayne Air National Guard Station. The tourism industry in Fort Wayne benefits from the presence of several museums, hotels, festival parks, and meeting facilities. Parkview Health System and Lutheran Health Network are among the city's five top employers.

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).

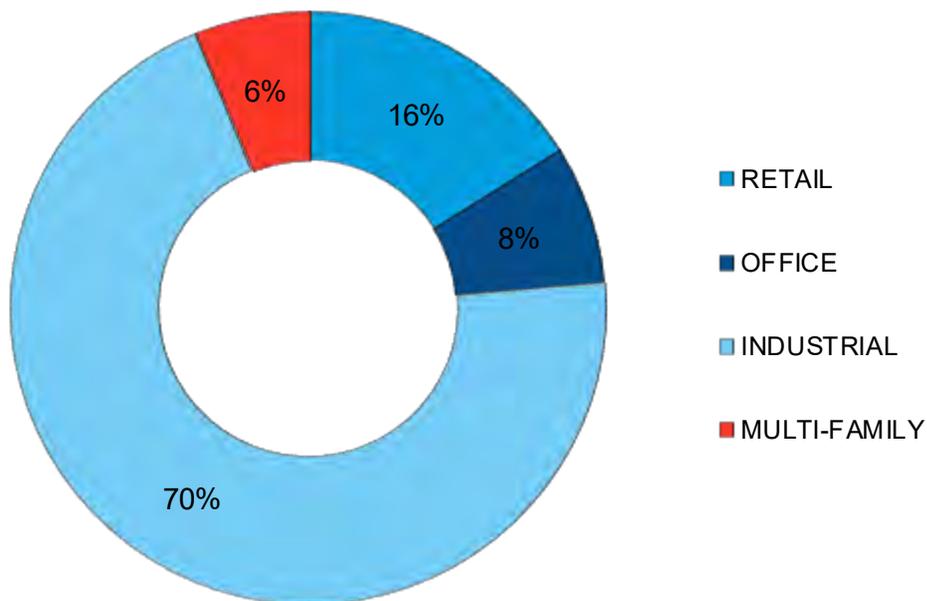
IMMEDIATE AREA PROFILE

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

COMMERCIAL AREA COMPOSITION



©CoStar

Residential Development

Residential users in the immediate area are primarily single-family residential. According to Zillow.com the typical home value in Fort Wayne, IN is \$217,937. The home values have increased 7.3% over the last year.

Fort Wayne



Multi-Family Development

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

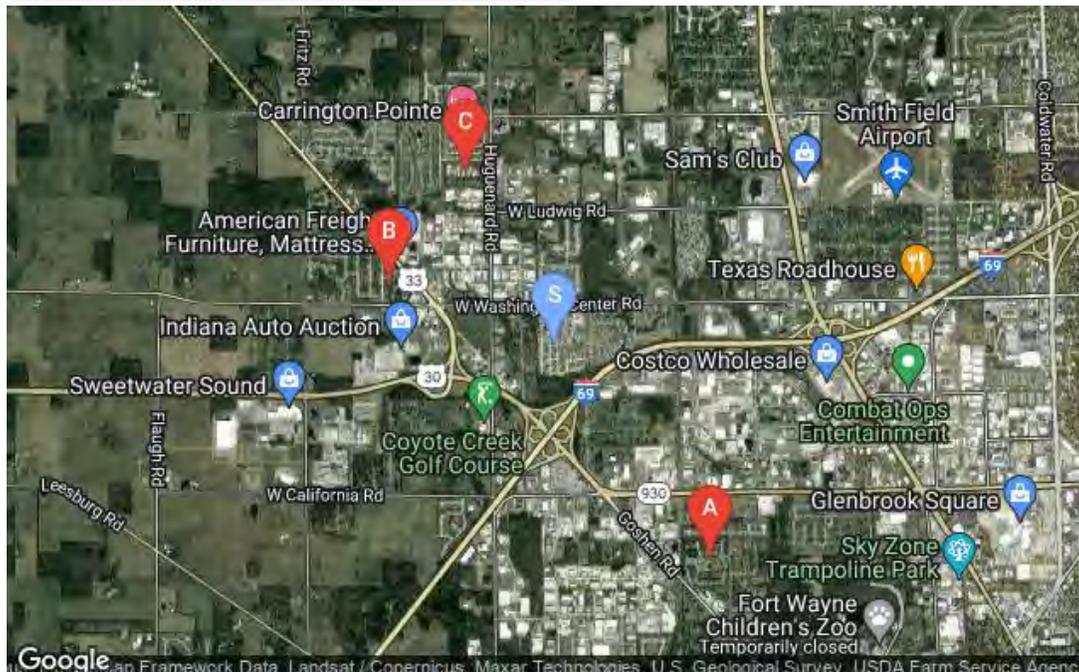
MULTI-FAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
B	1	78,197	2010
C	2	624,126	1975
TOTAL	3	702,323	1987

Source: CoStar

The largest three multi-family properties are at 2102 Point West Drive, 4560 Craftsbury Circle and 6901 Huguenard Road with an NRA of 430,000 SF, 194,126 SF and 78,197 SF that were built in 1978, 1972 and 2010, respectively. The closest large multi-family property in proximity to the subject is the second property which is detailed above. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the three largest multi-family properties in the immediate area from CoStar.

LARGEST MULTI-FAMILY PROPERTIES							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT	
West Wind Apartments	1.4 Miles	A	C	430,000	2	1978	
Brandy Chase Apartments and Townhomes	0.9 Miles	B	C	194,126	2	1972	
Edward Estates	1.0 Miles	C	B	78,197	1	2010	

Source: CoStar



Retail Development

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

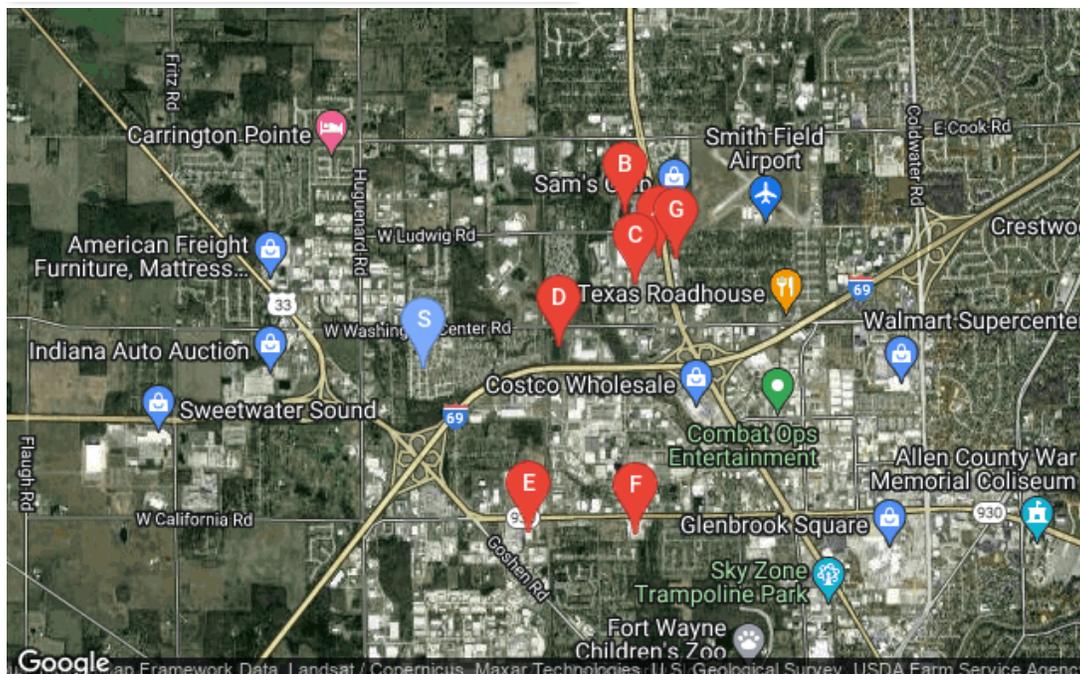
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	128	1,837,428	1984	99.7	\$11.50
TOTAL	128	1,837,428	1984	99.7	\$11.50

Source: CoStar

The largest three retail properties are at 6309 Lima Road, 6931 Lima Road and 6235 Lima Road with an NRA of 195,426 SF, 150,672 SF and 109,733 SF that were built in 1993, 2000 and 1994, respectively. The closest large retail property in proximity to the subject is at 5807-5815 West Creek Boulevard with an NRA of 97,495 SF that was built in 1999. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the seven largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Cross Creek	1.4 Miles	A	Power Center	195,426	100.0	1993	N/Av
Low e's Home Improvement	1.3 Miles	B	General Retail	150,672	100.0	2000	N/Av
Retail Building	1.2 Miles	C	Power Center	109,733	100.0	1994	N/Av
Furniture Row	0.7 Miles	D	Neighborhood Center	97,495	100.0	1999	N/Av
Retail Building	1.0 Miles	E	General Retail	69,335	100.0	1980	N/Av
Retail Building	1.4 Miles	F	General Retail	59,135	100.0	1981	N/Av
Retail Building	1.4 Miles	G	General Retail	49,016	100.0	1999	N/Av

Source: CoStar



Office Development

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

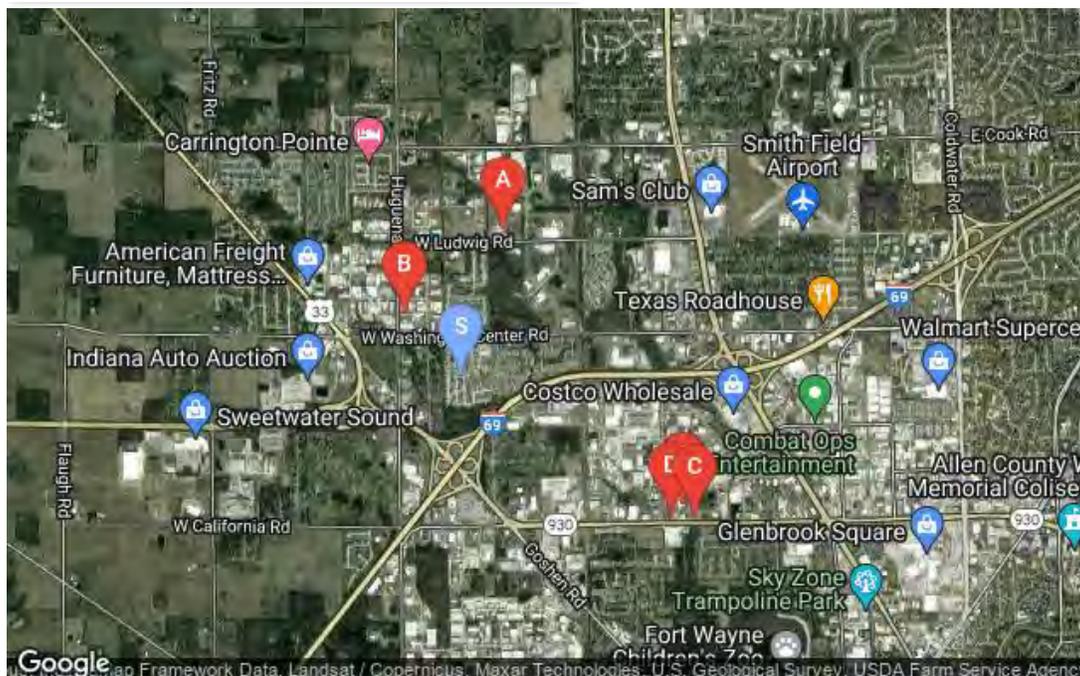
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	1	200,000	2020	0.0	\$20.00
B	23	469,254	1987	97.3	\$13.75
C	33	188,307	1980	97.0	-
TOTAL	57	857,561	1984	95.4	\$14.01

Source: CoStar

The largest three office properties are at 2930 West Ludwig Road, 6030-6038 Huguenard Road and 1415 Directors Row with an NRA of 25,796 SF, 24,000 SF and 20,000 SF that were built in 1999, 2010 and 1974, respectively. The closest large office property in proximity to the subject is the second property which is detailed above. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the five 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	0.8 Miles	A	C	25,796	100.0	1999	N/Av
Office Building	0.4 Miles	B	B	24,000	75.0	2010	\$15.00
Interstate Business Park	1.4 Miles	C	B	20,000	100.0	1974	N/Av
Office Building	1.3 Miles	D	C	18,679	100.0	1974	N/Av
Office Building	1.4 Miles	E	C	10,660	100.0	1965	N/Av

Source: CoStar



Industrial Development

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

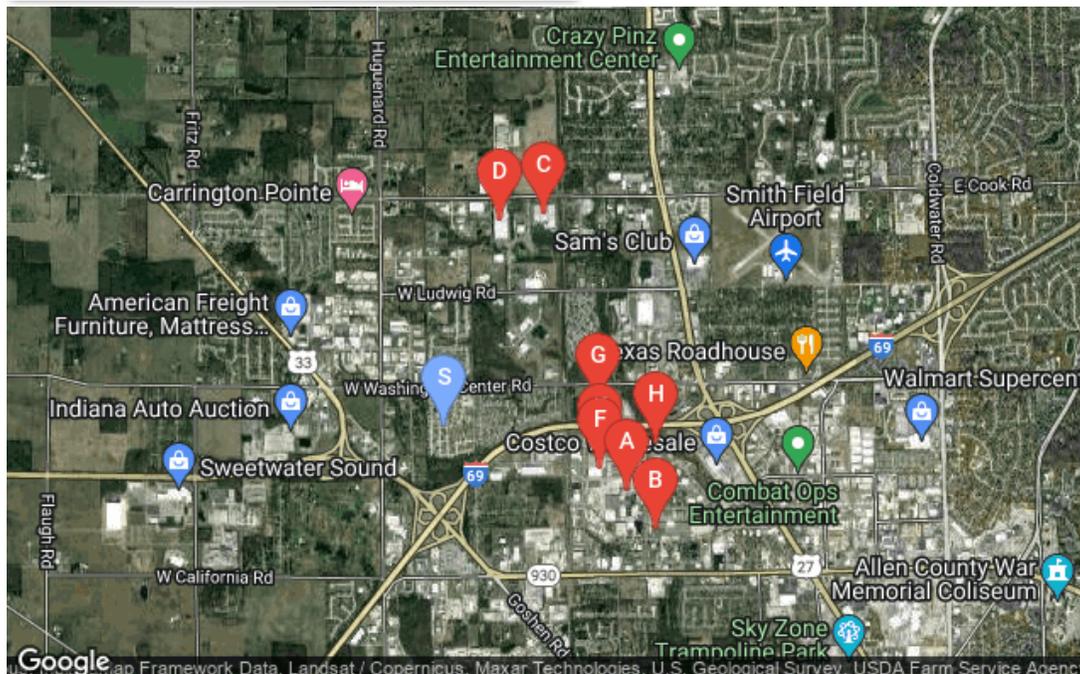
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	228	7,148,180	1985	99.2	\$7.24
Flex	45	855,888	1989	94.3	\$7.55
TOTAL	273	8,004,068	1985	98.4	\$7.29

Source: CoStar

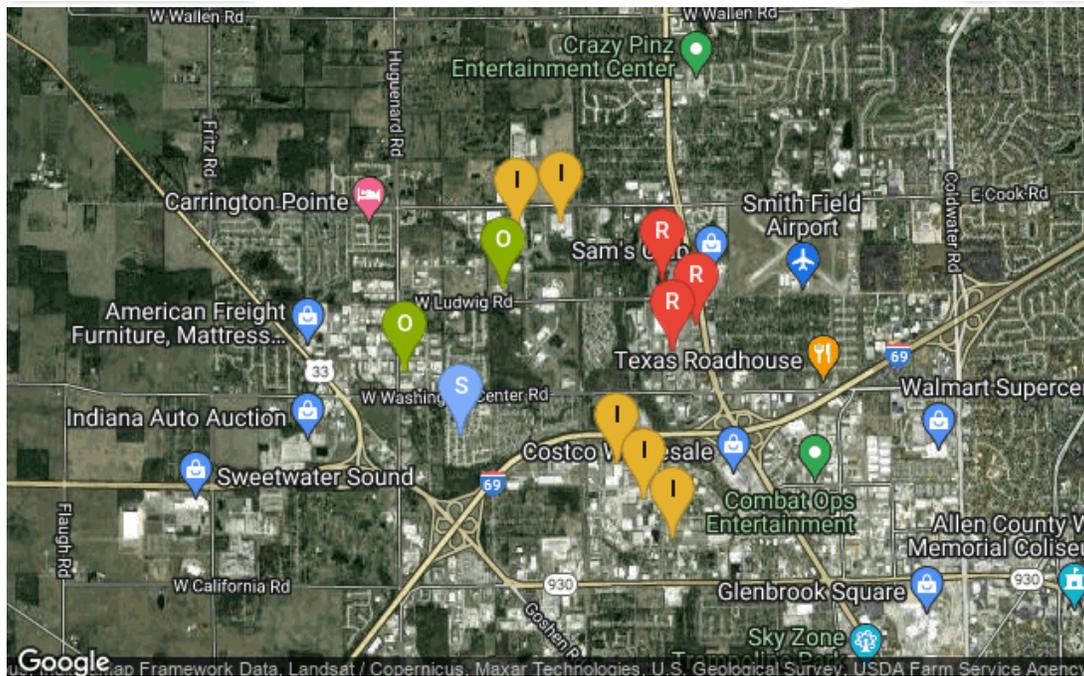
The largest three industrial properties are at 4815 Executive Boulevard, 4640 Executive Boulevard and 7310 Innovation Boulevard with an NRA of 703,285 SF, 461,353 SF and 300,000 SF that were built in 1968, 1959 and 1985, respectively. The closest large industrial property in proximity to the subject is at 2219 Contractors Drive with an NRA of 175,000 SF that was built in 1995. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the eight largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Supervalu Distribution Center	1.0 Miles	A	Industrial	703,285	100.0	1968	N/Av
Parkview Distribution Center	1.2 Miles	B	Industrial	461,353	100.0	1959	N/Av
Summit Park	1.2 Miles	C	Industrial	300,000	81.7	1985	\$5.50
Industrial Building	1.1 Miles	D	Industrial	188,971	100.0	1990	N/Av
Industrial Building	0.8 Miles	E	Industrial	187,409	100.0	1968	N/Av
Power Wheels Building	0.9 Miles	F	Industrial	186,000	100.0	1968	N/Av
Ferguson Building	0.8 Miles	G	Industrial	175,000	100.0	1995	N/Av
Industrial Building	1.1 Miles	H	Flex	121,762	0.0	1969	\$7.78

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** - West Washington Center Road, Vacant Land, Hatfield Cemetery, MHC: The Village of North Oak, Retail: Wayne Pipe and Supply, Inc., A & W Furniture & Appliance Liquidators Inc., Washboard, Dave Hill's, Dollar General, Patton Landscape Co Inc
- › **South** - U.S. Route 30, Vacant Land, Office: Indiana Department of Transportation, Industrial: Nishikawa Cooper
- › **East** - Retail: Furniture Now
- › **West** - Retail: A & W Furniture & Appliance Liquidators Inc., Manufactured Housing Community: Valley Hills West

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 an average to good position in context of competing properties. Fort Wayne is home to nationally renowned corporations serving as the backbone for the city's economy and its continued growth. The presence of industries contributes to the city's economic stability. It is anticipated that the area will continue to be a part of a growing regional economy, thus resulting in stable to moderately increasing property values and rental rates.

General Description The subject site consists of 1 parcel. As noted below, the subject site has 6,401,578 SF (146.96 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 02-07-21-200-006.000-073

Number Of Parcels 1

Land Area	Acres	Square Feet
Primary Parcel	135.25	5,891,273
Excess Land	0.00	0
<u>Surplus Land</u>	<u>11.72</u>	<u>510,305</u>
Total Land Area	146.96	6,401,578

Shape Irregular - See Plat Map For Exact Shape

Topography Level at street grade

Zoning Manufactured Home Park District (MHP, R1, & I1)

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
W Washington Center Rd	Secondary Street	two-way	two-lane	minor arterial	✓	✓			

Frontage The subject has approximately 2030 feet of frontage on West Washington Center Road.

Accessibility **Average** - The subject is located within one mile of U.S. Route 30, within two miles of Interstate 69 and within two miles of U.S. Route 27. Access to the subject is offered through a full-access driveway and a right-in-right-out driveway on West Washington Center Road.

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

Seismic The subject is in a low risk zone.

Flood Zone The subject property is located in the following zones: Zone X (Unshaded) and Zone AE. Only small portions of the subject property are located within a flood plain. There do appear to be some homesites in the flood plain. It is assumed that any home in the flood plain is either elevated above the flood plain or has been adequately insured. This is referenced by Community Number 180003, Panel Number 18003C0170G, dated August 03, 2009. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage

system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.) Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.)

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.

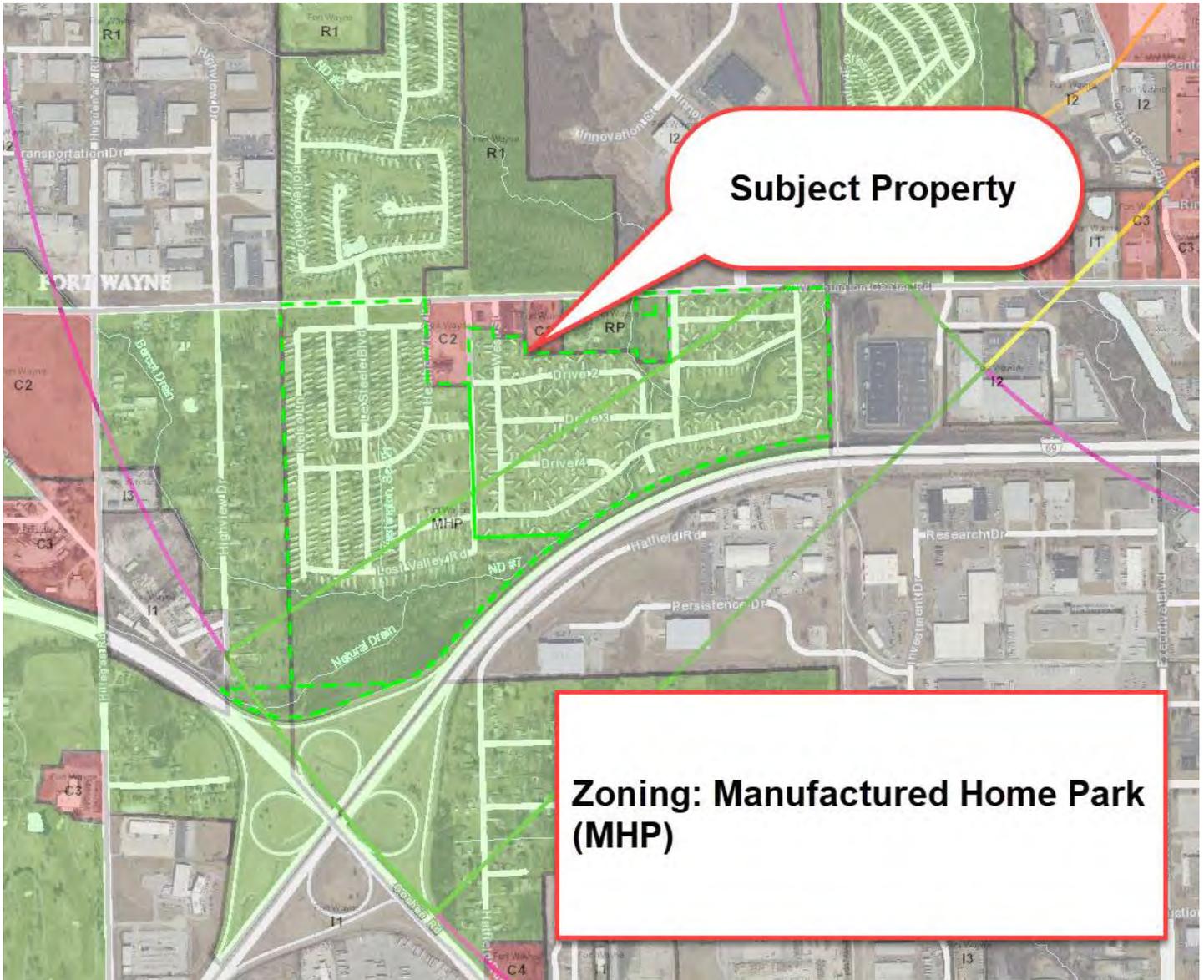
Conclusion

Overall, the subject site is considered a 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.

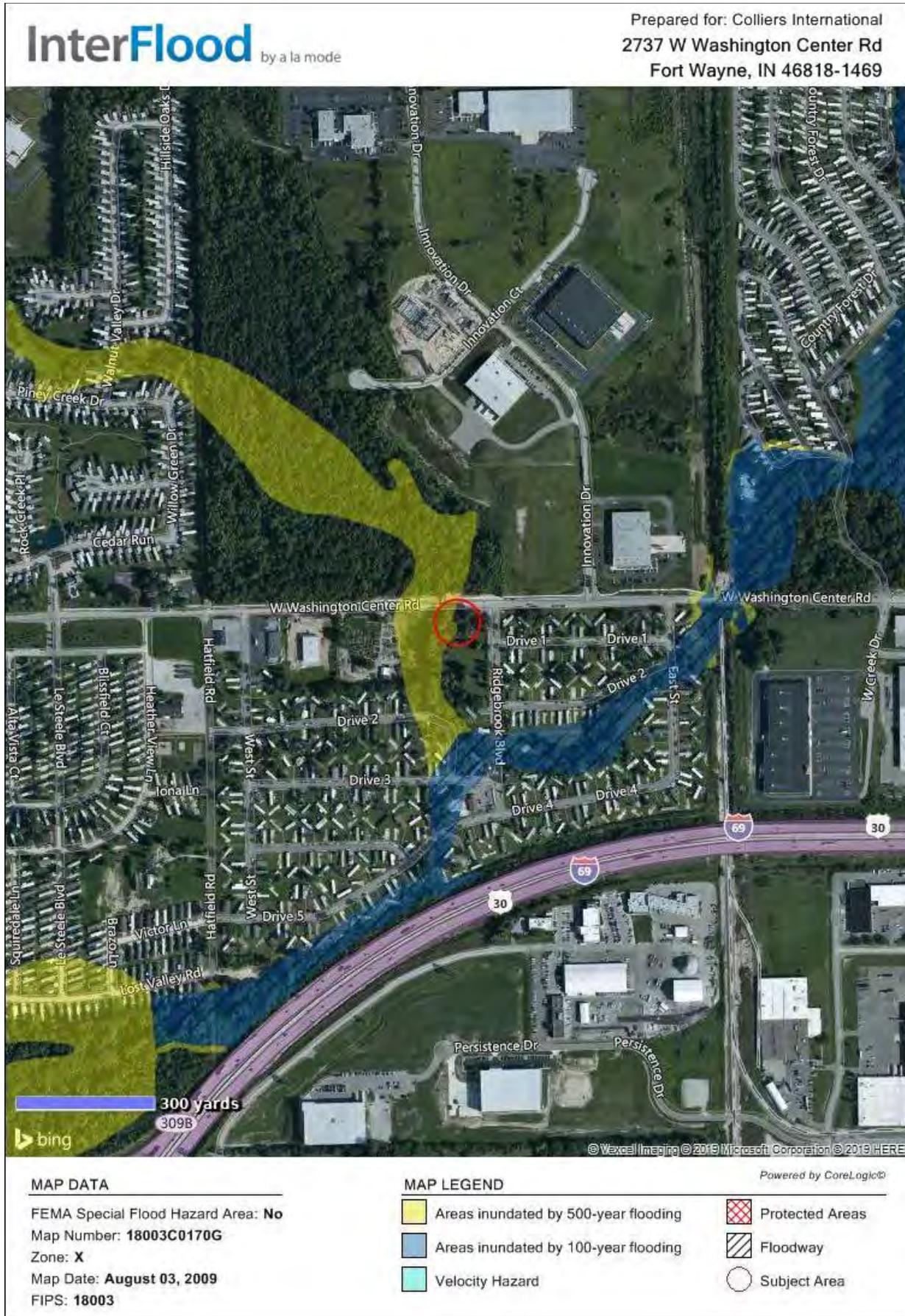
PLAT MAP



ZONING MAP

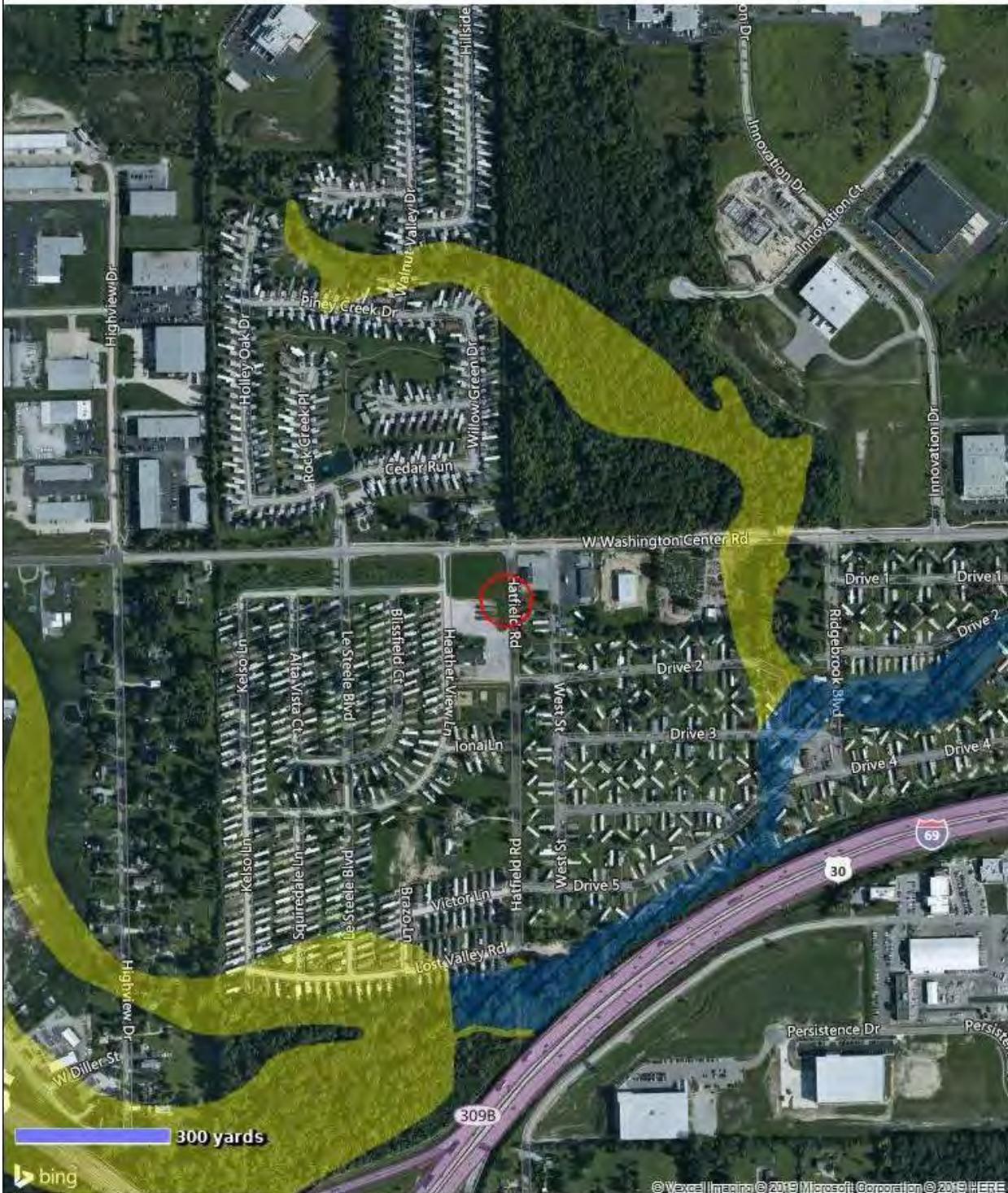


FLOOD MAP



InterFlood by a la mode

Prepared for: Colliers International
 5725 Hatfield Rd
 Fort Wayne, IN 46818-1689



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **18003C0170G**
 Zone: **X**
 Map Date: **August 03, 2009**
 FIPS: **18003**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

Powered by CoreLogic®

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 Age
Number of Homesites	738
Number Of Common Area Buildings	2
Year Built	1968
Age/Life Analysis	
Actual Age	55 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	5.0 Sites/Acre (738 Sites / 135.25 Acres)
Parking Total	771
Homesite Parking Spaces	751 - Concrete
Visitor Parking Spaces	20 - At Clubhouse
Parking Spaces/Homesite	1.0
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.

HOMESITE MIX		
HOMESITE TYPES	NO. HOMESITES	% OF TOTAL
Single Section	553	74.9%
Multi-Section	185	25.1%
TOTAL	738	100%

Common Area Buildings The chart below details the common area buildings at the subject property.

BUILDING DESCRIPTION GRID

BUILDING	ADDRESS	GBA	YEAR		QUALITY	CONDITION
			BUILT	CONSTRUCTION		
Clubhouse/Office	Ridgebrook Blvd.	2,040	1968	Brick	Average	Average
Maintenance Barn	Ridgebrook Blvd.	2,292	1968	Wood Frame	Average	Average
TOTAL		4,332				

Project Amenities	The subject's common amenities include: clubhouse, pool, basketball court, and playground.
Site Improvements	Asphalt streets, curbs, gutters 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, no observable deferred maintenance exists.
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 B 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 Allen County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2023		Tax Rate		1.9577%	
Tax District	073		Taxes Current		Yes	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
02-07-21-200-006.000-073	\$5,040,800	\$7,641,700	\$12,682,500	\$0	\$12,682,500	\$293,449
Totals	\$5,040,800	\$7,641,700	\$12,682,500	\$0	\$12,682,500	\$293,449
Total/Homesite	\$6,830	\$10,355	\$17,185	\$0	\$17,185	\$398

Source: Allen County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

The total taxable value for the subject property is \$12,682,500 or \$17,185/Homesite. There are no exemptions in place. Total taxes for the property are \$293,449 or \$398/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 Allen County is assessed at 100% of market value. Real property is reassessed every four years and updated annually. The next scheduled reassessment date will be during 2024. In addition to scheduled reassessments, properties in Allen County are reassessed upon conversion, renovation or demolition.

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

TAX COMPARABLES

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

TAX COMPARABLES										
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	LOW	HIGH	AVG
Property Name	Ridgebrook Hills MHC	Cedarwood Trails MHC	Countryside Village Fort Wayne	Apple Valley	Southtown MHC	Country Court Estates	Stonecrest MHC			
Address	2737 W Washington Center Rd	6008 Moeller Road	2320 West Washington Center Road	10326 Old Leo Road	7555 Decatur Road	10744 US 27 Hwy. S	4381 Bade Drive			
City, State	Fort Wayne, IN	Fort Wayne, IN	Fort Wayne, IN	Fort Wayne, IN	Fort Wayne, IN	Fort Wayne, IN	Fort Wayne, IN			
APN	02-07-21-200-006.000-073	02-13-16-400-007.000-041	02-07-15-301-003.000-073	02-08-04-202-002.000-063	02-13-31-126-009.000-070	02-18-08-100-004.000-051, 02-18-07-200-003.000-051	02-13-28-351-004.000-077, 02-13-28-351-005.000-077			
Year Built	1968	1970	1970	1980	1956	1969	1960			
Homesites	738	290	295	106	143	245	140			
Taxable \$	\$12,682,500	\$2,061,100	\$2,764,700	\$1,131,700	\$2,154,300	\$1,704,000	\$1,422,300			
Taxable \$/Site	\$17,185	\$7,107	\$9,372	\$10,676	\$15,065	\$6,955	\$10,159			
Total Taxes	\$293,449	\$39,906	\$59,760	\$17,391	\$48,150	\$24,006	\$32,456	\$17,391	\$59,760	\$36,945
Taxes Per Site	\$398	\$138	\$203	\$164	\$337	\$98	\$232	\$98	\$337	\$195

The comparable properties reflect taxes ranging from \$98 to \$337/Homesite with an average of \$195/Homesite. The taxes for the subject property are just above this range.

CONCLUSION

The subject property is assessed in line with comparable properties. Therefore, it is our opinion that the subject's real estate assessment and taxes are at market levels.

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	City of Fort Wayne Planning & Zoning Department
Current Zoning	Manufactured Home Park District (MHP, R1, & I1)
Permitted Uses	Manufactured home, type III; manufactured home project under single ownership (including model home but excluding sales or service lot); accessory building, structure, or use; common areas used for a clubhouse, neighborhood center, swimming pool, tennis court, or other similar assembly or recreation facility, in association with an approved development plan; and universally permitted use.
Prohibited Uses	Any other use not listed above
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 development plan approval within this zone
Minimum Yard Setbacks	
Front (Feet)	5
Rear (Feet)	5
Side (Feet)	5
Subject Density (Homesites/Acre)	5.0
Maximum Building Height (Feet)	40

SUBJECT PARKING REQUIREMENT			
	Homesites	Required Spaces/Site	Required Spaces
Single Section	553	1.00	553
Multi-Section	185	1.00	185
Required Parking Spaces			738
Parking Spaces Provided			771

Source: City of Fort Wayne 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 an interview with the City of Fort Wayne 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. Parcel 02-07-21-326-001.000-073 also contains small parts that are zoned R1 and I1. No improvements are in these areas.

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 a 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 are 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 the 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.

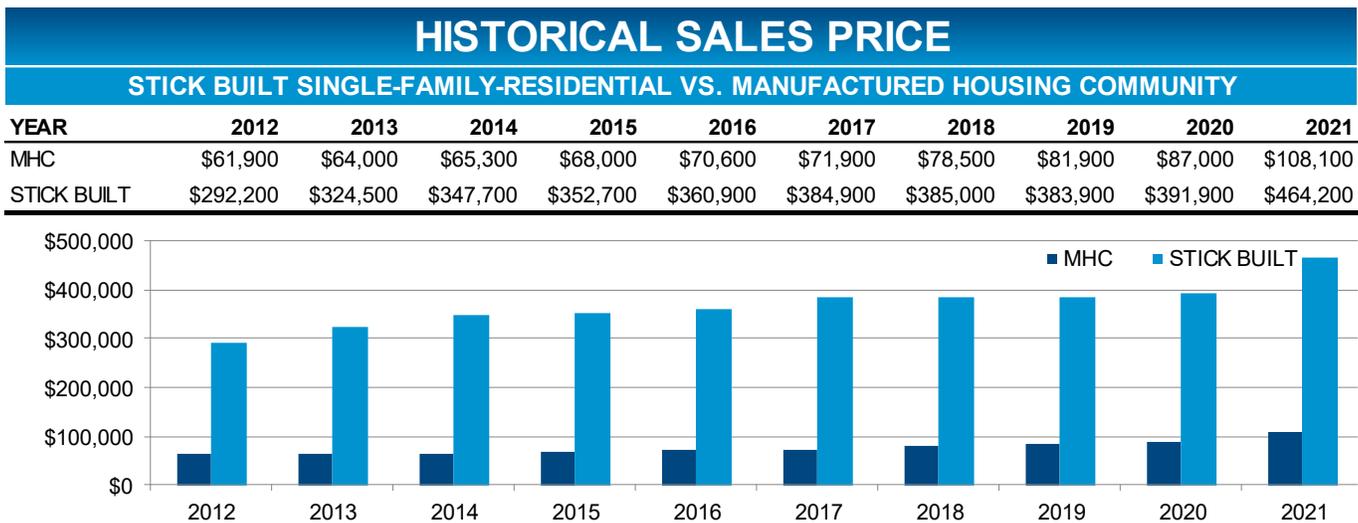
Regarding the “wind factor,” most homes are built to withstand winds of up to 70 miles per hour. Tornadoes usually have winds ranging from 112 to 200 miles per hour. Neither site built homes nor manufactured homes are designed to withstand these excessive winds. Manufactured homes have also had the perception 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.

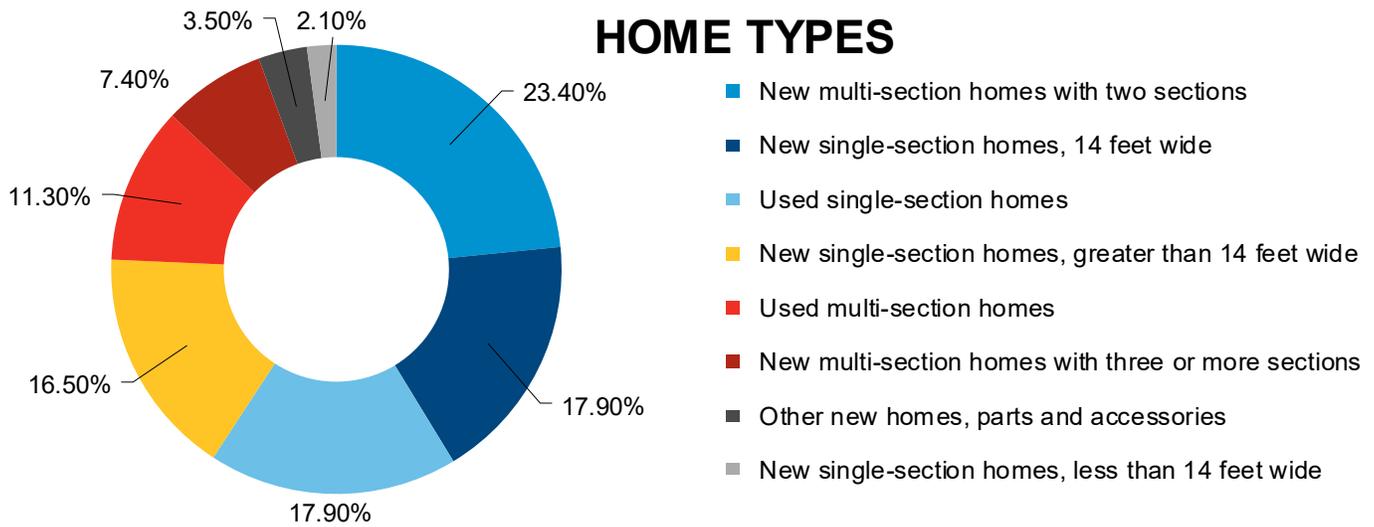
The construction and design of manufactured housing has greatly improved and has proven more cost effective than conventional site-built housing. Factory built homes typically cost 33% to 50% of comparable site built houses. This lower cost is attributed to factors involved in the actual construction 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

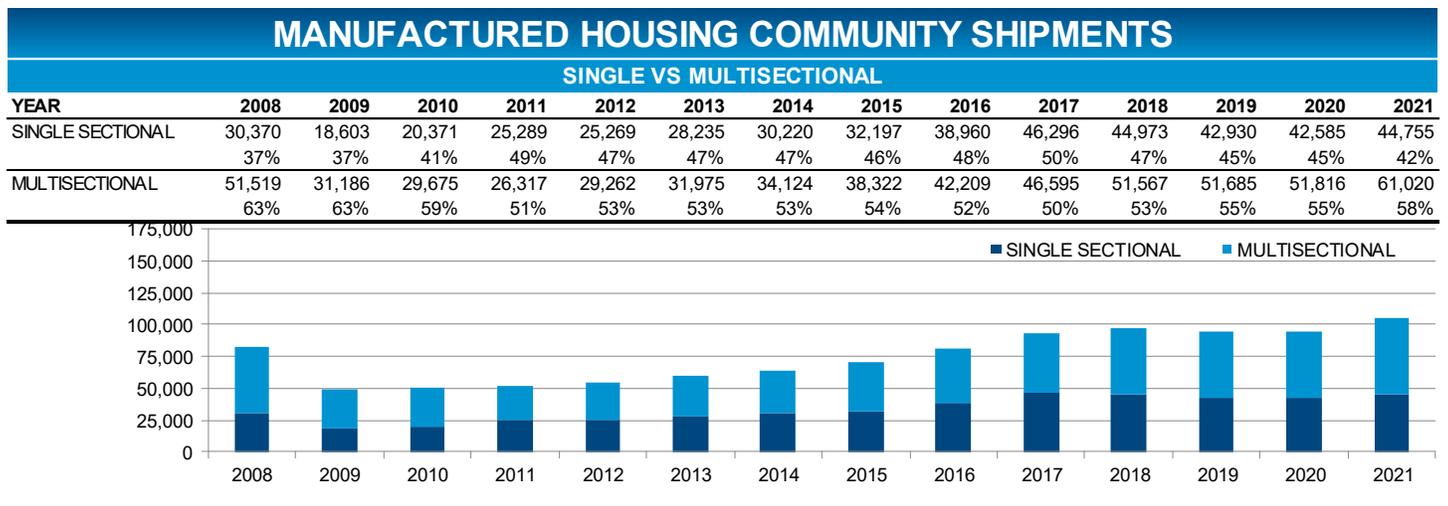
The following chart details the percentages for home sales according to type of home sold.



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)**

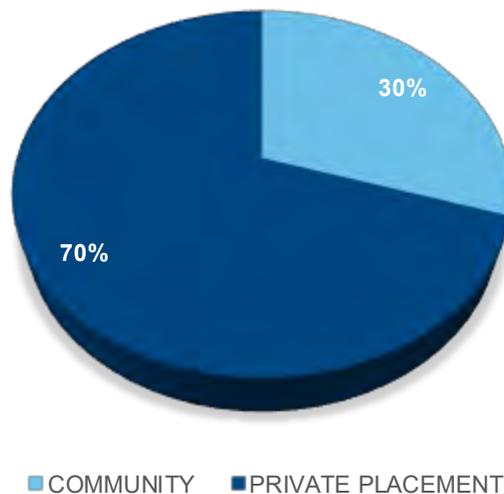
Investors

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

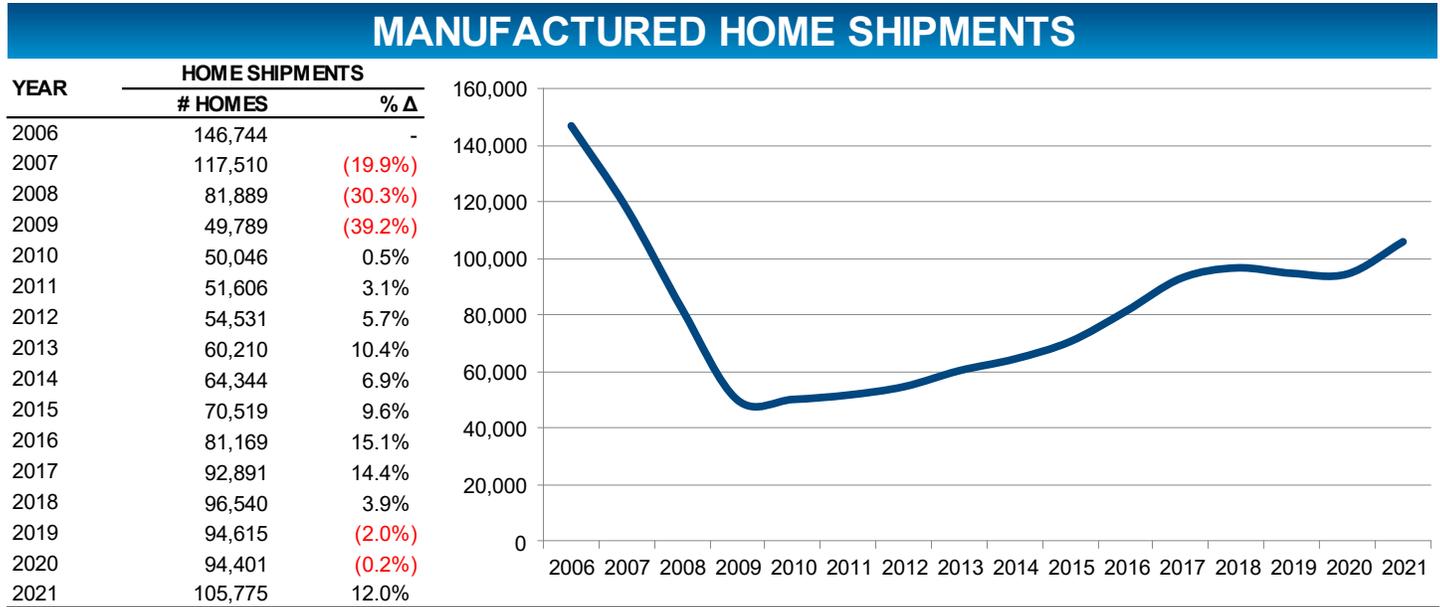
Generally, barriers to entry are considered to be significant across the US. It may be costly to purchase suitable land to begin operations. This varies between regions and is generally dependent on existing populations, infrastructure, facilities, transport, and development. Zoning is the biggest barrier 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 HOUSING COMMUNITY
PLACEMENT**



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.



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

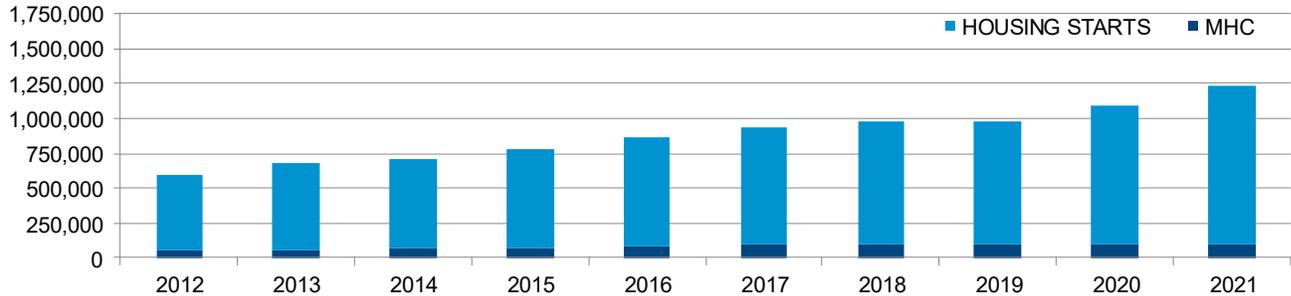
- › **Homes** - As with single family residential residents want the quality of the homes in their community to be as good if not better than their own. The quality of manufactured homes has improved significantly in recent years. So communities with a higher percentage of newer homes are more attractive.
- › **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

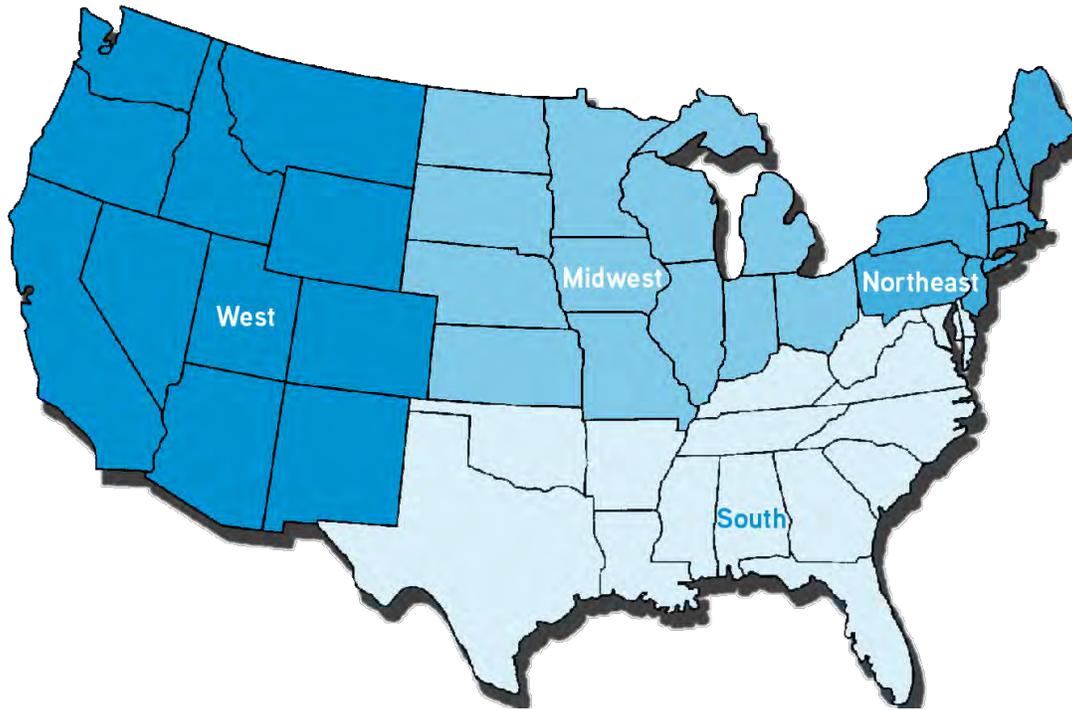
You can see the relationship between manufactured housing demonstrates the relationship overall between single family residential and manufactured housing. During the height off the housing bubble the number of shipments decreased significantly relative to new housing starts. This was also a period of 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.

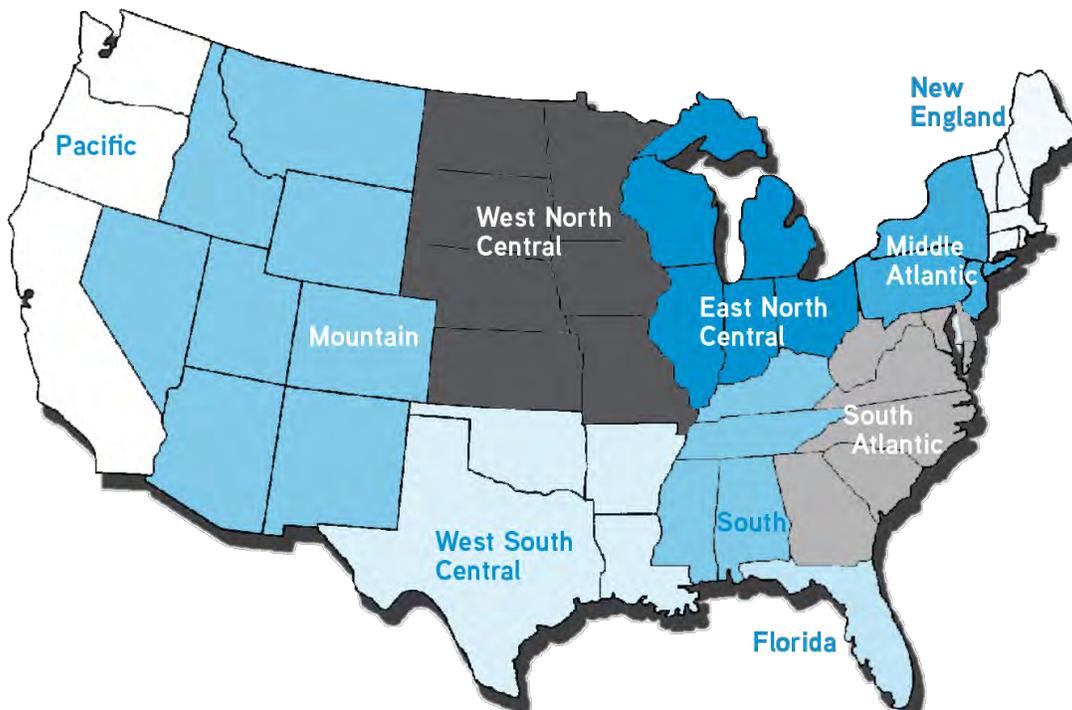
REGIONAL ANALYSIS

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.

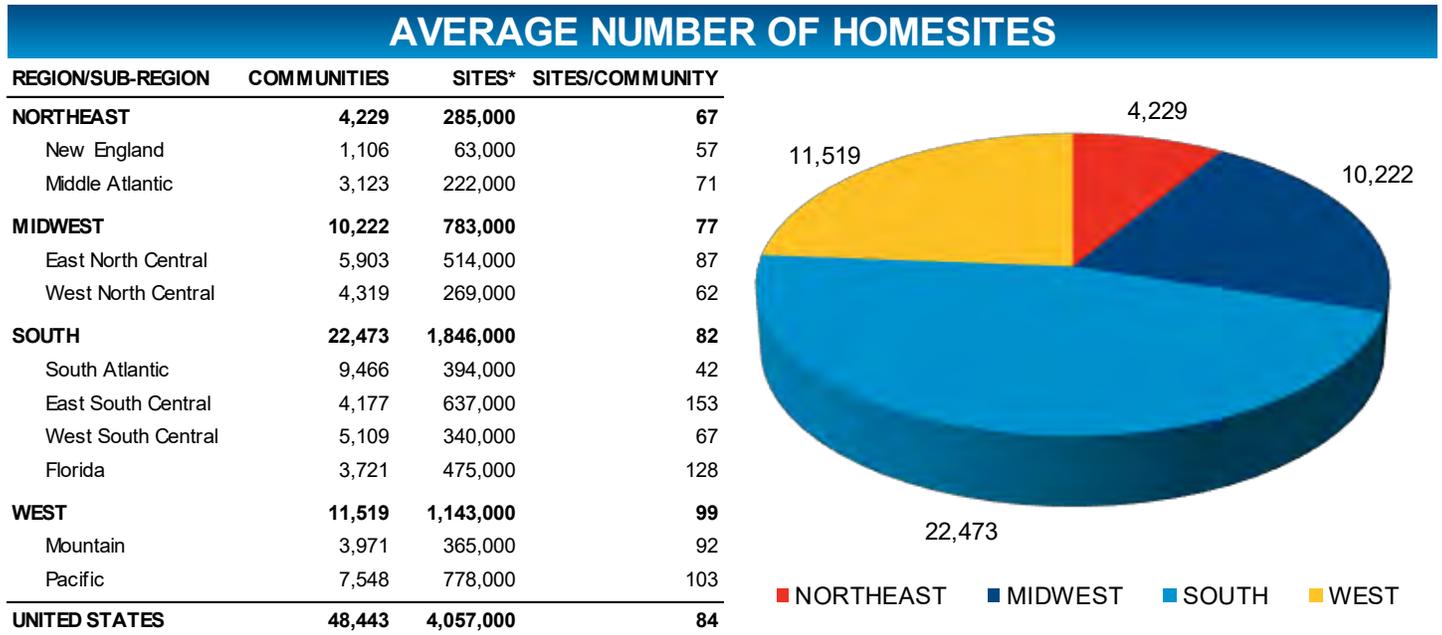
Regions



Sub-Regions



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



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 the 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

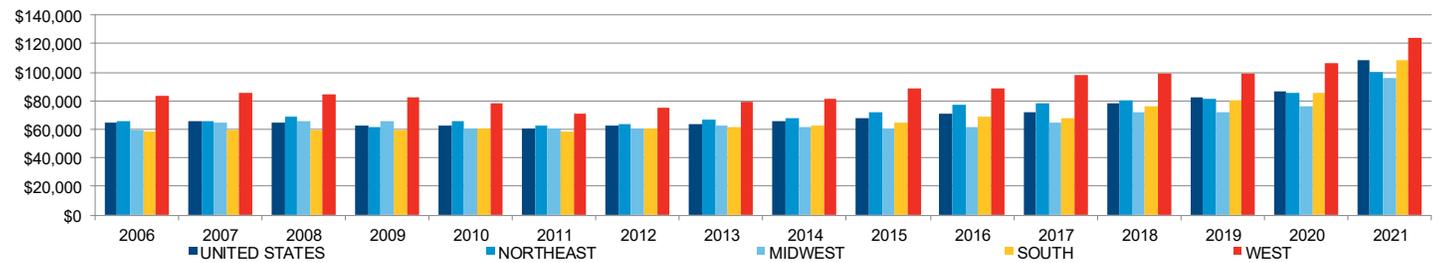
Florida has more homesites than any other state by a significant margin with over 400,000 homesites. North Carolina has ±4,100 communities but they have an average size of just 30 homesites per community.

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															
YEAR	UNITED STATES			NORTHEAST			MIDWEST			SOUTH			WEST		
	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



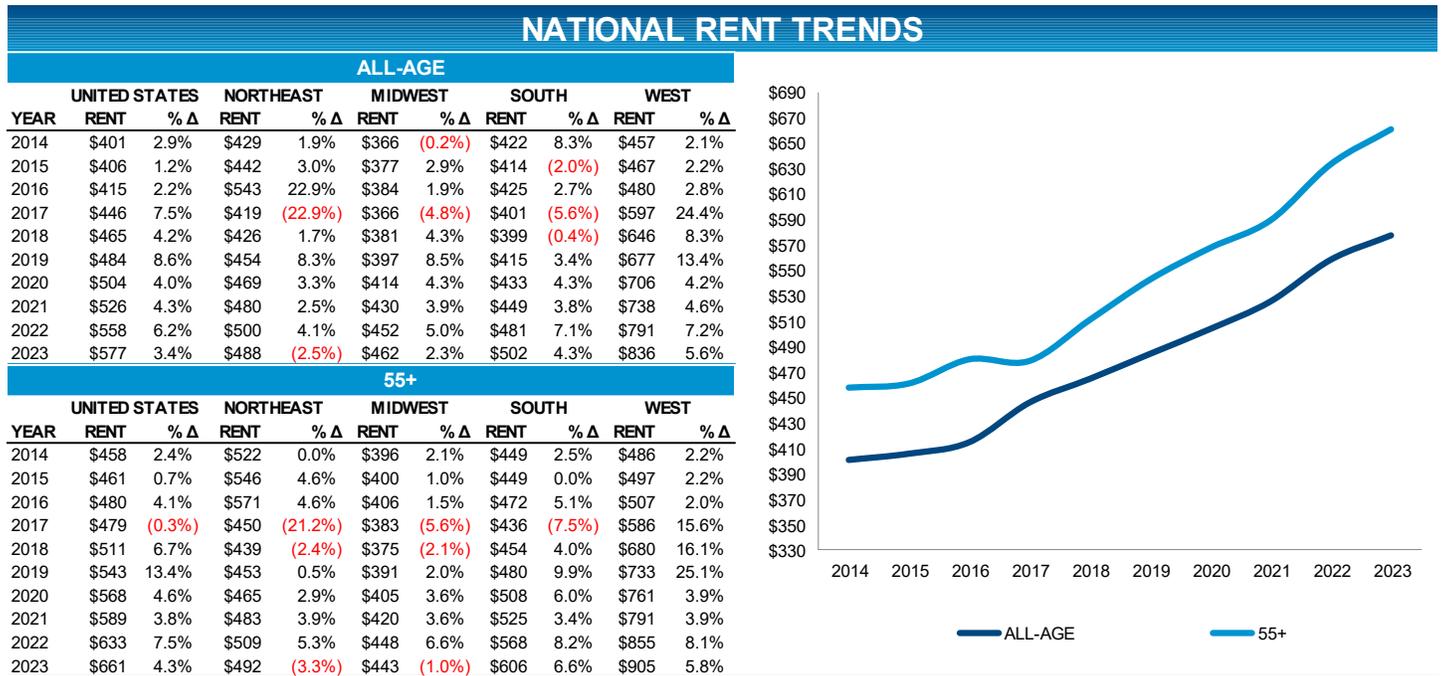
Source: U.S. Commerce Department's Census Bureau via U.S. Department of Housing and Urban Development

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

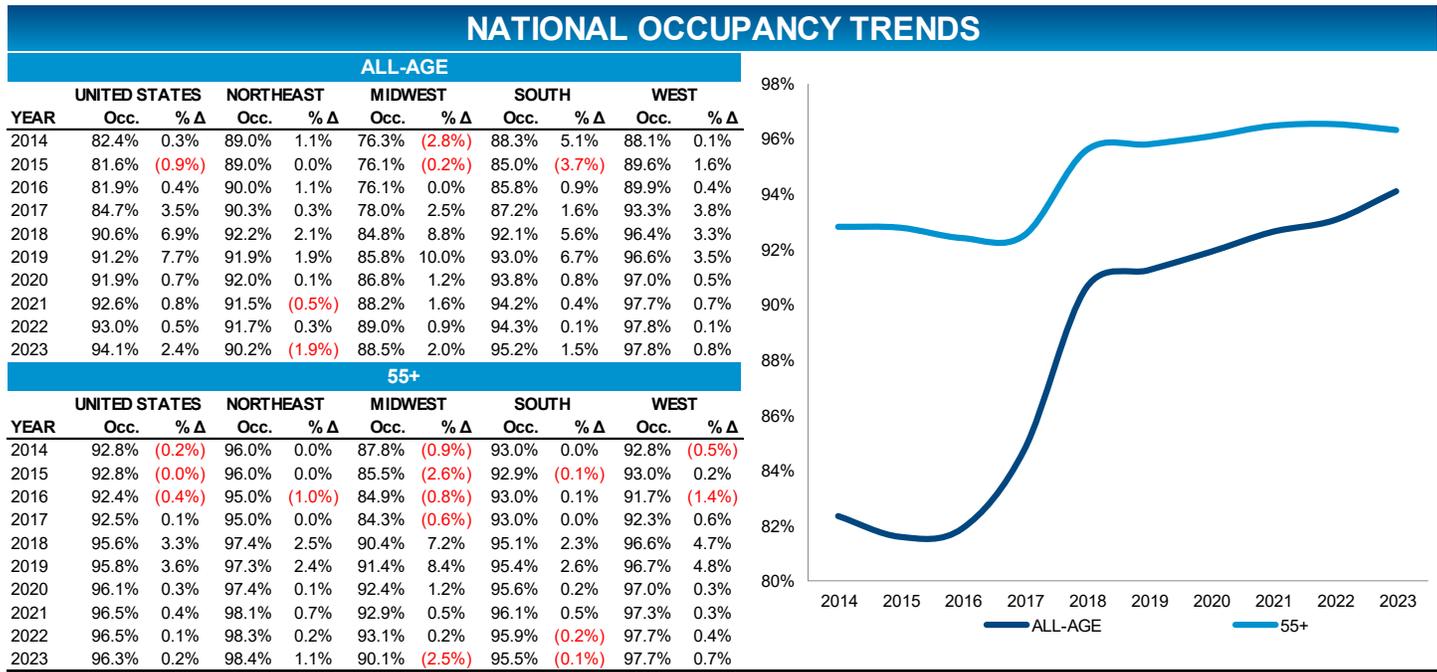
The following chart details rent trends in the different regions and nationally. The rents are also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities command higher rents. Rents have been increasing steadily over the past several years.



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 Fort Wayne manufactured housing market. The survey includes 20 communities, with a total of 5,714 homesites. The chart below details the composition of the market.

FORT WAYNE MARKET			
	AVG COMMUNITY SIZE	COMMUNITIES	HOMESITES
All Age	286	20	5,714
TOTAL	286	20	5,714

SUPPLY

Existing Supply

The majority of existing supply in the subject's immediate neighborhood has been constructed in the 1990s 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 80 sites to 738 sites. The following chart presents manufactured home community developments that are considered to compete with the subject.

VACANCY SURVEY AS OF OCTOBER 2023				
PROJECT	YEAR BUILT	HOMESITES	VACANT HOMESITES	VACANCY
Ridgebrook Hills MHC	1968	738	102	13.8%
Apple Valley MHC	1980	106	0	0.0%
Black Creek Village	1966	80	8	10.0%
Carrington Pointe MHC	1995	468	0	0.0%
Edgewood Estates	1964	387	4	1.0%
Countryside Village - Fort Wayne	1970	295	30	10.2%
TOTAL/AVG	1974	2,074	144	6.9%
Total/ Average Stabilized				0.3%

Source: Colliers International Valuation & Advisory Services

Proposed & Potential Supply

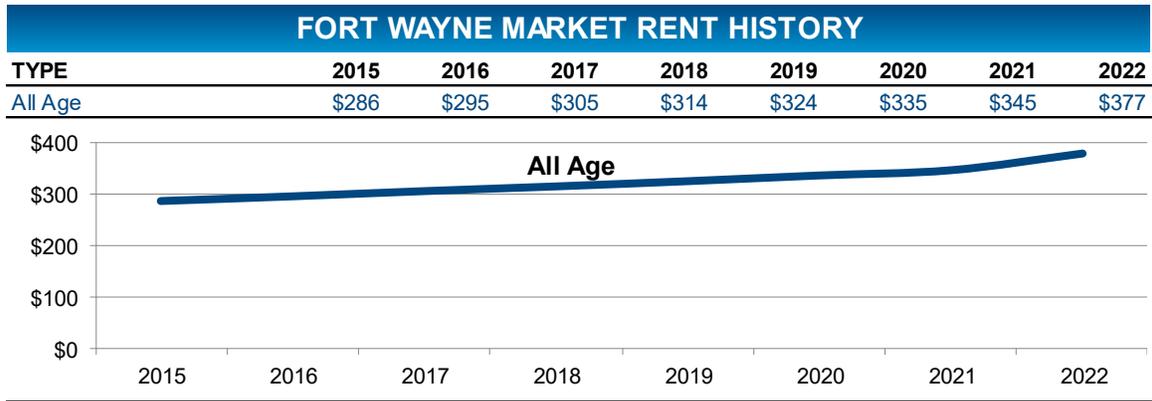
According to the City of Fort Wayne Planning Department, there are no manufactured home communities planned or proposed in the immediate market area. No additional communities are anticipated in the subject's general area due to zoning restrictions, land costs, and difficulty in obtaining construction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

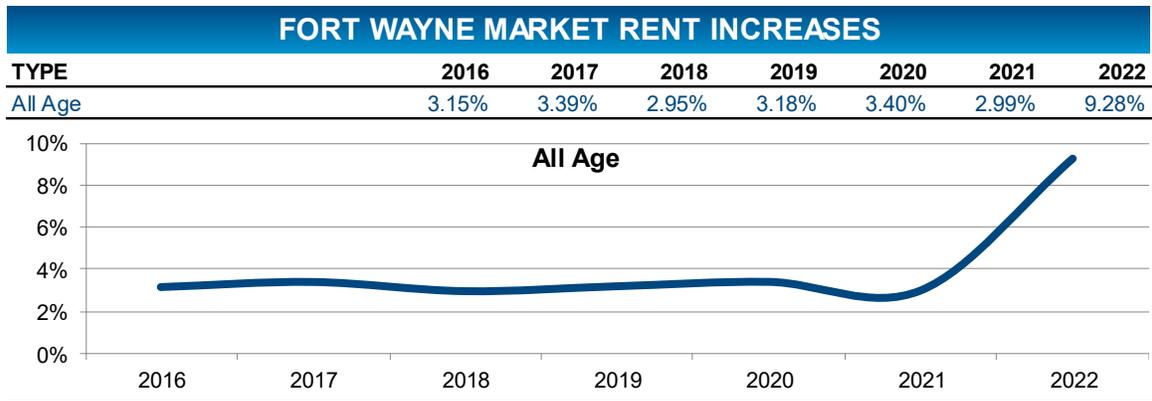
Rent Levels

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	\$60,000	\$175,000	- \$260,000	-
Down Payment or Deposit	\$3,000	\$35,000	- \$52,000	One Months Rent
Amount Financed	\$57,000	\$140,000	- \$208,000	-
Rate	9.50%	7.50%	- 7.50%	-
Term (Years)	20	30	- 30	-
Monthly Mortgage Payment	\$531	\$979	- \$1,454	-
Taxes	\$98	\$285	- \$424	-
Insurance	\$25	\$100	- \$125	-
Site Rent	\$481	-	-	-
TOTAL MONTHLY PAYMENT*	\$1,135	\$1,364	- \$2,004	\$950 - \$1,450

* 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 within 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.

SUBJECT MARKETABILITY

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

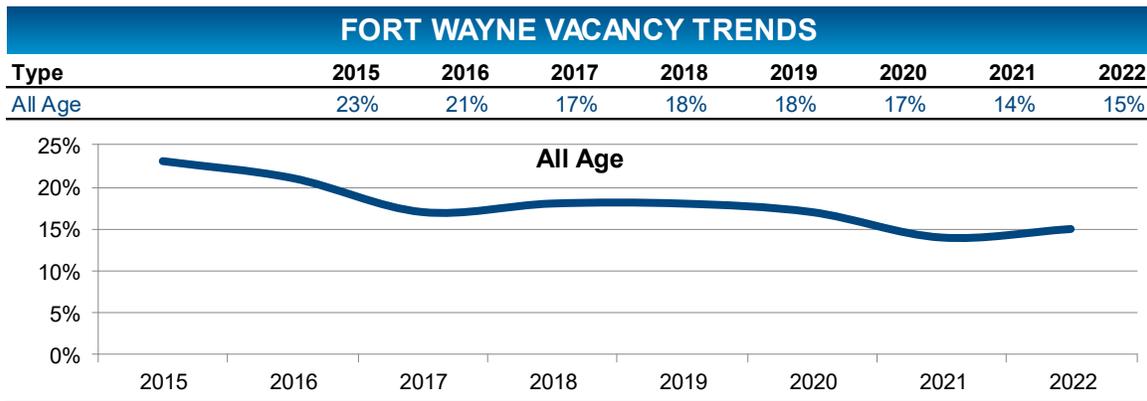
TRANSACTION TRENDS

Most Probable Buyer Profile/Activity

In the open market, the subject property type would command most interest from 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
CVAS Comparable Survey	0.0%	13.8%	6.9%
JLT			15.0%
SUBJECT ANALYSIS			
			Current
Subject History			13.8%
MARKET VACANCY RATE CONCLUSIONS			5.0%

Based on the subject’s size, location and appeal, the competitive set analysis warrant primary consideration. The competitive set analysis indicated a current vacancy rate for directly competitive properties of 6.9%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 13.8%. We do note that

the overall market vacancy has been relatively stable at 13-16% over the last several years. The new owners have indicated that they are going to be active in attempting to increase occupancy and make improvements as needed to reach a stabilized occupancy at 95% or above. The new owners are experienced in the operation of Manufactured Housing operations and based on available demographic/population data (increasing population) and the affordability of this housing option it is our opinion that the subject property can achieve positive absorption and increase occupancy. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 5.0% is concluded.

SUMMARY OF MARKET ANALYSIS

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

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

EXPOSURE TIME & MARKETING PERIOD				
SOURCE	QUARTER	RANGE		AVG
PriceWaterhouse Coopers				
National Apartment Market	3Q 23	2.0 to	12.0	6.0
Market Participant	4Q23	0.0 to	0.0	0.0
AVERAGE		1.0 to	6.0	3.0

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 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

The preceding information generally supports an exposure time range from 0 to 6 months for Manufactured Housing Community (All Age) properties. The subject property is of average quality and is in average condition. Based on its overall physical and locational characteristics, the subject has average overall appeal to investors. Considering these factors, a reasonable estimate of exposure time for the subject property is six months or less.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. We have reviewed open listings and discussed the market with local participants, and given the nature of the subject property, we feel that a time period of six months or less is supported for the subject's marketing period.

INTRODUCTION

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

AS-VACANT ANALYSIS

Legal Factors

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

ZONING SUMMARY	
Municipality Governing Zoning	City of Fort Wayne Planning & Zoning Department
Current Zoning	Manufactured Home Park District (MHP, R1, & I1)
Permitted Uses	Manufactured home, type III; manufactured home project under single ownership (including model home but excluding sales or service lot); accessory building, structure, or use; common areas used for a clubhouse, neighborhood center, swimming pool, tennis court, or other similar assembly or recreation facility, in association with an approved development plan; and universally permitted use.
Prohibited Uses	Any other use not listed above
Current Use	Manufactured Housing Community
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

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

Physical & Locational Factors

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

- › **North** - West Washington Center Road, Vacant Land, Hatfield Cemetery, MHC: The Village Of North Oak, Retail: Wayne Pipe And Supply, Inc., A & W Furniture & Appliance Liquidators Inc., Washboard, Dave Hill's, Dollar General, Patton Landscape Co Inc
- › **South** - U.S. Route 30, Vacant Land, Office: Indiana Department Of Transportation, Industrial: Nishikawa Cooper
- › **East** - Retail: Furniture Now
- › **West** - Retail: A & W Furniture & Appliance Liquidators Inc., Manufactured Housing Community: Valley Hills West

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

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. Financial feasibility factors generally support immediate development of the subject site.

As-Vacant Conclusion

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

AS-IMPROVED ANALYSIS

Legal Factors

The subject's Manufactured Housing Community (All Age) use (as-improved) is permitted outright by the MHP, R1, & I1 zoning. The legal factors influencing the highest and best use of the property support the subject's use as-improved.

Physical & Locational Factors

The physical and location characteristics of the subject improvements have been previously discussed in this report. In summary, the subject's improvements were constructed in 1968 and have a remaining economic life of 30 years based on our estimate. The project is of average quality construction and in average condition, with adequate service amenities. The subject improvements as-improved are sufficiently supported by site features including its irregular shape, level topography, average access and average exposure. Further, the subject's location supports the subject improvements as-improved with similar and homogeneous developments present in the subject's immediate market area. Physical and location factors influencing the highest and best use of the property support the subject's use as-improved.

Alternative Uses & Feasibility Factors

In addition to legal and physical considerations, analysis of the subject property as-improved requires the treatment of two important issues: 1) consideration of alternative uses for the property; and 2) the marketability of the most probable use. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use as-improved.

- › **Demolition** The subject improvements contribute significant value above the current land value. Therefore, demolition is not applicable in this case.
- › **Expansion** The subject property comprises approximately 146.96 acres (6,401,578 SF) and is improved with a manufactured housing community (all age). The subject site does not contain additional site area for expansion; therefore, expansion of the subject is not considered a viable option.
- › **Renovation** The subject property is approximately, 55 years old and is in average condition with on-going maintenance and upgrades. Renovation, in the form of capital expenditures, would not increase the rent levels or value appreciably. For this reason, renovation is not appropriate.
- › **Conversion** Taking the subject property's manufactured housing community (all age) use and converting it to another use is neither appropriate nor applicable to this property.
- › **Continued Use "As-Is"** The final option is the continued use of the property 'As-Is'. This is legal, physically possible, and financially feasible. Therefore, continued use, as a manufactured housing community (all age), is considered appropriate.

Among the five alternative uses, the subject's use as-improved is supported to be its Highest and Best Use.

Marketability Factors

As previously indicated in the Market Analysis, the subject property has average marketability. The condition of the property reflects average maintenance and appeal. In general Manufactured Housing Community supply/demand conditions and immediate market area trends support viable short and long-term operations of the subject's use as-improved.

As-Improved Conclusion

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

INTRODUCTION

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

INCOME APPROACH

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

- **Direct Capitalization**

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

- **Discounted Cash Flow (DCF)**

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

- **Effective Gross Income Multiplier**

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

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

SALES COMPARISON APPROACH

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

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

LAND VALUATION

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Development of the subject site value is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that a site value is developed. However, given the scope requirement, a site value is developed. Within the Site Valuation section, the subject is valued as one marketable economic site.

COST APPROACH

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

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

RECONCILIATION OF VALUE CONCLUSIONS

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

INTRODUCTION

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

Subject Income History

There are a total of 738 manufactured home sites at the subject with a current occupancy of 86.2%. The rents range from \$397/site to \$578/site per month with an average rent of \$481/site.

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
	Single Section	477	76	553	74.9%	86%	\$574	\$317,422	\$481
Multi-Section	159	26	185	25.1%	86%	\$574	\$106,190	\$481	\$88,898
TOTAL/AVG	636	102	738	100%	86.2%	\$574	\$423,612	\$481	\$354,632

Subject Utility Structure

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

ANALYSIS OF RENT COMPARABLES

Unit of Comparison

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

Selection of Comparables

A complete search of the area was conducted in order to find the most comparable communities in terms of age, appeal, condition, number of homesites, and amenities. The rent comparables are located in the subject's local area. The subject is in average condition with average appeal for the market area considering its vintage. Some communities do not have active management that is available to confirm rent and occupancy levels. Overall, the comparables selected in this analysis are similar properties to the subject property.

Concessions

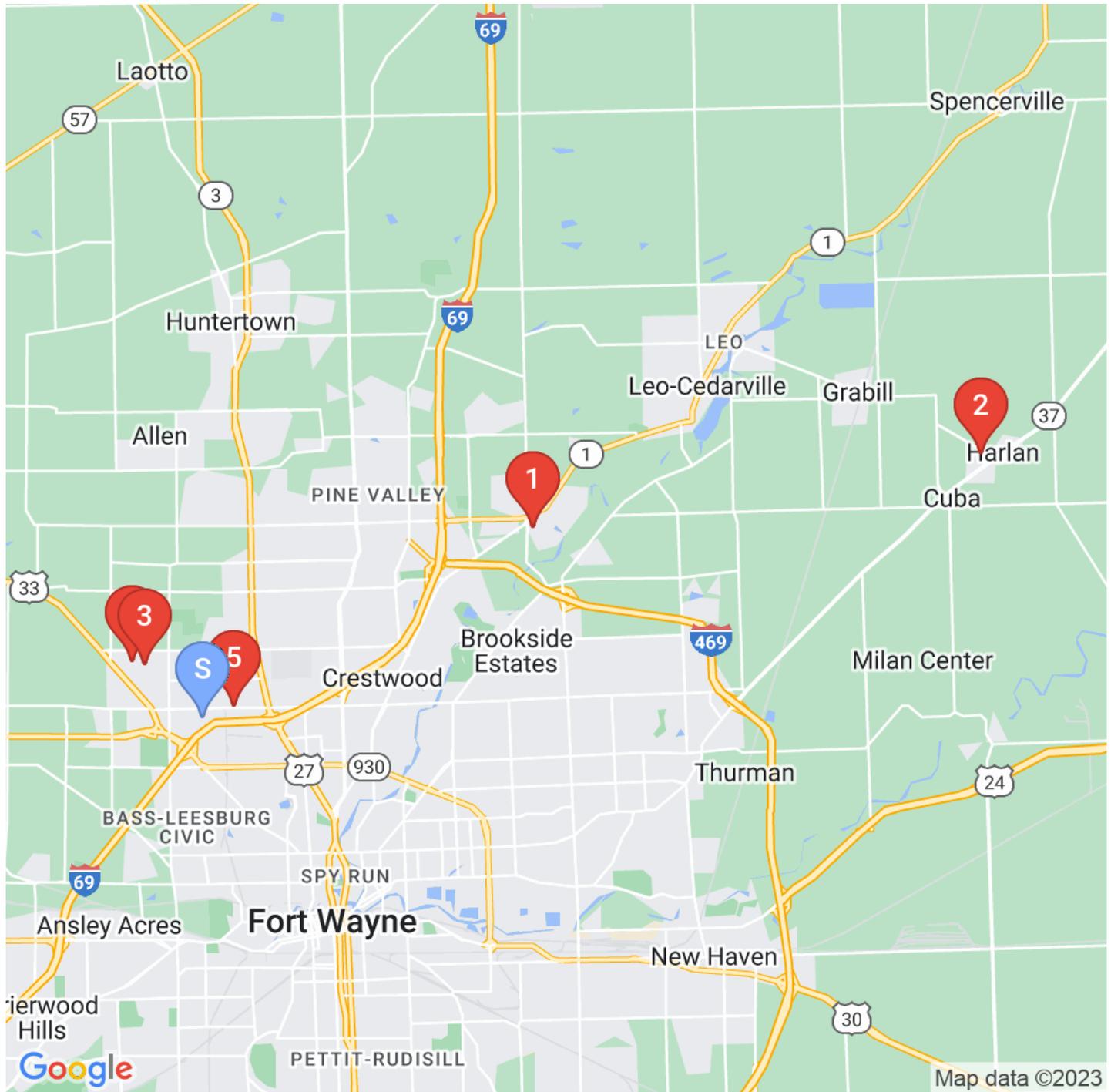
None of the comparables were offering concessions at the time of survey. Please see the data sheets for full details.

Presentation

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

RENT SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Ridgebrook Hills MHC	Apple Valley MHC	Black Creek Village	Carrington Pointe MHC	Edgewood Estates	Countryside Village - Fort Wayne
Address	2737 W Washington Center Rd	10326 Old Leo Road	16934 Antwerp Rd	7211 Carrington Blvd	5330 Goshen Rd	2320 West Washington Center Road
City	Fort Wayne	Fort Wayne	Harlan	Fort Wayne	Fort Wayne	Fort Wayne
State	IN	IN	IN	IN	IN	IN
Zip	46818	46825	46743	46818	46818	46818
PHYSICAL INFORMATION						
Resident Type	All Age	All Age	All Age	All Age	All Age	All Age
Property Class	B	B	C	A	B	B
Homesites	738	106	80	468	387	295
Year Built	1968	1980	1966	1995	1964	1970
Location	Average	Average	Average	Average	Average	Average
Appeal	Average	Average	Average	Average/Good	Average	Average
Quality	Average	Average	Average	Average/Good	Average	Average
Condition	Average	Average	Average	Average/Good	Average	Average
RENT INFORMATION						
Occupancy	86.2%	100.0%	90.0%	100.0%	99.0%	90.0%
\$/Homesite Avg	\$481	\$377	\$400	\$571	\$352	\$450

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	\$/SITE AVG
SUBJECT	-	Ridgebrook Hills MHC	2737 W Washington Center Rd, Fort Wayne, IN	86.2%	\$481
No. 1	6.5 Miles	Apple Valley MHC	10326 Old Leo Road, Fort Wayne, IN	100.0%	\$377
No. 2	14.0 Miles	Black Creek Village	16934 Antwerp Rd, Harlan, IN	90.0%	\$400
No. 3	1.4 Miles	Carrington Pointe MHC	7211 Carrington Blvd, Fort Wayne, IN	100.0%	\$571
No. 4	1.6 Miles	Edgewood Estates	5330 Goshen Rd, Fort Wayne, IN	99.0%	\$352
No. 5	0.6 Miles	Countryside Village - Fort W	2320 West Washington Center Road, Fort Wayne, IN	90.0%	\$450

COMPARABLE 1

LOCATION INFORMATION

Name Apple Valley MHC
 Address 10326 Old Leo Road
 City, State, Zip Code Fort Wayne, IN, 46825

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 106
 Year Built 1980
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average

Amenities Basketball Court, Playground



APPLE VALLEY MHC

OCCUPANCY

Vacant Units 0
 Occupancy Rate 100%

CONFIRMATION

Name Manager
 Source Apple Valley MHC
 Date 10/26/2023
 Phone Number +1 260 483 4372

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

REMARKS

This property is located on the south side of Old Leo Road, just east of Tonkel Road and Mayhew Road. This location is about four miles northeast of the Fort Wayne CBD. Additional amenities include a lake.

UNIT MIX

DESCRIPTION	SITES	LOW	HIGH	AVG RENT
Single Section	86	\$377	\$377	\$377
Multi-Section	20	\$377	\$377	\$377

COMPARABLE 2

LOCATION INFORMATION

Name Black Creek Village
 Address 16934 Antwerp Rd
 City, State, Zip Code Harlan, IN, 46743
 MSA Fort Wayne, IN MSA

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 80
 Year Built 1966
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average
 Total Parking Spaces 160
 Spaces Per Homesite 2

Amenities Playground



BLACK CREEK VILLAGE

OCCUPANCY / ABSORPTION

Vacant Units 8
 Occupancy Rate 90%

CONFIRMATION

Name Garrison
 Source Black Creek Village
 Date 2/15/2023
 Phone Number +1 260 494 5488

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

REMARKS

This property is located on the south side of Antwerp Road, just west of the Harlan CBD. This location is 12 miles northeast of the Fort Wayne CBD. 71/80

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Single-Wide	80	\$400	\$400	\$400

COMPARABLE 3

LOCATION INFORMATION

Name Carrington Pointe MHC
 Address 7211 Carrington Blvd
 City, State, Zip Code Fort Wayne, IN, 46818

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 468
 Year Built 1995
 Resident Type All Age
 Location Average
 Quality Average/Good
 Condition Average/Good
 Appeal Average/Good
 Total Parking Spaces 980
 Spaces Per Homesite 2

Amenities Basketball Court, Tennis Court,
 Volleyball, Basketball Court, Tennis Court,
 Playground, Lake/Fishing Ponds, Clubhouse
 (1) and Pool (1)

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

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Single Section	308	\$569	\$569	\$569
Multi-Section	160	\$574	\$574	\$574



CARRINGTON POINTE MHC

OCCUPANCY / ABSORPTION

Vacant Units 0
 Occupancy Rate 100%

CONFIRMATION

Name Manager
 Source Carrington Pointe MHC
 Date 10/26/2023
 Phone Number +1 260 497 0031

REMARKS

Carrington Pointe is located on Carrington Boulevard on the north side of Fort Wayne, Indiana.

COMPARABLE 4

LOCATION INFORMATION

Name Edgewood Estates
 Address 5330 Goshen Rd
 City, State, Zip Code Fort Wayne, IN, 46818

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 387
 Year Built 1964
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average



EDGEWOOD ESTATES

OCCUPANCY / ABSORPTION

Vacant Units 4
 Occupancy Rate 99%

CONFIRMATION

Name Manager
 Source Edgewood Estates
 Date 10/26/2023
 Phone Number +1 260 489 4451

Amenities Playground, Sport Court, BBQ, Fishing Ponds and Clubhouse (1)

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

REMARKS

Edgewood Estates is located along Goshen Road in the northwestern portion of Fort Wayne. This community owns 230 of the homes in the park. 370\$ plus water, trash, sewer flat rate 76\$ for 2 people

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Single Section	230	\$340	\$340	\$340
Multi-Section	157	\$370	\$370	\$370

COMPARABLE 5

LOCATION INFORMATION

Name: Countryside Village - Fort Wayne
 Address: 2320 West Washington Center Road
 City, State, Zip Code: Fort Wayne, IN, 46818

PHYSICAL INFORMATION

Project Design: Manufactured Housing
 Number of Units: 295
 Year Built: 1970
 Resident Type: All Age
 Location: Average
 Quality: Average
 Condition: Average
 Appeal: Average



COUNTRYSIDE VILLAGE - FORT WAYNE

OCCUPANCY / ABSORPTION

Vacant Units: 30
 Occupancy Rate: 90%

CONFIRMATION

Name: Manager
 Source: Countryside Village - Fort Wayne
 Date: 10/26/2023
 Phone Number: +1 260 489 3437

Amenities: Exercise Facilities, Playground, Sport Court, Swimming Pool, Clubhouse (1) and Pool (1)

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

REMARKS

This property is situated along the south side of Ludwig Road, just west of Lima Road. The property is approximately 5 miles northwest of the Fort Wayne CBD.

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Single Section	162	\$450	\$450	\$450
Multi-Section	133	\$450	\$450	\$450

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					
PHYSICAL PROJECT FEATURES												
Location	-	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
Appeal	-	Average	Average	Average	Average	Average/Good	Average	Average	Average	Average	Average	Average
Condition	-	Average	Average	Average	Average	Average/Good	Average	Average	Average	Average	Average	Average
Physical Subtotal Adjustment			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROJECT AMENITIES												
Clubhouse	\$5	1	0	\$5	0	\$5	1	\$0	1	\$0	1	\$0
Pool	\$5	1	0	\$5	0	\$5	1	\$0	0	\$5	1	\$0
Project Amenities Subtotal Adjustment			\$10	\$10	\$0	\$5	\$0	\$0	\$5	\$0	\$0	\$0
UTILITIES INCLUDED IN RENT												
Electricity	\$10	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Water	\$32	No	No	\$0	Yes	(\$32)	No	\$0	No	\$0	No	\$0
Sewer	\$67	No	No	\$0	Yes	(\$67)	No	\$0	No	\$0	No	\$0
Garbage	\$16	No	Yes	(\$16)	Yes	(\$16)	Yes	(\$16)	No	\$0	No	\$0
Gas	\$10	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Cable	\$10	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Utilities Subtotal Adjustment			(\$16)	(\$115)	(\$16)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ADJUSTMENTS			(\$6)	(\$105)	(\$16)	\$5	\$0	\$0	\$5	\$0	\$0	\$0

RENT COMPARABLE ADJUSTMENT GRID

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

RENT COMPARABLE ADJUSTMENT SUMMARY								
COMPARABLE 1	NO.	EFF. RENT	ADJUSTMENTS				TOTAL	ADJUSTED
	HOMESITES	\$/HOMESITE	PHYSICAL	PROJECT	PARKING	UTILITES	ADJ	\$/HOMESITE
Single Section	86	\$377	\$0	\$10	\$0	(\$16)	(\$6)	\$371
Multi-Section	20	\$377	\$0	\$10	\$0	(\$16)	(\$6)	\$371
COMPARABLE 2								
Single-Wide	80	\$400	\$0	\$10	\$0	(\$115)	(\$105)	\$295
COMPARABLE 3								
Single Section	308	\$569	\$0	\$0	\$0	(\$16)	(\$16)	\$553
Multi-Section	160	\$574	\$0	\$0	\$0	(\$16)	(\$16)	\$558
COMPARABLE 4								
Single Section	230	\$340	\$0	\$5	\$0	\$0	\$5	\$345
Multi-Section	157	\$370	\$0	\$5	\$0	\$0	\$5	\$375
COMPARABLE 5								
Single Section	162	\$450	\$0	\$0	\$0	\$0	\$0	\$450
Multi-Section	133	\$450	\$0	\$0	\$0	\$0	\$0	\$450

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 %
2	Single-Wide	\$400	\$295	-35.6%
4	Single Section	\$340	\$345	1.4%
1	Single Section	\$377	\$371	-1.6%
1	Multi-Section	\$377	\$371	-1.6%
4	Multi-Section	\$370	\$375	1.3%
5	Single Section	\$450	\$450	0.0%
5	Multi-Section	\$450	\$450	0.0%
3	Single Section	\$569	\$553	-2.9%
3	Multi-Section	\$574	\$558	-2.9%
LOW		\$340	\$295	-35.6%
HIGH		\$574	\$558	1.4%
AVERAGE		\$434	\$419	-4.6%
MEDIAN		\$400	\$375	-1.6%

SUBJECT ANALYSIS & CONCLUSIONS

HOME SITES	HOMESITE TYPE	ASKING RENT \$/HOMESITE	ACTUAL RENT \$/HOMESITE	CONCLUDED RENT \$/HOMESITE
553	Single Section	\$574	\$481	\$481
185	Multi-Section	\$574	\$481	\$481

The rent comparables unadjusted rent per month ranges from \$340 to \$574 with an average rent of \$434. The rent comparables adjusted rent per month ranges from \$295 to \$558 with an average rent of \$419. There are 738 subject units for this unit type. The comparables presented bracket the subject's rents. Asking rent is at \$574 per homesite. This is above the range of the comparables. However, we note that there are currently 84 homesite being rented at this amount. The subject property is well positioned relative to the comparables. As such a rent toward the upper end of the range is considered reasonable. A rent of \$574 per homesite is estimated as market rent. We are using in-place rents and increasing the rents over the lease up period to market rent.

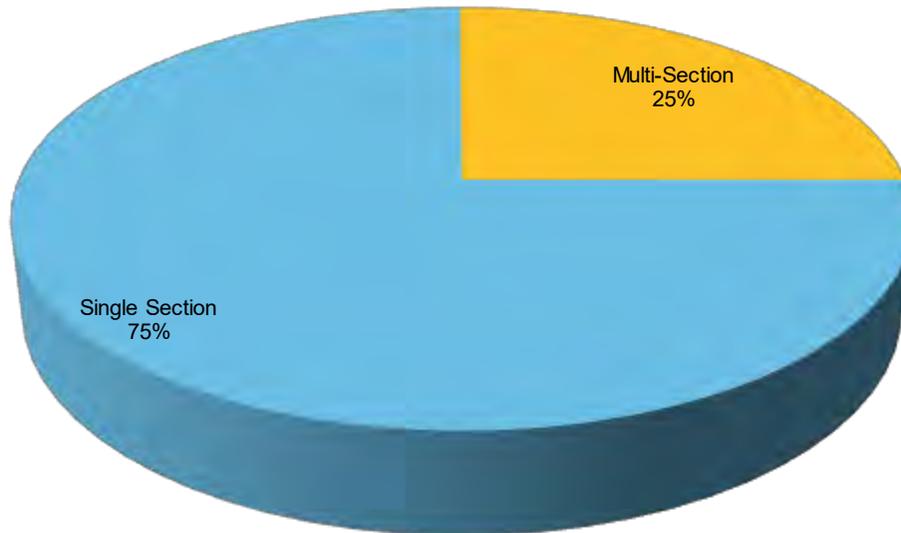
POTENTIAL RENTAL INCOME

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	
Single Section	553	\$574	\$317,422	\$3,809,064	\$481	\$265,734	\$3,188,807	\$481	\$265,993	\$3,191,916	99.9%
Multi-Section	185	\$574	\$106,190	\$1,274,280	\$481	\$88,898	\$1,066,780	\$481	\$88,985	\$1,067,820	99.9%
TOTAL	738	\$574	\$423,612	\$5,083,344	\$481	\$354,632	\$4,255,586	\$481	\$354,978	\$4,259,736	99.9%

TOTAL INCOME BY TYPE

The graph below segregates the subject property's income by type.

PERCENT OF TOTAL INCOME BY SPACE TYPE**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	2022			09/23 T-12			BUDGET 2024			COLLIERS FORECAST		
	TOTAL	\$/SITE	%EGI									
Potential Rental Income	\$4,627,755	\$6,271	113.1%	\$5,026,190	\$6,811	108.3%	\$3,895,653	\$5,279	85.4%	\$4,931,177	\$6,682	90.4%
TOTAL RENTAL INCOME	\$4,627,755	\$6,271	113.1%	\$5,026,190	\$6,811	108.3%	\$3,895,653	\$5,279	85.4%	\$4,931,177	\$6,682	90.4%
OTHER INCOME												
Utility Income	\$445,490	\$604	10.9%	\$447,740	\$607	9.6%	\$470,235	\$637	10.3%	\$513,582	\$696	9.4%
Miscellaneous Income	\$143,058	\$194	3.5%	\$187,602	\$254	4.0%	\$236,735	\$321	5.2%	\$258,976	\$351	4.7%
TOTAL OTHER INCOME	\$588,548	\$797	14.4%	\$635,342	\$861	13.7%	\$706,970	\$958	15.5%	\$772,558	\$1,047	14.2%
POTENTIAL GROSS INCOME (PGI)	\$5,216,303	\$7,068	127.4%	\$5,661,532	\$7,671	121.9%	\$4,602,623	\$6,237	100.9%	\$5,703,735	\$7,729	104.5%
Vacancy	\$0	-	0.0%	\$0	-	0.0%	(\$19,478)	(\$26)	(0.4%)	(\$246,559)	(\$334)	(4.5%)
Credit Loss	(\$1,123,261)	(\$1,522)	(27.4%)	(\$1,018,982)	(\$1,381)	(21.9%)	(\$19,478)	(\$26)	(0.4%)	\$0	-	0.0%
EFFECTIVE GROSS INCOME (EGI)	\$4,093,042	\$5,546	100.0%	\$4,642,549	\$6,291	100.0%	\$4,563,667	\$6,184	100.0%	\$5,457,176	\$7,395	100.0%
EXPENSE ITEMS												
Real Estate Taxes	(\$103,429)	(\$140)	(2.5%)	(\$243,634)	(\$330)	(5.2%)	(\$627,496)	(\$850)	(13.7%)	(\$339,704)	(\$460)	(6.2%)
Property Insurance	(\$29,386)	(\$40)	(0.7%)	(\$51,200)	(\$69)	(1.1%)	(\$60,048)	(\$81)	(1.3%)	(\$65,321)	(\$89)	(1.2%)
Gas & Electricity	(\$15,319)	(\$21)	(0.4%)	(\$10,251)	(\$14)	(0.2%)	(\$13,719)	(\$19)	(0.3%)	(\$16,129)	(\$22)	(0.3%)
Water & Sewer	(\$373,884)	(\$507)	(9.1%)	(\$399,464)	(\$541)	(8.6%)	(\$445,757)	(\$604)	(9.8%)	(\$444,250)	(\$602)	(8.1%)
Trash Removal	(\$75,514)	(\$102)	(1.8%)	(\$96,444)	(\$131)	(2.1%)	(\$89,453)	(\$121)	(2.0%)	(\$111,063)	(\$150)	(2.0%)
Repairs & Maintenance	(\$48,388)	(\$66)	(1.2%)	(\$54,645)	(\$74)	(1.2%)	(\$74,000)	(\$100)	(1.6%)	(\$80,643)	(\$109)	(1.5%)
Off-Site Management	(\$183,509)	(\$249)	(4.5%)	(\$203,257)	(\$275)	(4.4%)	(\$217,470)	(\$295)	(4.8%)	(\$218,287)	(\$296)	(4.0%)
On-Site Management	(\$187,219)	(\$254)	(4.6%)	(\$262,618)	(\$356)	(5.7%)	(\$257,116)	(\$348)	(5.6%)	(\$282,251)	(\$382)	(5.2%)
General & Administrative	(\$43,167)	(\$58)	(1.1%)	(\$65,060)	(\$88)	(1.4%)	(\$88,332)	(\$120)	(1.9%)	(\$96,773)	(\$131)	(1.8%)
Reserves	\$0	-	0.0%	\$0	-	0.0%	\$0	-	0.0%	(\$29,520)	(\$40)	(0.5%)
TOTAL EXPENSES	(\$1,059,814)	(\$1,436)	(25.9%)	(\$1,386,574)	(\$1,879)	(29.9%)	(\$1,873,391)	(\$2,538)	(41.1%)	(\$1,683,941)	(\$2,282)	(30.9%)
NET OPERATING INCOME (NOI)	\$3,033,228	\$4,110	74.1%	\$3,255,975	\$4,412	70.1%	\$2,690,276	\$3,645	58.9%	\$3,773,235	\$5,113	69.1%

OTHER INCOME

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

OTHER INCOME ANALYSIS & CONCLUSIONS

UTILITY INCOME				ANALYSIS
YEAR	SUBJECT			
	TOTAL	\$/HOMESITE	%EGI	
2022	\$445,490	\$604	10.9%	The concluded amount is all inclusive of income associated with utility income. The conclusion is based on the historical income information.
09/23 T-12	\$447,740	\$607	9.6%	
BUDGET 2024	\$470,235	\$637	10.3%	
STABILIZED PROFORMA	\$513,582	\$696	9.4%	
YEAR ONE CONCLUSION	\$470,000	\$637	10.8%	

MISCELLANEOUS INCOME				ANALYSIS
YEAR	SUBJECT			
	TOTAL	\$/HOMESITE	%EGI	
2022	\$143,058	\$194	3.5%	The concluded amount is all inclusive of income associated with miscellaneous income. The conclusion is based on the historical income information.
09/23 T-12	\$187,602	\$254	4.0%	
BUDGET 2024	\$236,735	\$321	5.2%	
STABILIZED PROFORMA	\$258,976	\$351	4.7%	
YEAR ONE CONCLUSION	\$237,000	\$321	5.4%	

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	
Market Vacancy Rate Conclusion	5.0%
Credit Loss Conclusion	0.0%
TOTAL	5.0%

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	COMP 6	LOW	HIGH	AVG
City	Niles	Fort Wayne	Janesville	Round Lake	Columbus	Holland	-	-	-
State	MI	IN	WI	IL	OH	MI	-	-	-
Expense Year	2021	2021	2022	2023	2021	2022	2021	2023	2022
Actual/Budget	Actual	Actual	Proforma	Actual	Actual	Actual	-	-	-
Homesites	110	106	423	329	126	402	106	423	249
Building Class	B	B	B	B	B	B	-	-	-
Year Built	1970	1988	1970	1970	1962	1960	1960	1988	1970
Rental Income	\$3,791	\$2,949	\$5,748	\$8,993	\$2,766	\$5,486	\$2,766	\$8,993	\$4,955
Miscellaneous Income	\$0	\$1,409	\$924	\$725	\$99	\$402	\$0	\$1,409	\$593
Miscellaneous Income % EGI	0.0%	32.3%	15.6%	7.5%	3.4%	6.8%	0.0%	32.3%	10.9%
EGI (\$/HOMESITE)	\$4,561	\$4,358	\$5,925	\$9,719	\$2,864	\$5,888	\$2,864	\$9,719	\$5,552

EXPENSE ITEMS	\$/HOMESITE	%EGI	\$/HOMESITE	%EGI	LOW	HIGH	AVG								
Real Estate Taxes	\$176	3.9%	\$163	3.7%	\$210	3.5%	\$846	8.7%	\$368	12.8%	\$115	2.0%	\$115	\$846	\$313
Property Insurance	\$53	1.2%	\$62	1.4%	\$95	1.6%	\$30	0.3%	\$26	0.9%	\$8	0.1%	\$8	\$95	\$46
Gas & Electricity	\$78	1.7%	\$72	1.7%	\$122	2.1%	\$29	0.3%	\$65	2.3%	\$20	0.3%	\$20	\$122	\$64
Water & Sewer	\$595	13.0%	\$690	15.8%	\$706	11.9%	\$718	7.4%	\$424	14.8%	\$133	2.3%	\$133	\$718	\$544
Trash Removal	\$67	1.5%	\$129	3.0%	\$213	3.6%	\$132	1.4%	\$298	10.4%	\$93	1.6%	\$67	\$298	\$155
Repairs & Maintenance	\$41	0.9%	\$297	6.8%	\$99	1.7%	\$109	1.1%	\$264	9.2%	\$83	1.4%	\$41	\$297	\$149
Off-Site Management	\$182	4.0%	\$152	3.5%	\$178	3.0%	\$476	4.9%	\$115	4.0%	\$36	0.6%	\$36	\$476	\$190
%EGI	4.0%	3.5%	3.0%	4.9%	4.0%	0.6%	0.6%	4.9%	3.3%						
On-Site Management	\$303	6.6%	\$189	4.3%	\$487	8.2%	\$301	3.1%	\$357	12.5%	\$112	1.9%	\$112	\$487	\$292
General & Administrative	\$65	1.4%	\$128	2.9%	\$52	0.9%	\$37	0.4%	\$161	5.6%	\$51	0.9%	\$37	\$161	\$82
Reserves	\$40	0.9%	\$40	0.9%	\$40	0.7%	\$40	0.4%	\$42	1.5%	\$13	0.2%	\$13	\$42	\$36
TOTAL EXPENSES (\$/HOMESITE)	\$1,600	35.1%	\$1,922	44.1%	\$2,201	37.2%	\$2,717	28.0%	\$2,119	74.0%	\$664	11.3%	\$664	\$2,717	\$1,871

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

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$103,429	\$140	2.5%	1	\$176	3.9%
09/23 T-12	\$243,634	\$330	5.2%	2	\$163	3.7%
BUDGET 2024	\$627,496	\$850	13.7%	3	\$210	3.5%
STABILIZED PROFOF	\$339,704	\$460	6.2%	4	\$846	8.7%
				5	\$368	12.8%
				6	\$115	2.0%
CONCLUSION	\$293,449	\$398	6.7%	AVG	\$313	5.8%

ANALYSIS

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

PROPERTY INSURANCE

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$29,386	\$40	0.7%	1	\$53	1.2%
09/23 T-12	\$51,200	\$69	1.1%	2	\$62	1.4%
BUDGET 2024	\$60,048	\$81	1.3%	3	\$95	1.6%
STABILIZED PROFOF	\$65,321	\$89	1.2%	4	\$30	0.3%
				5	\$26	0.9%
				6	\$8	0.1%
CONCLUSION	\$59,778	\$81	1.4%	AVG	\$46	0.9%

ANALYSIS

This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the budget 2024 pro forma expense.

GAS & ELECTRICITY

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$15,319	\$21	0.4%	1	\$78	1.7%
09/23 T-12	\$10,251	\$14	0.2%	2	\$72	1.7%
BUDGET 2024	\$13,719	\$19	0.3%	3	\$122	2.1%
STABILIZED PROFOF	\$16,129	\$22	0.3%	4	\$29	0.3%
				5	\$65	2.3%
				6	\$20	0.3%
CONCLUSION	\$14,760	\$20	0.3%	AVG	\$64	1.4%

ANALYSIS

This expense includes all gas and electricity costs for the subject. The conclusion is based on the budget 2024 pro forma expense.

WATER & SEWER						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$373,884	\$507	9.1%	1	\$595	13.0%
09/23 T-12	\$399,464	\$541	8.6%	2	\$690	15.8%
BUDGET 2024	\$445,757	\$604	9.8%	3	\$706	11.9%
STABILIZED PROFOF	\$444,250	\$602	8.1%	4	\$718	7.4%
				5	\$424	14.8%
				6	\$133	2.3%
CONCLUSION	\$383,760	\$520	8.8%	AVG	\$544	10.9%

ANALYSIS
 This expense includes all water and sewer costs related to the common area of the subject. There was an increase in water and sewer costs last fiscal year due to a water leak. This leak has been remedied. The conclusion is based on the historical expenses and the expense comparable information.

TRASH REMOVAL						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$75,514	\$102	1.8%	1	\$67	1.5%
09/23 T-12	\$96,444	\$131	2.1%	2	\$129	3.0%
BUDGET 2024	\$89,453	\$121	2.0%	3	\$213	3.6%
STABILIZED PROFOF	\$111,063	\$150	2.0%	4	\$132	1.4%
				5	\$298	10.4%
				6	\$93	1.6%
CONCLUSION	\$95,940	\$130	2.2%	AVG	\$155	3.6%

ANALYSIS
 This category includes trash removal expenses for the subject. The conclusion is based on the historical expenses and the expense comparable information.

REPAIRS & MAINTENANCE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$48,388	\$66	1.2%	1	\$41	0.9%
09/23 T-12	\$54,645	\$74	1.2%	2	\$297	6.8%
BUDGET 2024	\$74,000	\$100	1.6%	3	\$99	1.7%
STABILIZED PROFOF	\$80,643	\$109	1.5%	4	\$109	1.1%
				5	\$264	9.2%
				6	\$83	1.4%
CONCLUSION	\$73,800	\$100	1.7%	AVG	\$149	3.5%

ANALYSIS
 This expense covers the cost of all other routine maintenance and repairs. The conclusion is based on the budget 2024 pro forma expense.

OFF-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$183,509	\$249	4.5%	1	\$182	4.0%
09/23 T-12	\$203,257	\$275	4.4%	2	\$152	3.5%
BUDGET 2024	\$217,470	\$295	4.8%	3	\$178	3.0%
STABILIZED PROFOF	\$218,287	\$296	4.0%	4	\$476	4.9%
				5	\$115	4.0%
				6	\$36	0.6%
CONCLUSION	\$174,815	\$237	4.0%	AVG	\$190	3.3%

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. This is supported by the expense comparables. The conclusion is based on the historical expenses and the expense comparable information.

ON-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$187,219	\$254	4.6%	1	\$303	6.6%
09/23 T-12	\$262,618	\$356	5.7%	2	\$189	4.3%
BUDGET 2024	\$257,116	\$348	5.6%	3	\$487	8.2%
STABILIZED PROFOF	\$282,251	\$382	5.2%	4	\$301	3.1%
				5	\$357	12.5%
				6	\$112	1.9%
CONCLUSION	\$258,300	\$350	5.9%	AVG	\$292	6.1%

ANALYSIS
 This expense includes wages, salaries, and free rent for the on-site management. The conclusion is based on the budget 2024 pro forma expense.

GENERAL & ADMINISTRATIVE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
2022	\$43,167	\$58	1.1%	1	\$65	1.4%
09/23 T-12	\$65,060	\$88	1.4%	2	\$128	2.9%
BUDGET 2024	\$88,332	\$120	1.9%	3	\$52	0.9%
STABILIZED PROFOF	\$96,773	\$131	1.8%	4	\$37	0.4%
				5	\$161	5.6%
				6	\$51	0.9%
CONCLUSION	\$88,560	\$120	2.0%	AVG	\$82	2.0%

ANALYSIS
 This expense includes office supplies, accounting, legal fees, other professional fees, and all other administrative costs. The conclusion is based on the budget 2024 pro forma expense.

RESERVES							ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS			
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI	
2022	\$0		0.0%	1	\$40	0.9%	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.
09/23 T-12	\$0		0.0%	2	\$40	0.9%	
BUDGET 2024	\$0		0.0%	3	\$40	0.7%	
STABILIZED PROFOF	\$29,520	\$40	0.5%	4	\$40	0.4%	
				5	\$42	1.5%	
				6	\$13	0.2%	
CONCLUSION	\$29,520	\$40	0.7%	AVG	\$36	0.8%	

TOTAL EXPENSES	LOW	HIGH	CONCLUSION
SUBJECT HISTORICAL \$/HOMESITE	\$1,436	\$2,538	The subject's expenses are within the range of the comparables on a per unit and percent of EGI basis.
EXPENSE COMPARABLES \$/HOMESITE	\$664	\$2,717	
SALE COMPARABLE \$/HOMESITE	\$1,194	\$2,438	
SUBJECT HISTORICAL %EGI	25.9%	41.1%	
EXPENSE COMPARABLES %EGI	11.3%	74.0%	
SALE COMPARABLES %EGI	27.1%	39.8%	
TOTAL EXPENSES \$/HOMESITE	\$1,996		
TOTAL EXPENSES %EGI	33.7%		
TOTAL EXPENSES	\$1,472,682		

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.

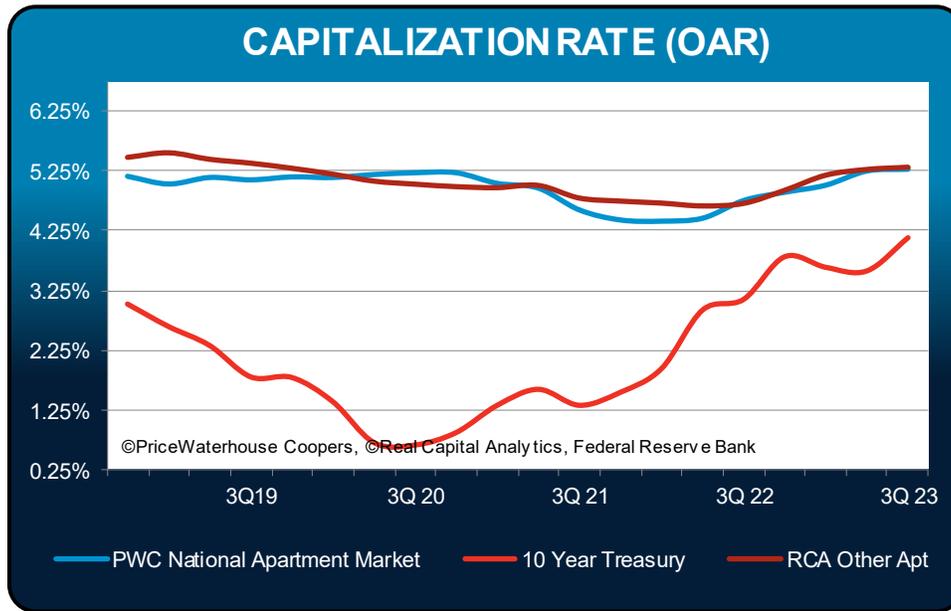
CAPITALIZATION RATE COMPARABLES (OAR)										
NAME	CITY	ST	SALE DATE	YR BLT	CLASS	OCC	HOMESITES	\$/HOMESITE	NOI/HOMESITE	CAP RATE
1 Windsor Estates	Dimondale	MI	August 1, 2023	1969	B	81.7%	470	\$64,894	\$2,857	4.40%
2 Gale Valley Estates MHC	Galesburg	MI	February 28, 2023	1975	B	99.0%	226	\$76,150	\$4,771	6.27%
3 Ravinia Estates	Fenton	MO	June 3, 2022	1985	B	99.0%	217	\$67,972	\$3,650	5.37%
4 Vietzen MHP	Wood Dale	IL	July 21, 2022	1960	B	95.9%	97	\$70,928	\$4,179	5.89%
5 Hidden River North and South	Adrian	MI	July 1, 2022	1994	B	99.0%	413	\$92,010	\$4,475	4.86%
LOW			June 2022	1960		81.7%	97	\$64,894	\$2,857	4.40%
HIGH			August 2023	1994		99.0%	470	\$92,010	\$4,771	6.27%
AVERAGE			November 2022	1977		94.9%	285	\$74,391	\$3,986	5.36%
MEDIAN			July 2022	1975		99.0%	226	\$70,928	\$4,179	5.37%
SUBJECT	Fort Wayne	IN		1968		86%	738		\$3,926	
INDICATED CAPITALIZATION RATE (OAR)										6.50%

Capitalization rates range from 4.40% to 6.27% and average 5.36%. Comparable one had significant upside in increasing rents and occupancy and placed downward pressure on the capitalization rates. This comparable would set the low end of the range. Comparable two was sold fully occupied in a superior location. The subject's concluded NOI/unit is near the average of the comparables at \$3,986/Site. The subject property has an average location and an average appeal. Overall, the subject has an average risk profile. As our stabilized occupancy is projected to be at year four we would expect the stabilized capitalization rate to be at or just above this comparable range. Further, as we noted in our rental conclusion we are trending the subject rents up to market and at the time of stabilization there would not be any further upside in rental increases.

Investor Surveys

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

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



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 23	3.75%	to 8.00%	5.28%
Real Capital Analytics				
Other Apt	3Q 23			5.30%
10 Year Treasury	4Q 23	-	-	4.85%
Market Participant Interview				
Justin Pounder	4Q23	6.00%	to 8.00%	7.00%
Barron Cline	4Q23	5.00%	to 7.00%	6.00%
AVERAGE		4.92%	to 7.67%	5.90%

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	6.66%
Loan-to-Value (LTV) Ratio	55%
Mortgage Constant	7.71%

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	55%	x	7.71%	= 4.241%
Equity Component	45%	x	6.00%	= 2.700%
Indicated Capitalization Rate				6.941%
INDICATED CAPITALIZATION RATE				6.94%

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		4.40% to 6.27%	5.36%
Investor Surveys	3Q 23	4.92% to 7.67%	5.90%
Justin Pounder	4Q23	6.00% to 8.00%	7.00%
Barron Cline	4Q23	5.00% to 7.00%	6.00%
Band of Investment Technique			6.94%
AVERAGE		5.08% to 7.23%	6.32%
CAPITALIZATION CONCLUSION			6.50%

Based on the data available for this analysis, a cap rate between **5.36% and 6.94%** is best supported for the subject property. However, the following items are noted:

Overall, a capitalization rate in the middle of the range, or **6.50%**, is concluded for this analysis.

STABILIZED DIRECT CAPITALIZATION

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

Inflation Assumptions

The following table summarizes all inflation assumptions that were used in our DCF analysis:

INFLATION ASSUMPTIONS										
YEAR ENDING	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	SEP-24	SEP-25	SEP-26	SEP-27	SEP-28	SEP-29	SEP-30	SEP-31	SEP-32	SEP-33
Rent	-	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Income	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Expenses	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Variable Expense Growth	-	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Absorption

Another indication of demand is the recent absorption rates of new communities. Based on conversations with on-site managers at communities in the subject’s area, vacant spaces are leased quickly. This is primarily due to the affordability of living in a manufactured housing community within the subject’s market area. Based on the area’s consistently high occupancy, most of the manufactured home communities surveyed reported any significant absorption recently.

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

ABSORPTION			
COMMUNITY	LOCATION	UNITS	ABSORPTION
Cedarwood Trails	Midwest	293	2.58/Month
Island Grove	Midwest	248	3.08/Month
Westville Estates	Midwest	100	1.75/Month
Meadowstone MHC	Midwest	231	2.58/Month
Riverview Estates	Midwest	197	2.58/Month
Kensington Place	Midwest	488	1.42/Month
Ridgewood	Midwest	455	1.83/Month
AVERAGE			2.26/Month
MEDIAN			2.58/Month
The comparables range from 1.42/ month to 3.08/ month. The average is 2.26/ month. We conclude just below the average of the comparables.			
CONCLUSION			2.00/Month

Fill Rate

The buyers have indicated a desire to improve the subject’s occupancy. For purposes of this analysis; an absorption of 2 home sites per month is estimated.

Lease-Up Costs

we incorporated allowances for marketing and other miscellaneous lease-up costs, which are summarized below.

LEASE-UP COSTS

YEAR ENDING	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	SEP-24	SEP-25	SEP-26	SEP-27	SEP-28	SEP-29	SEP-30	SEP-31	SEP-32	SEP-33
Rent Loss	\$349,960	\$188,440	\$35,893	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	\$192,000	\$192,000	\$136,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Entrepreneurial Incentive	\$5,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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 2 home sites per month is estimated.

Regarding lease-up costs, the subject property has a current occupancy level of 86.2%, 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 13.8% vacancy rate.

- First, the loss of rental income during the lease-up period is deducted.
- Secondly, it is estimated that the subject will need to spend approximately \$8,000/homesite leased and is labeled as "Marketing." This could come in many forms: rent concessions, covering the costs of moving homes into the community, discounts on purchasing a home from the community, etc. Typically, these costs run between \$3,000 and \$15,000/homesite.
- Additionally, a deduction is made to account for entrepreneurial profit is deducted. Profit tends to run from 10.0% to 30.0%. 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 10.0% profit component is also included.

LEASE-UP ANALYSIS

MONTH	HOMESITES ABSORBED	HOMESITES REMAINING	HOMESITES OCCUPIED	RENT LOSS (PER MONTH)	PRESENT VALUE OF RENT LOSS
1	2	63	638	\$35,332	\$35,186
2	2	61	640	\$34,211	\$33,927
3	2	59	642	\$33,089	\$32,679
4	2	57	644	\$31,967	\$31,440
5	2	55	646	\$30,846	\$30,211
6	2	53	648	\$29,724	\$28,992
7	2	51	650	\$28,602	\$27,782
8	2	49	652	\$27,481	\$26,582
9	2	47	654	\$26,359	\$25,391
10	2	45	656	\$25,237	\$24,210
11	2	43	658	\$24,116	\$23,038
12	2	41	660	\$22,994	\$21,875
13	2	39	662	\$21,872	\$20,722
14	2	37	664	\$20,751	\$19,577
15	2	35	666	\$19,629	\$18,442
16	2	33	668	\$18,507	\$17,316
17	2	31	670	\$17,386	\$16,199
18	2	29	672	\$16,264	\$15,091
19	2	27	674	\$15,142	\$13,992
20	2	25	676	\$14,021	\$12,902
21	2	23	678	\$12,899	\$11,821
22	2	21	680	\$11,777	\$10,748
23	2	19	682	\$10,656	\$9,684
24	2	17	684	\$9,534	\$8,629
25	2	15	686	\$8,412	\$7,582
26	2	13	688	\$7,291	\$6,544
27	2	11	690	\$6,169	\$5,514
28	2	9	692	\$5,047	\$4,493
29	2	7	694	\$3,926	\$3,480
30	2	5	696	\$2,804	\$2,475
31	2	3	698	\$1,682	\$1,479
32	2	1	700	\$561	\$491
33	1	0	701	\$0	\$0
TOTAL LOST RENTAL INCOME					\$548,493
Marketing @ \$8,000/Homesite					\$520,000
Profit @ 10.0% Stabilized Value of \$58,000,000					\$5,800,000
TOTAL LOST INCOME					\$6,870,000

Rounded to nearest \$10,000

Based on the subject's size, location and appeal, the competitive set analysis warrant primary consideration. The competitive set analysis indicated a current vacancy rate for directly competitive properties of 6.9%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 13.8%. We do note that the overall market vacancy has been relatively stable at 13-16% over the last several years. The new owners have indicated that they are going to be active in attempting to increase occupancy and make improvements as needed to reach a stabilized occupancy at 95% or above. The new owners are experienced in the operation of Manufactured Housing operations and based on available demographic/population data (increasing population) and the affordability of this housing option it is our opinion that the subject property can achieve positive

absorption and increase occupancy. 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

Another indication of demand is the recent absorption rates of new communities. Manufactured housing community development state-wide has slowed significantly in the last 20 years providing limited current absorption data. Based on conversations with on-site managers at communities in the subject's area, vacant spaces are leased quickly. This is primarily due to the affordability of living in a manufactured housing community within the subject's market area. Based on the area's consistently high occupancy, most of the manufactured home communities surveyed reported any significant absorption recently.

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

ABSORPTION			
COMMUNITY	LOCATION	UNITS	ABSORPTION
Cedarwood Trails	Midwest	293	2.58/Month
Island Grove	Midwest	248	3.08/Month
Westville Estates	Midwest	100	1.75/Month
Meadowstone MHC	Midwest	231	2.58/Month
Riverview Estates	Midwest	197	2.58/Month
Kensington Place	Midwest	488	1.42/Month
Ridgewood	Midwest	455	1.83/Month
AVERAGE			2.26/Month
MEDIAN			2.58/Month
The comparables range from 1.42/ month to 3.08/ month. The average is 2.26/ month. We conclude just below the average of the comparables.			
CONCLUSION			2.00/Month

The subject property is expected to attain stabilized occupancy in year 4. The following table summarizes our opinion of market value for the subject property via Direct Capitalization including the Prospective Value Upon Stabilization (Capitalized Value) in year 4 as of August 1, 2026.

DIRECT CAPITALIZATION SUMMATION TABLE (YEAR 4)				
INCOME ITEMS	%PGI	%EGI	\$/HOMESITE	TOTAL
Potential Rental Income			\$6,682	\$4,931,177
TOTAL RENTAL INCOME			\$6,682	\$4,931,177
OTHER INCOME				
Utility Income			\$695.91	\$513,582
Miscellaneous Income			\$350.92	\$258,976
TOTAL OTHER INCOME			\$1,046.83	\$772,558
POTENTIAL GROSS INCOME (PGI)			\$7,729	\$5,703,735
INCOME LOSS				
Vacancy	(5.0%)		(\$334)	(\$246,559)
TOTAL INCOME LOSS	(4.3%)		(\$334)	(\$246,559)
EFFECTIVE GROSS INCOME (EGI)	95.7%		\$7,395	\$5,457,176
Real Estate Taxes	(6.0%)	(6.2%)	(\$460)	(\$339,704)
Property Insurance	(1.1%)	(1.2%)	(\$89)	(\$65,321)
Gas & Electricity	(0.3%)	(0.3%)	(\$22)	(\$16,129)
Water & Sewer	(7.8%)	(8.1%)	(\$602)	(\$444,250)
Trash Removal	(1.9%)	(2.0%)	(\$150)	(\$111,063)
Repairs & Maintenance	(1.4%)	(1.5%)	(\$109)	(\$80,643)
Off-Site Management	(3.8%)	(4.0%)	(\$296)	(\$218,287)
On-Site Management	(4.9%)	(5.2%)	(\$382)	(\$282,251)
General & Administrative	(1.7%)	(1.8%)	(\$131)	(\$96,773)
Reserves	(0.5%)	(0.5%)	(\$40)	(\$29,520)
TOTAL EXPENSES	(29.5%)	(30.9%)	(\$2,282)	(\$1,683,941)
NET OPERATING INCOME (NOI)	66.2%	69.1%	\$5,113	\$3,773,235
Capitalization Rate				6.50%
Capitalized Value				\$58,049,771
PROSPECTIVE VALUE UPON STABILIZATION			\$78,591	\$58,000,000
Lease-Up Costs				
Rent Loss	(9.6%)	(10.1%)		(\$548,493)
Marketing	(9.1%)	(9.5%)		(\$520,000)
Total Lease-Up Costs	(18.7%)	(19.6%)		(\$1,068,493)
Entrepreneurial Profit	(101.7%)	(106.3%)		(\$5,800,000)
TOTAL LEASE-UP COSTS	(120.4%)	(125.9%)		(\$6,868,493)
AS-IS MARKET VALUE			\$69,241	\$51,100,000

Rounded to nearest \$100,000

INTRODUCTION

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

UNIT OF COMPARISON

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

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. Overall, the sales selected represent the best comparables available for this analysis. Given the changes in the economy over the past several months due to rising interest rates and inflation; we were looking for similar sales that occurred within the past year that were also within the state of Indiana. We did not uncover any sales we deemed sufficiently similar in the state. As such we expanded our search to the entire Midwest. We uncovered sales in Illinois, Michigan, and Missouri.

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 leased fee 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	October 2023	(As-Is)	0%
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The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore a market conditions adjustment is not warranted.

Property Adjustments

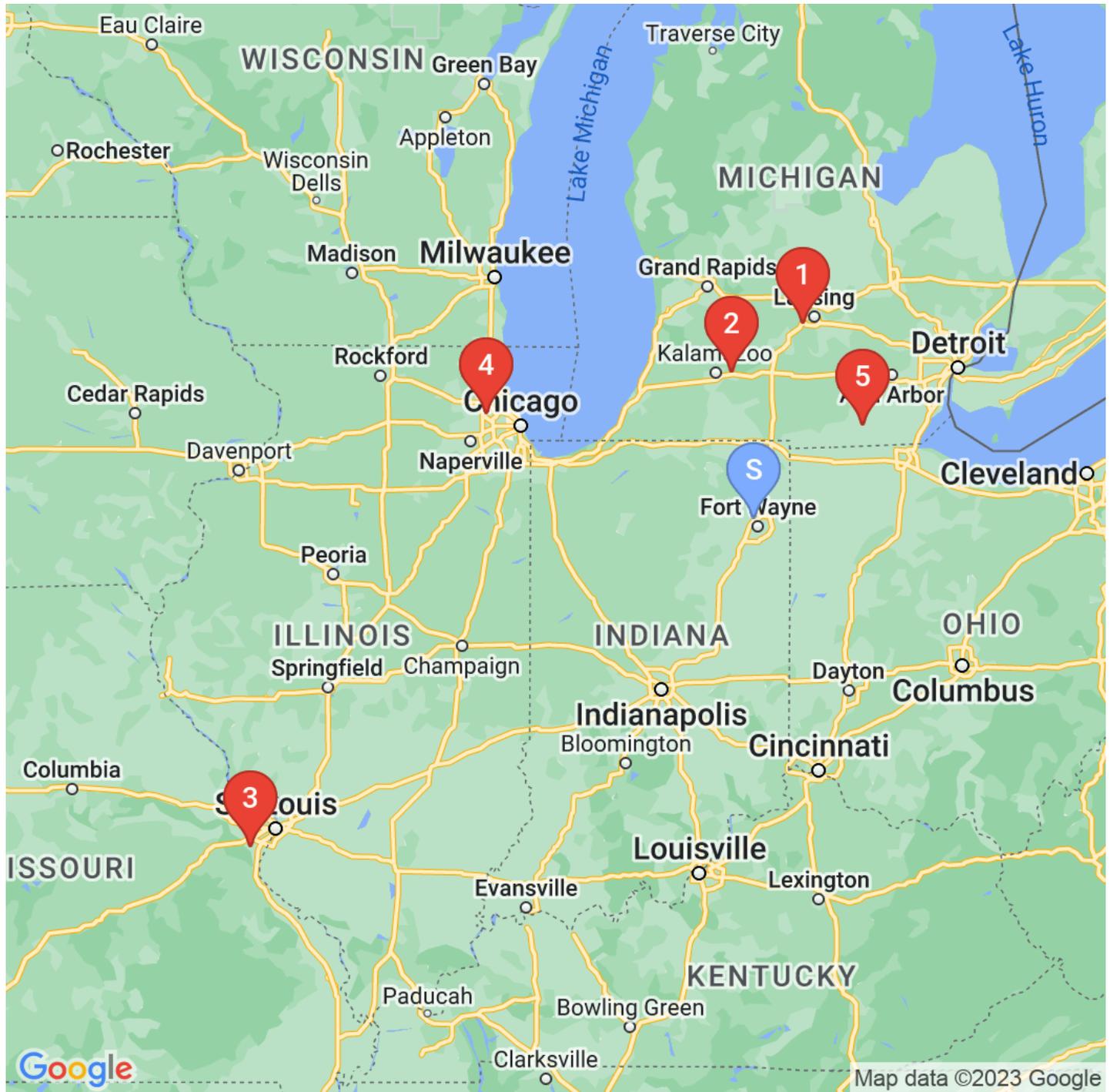
Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other 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
Name	Ridgebrook Hills MHC	Windsor Estates	Gale Valley Estates MHC	Ravinia Estates	Vietzen MHP	Hidden River North and South
Address	2737 W Washington Center Rd	6661 Canal Rd	353 East Michigan Avenue	1103 Ravinia Way	140 South Wood Dale Road	3251 S Adrian Hwy
City	Fort Wayne	Dimondale	Galesburg	Fenton	Wood Dale	Adrian
State	IN	MI	MI	MO	IL	MI
Zip	46818	48821	49053	63026	60191	49221
County	Allen	Eaton	Kalamazoo	Jefferson	DuPage	Lenaw ee
PHYSICAL INFORMATION						
Project Design	All Age	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing
Class	B	B	B	B	B	B
Homesites	738	470	226	217	97	413
Density	5.0	4.6	4.9	3.0	9.7	4.0
Land Area (AC)	147.0	102.3	46.5	72.6	10.0	103.2
Land Area (SF)	6,401,578	4,456,188	2,024,669	3,160,714	435,600	4,495,392
Year Built	1968	1969	1975	1985	1960	1994
Location	Average	Average	Average	Average	Average	Average/Good
Quality	Average	Average/Good	Average/Good	Average	Average	Average/Good
Condition	Average	Average/Good	Average/Good	Average	Average	Average/Good
Appeal	Average	Average/Good	Average/Good	Average	Average	Average/Good
SALE INFORMATION						
Date		8/1/2023	2/28/2023	6/3/2022	7/21/2022	7/1/2022
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Parcel Number		080-009-200-200-	-	02-5.0-22.0-2-001-	03-16-402-003,	Various
Rights Transferred		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Leased Fee
Transaction Price		\$30,500,000	\$17,209,929	\$14,750,000	\$6,880,000	\$38,000,000
Transaction \$/Homesite		\$64,894	\$76,150	\$67,972	\$70,928	\$92,010
Recorded Date		10/26/2023	2/8/2023	6/4/2022	10/20/2022	7/1/2022
Recorded Price		\$30,500,000	\$17,209,929	\$14,750,000	\$6,880,000	\$38,000,000
Analysis Price		\$30,500,000	\$17,209,929	\$14,750,000	\$6,880,000	\$38,000,000
NOI/Unit	\$3,926	\$2,857	\$4,771	\$3,650	\$4,179	\$4,475
Occupancy	86.2%	81.7%	99.0%	99.0%	95.9%	99.0%
Capitalization Rate		4.40%	6.27%	5.37%	5.89%	4.86%

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/SITE
SUBJECT	-	Ridgebrook Hills MHC	2737 W Washington Center Rd, Fort Wayr	86.2%	-	-	-
No. 1	109.3 Miles	Windsor Estates	6661 Canal Rd, Dimondale, MI	81.7%	8/1/2023	4.40%	\$64,894
No. 2	81.0 Miles	Gale Valley Estates MHC	353 East Michigan Avenue, Galesburg, MI	99.0%	2/28/2023	6.27%	\$76,150
No. 3	335.0 Miles	Ravinia Estates	1103 Ravinia Way, Fenton, MO	99.0%	6/3/2022	5.37%	\$67,972
No. 4	155.5 Miles	Vietzen MHP	140 South Wood Dale Road, Wood Dale, IL	95.9%	7/21/2022	5.89%	\$70,928
No. 5	78.3 Miles	Hidden River North and Sou	3251 S Adrian Hwy, Adrian, MI	99.0%	7/1/2022	4.86%	\$92,010

COMPARABLE 1

LOCATION INFORMATION

Name	Windsor Estates
Address	6661 Canal Rd
City, State, Zip Code	Dimondale, MI, 48821
County	Eaton
MSA	Lansing-East Lansing, MI
APN	080-009-200-200-00, 080-010-100-051-00, 080-010-300-031-00

SALE INFORMATION

Buyer	Cambio Communities
Transaction Date	08/1/2023
Transaction Status	Recorded
Transaction Price	\$30,500,000
Recorded Date	10/26/2023
Recorded Price	\$30,500,000
Rights Transferred	Leased Fee
Financing	Freddie Mac
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	470
Year Built	1969
Quality / Condition	Average/Good / Average/Good
Appeal	Average/Good
Site Size	102.3 Acres (4,456,188 SF)
Street Construction	Concrete

Amenities	Horseshoes, Laundry Room, Clubhouse (1) and Pool (1)
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UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Single Section	376
Multi-Section	94



WINDSOR ESTATES OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$5,361	\$2,519,857
Other Income	\$169	\$79,570
Gross Income	\$5,531	\$2,599,427
Vacancy @ 27.6%	(\$1,480)	(\$695,481)
Effective Gross Income	\$4,051	\$1,903,946
Expenses	(\$1,194)	(\$561,351)
Net Operating Income	\$2,857	\$1,342,595
Occupancy at Sale		81.7%
Expense % of PGI / EGI	22%	29%

ANALYSIS INFORMATION

Price/Homesite	\$64,893.62
Adjusted Price/Homesite	\$68,138.30
Capitalization Rate	4.40%
PGIM / EGIM	11.73 16.02

CONFIRMATION

Name	Confidential
Company	Confidential
Source	Buyer
Date / Phone Number	08/1/2023 Confidential

REMARKS

This park is located in the township of Windsor, just southwest of the City of Lansing. It is situated along Canal Road just south of its intersection with Lansing Road. RV / Boat storage This property was sold with upside in increasing occupancy and rents in a strong market.

COMPARABLE 2

LOCATION INFORMATION

Name	Gale Valley Estates MHC
Address	353 East Michigan Avenue
City, State, Zip Code	Galesburg, MI, 49053
County	Kalamazoo

SALE INFORMATION

Buyer	Cambio Communities
Seller	Havenpark Capital Partners
Transaction Date	02/28/2023
Transaction Status	Recorded
Transaction Price	\$17,209,929
Recorded Date	02/8/2023
Recorded Price	\$17,209,929
Analysis Price	\$17,209,929
Rights Transferred	Fee Simple
Financing	FNMA
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	226
Year Built	1975
Quality / Condition	Average/Good / Average/Good
Appeal	Average/Good
Site Size	46.5 Acres (2,024,669 SF)
Street Construction	Concrete
Homesite Parking	Concrete
Total Parking Spaces	452
Spaces Per Homesite	2

Amenities Basketball, Playground, Volleyball and Clubhouse (1)

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Single Section	147
Multi-Section	79



GALE VALLEY ESTATES MHC

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$5,840	\$1,319,840
Other Income	\$705	\$159,250
Gross Income	\$6,545	\$1,479,090
Vacancy @ 0.0%	\$0	\$0
Effective Gross Income	\$6,545	\$1,479,090
Expenses	(\$1,773)	(\$400,764)
Net Operating Income	\$4,771	\$1,078,326
Occupancy at Sale		99.0%
Expense % of PGI / EGI	27%	27%

ANALYSIS INFORMATION

Price/Homesite	\$76,150.13
Adjusted Price/Homesite	\$72,342.62
Capitalization Rate	6.27%
PGIM / EGIM	11.64 11.64

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	Confidential	
Date / Phone Number	07/15/2023	Confidential

REMARKS

Gale Valley Estates is located in Galesburg, Michigan, and has 226 sites. The property sold for \$17,209,929. Situated between Kalamazoo and Battle Creek, the park has easy access to major highways like I-94 and M-96. Gale Valley Estates is located in Galesburg, Michigan, and has 226 sites. The property sold for \$17,209,929. Situated between Kalamazoo and Battle

COMPARABLE 3

LOCATION INFORMATION

Name	Ravinia Estates
Address	1103 Ravinia Way
City, State, Zip Code	Fenton, MO, 63026
County	Jefferson
MSA	St. Louis, MO-IL
APN	02-5.0-22.0-2-001-030

SALE INFORMATION

Buyer	RAVINIA MHP LLC
Seller	JWW ROBINLAND LLC
Transaction Date	06/3/2022
Transaction Status	Recorded
Transaction Price	\$14,750,000
Recorded Date	06/4/2022
Recorded Price	\$14,750,000
Analysis Price	\$14,750,000
Recording Number	2022R-018884
Rights Transferred	Fee Simple
Financing	Undisclosed
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	217
Year Built	1985
Quality / Condition	Average / Average
Appeal	Average
Site Size	72.6 Acres (3,160,714 SF)
Zoning	PR2
Street Construction	Concrete

Amenities	Playground
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UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Single Section	207
Multi-Section	10



**RAVINIA ESTATES
OPERATING INCOME**

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$6,000	\$1,302,000
Other Income	\$369	\$80,000
Gross Income	\$6,369	\$1,382,000
Vacancy @ 5.0%	(\$300)	(\$65,100)
Effective Gross Income	\$6,069	\$1,316,900
Expenses	(\$2,418)	(\$524,760)
Net Operating Income	\$3,650	\$792,140
Occupancy at Sale		99.0%
Expense % of PGI / EGI	38%	40%

ANALYSIS INFORMATION

Price/Homesite	\$67,972.35
Adjusted Price/Homesite	\$78,168.20
Capitalization Rate	5.37%
PGIM / EGIM	10.67 11.20

CONFIRMATION

Name	Brian Hummell
Company	Capstone
Source	Seller's Broker
Date / Phone Number	01/9/2023 +1 614 318 5482

REMARKS

This comparable is located in Fenton, Missouri, within Jefferson County. It was built in 1985 and contains 169 homesites. Community amenities include a playground. The capitalization rate is a year one proforma.

COMPARABLE 4

LOCATION INFORMATION

Name	Vietzen MHP
Address	140 South Wood Dale Road
City, State, Zip Code	Wood Dale, IL, 60191
County	DuPage
MSA	Chicago-Naperville-Elgin, IL-IN-WI
APN	03-16-402-003, 03-16-402-005, 03-16-402-006

SALE INFORMATION

Buyer	Flintstone Properties
Seller	Matthew Vietzen
Transaction Date	07/21/2022
Transaction Status	Recorded
Transaction Price	\$6,880,000
Recorded Date	10/20/2022
Recorded Price	\$6,880,000
Analysis Price	\$6,880,000
Rights Transferred	Fee Simple

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	97
Year Built	1960
Quality / Condition	Average / Average
Appeal	Average
Site Size	10.0 Acres (435,600 SF)
Zoning	R-2 and R-3
Street Construction	Asphalt
Homesite Parking	Asphalt
Total Parking Spaces	194
Spaces Per Homesite	2

Amenities

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	97



VIETZEN MHP

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$7,056	\$684,400
Other Income	\$55	\$5,300
Gross Income	\$7,110	\$689,700
Vacancy @ 7.0%	(\$494)	(\$47,908)
Effective Gross Income	\$6,616	\$641,792
Expenses	(\$2,438)	(\$236,465)
Net Operating Income	\$4,179	\$405,327
Occupancy at Sale		95.9%
Expense % of PGI / EGI	34%	37%

ANALYSIS INFORMATION

Price/Homesite	\$70,927.84
Adjusted Price/Homesite	\$78,020.62
Capitalization Rate	5.89%
PGIM / EGIM	9.98 10.72

CONFIRMATION

Name	Rob Shock
Company	Colliers
Source	Appraisal Document
Date / Phone Number	09/16/2022 +1 614 370 5059

REMARKS

This property is situated along the west side of South Dale Road, south of Irving Park Road. The property is a approximately 20 miles north west of the Chicago CBD. The capitalization rate was calculated utilizing the appraiser's proforma. This included a 3.0% Off-Site Management Fee and \$40/Homesite for Replacement Reserves.

COMPARABLE 5

LOCATION INFORMATION

Name	Hidden River North and South
Address	3251 S Adrian Hwy
City, State, Zip Code	Adrian, MI, 49221
County	Lenaw ee
APN	Various

SALE INFORMATION

Buyer	Havenpark Communities
Seller	Apollo Global Real Estate Management, L.P
Transaction Date	07/1/2022
Transaction Status	Recorded
Transaction Price	\$38,000,000
Recorded Date	07/1/2022
Recorded Price	\$38,000,000
Analysis Price	\$38,000,000
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	413
Year Built	1994
Quality / Condition	Average/Good / Average/Good
Appeal	Average/Good
Site Size	103.2 Acres (4,495,392 SF)
Zoning	Residential Mobile Home Park District (RM-H)
Street Construction	Asphalt
Homesite Parking	Asphalt
Total Parking Spaces	826
Spaces Per Homesite	2

Amenities Basketball, Billiards, Playground, Clubhouse (2) and Pool (2)

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	413



HIDDEN RIVER NORTH AND SOUTH

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$6,192	\$2,557,296
Other Income	\$535	\$221,000
Gross Income	\$6,727	\$2,778,296
Vacancy @ 4.0%	(\$248)	(\$102,292)
Effective Gross Income	\$6,479	\$2,676,004
Expenses	(\$2,005)	(\$828,032)
Net Operating Income	\$4,475	\$1,847,972
Occupancy at Sale		99.0%
Expense % of PGI / EGI	30%	31%

ANALYSIS INFORMATION

Price/Homesite	\$92,009.69
Adjusted Price/Homesite	\$82,808.72
Capitalization Rate	4.86%
PGIM / EGIM	13.68 14.20

CONFIRMATION

Name	Confidential
Company	Confidential
Source	Buyer's Representative
Date / Phone Number	10/20/2022 Confidential

REMARKS

This is a portfolio of two properties that sold in the city of Adrian.

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Address	2737 W Washington Center Rd	6661 Canal Rd	353 East Michigan Avenue	1103 Ravinia Way	140 South Wood Dale Road	3251 S Adrian Hwy
City, State	Fort Wayne, IN	Dimondale, MI	Galesburg, MI	Fenton, MO	Wood Dale, IL	Adrian, MI
Units	738	470	226	217	97	413
Density	5.0	4.6	4.9	3.0	9.7	4.0
Land Area (AC)	147.0	102.3	46.5	72.6	10.0	103.2
Land Area (SF)	6,401,578	4,456,188	2,024,669	3,160,714	435,600	4,495,392
Year Built	1968	1969	1975	1985	1960	1994
Location	Average	Average	Average	Average	Average	Average/Good
Quality	Average	Average/Good	Average/Good	Average	Average	Average/Good
Condition	Average	Average/Good	Average/Good	Average	Average	Average/Good
Appeal	Average	Average/Good	Average/Good	Average	Average	Average/Good
SALE INFORMATION						
Date		8/1/2023	2/28/2023	6/3/2022	7/21/2022	7/1/2022
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Fee Simple	Fee Simple	Fee Simple	Leased Fee
Stabilized Occupancy	95.0%	81.7%	99.0%	99.0%	95.9%	99.0%
Capitalization Rate		4.4%	6.3%	5.4%	5.9%	4.9%
NOI/Homesite		\$2,857	\$4,771	\$3,650	\$4,179	\$4,475
Transaction Price		\$30,500,000	\$17,209,929	\$14,750,000	\$6,880,000	\$38,000,000
Recorded Date		10/26/2023	2/8/2023	6/4/2022	10/20/2022	7/1/2022
Recorded Price		\$30,500,000	\$17,209,929	\$14,750,000	\$6,880,000	\$38,000,000
Analysis Price		\$30,500,000	\$17,209,929	\$14,750,000	\$6,880,000	\$38,000,000
\$/Homesite		\$64,894	\$76,150	\$67,972	\$70,928	\$92,010
TRANSACTIONAL ADJUSTMENTS						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%
Market Conditions¹		0%	0%	0%	0%	0%
Subtotal Transactional Adj Price		\$64,894	\$76,150	\$67,972	\$70,928	\$92,010
PROPERTY ADJUSTMENTS						
Location		0%	0%	0%	0%	-5%
Quality		-5%	-5%	0%	0%	-5%
Condition		-5%	-5%	0%	0%	-5%
Age		0%	0%	0%	0%	0%
Number Of Homesites		5%	5%	5%	10%	5%
Density		0%	0%	0%	0%	0%
Amenities		0%	0%	0%	0%	0%
Occupancy		10%	0%	10%	0%	0%
Subtotal Property Adjustment		5%	-5%	15%	10%	-10%
TOTAL ADJUSTED \$/HOMESITE		\$68,138	\$72,343	\$78,168	\$78,021	\$82,809
STATISTICS		UNADJUSTED	ADJUSTED			
LOW		\$64,894	\$68,138			
HIGH		\$92,010	\$82,809			
MEDIAN		\$70,928	\$78,021			
AVERAGE		\$74,391	\$75,896			

¹ Market Conditions Adjustment - 0%

Date of Value (for adjustment calculations): 10/30/23

SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from \$68,138 to \$82,809/Homesite, with a median of \$78,021/Homesite and an average of \$75,896/Homesite. The range of total gross adjustment applied to the comparables was from 10% to 25%, with an average gross adjustment across all comparables of 17%. 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 (\$68,138/Homesite as adjusted) did not require any transaction adjustments. This comparable required a total upward adjustment of 5% for property characteristics. This property has a superior location compared to the subject property and is adjusted downward. This property is considered to be superior to the subject property in terms of quality and is adjusted downward. This property has been better maintained than the subject property and is adjusted downward for this superior attribute. Small communities have less homesites to spread expenses across. This community is adjusted upward for its inferior size. This property has inferior occupancy compared to the subject property and is adjusted upward. The total gross adjustment applied to this comparable was 25%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 2 (\$72,343/Homesite as adjusted) did not require any transaction adjustments. This comparable required a total downward adjustment of -5% for property characteristics. This property has a superior location compared to the subject property and is adjusted downward. This property is considered to be superior to the subject property in terms of quality and is adjusted downward. This property has been better maintained than the subject property and is adjusted downward for this superior attribute. Small communities have less homesites to spread expenses across. This community is adjusted upward for its inferior size. The total gross adjustment applied to this comparable was 15%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 3 (\$78,168/Homesite as adjusted) did not require any transaction adjustments. This comparable required a total upward adjustment of 15% for property characteristics. Small communities have less homesites to spread expenses across. This community is adjusted upward for its inferior size. This property has inferior occupancy compared to the subject property and is adjusted upward. The total gross adjustment applied to this comparable was 15%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 4 (\$78,021/Homesite as adjusted) did not require any transaction adjustments. This comparable required a total upward adjustment of 10% for property characteristics. Small communities have less homesites to spread expenses across. This community is adjusted upward for its inferior size. The total gross adjustment applied to this comparable was 10%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 5 (\$82,809/Homesite as adjusted) did not require any transaction adjustments. This comparable required a total downward adjustment of -10% for property characteristics. This property is considered to be superior to the subject property in terms of quality and is adjusted downward. This property has been better maintained than the subject property and is adjusted downward for this superior attribute. Small communities have less homesites to spread expenses across. This community is adjusted upward for its inferior size. The total gross adjustment applied to this comparable was 20%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from \$68,138 to \$82,809/Homesite, with a median of \$78,021/Homesite and an average of \$75,896/Homesite. Based on the results of the preceding analysis, Comparable 1 (\$68,138/Homesite adjusted), Comparable 2 (\$72,343/Homesite adjusted), Comparable 3 (\$78,168/Homesite adjusted), Comparable 4 (\$78,021/Homesite adjusted) and Comparable 5 (\$82,809/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 ADJ %	GROSS ADJ %	WEIGHT GIVEN	
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²				
1	\$64,894	0%	\$64,894	5%	\$68,138	5%	25%	PRIMARY
2	\$76,150	0%	\$76,150	-5%	\$72,343	-5%	15%	PRIMARY
3	\$67,972	0%	\$67,972	15%	\$78,168	15%	15%	PRIMARY
4	\$70,928	0%	\$70,928	10%	\$78,021	10%	10%	PRIMARY
5	\$92,010	0%	\$92,010	-10%	\$82,809	-10%	20%	PRIMARY
LOW	\$68,138					AVERAGE		\$75,896
HIGH	\$82,809					MEDIAN		\$78,021
		SUBJECT HOMESITES		\$/HOMESITE CONCLUSION		VALUE		
PROSPECTIVE VALUE UPON STABILIZATION		738		x \$77,000		=		\$56,800,000
Lease- Up Costs						From Lease-Up Analysis		
Rent Loss						(\$548,493)		
Marketing						(\$520,000)		
Total Lease-Up Costs						(\$1,068,493)		
Entrepreneurial Profit						(\$5,800,000)		
TOTAL LEASE-UP COSTS						(\$6,868,493)		
AS-IS MARKET VALUE					\$67,615	\$49,900,000		

¹Cumulative ²Additive

Rounded to nearest \$100,000

INTRODUCTION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per acre. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

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

Transactional Adjustments

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

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site 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 and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
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	October 2023	(As-Is)	0%

The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore a market conditions adjustment is not warranted.

Property Adjustments

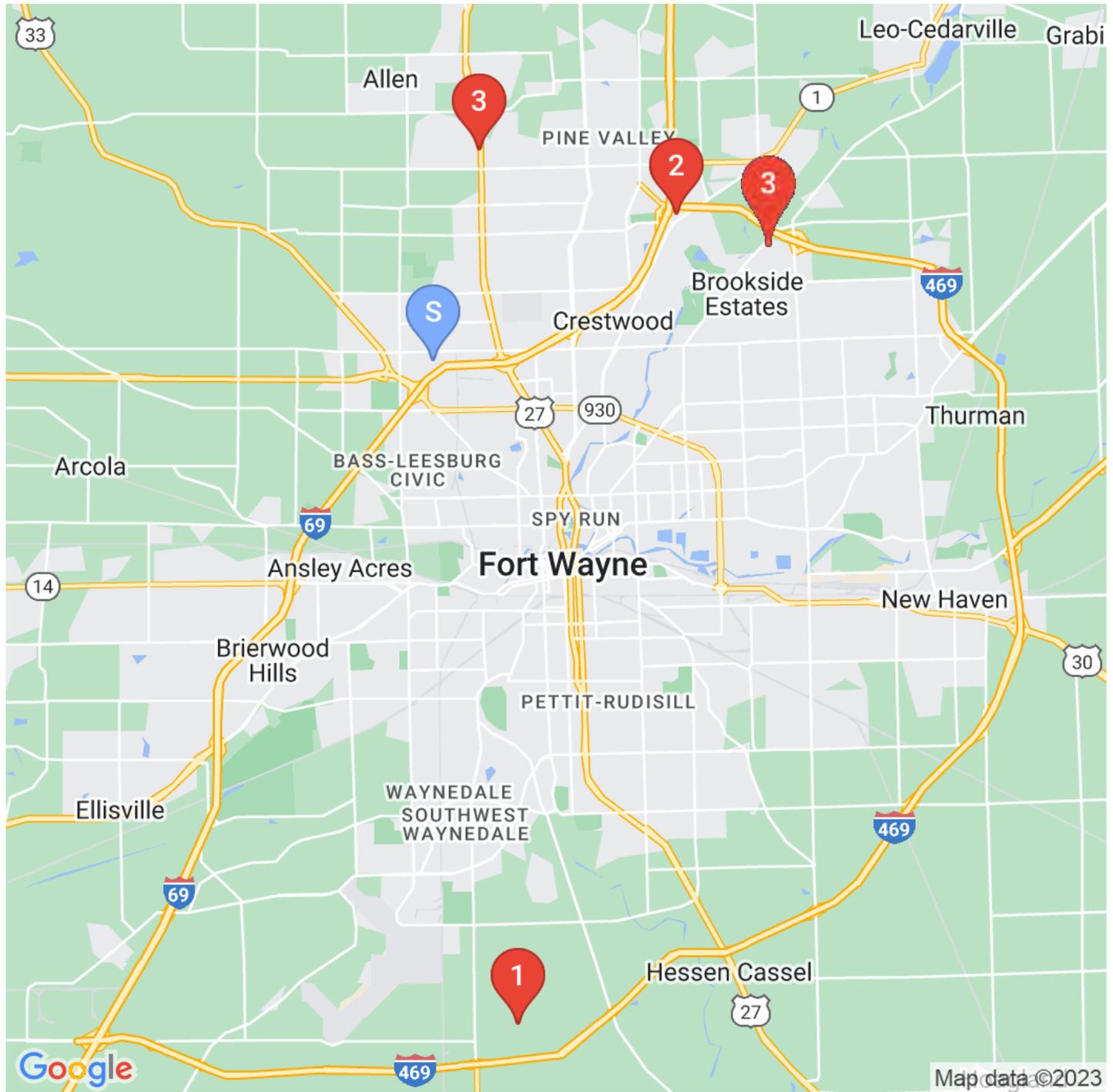
Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. 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 site.

PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE				
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Name	Ridgebrook Hills MHC	Vacant Land	Commercial Land	Lima Road
Address	2737 W Washington Center Rd	1200 W Pleasant Center Rd	8923 N Clinton	Lima Road
City	Fort Wayne	Fort Wayne	Fort Wayne	Fort Wayne
State	IN	IN	IN	IN
Zip	46818	46819	46825	46818
County	Allen	Allen	Allen	Allen
PHYSICAL INFORMATION				
Acres	146.96	52.60	45.00	25.00
Location	Average	Average	Average	Average
Exposure	Average	Average	Average	Average
Access	Average	Average	Average	Average
Shape	Irregular	Irregular	Irregular	Irregular
Site Utility Rating	Average	Average	Average	Average
SALE INFORMATION				
Date		11/5/2021	1/1/2023	8/20/2021
Status		Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$2,460,000	\$2,400,000	\$1,100,000
Analysis Price		\$2,460,000	\$2,400,000	\$1,100,000
\$/Acre		\$46,768	\$53,333	\$44,000

LAND SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/ACRE
SUBJECT	-	2737 W Washington Center Rd, Fort Wayne, IN	-	146.96	6,401,578	-
No. 1	11.5 Miles	1200 W Pleasant Center Rd, Fort Wayne, IN	11/5/2021	52.60	2,291,256	\$46,768
No. 2	4.8 Miles	8923 N Clinton, Fort Wayne, IN	1/1/2023	45.00	1,960,200	\$53,333
No. 3	3.7 Miles	Lima Road, Fort Wayne, IN	8/20/2021	25.00	1,089,000	\$44,000

LAND SALES ADJUSTMENT TABLE				
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Name	Ridgebrook Hills	Vacant Land	Commercial Land	Lima Road
Address	2737 W	1200 W Pleasant	8923 N Clinton	Lima Road
City	Fort Wayne	Fort Wayne	Fort Wayne	Fort Wayne
Acres	146.96	52.60	45.00	25.00
Location	Average	Average	Average	Average
Exposure	Average	Average	Average	Average
Access	Average	Average	Average	Average
Shape	Irregular	Irregular	Irregular	Irregular
Site Utility Rating	Average	Average	Average	Average
SALE INFORMATION				
Date		11/5/2021	1/1/2023	8/20/2021
Status		Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$2,460,000	\$2,400,000	\$1,100,000
Price/Acre		\$46,768	\$53,333	\$44,000
TRANSACTIONAL ADJUSTMENTS				
Property Rights		0%	0%	0%
Financing		0%	0%	0%
Conditions of Sale		0%	0%	0%
Expenditures After the Sale		0%	0%	0%
Market Conditions¹		0%	0%	0%
Subtotal Transactional Adj Price		\$46,768	\$53,333	\$44,000
PROPERTY ADJUSTMENTS				
Location		0%	0%	0%
Size		-5%	-5%	-10%
Exposure		0%	0%	0%
Access		0%	0%	0%
Subtotal Property Adjustment		-5%	-5%	-10%
TOTAL ADJUSTED PRICE		\$44,430	\$50,667	\$39,600
STATISTICS	UNADJUSTED	ADJUSTED		
LOW	\$44,000	\$39,600		
HIGH	\$53,333	\$50,667		
MEDIAN	\$46,768	\$44,430		
AVERAGE	\$48,034	\$44,899		

¹ Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 10/30/23

LAND VALUE CONCLUSION

The comparable land sales indicate an adjusted value range from \$39,600 to \$50,667/Acre, with a median of \$44,430/Acre and an average of \$44,899/Acre. Based on the results of the preceding analysis, Comparable 1 (\$44,430/Acre adjusted), Comparable 2 (\$50,667/Acre adjusted) and Comparable 3 (\$39,600/Acre adjusted) are given primary consideration for the subject’s opinion of land value.

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

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$46,768	0%	\$46,768	-5%	\$44,430	-5%	5%	PRIMARY
2	\$53,333	0%	\$53,333	-5%	\$50,667	-5%	5%	PRIMARY
3	\$44,000	0%	\$44,000	-10%	\$39,600	-10%	10%	PRIMARY
LOW	\$39,600					AVERAGE		\$44,899
HIGH	\$50,667					MEDIAN		\$44,430
COMPONENT		SUBJECT ACRES		\$/ACRE CONCLUSION			VALUE	
TOTAL PROPERTY		147		x	\$45,000	=	\$6,610,000	

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

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

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

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

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

In the open market, the subject property type would command most interest from 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 have an effect on the subject's value.

The following table summarizes our final opinions of the As-Is Market Value, Prospective Value Upon Stabilization and Site Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	OCTOBER 30, 2023	AUGUST 1, 2026
Sales Comparison Approach	\$49,900,000	\$56,450,000
Income Approach	\$51,100,000	\$58,000,000
FINAL VALUE CONCLUSION	\$51,100,000	\$58,000,000
\$/Homesite	\$69,241/Homesite	\$78,591/Homesite
Exposure Time	Six Months or Less	
Marketing Period	Six Months or Less	
OTHER CONCLUSIONS	AS OF OCTOBER 30, 2023	
Insurable Replacement Cost	\$340,000	
Site Value	\$6,610,000	

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.
- › Chuck Schierbeck, MAI, MICP has provided real property valuation services as an appraiser for 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 provided real property valuation services as an appraiser for 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.
- › Chuck Schierbeck, MAI, MICP inspected 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. Adam Buchman did not inspect the property that is the subject of this report.
- › Adam Buchman (Registered Appraiser Assistant) provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.

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 Chuck Schierbeck, MAI, MICP and 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 Chuck Schierbeck, MAI, MICP, Bruce Nell, MAI, AI-GRS, MRICS, and Adam Buchman have completed the Standards and Ethics Education Requirement for (Candidates or Practicing Affiliates) of the Appraisal Institute.



October 31, 2023

Chuck Schierbeck, MAI, MICP

Date

Senior Valuation Specialist

Certified General Real Estate Appraiser
 State of Indiana License #CG41300019
 +1 614 437 4690
 chuck.schierbeck@colliers.com



October 31, 2023

Bruce Nell, MAI, AI-GRS, MRICS

Date

Executive Managing Director |
 Advisory Services

Certified General Real Estate Appraiser
 State of Indiana License #CG40801093
 +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.

Insurable Replacement Cost

Subject Data

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

INSURABLE REPLACEMENT COST

At the client's request, we have included an estimate of the insurable replacement cost estimate of the subject improvements, which represents the replacement cost new of the subject improvements, exclusive of land value and profit, and the costs associated with excavation, site work, foundations and architects fees. Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable replacement cost is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value. The insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service*, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

The following chart summarizes the insurable replacement cost estimate:

INSURABLE REPLACEMENT COST			
COMMON BUILDINGS			
		1	2
Number of Buildings	2		
Gross Building Area	4,332 SF		
MVS Building Type		Clubhouses	Light Commercial Utility
Number of Stories		1	1
Component Description		Clubhouse/Office	Maintenance Barn
MVS Section/Page/Class		11/30/C	17/12/D
MVS Publication Date		Nov-22	May-22
Quality Rating		Average	Low Cost
Component SF (Gross)		2,040	2,292
Base Cost (Per SF)		\$142.00	\$28.00
TOTAL REPLACEMENT COST NEW		\$289,680	\$64,176
BASE IMPROVEMENT COST		\$374,261	
Insurable Replacement Exclusions 10%		(\$37,426)	
Insurable Replacement Cost		\$340,000	

¹Colliers International Estimate

Rounded to nearest \$10,000

Professional Service Agreement



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October 18, 2023

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Brian Spear
 Sunrise Communities
 410 S Aurora Ave,
 Clearwater, FL 33765
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 219-588-7979

RE: Appraisal of Ridgebrook Hills MHC

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.

<u>PROFESSIONAL SERVICE AGREEMENT</u> ("Agreement")	
Project	Ridgebrook Hills MHC ("Property")
Location	Ridgebrook Hills MHC 2737 W Washington Center Rd Fort Wayne, IN 46818
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. It should be noted that if this engagement is directly with the owner of the Property, the Appraisal will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for use in Loan Securitization, Mortgage Underwriting, Financial Reporting, Internal Decision Making: appraisal to be used for decision of acquisition. The report is not intended for any other use.
Purpose	Market Value & stabilized 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

Professional Service Agreement

Continued

Date of Value	Date of inspection (or other date defined by appraiser)
Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, 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> As though and/or Upon Stabilization <p>CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none">> Sales Comparison Approach> Income Capitalization Approach (including Direct Capitalization and Discounted Cash Flow analyses) <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 ten (10) business days from the date of authorization and receipt of property specific information.</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
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 (Less Retainer) at the delivery of the draft report. When a full retainer has been paid, invoice and amount due are \$0.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of the draft report. If for any reason the client cancels the work before work was completed or for reasons beyond Colliers' control, then the client would pay for an agreed amount for work completed.</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.

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: 10/19/2023

Brian Spear
Sunrise Communities

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Professional Service Agreement

Continued

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.



Charles V. Schierbeck II, MAI, MICP

SENIOR VALUATION SPECIALIST
Valuation & Advisory Services



chuck.schierbeck@colliers.com

EDUCATION AND QUALIFICATIONS

The Ohio State University,
Columbus, Ohio

STATE CERTIFICATION

Illinois

Indiana

Kentucky

Michigan

Minnesota

New York

Ohio

Pennsylvania

West Virginia

Wisconsin

CONTACT DETAILS

DIR +1 614 437 4690

FAX +1 614 436 9700

Colliers International
8800 Lyra Drive, Suite 650
Columbus, OH 43240

www.colliers.com

EXPERIENCE

Senior Valuation Specialist, Colliers International Valuation & Advisory Services, Columbus, Ohio

Valuation of commercial property, including preparation of appraisal reports, supply and demand analysis, financial and site feasibility, and overall market examination. Charles Schierbeck is nationally recognized for work with manufactured home communities. In addition to this niche property type, he has extensive experience in all commercial real estate, having completed assignments in 40+ states. Projects range from office buildings, regional shopping malls, industrial facilities and various multifamily residential developments.

Senior Appraiser, Crown Appraisal Group, Columbus, Ohio

International Customer Service Representative, National City Bank, Columbus, Ohio

Responsible for the transfer of international currencies. Co-designed the Excel based program that managed the department's operations.

PROFESSIONAL AFFILIATIONS & ACCREDITATIONS

Member - Appraisal Institute

Master's in Commercial Property - MICP

APPRAISAL INSTITUTE COURSES

Appraising Manufactured Housing, AI Seminar

Appraisal Principles, AI Course 110

Appraisal Procedures, AI Course 120

Basic Income Capitalization, AI Course 310

General Applications, AI Course 320

Standards of Professional Practice, AI Course 410

Advanced Income Capitalization, AI Course 510

Highest & Best Use and Market Analysis, AI Course 520

Report Writing and Valuation Analysis, AI Course 540



Indiana Professional Licensing Agency
Real Estate Appraiser Licensure Board
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG41300019	06/30/2024

Charles V. Schierbeck

Eric J. Holcomb
Governor
State of Indiana

Deborah J. Frye
Executive Director
Indiana Professional Licensing Agency



Indiana Professional Licensing Agency
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG41300019	06/30/2024

Charles V. Schierbeck

Signature _____



Bruce Nell, MAI, AI-GRS, MRICS

EXECUTIVE MANAGING DIRECTOR | NATIONAL PRACTICES
Valuation & Advisory Services



bruce.nell@colliers.com

EDUCATION AND QUALIFICATIONS

The Ohio State University,
Columbus, Ohio

Mount Vernon Nazarene
University, Columbus, Ohio

STATE CERTIFICATION

- Arizona
- Colorado
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nebraska
- New Jersey
- New York
- North Carolina
- North Dakota
- Ohio
- Pennsylvania
- South Carolina
- Tennessee
- Texas
- Utah
- Virginia
- West Virginia
- Wisconsin

CONTACT DETAILS

DIR +1 614 437 4687
FAX +1 614 436 9700

Colliers International
8800 Lyra Drive, Suite 650
Columbus, OH 43240
...

BUSINESS EXPERIENCE

Bruce Nell, MAI, AI-GRS, MRICS, serves as Executive Managing Director | National Practices for Colliers International Valuation & Advisory Services (CIVAS) as well as manages the Ohio and Tennessee Valley. As EMD of Practice Groups, Bruce oversees the development and operations of all valuation practice groups at CIVAS. He also serves as the National Practice Group Leader for Manufactured Housing, RV Parks, and for Senior Housing.

As EMD of the Ohio and Tennessee Valley he leads a dynamic team focused on the valuation of all commercial real estate. The regional team includes 30 staff members located across offices in Michigan, Pennsylvania, Ohio, Kentucky, and Tennessee.

Bruce has extensive personal experience in commercial real estate appraisal, having completed assignments in all 50 states, Washington D.C., and 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 \$200 billion in commercial real estate valuation. He has also facilitated client valuation needs in Central & South America, Europe, Oceania, and Asia.

PROFESSIONAL MEMBERSHIPS & ACCREDITATIONS

- 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)

APPRAISAL INSTITUTE COURSES

- Appraisal Principles AI Course 110
- Appraisal Procedures AI Course 120
- Basic Income Capitalization AI Course 310
- General Applications AI Course 320
- Standards of Professional Practice AI Course 410
- Business Practices and Ethics AI Course 420
- Advanced Income Capitalization AI Course 510
- Highest & Best Use and Market Analysis AI Course 520
- Advanced Sales Comparison and Cost AI Course 530
- Report Writing and Valuation Analysis AI Course 540
- Advanced Applications AI Course 550
- US Department of HUD: MAP Third Party Training
- International Valuation Standards
- Hotel & Motel Valuation



Indiana Professional Licensing Agency
Real Estate Appraiser Licensure Board
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG40801093	06/30/2024

Bruce Eric Nell

Eric J. Holcomb
Governor
State of Indiana

Deborah J. Frye
Executive Director
Indiana Professional Licensing Agency



Indiana Professional Licensing Agency
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG40801093	06/30/2024

Bruce Eric Nell

Signature _____

Valuation Glossary 2023

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, 2020-2023 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, Federal Register, December 10, 2010.

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)*

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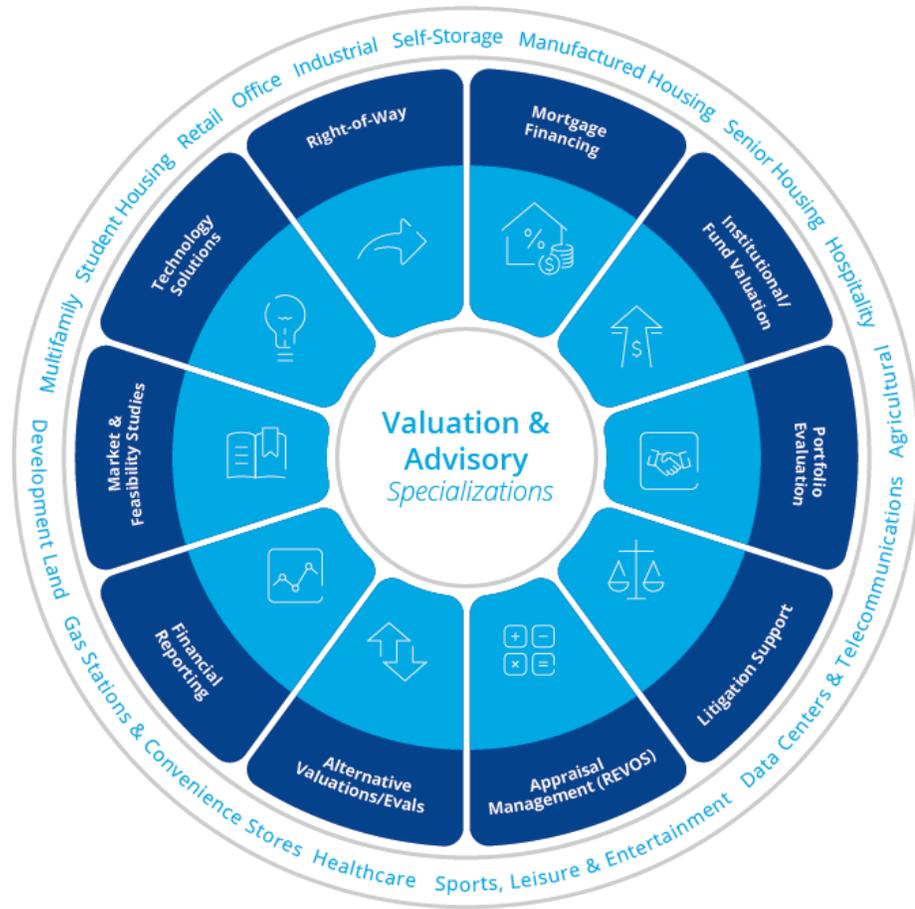
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