

## RIVERSIDE ESTATES

1891 Access Road  
Covington, Georgia 30014

### APPRAISAL REPORT

Date of Report: November 30, 2022

Colliers File #: CMH221479



PREPARED FOR  
Eimy Valadez - Robledo  
Five Star Bank  
3100 Zinfandel Drive  
Suite 100  
Rancho Cordova, CA 95670

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

# LETTER OF TRANSMITTAL

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November 30, 2022

Eimy Valadez - Robledo  
**Five Star Bank**  
3100 Zinfandel Drive  
Suite 100  
Rancho Cordova, CA 95670

**RE: Riverside Estates**  
1891 Access Road  
Covington, Georgia 30014

Colliers File #: CMH221479

Ms. Robledo:

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 Five Star Bank and Colliers International Valuation & Advisory Services.

The date of this report is November 30, 2022. 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 and Prospective Value Upon Completion of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. The client also requested a Prospective Value Upon Stabilization value; however, upon completion, the property will be stabilized so the two values are the same. 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	November 18, 2022	\$17,225,000
Prospective Value Upon Completion	Leased Fee	November 30, 2023	\$17,675,000
<b>OTHER CONCLUSIONS</b>			<b>AS OF NOVEMBER 18, 2022</b>
Land			\$5,050,000
Insurable Replacement Cost			\$850,000
Actual Cash Value (Buildings in Flood Zone Only)			\$286,000

The subject is a Manufactured Housing Community and RV Park/Campground (All Age) totaling 306 sites (Standard MH and RV) located on a 42.06-acre site at 1891 Access Road in Covington, Georgia. The

improvements were built in 1985, are in average condition and have a remaining economic life of 35 years based on our estimate. The subject's common amenities include clubhouse, swimming pool, laundry area, mail kiosk, playground and restroom/showers. The subject also has an office.

The subject property has a current occupancy level of 97.2%, which is consistent with the stabilized market occupancy level estimate of 95.0% that was developed in this appraisal.

The subject property previously sold on April 29, 2021, as improved for \$8,192,000, as recorded in Book 4186, Page 140 of the Newton 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 acquisition by FSP Covington LLC, incomes were increased by raising rents, occupancy was increased, and the amenities and roads were improved. Capitalization rates have compressed since acquisition as well. The subject property is under contract to sell for \$16,250,000 between FSP Covington LLC (Grantor) and The Boavida Group LP (Grantee). The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arm's-length transaction. Overall, in light of all the information presented our conclusion is reasonable in comparison with the contracted sales price.

The RV park/campground industry does not have a standard rating classification. Throughout this report, for comparison purposes, we utilize a classification system based on type of RV park resort/campground as to type and operation period. The subject is classified as an All Age RV park-campground and manufactured home community, with seasonal peak with full amenities during the summer months. Operation for the property is year round. The subject is not rated ( NR) by Good Sam Directory. The property is a Class C manufactured home community and RV park/campground.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards, Federal Deposit Insurance Corporation requirements and the appraisal guidelines of Five Star Bank.

Overall as an asset group, RV Park/Campgrounds and manufactured housing communities were anticipated to be impacted by COVID-19. The areas of exposure included potential rent loss and occupancy. As of the Date of Report, impacts for these assets were primarily due to canceled reservations for RV parks, and reduced sales of unites in MHCs in early 2020. That said, since June 2020, occupancies nationwide, with exceptions, have been at or above 2019 levels. Occupancies and rates have continued to improve through 2022. Data currently available shows activity in 2022 is above pre-COVID levels, with sales of the assets appearing to be ongoing. The RV park/campground and manufactured housing assets have come through the COVID pandemic in better shape than many sectors, with activity similar to or better prior to COVID-10.

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

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

**EXTRAORDINARY ASSUMPTIONS**

No Extraordinary Assumptions were made for this assignment.

**HYPOTHETICAL CONDITIONS**

No Hypothetical Conditions were made for this assignment.

**RELIANCE LANGUAGE**

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

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

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

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

Sincerely,

**COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES**

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## **CERTIFICATION**

## **ASSUMPTIONS & LIMITING CONDITIONS**

## **ADDENDA**

Insurable Replacement Cost and Actual Cash Value

Engagement Letter

P&L Statements

Purchase & Sale Agreement

Subject Data

Rent Roll

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

**GENERAL INFORMATION**

<b>Property Name</b>	Riverside Estates
<b>Property Type</b>	Manufactured Housing Community and RV Park/Campground - All Age
<b>Address</b>	1891 Access Road
<b>City</b>	Covington
<b>State</b>	Georgia
<b>Zip Code</b>	30014
<b>County</b>	Newton
<b>Core Based Statistical Area (CBSA)</b>	Atlanta-Sandy Springs-Alpharetta, GA
<b>Market</b>	Atlanta
<b>Census Region</b>	South
<b>Census Subregion</b>	South Atlantic
<b>Longitude</b>	-83.914116
<b>Latitude</b>	33.609808
<b>Number Of Parcels</b>	4
<b>Assessor Parcels</b>	0043B00000001B00, 0043B00000008000, 0043B00000060000, 0043B00000069000
<b>Total Taxable Value</b>	\$781,680
<b>Census Tract Number</b>	1005.06

**SITE INFORMATION**

<b>Land Area</b>	<b>Acres</b>	<b>Square Feet</b>
Usable	42.06	1,832,134
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
<b>Total</b>	<b>42.06</b>	<b>1,832,134</b>
<b>Topography</b>	Level at street grade	
<b>Shape</b>	Irregular	
<b>Access</b>	Average	
<b>Exposure</b>	Average	
<b>Appeal</b>	Average	
<b>Current Zoning</b>	Manufactured Home Park District, Neighborhood Commercial District, and	
<b>Flood Zone</b>	Zone X (Unshaded), Zone X (Shaded), Zone AE	
<b>Seismic Zone</b>	Medium Risk	

**IMPROVEMENT INFORMATION**

<b>Number Of Homesites</b>	306
<b>Development Density</b>	7.3 Units/Acre (306 Units / 42.06 Acres)
<b>Total Number Of Common Area Buildings</b>	8
<b>Number Of Stories</b>	2
<b>Year Built</b>	1985
<b>Good Sam Rating</b>	NR
<b>Property Class</b>	C
<b>Quality</b>	Average
<b>Condition</b>	Average
<b>Marketability</b>	Average
<b>Parking Type</b>	Driveway
<b>Number Of Parking Spaces</b>	294
<b>Parking Spaces/RV Site</b>	1.0
<b>Project Amenities</b>	The subject's common amenities include clubhouse, swimming pool, laundry area, mail kiosk, playground and restroom/showers. The subject also has an office.

**HIGHEST & BEST USE**

<b>As Vacant</b>	Development of a RV park/campground and/or manufactured housing community as market conditions warrant
<b>As Proposed</b>	Continued use as a RV park/campground and/or manufactured housing community.

**EXPOSURE TIME & MARKETING PERIOD**

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

**VALUATION SUMMARY**

<b>Current Occupancy</b>	97.2%
<b>Stabilized Occupancy</b>	95.0%
<b>Current Average Rent/RV Site</b>	\$218/RV Site
<b>Concluded Average Rent/RV Site</b>	\$494/RV Site
<b>Potential Gross Income (PGI)</b>	\$1,851,400
<b>Vacancy &amp; Credit Loss</b>	10.0%
<b>Effective Gross Income (EGI)</b>	\$1,760,680
<b>Total Expenses</b>	\$699,728
<b>Net Operating Income (NOI)</b>	\$1,060,952
<b>Capitalization Rate (OAR)</b>	7.00%

**VALUATION SUMMARY**

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON COMPLETION
<b>INTEREST APPRAISED</b>	LEASED FEE	LEASED FEE
<b>DATE OF VALUE</b>	NOVEMBER 18, 2022	NOVEMBER 30, 2023

**INCOME CAPITALIZATION APPROACH**

<b>Direct Capitalization</b>	<b>\$17,450,000</b>	<b>\$17,675,000</b>
Direct Capitalization \$/RV Site	\$57,026/RV Site	\$57,761/RV Site
Net Operating Income	-	\$1,060,952
NOI \$/RV Site	-	\$3,467/Homesite
Capitalization Rate	-	6.00%
<b>Effective Gross Income Multiplier</b>	<b>\$18,250,000</b>	<b>\$18,475,000</b>
EGIM \$/RV Site	\$59,641/RV Site	\$60,376/RV Site
<b>INCOME CONCLUSION</b>	<b>\$17,450,000</b>	<b>\$17,675,000</b>
Income Conclusion \$/RV Site	\$57,026/RV Site	\$57,761/RV Site

**SALES COMPARISON APPROACH**

<b>SALES CONCLUSION</b>	<b>\$17,225,000</b>	<b>\$17,450,000</b>
Sales Conclusion \$/RV Site	\$56,291/RV Site	\$57,026/RV Site

**FINAL VALUE CONCLUSION**

<b>FINAL VALUE</b>	<b>\$17,225,000</b>	<b>\$17,675,000</b>
Final \$/RV Site	\$56,291/RV Site	\$57,761/RV Site

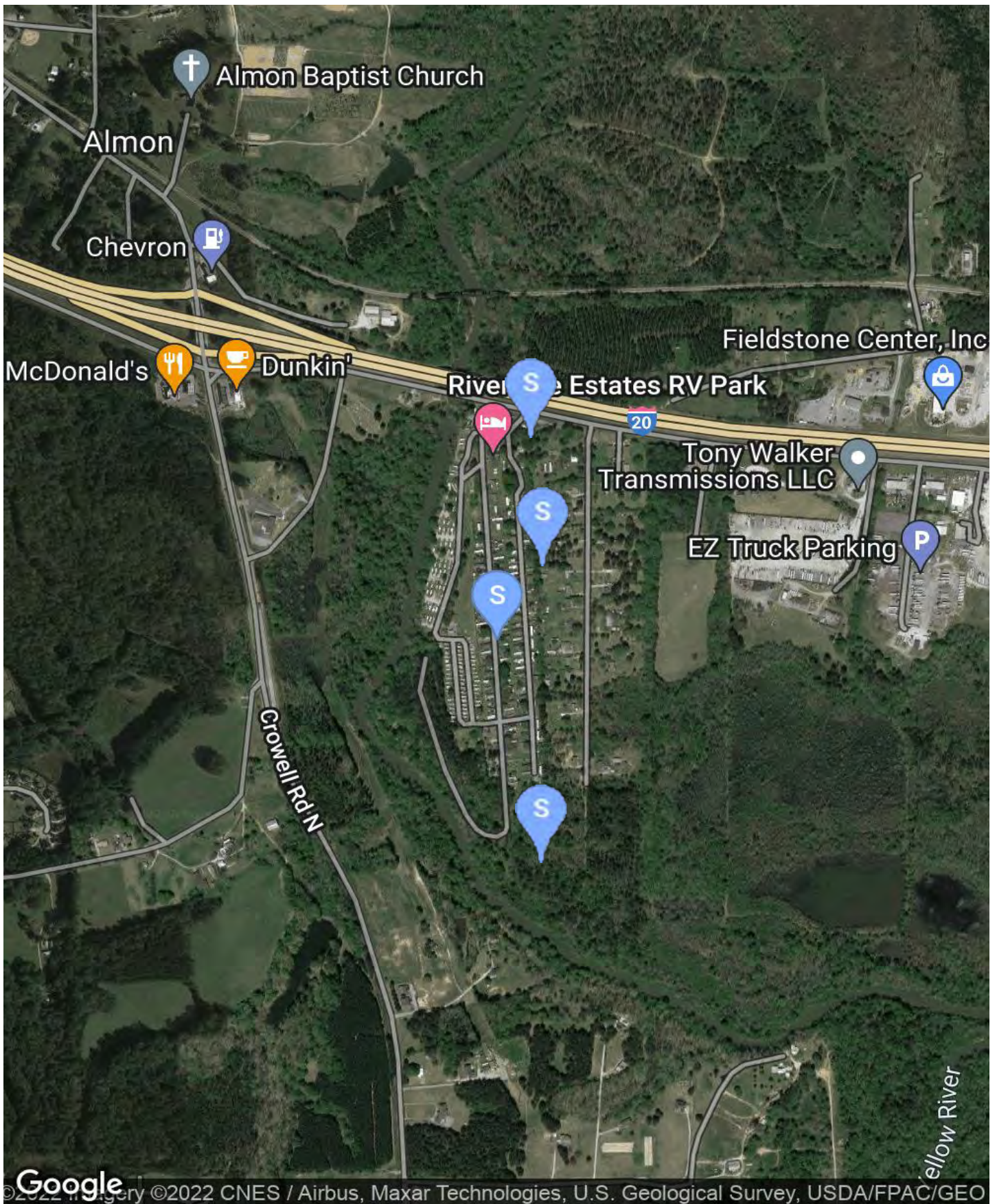
**LAND VALUATION**

<b>LAND VALUE</b>	<b>\$5,050,000</b>	-
Value/Acre	\$120,000	-

**OTHER CONCLUSIONS**

<b>Insurable Replacement Cost</b>	<b>\$850,000</b>
<b>Actual Cash Value (Buildings in Flood Zone Only)</b>	<b>\$286,000</b>







**SUBJECT SIGN**



**SUBJECT ENTRANCE**



**ACCESS ROAD FACING WEST**



**ACCESS ROAD FACING EAST**



**STREET SCENE**



**STREET SCENE**



**EXAMPLE RV SITE**



**EXAMPLE RV SITE**



**EXAMPLE RV SITE**



**EXAMPLE MANUFACTURED HOME**



**EXAMPLE MANUFACTURED HOME**



**EXAMPLE MANUFACTURED HOME**



**SWIMMING POOL**



**PLAYGROUND**



**BATH HOUSE**



**PAVILION**



**MAIL STATION**

## PROPERTY IDENTIFICATION

The subject is a Manufactured Housing Community and RV Park/Campground (All Age) property totaling 306 homesites. It is located on a 42.06-acre site at 1891 Access Road in Covington, Newton County, Georgia. The assessor's parcel numbers are: 0043B00000001B00, 0043B00000008000, 0043B000000060000, 0043B000000069000.

The legal description of the subject property is as follows:

**Parcel 0043B00000001B00:**

.2AC DOLLAR CIRCLE EAST

**Parcel 0043B00000008000:**

33.1AC HWY 278

**Parcel 0043B000000060000:**

8.4AC DOLLAR CIRCLE

**Parcel 0043B000000069000:**

.36AC HWY 278

## CLIENT IDENTIFICATION

The client of this specific assignment is Five Star Bank.

## PURPOSE

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Completion 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 report involves a federally regulated real estate loan transaction.

## INTENDED USERS

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

## ASSIGNMENT DATES

Date of Report	November 30, 2022
Date of Inspection	November 17, 2022
Valuation Date – As-Is	November 18, 2022
Valuation Date – Prospective Upon Completion	November 30, 2023

## PERSONAL INTANGIBLE PROPERTY

The community owned units (park models) (if any) are legally considered personal property and are not considered in this appraisal. Removable fixtures in the clubhouse (if any) such as the kitchen appliances and 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 FSP Covington LLC, who acquired title to the property on April 29, 2021, as improved for \$8,192,000, as recorded in Book 4186, Page 140 of the Newton County Deed Records.

### Three-Year Sales History

The subject property previously sold on April 29, 2021, as improved for \$8,192,000, as recorded in Book 4186, Page 140 of the Newton 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 acquisition by FSP Covington LLC, incomes were increased by raising rents, occupancy was increased, and the amenities and roads were improved. Capitalization rates have compressed since acquisition as well.

### Subject Sale Status

The subject property is under contract to sell for \$16,250,000 between FSP Covington LLC (Grantor) and The Boavida Group LP (Grantee). The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arm's-length transaction. Overall, in light of all the information presented our conclusion is reasonable in comparison with the contracted sales price.

## DEFINITIONS

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

## DEFINITIONS OF VALUE

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

### Market Value

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

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

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

## 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.<sup>2</sup>

## VALUE SCENARIOS

### As-Is Value

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

### 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.<sup>4</sup>

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

<sup>3</sup> The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

<sup>4</sup> 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 RV park/campground market analysis that included national and market overviews. The Atlanta market overview analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Proposed. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraisers confirmed and analyzed financial features of the subject property including historical and budgeted income/expense data, rent roll, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization & EGIM) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops opinions of the As-Is Market Value and Prospective Value Upon Completion 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.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.



**SOURCES OF INFORMATION**

The following sources were contacted to obtain relevant information:

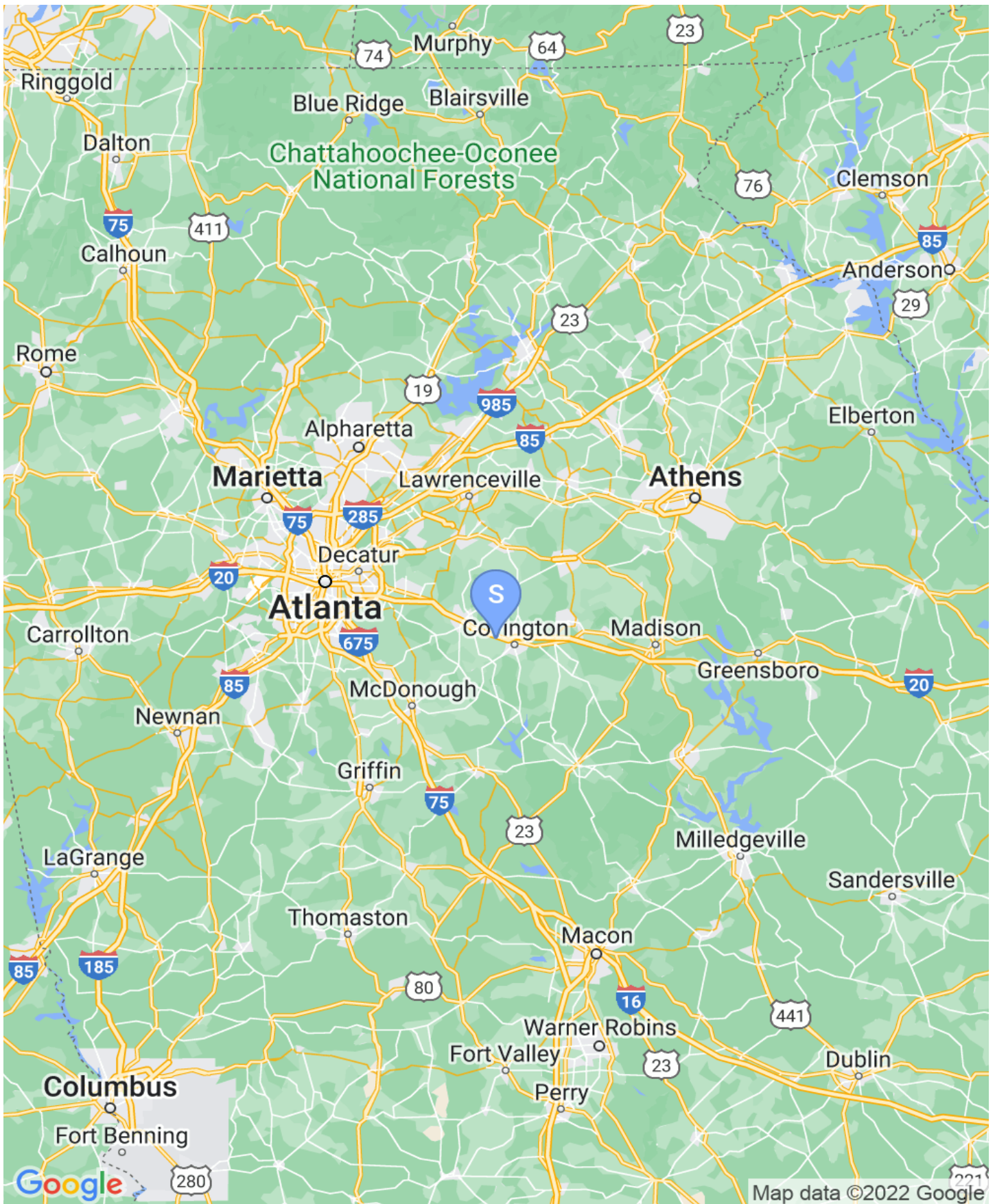
<b>SOURCES OF INFORMATION</b>	
<b>ITEM</b>	<b>SOURCE</b>
Tax Information	New ton County Tax Assessor
Zoning Information	New ton County Zoning Code
Site Size Information	New ton County Tax Assessor
Building Size Information	New ton County Tax Assessor
New Construction	City of Covington / New ton County
Flood Map	InterFlood
Demographics	Pitney Bow es/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	New ton County Property Records
Other Property Data	New ton County Property Records
Rent Roll (Dated 10/18/2022)	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.

<b>SUBJECT PROPERTY INSPECTION</b>			
<b>APPRAISER</b>	<b>INSPECTED</b>	<b>EXTENT</b>	<b>DATE OF INSPECTION</b>
J. Robert Black III, MAI, MICP	No	-	November 17, 2022
Nancy Caniff	Yes	Exterior Only	November 17, 2022

The appraiser was not accompanied by anyone from the property on the inspection. The interiors of the few community-owned buildings were not inspected. It is assumed that the condition of the interiors of these common area buildings is similar to the condition of the exteriors.



## INTRODUCTION

The Atlanta-Sandy Springs-Alpharetta, GA Metropolitan Statistical Area is in northwestern Georgia. The MSA consists of 29 adjoining counties. More than half of Georgia's population now live and work in the MSA. According to the 2020 Census, the Atlanta-Sandy Springs-Alpharetta, GA MSA is the ninth largest in the U.S.



The Atlanta metropolitan area is considered a top business region and a primary transportation hub of the southeastern United States. The city contains the world headquarters of corporations such as Coca-Cola, The Home Depot, United Parcel Service, Delta Air Lines and Turner Broadcasting. Delta Airlines operates the world's largest airline hub at Hartsfield-Jackson Atlanta International Airport, together with the hub of competing carrier AirTran Airways, they have helped make Hartsfield-Jackson Atlanta International Airport the world's busiest airport, both in terms of passenger traffic and aircraft operations. The airport serves as a key engine of Atlanta's economic growth. Among the strengths of the Atlanta area are a business-friendly environment, a diverse economy, strong in-migration, population growth, and a strong transportation and distribution infrastructure. Weaknesses include high debt burdens, weak credit quality and overtaxed infrastructure. Several key employment sectors, including construction and banking, are working through recovery. Indigenous growth from corporations headquartered in Atlanta is projected to be key to the overall growth in the future. Logistics, food manufacturing, hospitality and professional services will be among the fastest growing industries.

## 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 Atlanta-Sandy Springs-Alpharetta metropolitan area had a 2021 total population of 6,169,840 and experienced an annual growth rate of 1.4%, which was higher than the Georgia annual growth rate of 1.0%. The metropolitan area accounted for 57.1% of the total Georgia population (10,812,507). Within the metropolitan area the population density was 698 people per square mile compared to the lower Georgia population density of 184 people per square mile and the lower United States population density of 92 people per square mile.

POPULATION			
YEAR	US	GA	CBSA
2010 Total Population	308,745,538	9,687,653	5,286,728
2021 Total Population	331,582,303	10,812,507	6,169,840
2026 Total Population	342,006,764	11,323,950	6,579,247
2010 - 2021 CAGR	0.7%	1.0%	1.4%
2021 - 2026 CAGR	0.6%	0.9%	1.3%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	GA	CBSA
2021 Per Square Mile	92	184	698
2026 Per Square Mile	95	192	744

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2021 median age for the metropolitan area was 36.98, which was 4.41% younger than the United States median age of 38.61 for 2021. The median age in the metropolitan area is anticipated to grow by 0.45% annually, increasing the median age to 37.83 by 2026.

MEDIAN AGE			
YEAR	US	GA	CBSA
2021	38.61	37.30	36.98
2026	39.39	38.19	37.83
CAGR	0.40%	0.47%	0.45%

Source: Pitney Bowes/Gadberry Group - GroundView®

## Education

Emory University is the largest private employer and largest secondary education institution in the region. It is one of the world's leading research universities. The university is in the northeast Atlanta metropolitan area, near North Decatur. It was founded in 1836 and had an annual enrollment of 7,010 undergraduate students as of fall 2020. Georgia State University is in downtown Atlanta and had an enrollment of 28,772 undergraduate students as of fall 2020. Within the Atlanta metropolitan area, 32 percent of the total population of 6,706,625 has a four-year college degree or higher, compared to the lower 28 percent in Georgia and the lower 28 percent in the United States.

## Household Trends

The 2021 number of households in the metropolitan area was 2,229,313. The number of households in the metropolitan area is projected to grow by 1.1% annually, increasing the number of households to 2,358,100 by 2026. The 2021 average household size for the metropolitan area was 2.73, which was 6.18% larger than the United States average household size of 2.57 for 2021. The average household size in the metropolitan area is anticipated to grow by 0.18% annually, increasing the average household size to 2.75 by 2026.

NUMBER OF HOUSEHOLDS			
YEAR	US	GA	CBSA
2021	125,920,087	3,999,182	2,229,313
2026	130,248,641	4,183,399	2,358,100
CAGR	0.7%	0.9%	1.1%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	GA	CBSA
2021	2.57	2.64	2.73
2026	2.56	2.64	2.75
CAGR	(0.04%)	0.04%	0.18%

Source: Pitney Bowes/Gadberry Group - GroundView®

The Atlanta-Sandy Springs-Alpharetta metropolitan area had 34.68% renter occupied units, compared to the higher 34.91% in Georgia and the higher 35.17% in the United States.

HOUSING UNITS			
	US	GA	CBSA
Owner Occupied	64.83%	65.09%	65.32%
Renter Occupied	35.17%	34.91%	34.68%

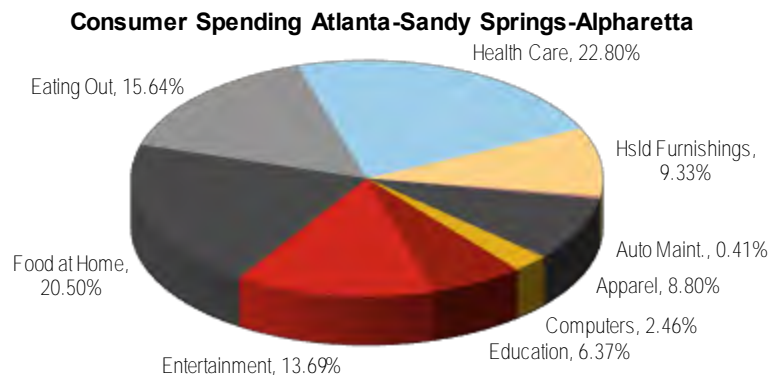
Source: Pitney Bowes/Gadberry Group - GroundView®

The 2021 median household income for the metropolitan area was \$72,506, which was 9.3% higher than the United States median household income of \$66,358. The median household income for the metropolitan area is projected to grow by 4.1% annually, increasing the median household income to \$88,802 by 2026.

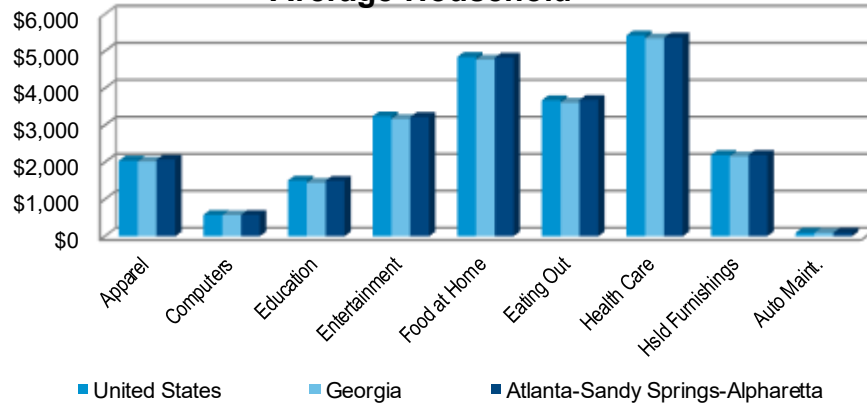
As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Atlanta-Sandy Springs-Alpharetta, GA MSA's cost of living is 104.3 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

MEDIAN HOUSEHOLD INCOME			
YEAR	US	GA	CBSA
2021	\$66,358	\$61,806	\$72,506
2026	\$80,318	\$75,317	\$88,802
CAGR	3.9%	4.0%	4.1%

Source: Pitney Bowes/Gadberry Group - GroundView®



**Consumer Spending Comparison  
Average Household**

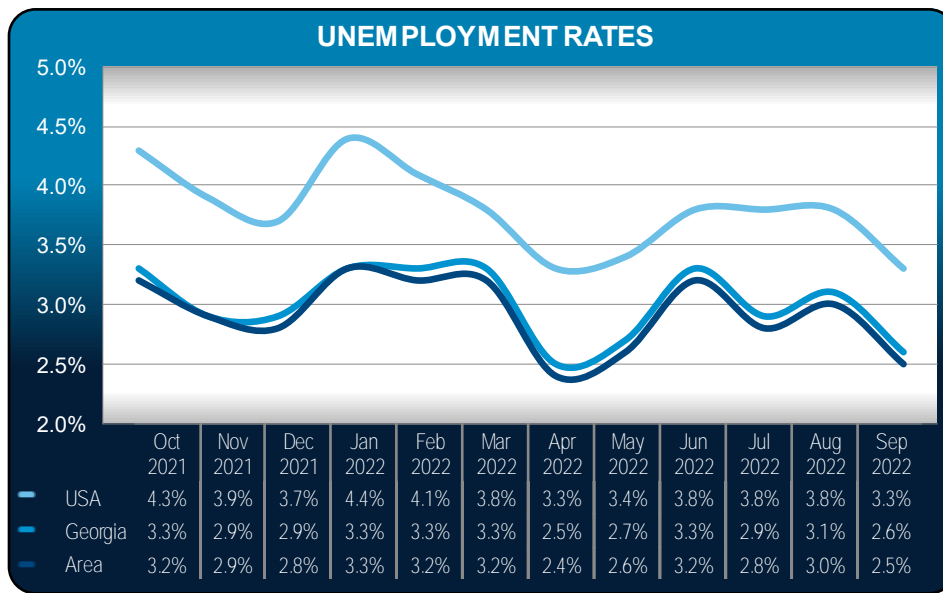


**EMPLOYMENT**

Total employment has increased annually over the past decade in the state of Georgia by 1.6% and increased annually by 1.9% in the area. From 2020 to 2021 unemployment decreased in Georgia by 2.6% and decreased by 2.9% in the area. In the state of Georgia and in the area, unemployment has decreased over the previous month by 0.5%.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2012 - 2021							
TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Georgia		Atlanta-Sandy Springs-Alpharetta, GA Metropolitan Statistical Area		United States*	Georgia	Atlanta-Sandy Springs-Alpharetta, GA Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2012	4,339,369	1.9%	2,540,376	2.3%	8.1%	9.0%	8.7%
2013	4,363,292	0.6%	2,570,771	1.2%	7.4%	8.1%	7.7%
2014	4,407,067	1.0%	2,614,133	1.7%	6.2%	7.1%	6.8%
2015	4,446,515	0.9%	2,650,971	1.4%	5.3%	6.1%	5.8%
2016	4,653,740	4.7%	2,788,925	5.2%	4.9%	5.4%	5.2%
2017	4,864,813	4.5%	2,924,527	4.9%	4.4%	4.8%	4.6%
2018	4,915,713	1.0%	2,962,561	1.3%	3.9%	4.0%	3.8%
2019	4,967,503	1.1%	3,000,845	1.3%	3.7%	3.6%	3.4%
2020	4,751,105	(4.4%)	2,853,188	(4.9%)	8.1%	6.5%	6.8%
2021	4,983,732	4.9%	3,009,269	5.5%	5.3%	3.9%	3.9%
<b>CAGR</b>	<b>1.6%</b>	<b>-</b>	<b>1.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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



The preceding chart depicts unemployment trends in the area, Georgia and the U.S. Overall levels of unemployment in the area experienced minor fluctuations throughout the past three months. By the end of September 2022, unemployment in the area was 0.1% lower than Georgia’s and 0.8% lower than the national average.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Delta Air Lines	34,500	Transportation/Warehousing
Emory University / Emory Healthcare	32,091	Education
The Home Depot	16,510	Wholesale/Retail Trade
Northside Hospital	16000+	Healthcare/Social Assistance
Piedmont Healthcare	15,900	Healthcare/Social Assistance
Publix Super Markets, Inc.	15,591	Wholesale/Retail Trade
Wellstar Health Systems	15,353	Healthcare/Social Assistance
The Kroger Co.	15000+	Wholesale/Retail Trade
AT&T	15,000	Information
USPS - Atlanta District	14,594	Transportation

Source: <https://www.metroatlantachamber.com>

The preceding chart depicts the top employers in the Atlanta-Sandy Springs-Alpharetta, GA MSA. The largest employer in the region is Delta Air Lines. The airline’s world headquarters are in Fulton County, and the aircraft maintenance, cargo operations, and reservations sales facilities are throughout the region. Emory University/Emory Healthcare is the second largest employer in the metropolitan area. The private research university in Atlanta has an annual enrollment of approximately 15,000. Emory University & Hospital is a 587-bed hospital in Atlanta, specialized in acutely ill adults. The medical staff is exclusively formed of faculty members of the Emory University School of Medicine who also are members of The Emory Clinic. The third largest employer in the region is Home Depot with a workforce of 16,510.

## AIRPORT STATISTICS

The following chart summarizes the local airport statistics.

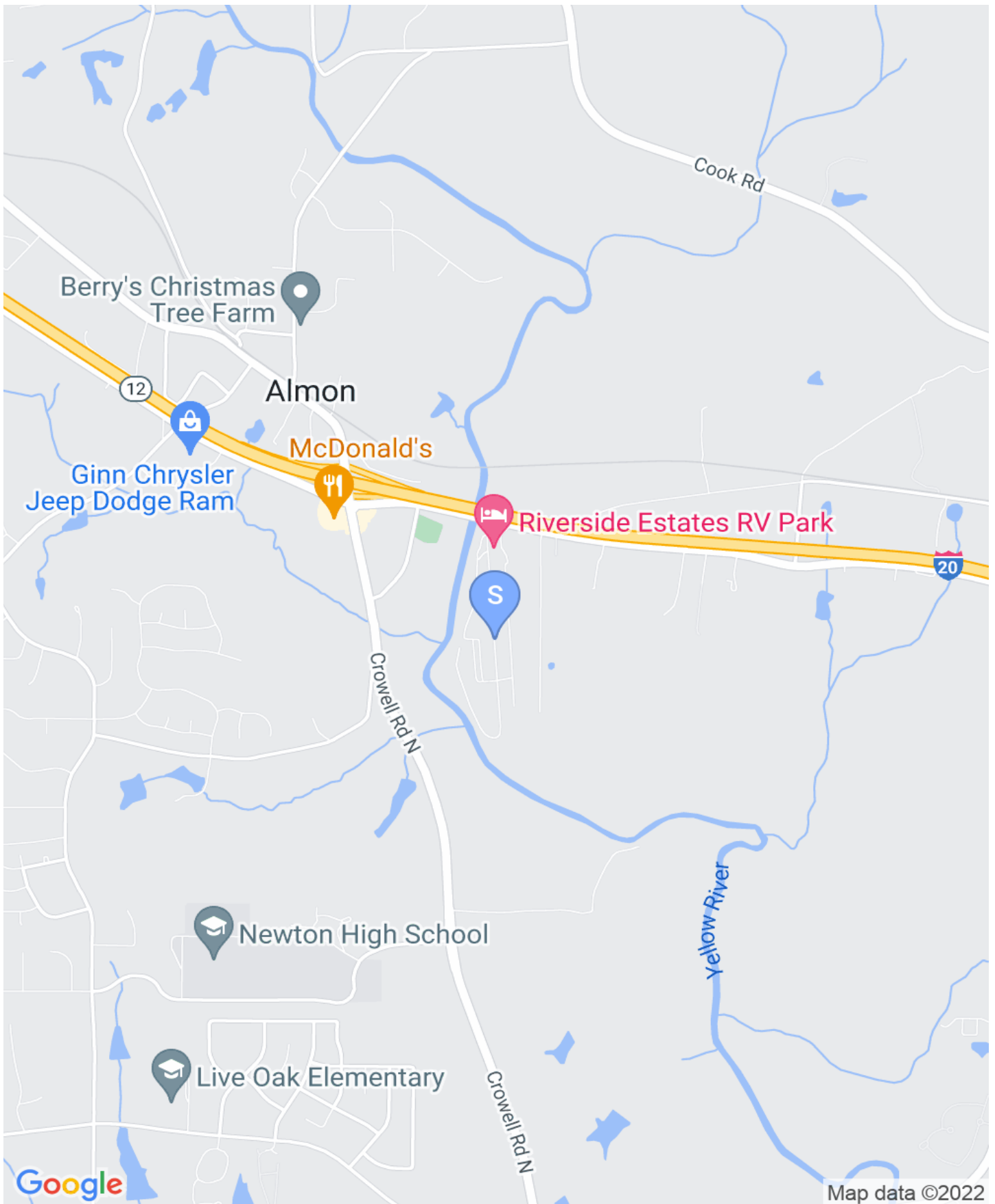
HARTSFIELD - JACKSON ATLANTA INTERNATIONAL AIRPORT (ATL)		
YEAR	ENPLANED PASSENGERS	% CHG
2011	44,414,121	-
2012	45,798,928	3.1%
2013	45,308,407	(1.1%)
2014	46,604,273	2.9%
2015	49,340,732	5.9%
2016	50,501,858	2.4%
2017	50,251,964	(0.5%)
2018	51,865,797	3.2%
2019	53,505,795	3.2%
2020	20,559,866	(61.6%)
2021	36,676,010	78.4%

Source: U.S. Department of Transportation

## SUMMARY

The Atlanta-Sandy Springs-Alpharetta, GA MSA is a leading regional transportation hub and has sustained steady population growth. It benefits from a slightly lower cost of living compared to the national average. Population and economic growth for the region is anticipated to continue into the foreseeable future, albeit at a slower rate than experienced in the past decade. The region has seen improvements in unemployment rates with increasing home prices.





**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**

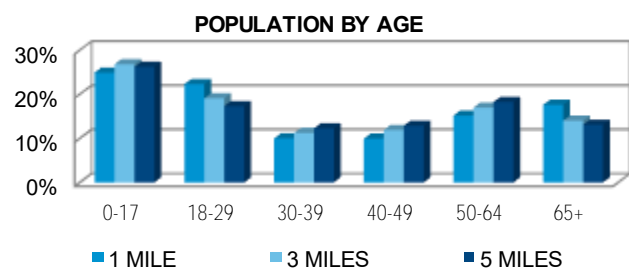
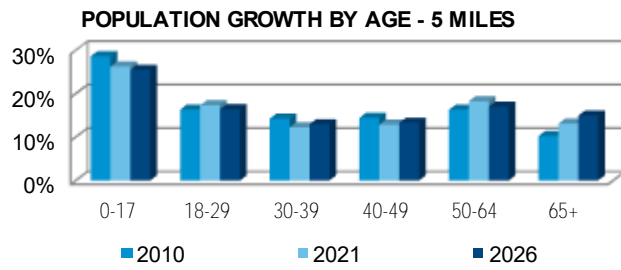
The subject property is in Covington, Georgia, within Newton County. According to the 2020 census estimate, the population was 14,192. The city is in the central portion of the county, approximately 35 miles southeast of Atlanta and 112 miles east of Augusta. Interstate 20, U.S. Route 278, and State Route 142 intersect the city. Air transportation is provided by Hartsfield Jackson Atlanta International Airport, approximately 38 miles west of Covington’s central business district.

**DEMOGRAPHIC PROFILE**

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>				<b>AVERAGE HOUSEHOLD INCOME</b>			
2000 Population	3,006	16,649	30,498	2021	\$57,987	\$61,772	\$73,385
2010 Population	3,193	20,518	47,154	2026	\$68,400	\$76,533	\$92,336
2021 Population	3,776	24,529	55,719	Change 2021-2026	17.96%	23.90%	25.82%
2026 Population	3,942	26,363	59,693	<b>MEDIAN HOUSEHOLD INCOME</b>			
Change 2000-2010	6.22%	23.24%	54.61%	2021	\$50,107	\$46,324	\$55,821
Change 2010-2021	18.26%	19.55%	18.16%	2026	\$54,840	\$54,654	\$68,240
Change 2021-2026	4.40%	7.48%	7.13%	Change 2021-2026	9.45%	17.98%	22.25%
<b>POPULATION 65+</b>				<b>PER CAPITA INCOME</b>			
2010 Population	525	2,401	4,820	2021	\$21,231	\$22,249	\$25,771
2021 Population	666	3,438	7,293	2026	\$24,722	\$27,181	\$32,033
2026 Population	746	4,146	8,921	Change 2021-2026	16.44%	22.17%	24.30%
Change 2010-2021	26.86%	43.19%	51.31%	<b>2021 HOUSEHOLDS BY INCOME</b>			
Change 2021-2026	12.01%	20.59%	22.32%	<\$15,000	11.2%	14.6%	11.0%
<b>NUMBER OF HOUSEHOLDS</b>				\$15,000-\$24,999	12.6%	10.9%	11.0%
2000 Households	1,043	5,935	10,794	\$25,000-\$34,999	10.7%	12.2%	10.3%
2010 Households	1,172	7,342	16,197	\$35,000-\$49,999	15.3%	15.5%	12.9%
2021 Households	1,369	8,671	18,861	\$50,000-\$74,999	27.5%	20.9%	20.9%
2026 Households	1,432	9,245	20,028	\$75,000-\$99,999	10.0%	9.6%	12.2%
Change 2000-2010	12.37%	23.71%	50.06%	\$100,000-\$149,999	10.4%	10.3%	13.0%
Change 2010-2021	16.81%	18.10%	16.45%	\$150,000-\$199,999	0.7%	3.8%	4.7%
Change 2021-2026	4.60%	6.62%	6.19%	\$200,000 or greater	1.5%	2.3%	4.0%
<b>HOUSING UNITS (2021)</b>				<b>MEDIAN HOME VALUE</b>			
Owner Occupied	784	4,552	11,850	\$124,286	\$138,710	\$146,904	
Renter Occupied	710	4,172	6,917	<b>AVERAGE HOME VALUE</b>			
<b>HOUSING UNITS BY YEAR BUILT</b>				\$187,424 \$201,966 \$195,281			
Built 2010 or later	36	454	938	<b>HOUSING UNITS BY UNITS IN STRUCTURE</b>			
Built 2000 to 2009	258	2,187	6,373	1, detached	1,100	6,150	14,628
Built 1990 to 1999	213	1,565	3,971	1, attached	39	187	407
Built 1980 to 1989	192	1,155	2,220	2	91	650	894
Built 1970 to 1979	110	833	1,910	3 or 4	125	475	626
Built 1960 to 1969	155	777	1,059	5 to 9	5	226	272
Built 1950 to 1959	214	625	981	10 to 19	4	254	527
Built 1940 to 1949	45	332	488	20 to 49	8	248	313
Built 1939 or earlier	147	742	921	50 or more	12	224	368
				Mobile home	93	268	681
				Boat, RV, van, etc.	17	42	51

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 20	east-west	Interstate Highway	This is within a half mile of the subject property.
U.S. Route 278	east-west	Local Highway	This is within three miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Access Road	east-west	Secondary Arterial	The subject property fronts this street.

Public Transportation is not available near the subject property.

**Economic Factors**

Covington is a regional hub for Newton County. The city’s economy is based on the retail trade, manufacturing and healthcare/social assistance industries. As the county seat, Covington is heavily influenced by the public administration industry, with numerous government offices in the city. The city is home to Piedmont Newton Hospital, an acute care, 97-bed hospital serving the county and nearby communities. Covington benefits from a commercial corridor on U.S. Route 278, featuring restaurants, big box retailers, lodging, offices, and locally owned retail businesses.

**Community Services**

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages).

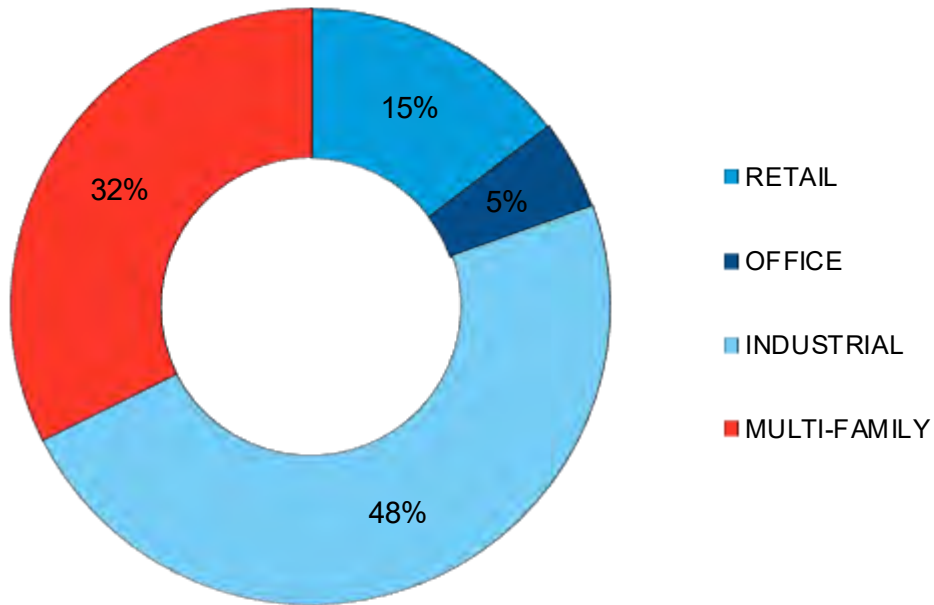
**IMMEDIATE AREA PROFILE**

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

**Predominant Land Uses**

Significant development in the immediate area consists of 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.

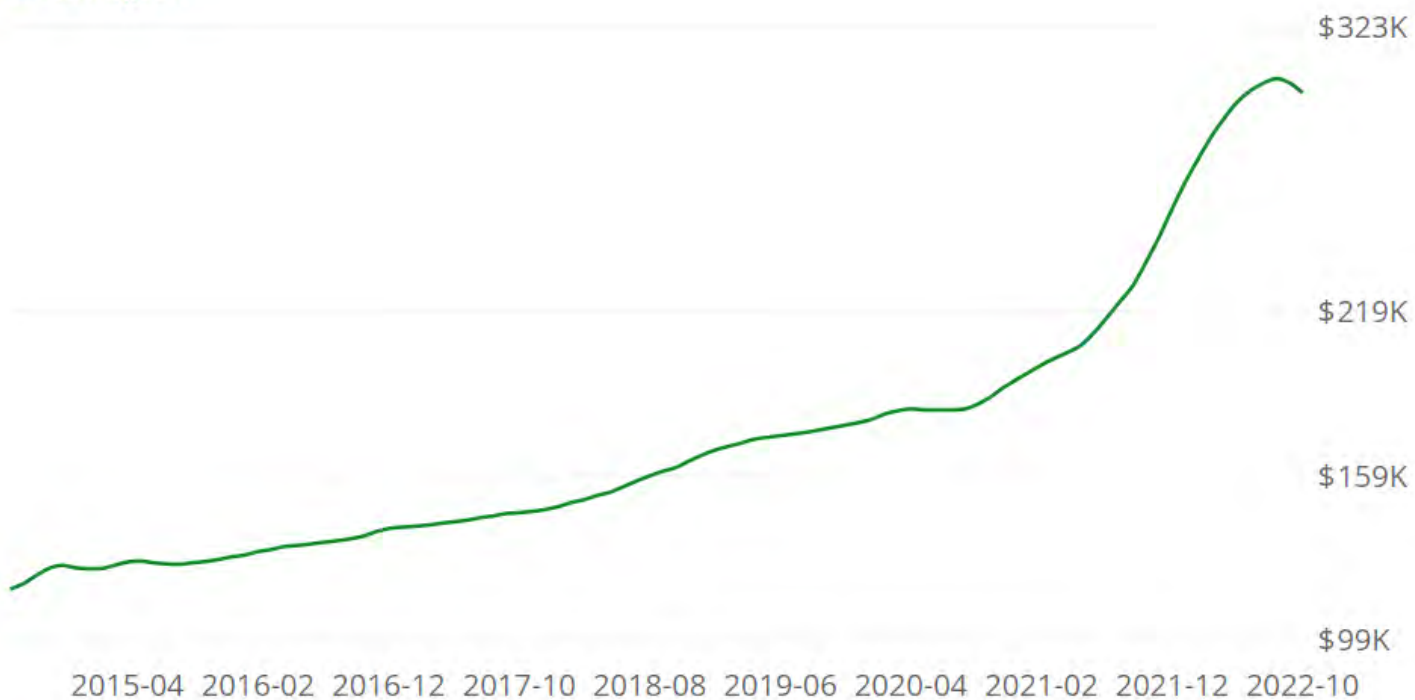
**COMMERCIAL AREA COMPOSITION**



## Residential Development

Residential users in the immediate area are primarily single-family residential. According to Zillow.com, the typical home value is \$299,300.

— Covington



**Multi-Family Development**

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

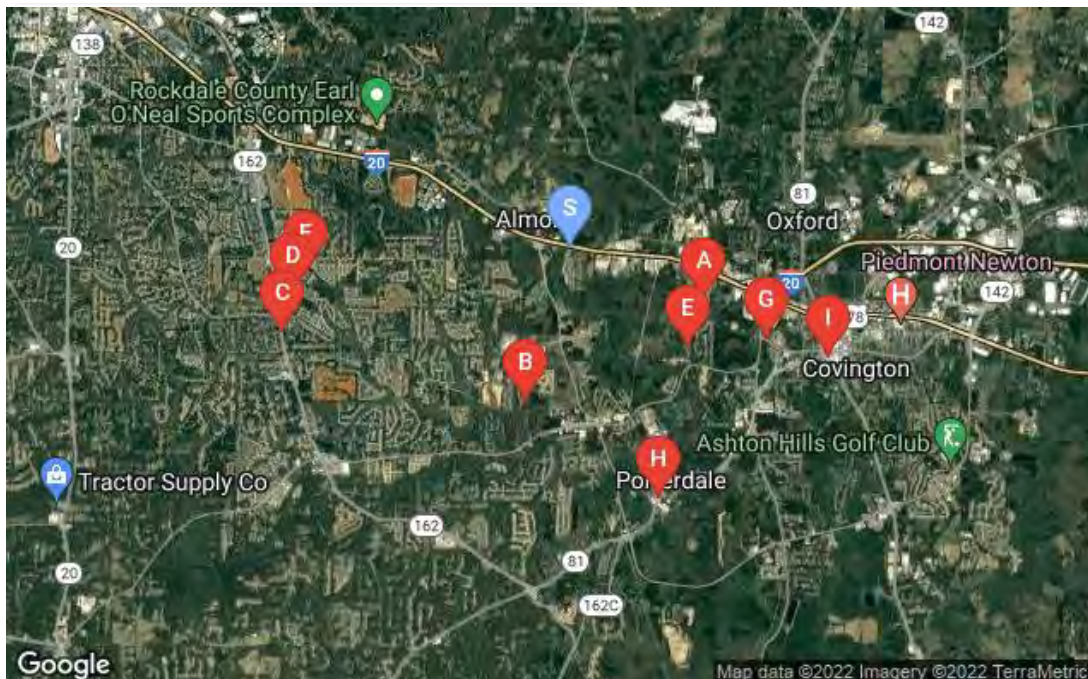
MULTI-FAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	2	355,506	2014
B	6	915,425	2006
C	9	1,393,339	1982
<b>TOTAL</b>	<b>17</b>	<b>2,664,270</b>	<b>1994</b>

Source: CoStar

The largest three multi-family properties are at 10238 Fieldcrest Walk, 431 Kirkland Road and 100 Salem Glen Way with an NRA of 386,813 SF, 298,016 SF and 267,392 SF that were built in 1987, 2002 and 1988, respectively. The closest large multi-family property in proximity to the subject is the first property which is detailed above. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the nine largest multi-family properties in the immediate area from CoStar.

LARGEST MULTI-FAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Fieldcrest Walk Apartments	1.7 Miles	A	C	386,813	2	1987
Arbor Lake Apartments	1.9 Miles	B	B	298,016	3	2002
Salem Glen Apartments	3.5 Miles	C	C	267,392	2	1988
The Oxford	3.3 Miles	D	C	243,823	3	1999
Leaf Stone Apartment Homes	1.8 Miles	E	B	238,192	2	2001
The Park at Arlington	3.1 Miles	F	B	206,624	2	2001
Covington Crossings	2.5 Miles	G	A	198,000	4	2021
Porterdale Mill Lofts	3.1 Miles	H	A	157,506	2	2006
Covington Square Apartments	3.2 Miles	I	C	88,944	6	1985

Source: CoStar



**Retail Development**

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

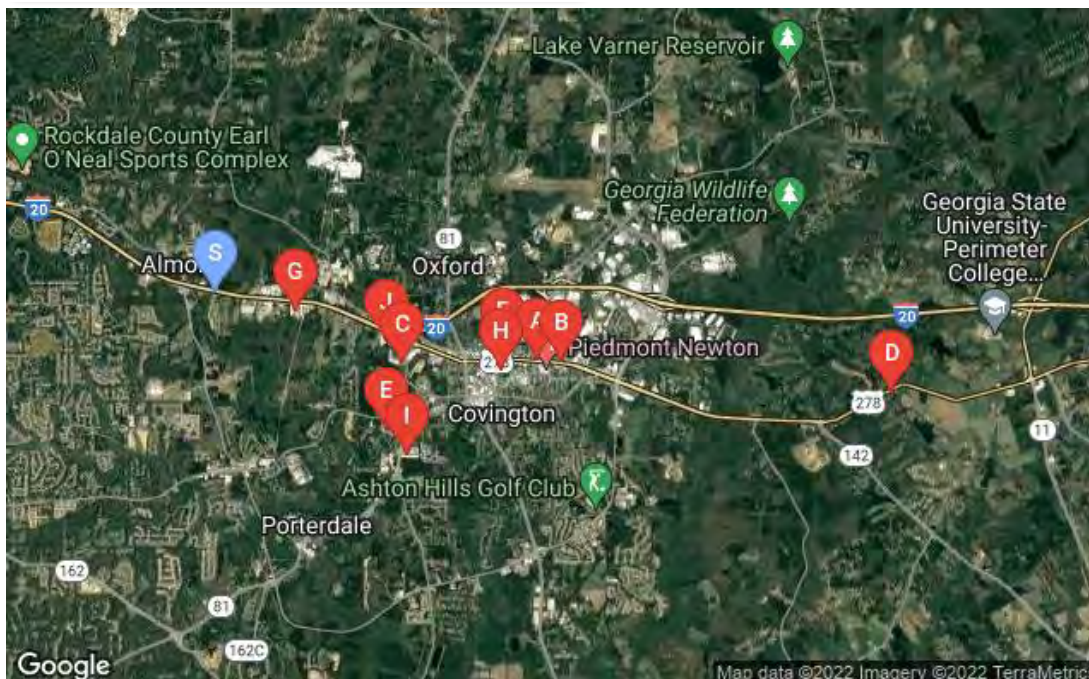
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	187	1,208,934	1965	98.9	\$15.08
<b>TOTAL</b>	<b>187</b>	<b>1,208,934</b>	<b>1965</b>	<b>98.9</b>	<b>\$15.08</b>

Source: CoStar

The largest three retail properties are at 3101-3173 Highway 278 Northeast, 6169 Highway 278 Northwest and 6239 Turner Lake Road with an NRA of 236,177 SF, 99,686 SF and 86,479 SF that were built in 1974, 1986 and 1979, respectively. The closest large retail property in proximity to the subject is at 1425 Access Road with an NRA of 71,632 SF. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
New ton Plaza	3.8 Miles	A	Community Center	236,177	100.0	1974	N/Av
Covington Crossings Shopping Center	4.1 Miles	B	Neighborhood Center	99,686	100.0	1986	N/Av
Covington Gallery	2.3 Miles	C	Community Center	86,479	100.0	1979	N/Av
Retail Building	7.9 Miles	D	General Retail	86,000	100.0	1987	N/Av
Retail Building	2.5 Miles	E	Community Center	85,978	100.0	1991	N/Av
Retail Building	3.4 Miles	F	Neighborhood Center	84,447	100.0	1973	N/Av
Retail Building	0.9 Miles	G	General Retail	71,632	100.0	-	N/Av
Retail Building	3.4 Miles	H	Neighborhood Center	56,328	100.0	1983	N/Av
Retail Building	2.9 Miles	I	General Retail	52,254	100.0	1985	\$9.73
Retail Building	2.0 Miles	J	General Retail	41,919	100.0	1987	N/Av

Source: CoStar



**Office Development**

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

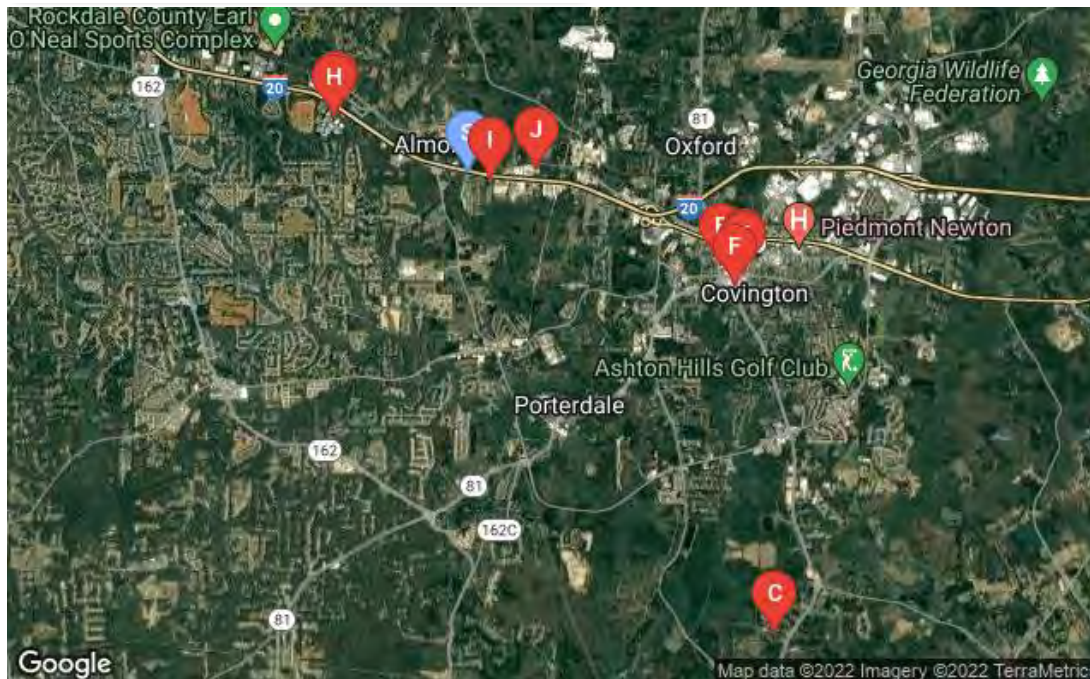
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	1	55,385	2007	100.0	-
B	15	82,127	1961	100.0	-
C	66	261,497	1952	99.4	\$14.00
<b>TOTAL</b>	<b>82</b>	<b>399,009</b>	<b>1954</b>	<b>99.5</b>	<b>\$14.00</b>

Source: CoStar

The largest three office properties are at 1113 Usher Street Northwest, 2118 Usher Street and 1 Porter Lane with an NRA of 55,385 SF, 26,425 SF and 23,316 SF that were built in 2007, 1966 and 1920, respectively. The closest large office property in proximity to the subject is at 1775 Access Road with an NRA of 10,000 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 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Office Building	3.4 Miles	A	A	55,385	100.0	2007	N/Av
Office Building	3.1 Miles	B	C	26,425	100.0	1966	N/Av
Office Building	6.4 Miles	C	C	23,316	100.0	1920	N/Av
Office Building	1.7 Miles	D	B	17,556	100.0	2004	N/Av
Office Building	3.4 Miles	E	C	12,500	100.0	2007	N/Av
Office Building	3.4 Miles	F	B	12,000	100.0	1905	N/Av
Office Building	3.4 Miles	G	C	11,750	60.9	1906	\$14.00
Office Building	1.7 Miles	H	B	11,552	100.0	2016	N/Av
Office Building	0.3 Miles	I	C	10,000	100.0	1999	N/Av
Office Building	0.8 Miles	J	C	10,000	100.0	1990	N/Av

Source: CoStar





**Industrial Development**

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

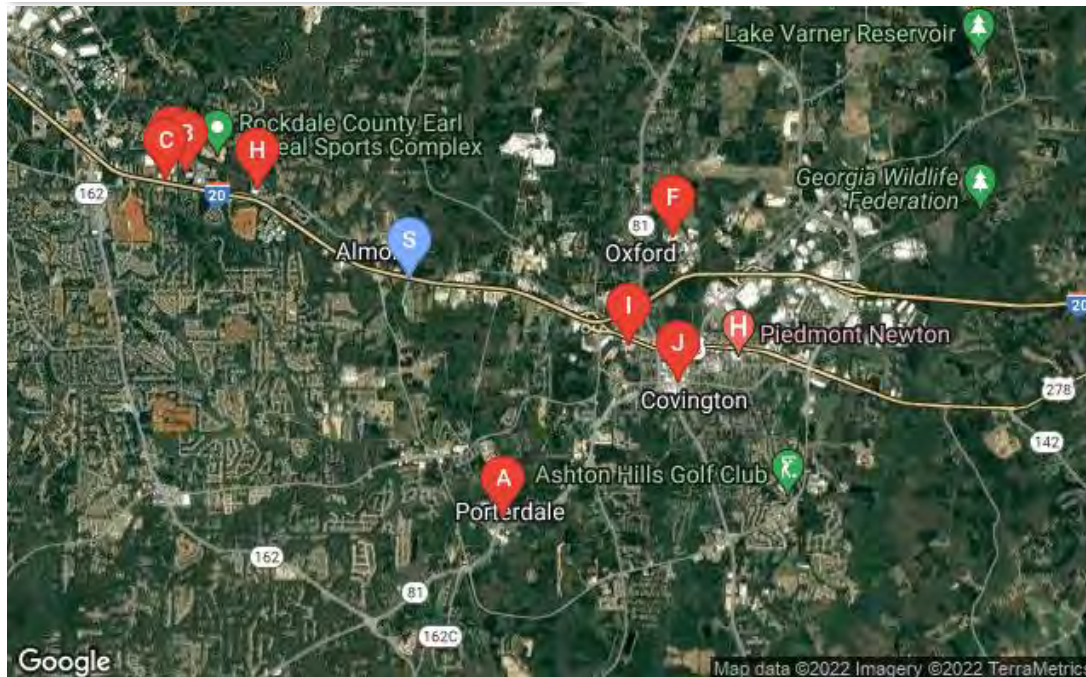
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	87	3,339,076	1994	98.8	\$11.00
Flex	86	613,626	1984	100.0	-
<b>TOTAL</b>	<b>173</b>	<b>3,952,702</b>	<b>1989</b>	<b>99.4</b>	<b>\$11.00</b>

Source: CoStar

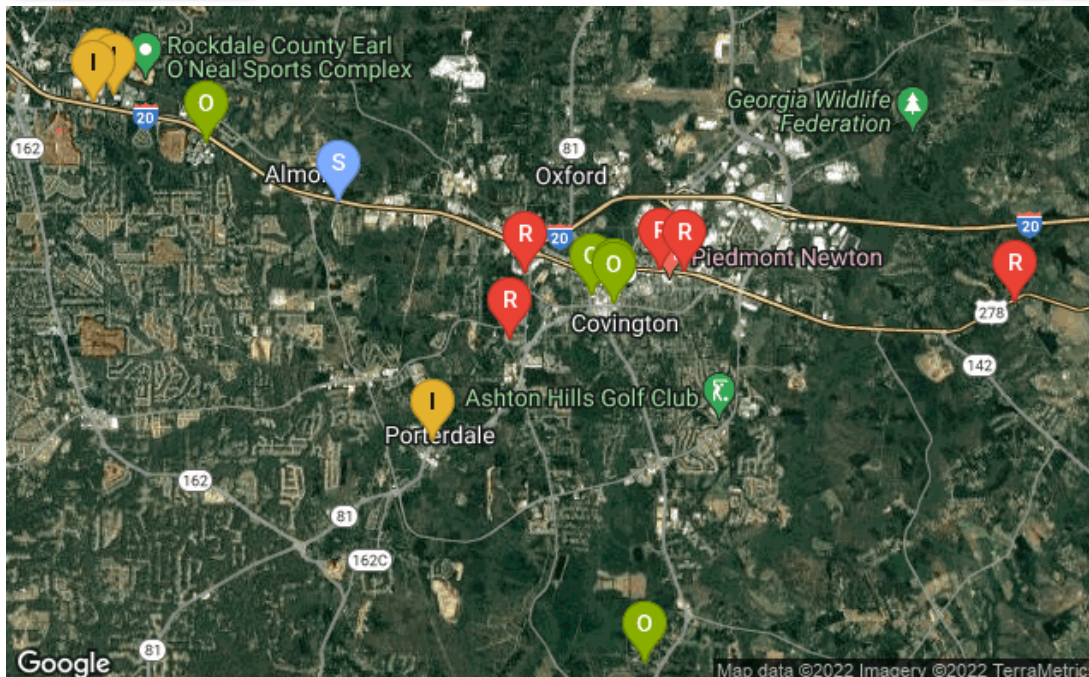
The largest three industrial properties are at 1 Osmundy Street, 2001 Deere Drive and 2430 Dogwood Drive with an NRA of 598,073 SF, 378,893 SF and 325,000 SF, respectively. The closest large industrial property in proximity to the subject is at 960 Almon Road with an NRA of 96,572 SF that was built in 1984. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Specialty Yarn & Converting	3.0 Miles	A	Industrial	598,073	100.0	-	N/Av
Industrial Building	2.9 Miles	B	Industrial	378,893	100.0	1978	N/Av
Rockdale Technology Center	3.1 Miles	C	Industrial	325,000	100.0	2021	N/Av
Industrial Building	3.0 Miles	D	Industrial	186,040	100.0	2019	N/Av
Industrial Building	3.1 Miles	E	Industrial	150,665	100.0	2022	N/Av
Industrial Building	3.1 Miles	F	Industrial	140,000	100.0	1997	N/Av
Industrial Building	3.1 Miles	G	Industrial	136,280	100.0	2019	N/Av
Industrial Building	2.1 Miles	H	Industrial	96,572	100.0	1984	N/Av
Industrial Building	2.7 Miles	I	Industrial	82,420	100.0	1984	N/Av
Industrial Building	3.3 Miles	J	Flex	79,178	100.0	1993	N/Av

Source: CoStar



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



## SUBJECT PROPERTY ANALYSIS

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

### Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Access Road, Interstate 20, West Dollar Circle, Vacant land
- › **South** - Vacant land, Single-family Residential Neighborhood
- › **East** - West Dollar Circle, Single-family Residential Neighborhood, Vacant Land, Manufactured Housing Community
- › **West** - West Dollar Circle, Yellow River, Vacant land, Single-family Residential Neighborhood

### Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have a good position in context of competing properties. Serving as the regional hub of Newton County, Covington is considered a competitive residential and commercial location. High rates of employment in public administration, retail, and healthcare are vital for the economy of the city. Covington benefits from a strategic location with a convenient connection to important transportation networks.

**General Description** The subject site consists of 4 parcels. As noted below, the subject site has 1,832,134 SF (42.06 AC) of land area. The area is estimated based on the assessor's parcel map and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

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

**Number Of Parcels** 4

Land Area	Acres	Square Feet
Primary Parcel	42.06	1,832,134
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
<b>Total Land Area</b>	<b>42.06</b>	<b>1,832,134</b>

**Shape** See Multiple Parcel Chart For Breakdown

**Topography** Level at street grade

**Zoning** Manufactured Home Park District, Neighborhood Commercial District, and Single-Family Residential District (MHP, CN, and R-3)

**Drainage** Assumed Adequate

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

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Access Road	Secondary Street	two-way	two-lane	minor arterial		✓	✓		
West Dollar Circle	Secondary Street	two-way	two-lane	minor arterial		✓			

**Frontage** The subject has approximately 600 feet of frontage on Access Road.

MULTIPLE PARCEL SITE DESCRIPTION GRID								
PARCEL	USABLE		TOTAL		SHAPE	ACCESS	EXPOSURE	FLOOD PLAIN
	SF	AC	SF	AC				
0043B00000001B00	8,712	0.20	8,712	0.20	Rectangular	Average	Average	Zone X (Unshaded)
0043B000000008000	1,441,836	33.10	1,441,836	33.10	Irregular	Average	Average	Zone AE
0043B0000000060000	365,904	8.40	365,904	8.40	Irregular	Average	Average	Zone X (Shaded)
0043B0000000069000	15,682	0.36	15,682	0.36	Irregular	Average	Average	Zone X (Unshaded)
<b>TOTAL</b>	<b>1,832,134</b>	<b>42.06</b>	<b>1,832,134</b>	<b>42.06</b>				

**Accessibility** **Average** - The subject is located within one-half mile of Interstate 20 and within three miles of U.S. Route 278. Access to the subject is offered through a full-access driveway on Access Road.

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

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

**Flood Zone**

The subject property is located in the following zones: Zone X (Unshaded), Zone X (Shaded) and Zone AE. The majority of the subject property is located in Zone X (Unshaded). This is referenced by Community Number 130143, Panel Number 13217C0106D, dated March 17, 2014. 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 X (shaded) 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. Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.) 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.

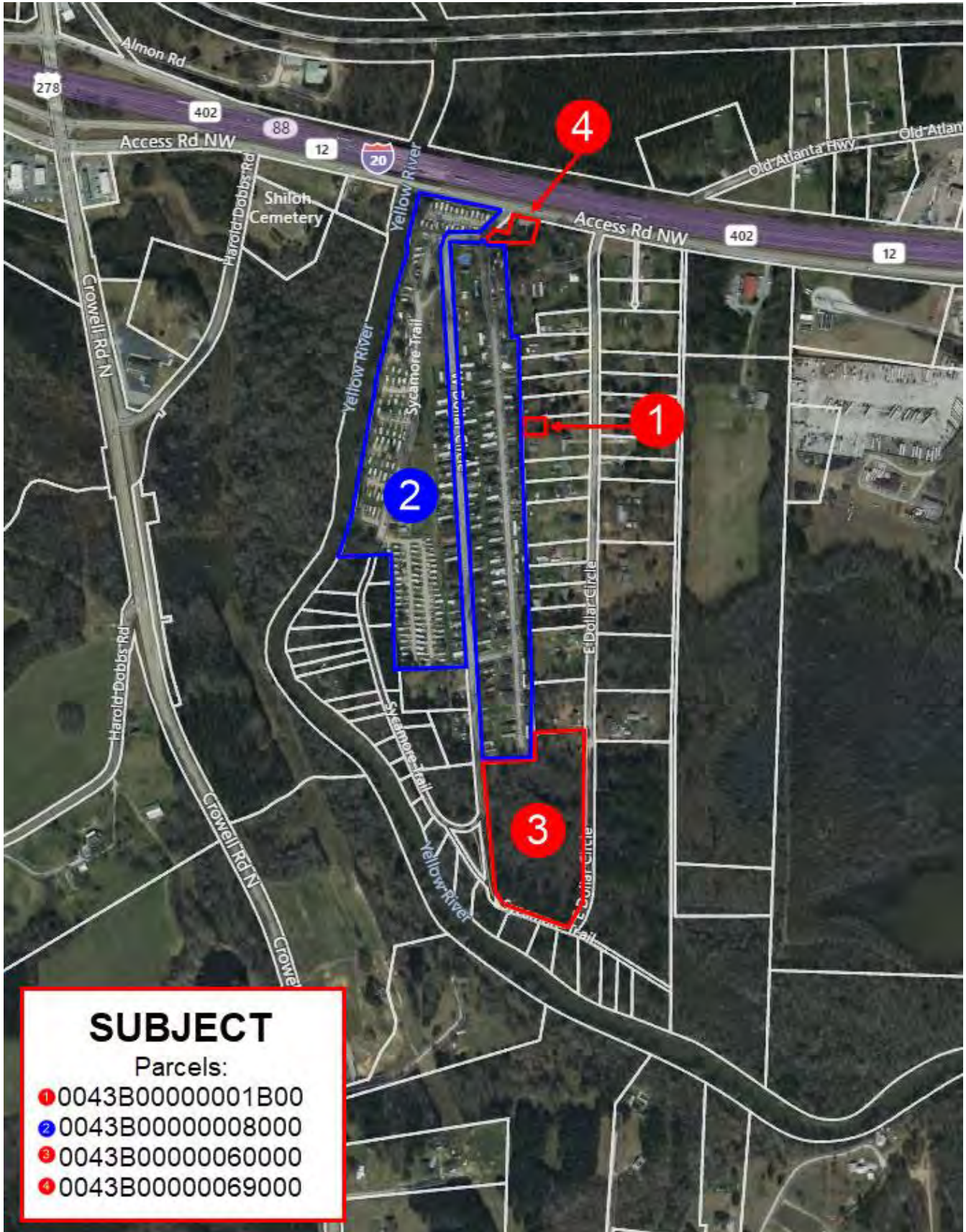
**Hazardous Waste**

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.

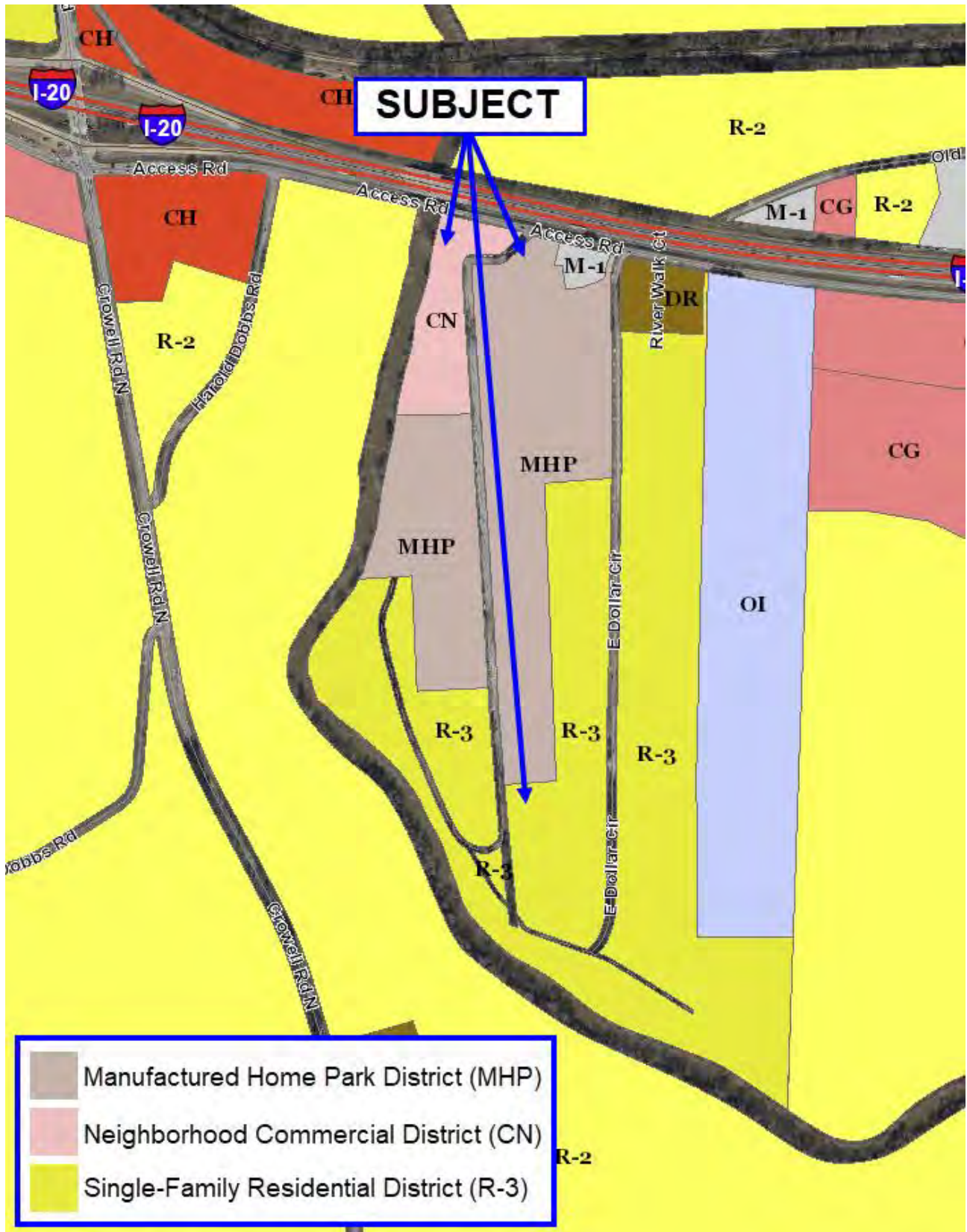
**Conclusion**

Overall, the subject site is considered an average/good RV park/campground 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 recreational development. Overall there are no known factors that would limit the site's development according to its highest and best use.

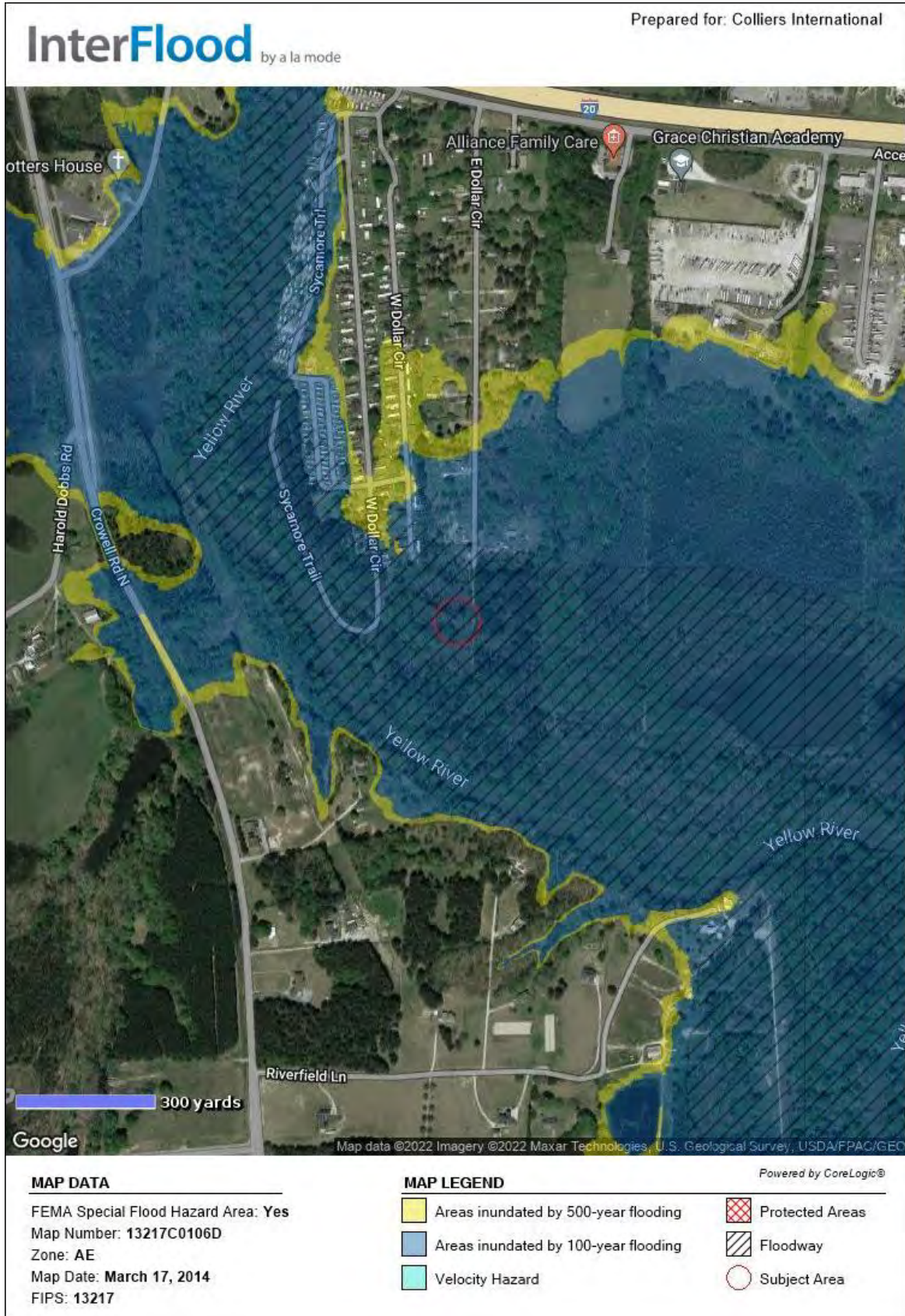
PARCEL MAP



ZONING MAP



FLOOD MAP





# InterFlood by a la mode

Prepared for: Colliers International



Google

Map data ©2022 Imagery ©2022 Maxar Technologies, U.S. Geological Survey, USDA/FPAC/GEO

**MAP DATA**

FEMA Special Flood Hazard Area: **No**  
 Map Number: **13217C0106D**  
 Zone: **X500**  
 Map Date: **March 17, 2014**  
 FIPS: **13217**

**MAP LEGEND**

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

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# InterFlood by a la mode

Prepared for: Colliers International



**MAP DATA**

FEMA Special Flood Hazard Area: **No**  
 Map Number: **13217C0106D**  
 Zone: **X**  
 Map Date: **March 17, 2014**  
 FIPS: **13217**

**MAP LEGEND**

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

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**Introduction** The information presented below is a basic description of the proposed 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 will be no hidden defects, and that all structural components will be functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

<b>Property Type</b>	Manufactured Housing Community and RV Park/Campground - All Age
<b>Number of RV Sites</b>	306
<b>Number Of Common Area Buildings</b>	8
<b>Year Built</b>	1985
<b>Age/Life Analysis</b>	
Actual Age	37 Years
Effective Age	20 Years
Economic Life	55 Years
Remaining Life	35 Years - Assuming regular maintenance and periodic capital improvements
<b>Quality</b>	Average
<b>Condition</b>	Average
<b>Appeal</b>	Average
<b>Marketability</b>	Average
<b>Density</b>	7.3 Sites/Acre (306 Sites / 42.06 Acres)
<b>Parking Total</b>	294
Homesite Parking Spaces	278 - Concrete
Visitor Parking Spaces	16 - At Office
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.

RV PARK/CAMPGROUND SITE MIX		
SITE TYPES	NO. SITES	% OF TOTAL
Standard MH	136	47.6%
RV	150	52.4%
<b>TOTAL</b>	<b>286</b>	<b>100%</b>

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

## BUILDING DESCRIPTION GRID

BUILDING	ADDRESS	GBA	YEAR BUILT	EFF. AGE	ECON. LIFE	REM. LIFE	CONSTRUCTION	QUALITY	CONDITION
1-Commercial Building	1891 Access Road	1,250	1985	20	55	35	Wood Frame	Average	Average
2-Storage Building	1891 Access Road	400	1985	20	55	35	Eng Metal	Average	Average
3-Office / Clubhouse	1891 Access Road	1,800	1985	20	55	35	Wood Frame	Average	Average
4-Storage Building	1891 Access Road	400	1985	20	55	35	CMU	Average	Average
5-RV Office	1891 Access Road	525	1985	20	55	35	CMU	Average	Average
6-Storage Building	1891 Access Road	350	1985	20	55	35	Eng Metal	Average	Average
7-Bath House	1891 Access Road	1,500	1985	20	55	35	CMU	Average	Average
8- Storage Building	1892 Access Road	600	1985	20	55	35	Eng Metal	Average	Average
<b>TOTAL</b>		<b>6,825</b>							

**Project Amenities** The subject's common amenities include clubhouse, swimming pool, laundry area, mail kiosk, playground and restroom/showers.

**Clubhouses** The subject property has one average quality clubhouse.

**Laundry** The project offers common area laundry.

**Pools** The subject property has one average quality outdoor swimming pool.

**Restroom/Showers** The property has restroom/shower facilities.

**Other Amenities** The subject also has an office.

**Site Improvements** Asphalt streets and streetlights

**Electric Service Size** Multiple Sizes

**Gas Type** Natural Gas

**Water Source** Public

**Sewage Process** Septic (multiple homesites)

**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 the onsite inspection by the field appraiser, no observable deferred maintenance exists.

CAPITAL EXPENDITURES					
ITEM	SOURCE	TYPE	#	COST/TYPE	EST. COST TO CURE
Landscaping	Buyer	Maintenance	1	Estimate	\$25,000
Tree work	Buyer	Maintenance	1	Estimate	\$25,000
Office/clubhouse renovation	Buyer	Building	1	Estimate	\$75,000
Other capital needs	Buyer	Miscellaneous	1	Estimate	\$100,000
<b>TOTAL COSTS</b>					<b>\$225,000</b>
<b>TOTAL DEFERRED MAINTENANCE COSTS (ROUNDED)</b>					<b>\$225,000</b>

Rounded to nearest \$25,000

**Hazardous Materials** This appraisal assumes that the improvements will be 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 will comply with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

**Conclusion** The subject improvements are a Class C manufactured housing community in average condition for their age and for the surrounding neighborhood.

## INTRODUCTION

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

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

ASSESSMENT & TAXES						
Tax Year	2022		Millage rate		27.134000%	
Tax District	01		Taxes Current		No	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
0043B00000001B00	\$9,200	\$0	\$9,200	\$0	\$3,680	\$100
0043B00000008000	\$1,793,100	\$80,800	\$1,873,900	\$0	\$749,560	\$20,339
0043B00000060000	\$12,000	\$0	\$12,000	\$0	\$4,800	\$130
0043B00000069000	\$23,400	\$35,700	\$59,100	\$0	\$23,640	\$641
<b>Totals</b>	<b>\$1,837,700</b>	<b>\$116,500</b>	<b>\$1,954,200</b>	<b>\$0</b>	<b>\$781,680</b>	<b>\$21,210</b>
<b>Total/Site</b>	<b>\$6,006</b>	<b>\$381</b>	<b>\$6,386</b>	<b>\$0</b>	<b>\$2,555</b>	<b>\$69</b>

Source: Newton County Assessment & Taxation

## SUBJECT PROPERTY ANALYSIS

The total taxable value for the subject property is \$781,680 or \$2,555/Site. There are no exemptions in place. Total taxes for the property are \$21,210 or \$69/Site.

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 Newton County is assessed at 40% of market value. Real property is reassessed annually. The next scheduled reassessment date is January 1, 2023. In addition to scheduled reassessments, properties in Newton County are reassessed upon sale, conversion, renovation or demolition.

According to the staff representative at the Newton County tax commissioner's office, real estate taxes for the subject property are not current as of the date of this report. Delinquent taxes total \$107.81 including accrued interest, if applicable. Pending tax liens are not considered in the value conclusion.

**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.

<b>TAX COMPARABLES</b>								
	<b>SUBJECT</b>	<b>COMP 1</b>	<b>COMP 2</b>	<b>COMP 3</b>	<b>COMP 4</b>	<b>LOW</b>	<b>HIGH</b>	<b>AVG</b>
Property Name	Riverside Estates	Metro Rv	Jones RV Park	Countryside Village of Atlanta	The Meadow s Mobile Home Community			
Address	1891 Access Road	10111 Old Atlanta Highway	2200 Willow trail Parkway	10 Sweetw ater Way	8709 Covington Highway			
City, State	Covington, GA	Covington, GA	Norcross, GA	Law renceville, GA	Conyers, GA			
APN	Multiple APNs	C0620000001 8000	R6198 004	R6152 014	16 202 02 002			
Year Built	1985		1901	1969	1971			
Homesites	306	40	150	271	240			
<b>Taxable \$</b>	\$781,680	\$38,000	\$2,240,000	\$2,384,800	\$562,000	\$38,000	\$2,384,800	\$1,306,200
<b>Taxable \$/Site</b>	\$2,555	\$950	\$14,933	\$8,800	\$2,342	\$950	\$14,933	\$6,756
<b>Total Taxes</b>	\$21,210	\$1,235	\$92,975	\$166,831	\$30,426	\$1,235	\$166,831	\$72,867
<b>Taxes Per Site</b>	\$69	\$31	\$620	\$616	\$127	\$31	\$620	\$348

The comparable properties reflect taxes ranging from \$31 to \$620/Homesite with an average of \$348/Homesite. The taxes for the subject property are within this range.

**CONCLUSION**

The subject property is assessed below comparable properties. Real property is reassessed every year and the next scheduled reassessment date is January 1, 2023. The comparable subject is more likely to be reassessed to be in line with comp four. The comparables above are in a superior location to the subject and are superior in quality.

**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:

**Manufactured Home Park District (MHP)**

ZONING SUMMARY	
<b>Municipality Governing Zoning</b>	Newton County Planning & Zoning Department
<b>Current Zoning</b>	Manufactured Home Park District (MHP)
<b>Permitted Uses</b>	Uses including but not limited to: manufactured housing developments, manufactured homes (class a and b), industrialized homes/modular, group residence facilities (four or less), private gardens, fallout shelters, single-family dwellings, parks and open areas, neighborhood recreation centers, site-built residential dwellings.
<b>Prohibited Uses</b>	Any other use not listed as permitted nor compatible with the district purpose and intent.
<b>Current Use</b>	RV Park/Campground and Manufactured Housing Community
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely
<b>Proposed Use</b>	RV Park/Campground and Manufactured Housing Community
<b>Is Proposed Use Legally Permitted?</b>	Yes

ZONING REQUIREMENTS	
<b>Conforming Use</b>	The proposed improvements represent a conforming use within this zone.
<b>Minimum Lot Area (Acres)</b>	15
<b>Minimum Road Frontage (Feet)</b>	200
<b>Minimum Lot Width (Feet)</b>	85
<b>Site-Built Home Dimensions</b>	
<b>Minimum Site-Built Home Area (SF)</b>	51,000
<b>Minimum Site-Built Home Floor Area (SF)</b>	1,800
<b>Minimum Site-Built Home Width (Feet)</b>	100
<b>Minimum Number Of Sites</b>	25
<b>Homesite Dimensions</b>	
<b>Minimum Homesite Floor Area (SF)</b>	720
<b>Minimum Homesite Area (SF)</b>	51,000
<b>Minimum Yard Setbacks (Homesites)</b>	
Front (Feet)	20
Between Buildings (Feet)	20
Rear (Feet)	10
<b>Subject Density (RV Sites/Acre)</b>	7.3
<b>Maximum Impervious Surface Coverage</b>	40%

SUBJECT PARKING REQUIREMENT			
Homesite Type	Homesites	Required Spaces/Site	Required Spaces
Spaces For Each Manufactured Home		1.00	0
Spaces For Resident Manager Or Owner		1.00	0
Spaces For Each Two Employees		1.00	
<b>Parking Spaces Provided</b>			<b>294</b>

Source: Newton County Planning & Zoning Department



## Neighborhood Commercial District (CN)

### ZONING SUMMARY

<b>Municipality Governing Zoning</b>	Newton County Planning & Zoning Department
<b>Current Zoning</b>	Neighborhood Commercial District (CN)
<b>Permitted Uses</b>	Uses including but not limited to: art studios, bakeries, banks, bicycle shops, cemeteries, private clubs, orders, lodges; colleges, universities; convenience stores, day spas, and drug stores.
<b>Prohibited Uses</b>	Any other use not listed as permitted nor compatible with the district purpose and intent.
<b>Current Use</b>	RV Park/Campground and Manufactured Housing Community
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely
<b>Proposed Use</b>	RV Park/Campground and Manufactured Housing Community
<b>Is Proposed Use Legally Permitted?</b>	Yes

### ZONING REQUIREMENTS

<b>Conforming Use</b>	The proposed improvements represent a non-conforming use within this zone.
<b>Minimum Floor Area (SF)</b>	None
<b>Minimum Lot Frontage (Feet)</b>	100
<b>Minimum Yard Setbacks</b>	
Front (Feet)	25
Between Buildings (Feet)	20
Rear (Feet)	15
Side (Feet)	10
<b>Subject Density (RV Sites/Acre)</b>	7.3
<b>Maximum Building Height (Feet)</b>	35
<b>Maximum Impervious Surface Coverage</b>	75%

Source: Newton County Planning & Zoning Department

## ZONING CONCLUSIONS

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

**ZONING SUMMARY**

<b>Municipality Governing Zoning</b>	Newton County Planning & Zoning Department
<b>Current Zoning</b>	Single-Family Residential District (R-3)
<b>Permitted Uses</b>	Uses including but not limited to: cemeteries, single-family dwellings, fallout shelters, private gardens, group residence facilities (four or less), residential guest houses, tenants, caretakers dwellings; industrialized homes/modular, manufactured homes (class a), parks and open areas, and neighborhood recreation centers.
<b>Prohibited Uses</b>	Any other use not listed as permitted nor compatible with the district purpose and intent.
<b>Current Use</b>	Vacant Land
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely
<b>Proposed Use</b>	Vacant Land
<b>Is Proposed Use Legally Permitted?</b>	Yes

**ZONING REQUIREMENTS**

<b>Conforming Use</b>	The proposed improvements represent a conforming use within this zone.
<b>Minimum Lot Area (SF)</b>	22,000
<b>Minimum Floor Area (SF)</b>	1,800
<b>Minimum Lot Width (Feet)</b>	75
<b>Minimum Road Frontage (Feet)</b>	60
<b>Minimum Yard Setbacks</b>	
Front (Feet)	60
Rear (Feet)	25
Side (Feet)	7.50
<b>Subject Density (RV Sites/Acre)</b>	7.3
<b>Maximum Building Height (Feet)</b>	40
<b>Maximum Impervious Surface Coverage</b>	40%

Source: Newton County Planning & Zoning Department

**ZONING CONCLUSIONS**

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use.

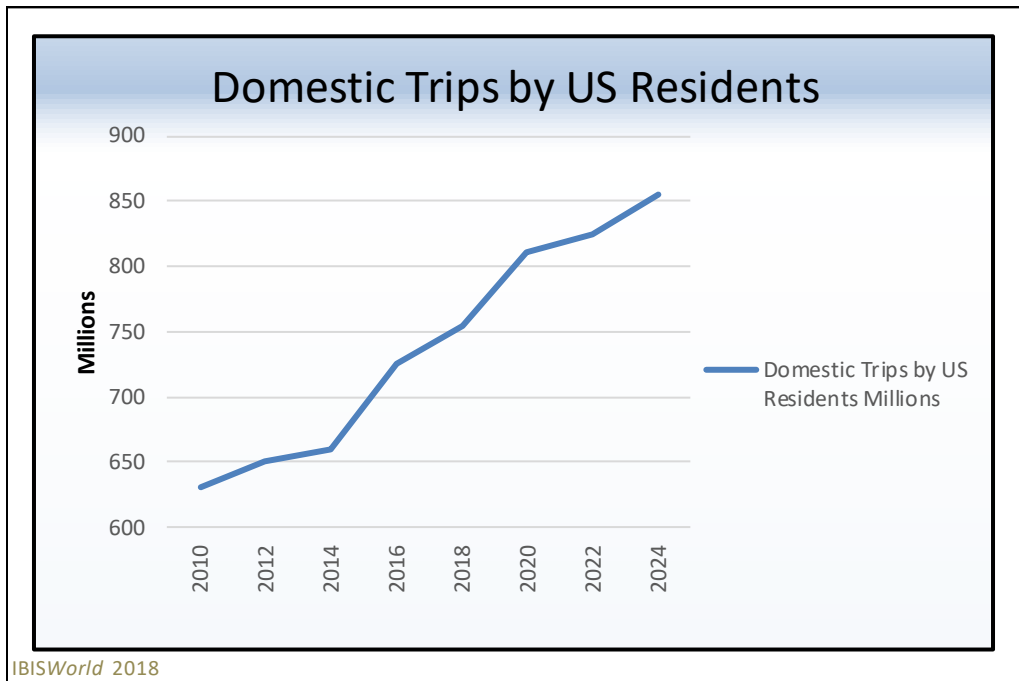
Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. 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.

**INTRODUCTION**

The subject property exists as part of the tourism industry. Domestic trips by U.S. residents include all forms of travel, including RV travel. When the number of domestic trips by U.S. residents rises, the demand for campgrounds and RV parks typically improves. The number of domestic trips made by U.S. residents was expected to increase in 2020, representing a potential opportunity for the industry, prior to the COVID-19/nouveau coronavirus pandemic. As it turns out U.S. residents did increase domestic trip though not in the traditional sense.

Any economic, social, political or environmental factor that affects consumer sentiment or the ability to travel domestically on overnight or day trips for holiday or recreational purposes also affects these industries. These factors include changes to the price of fuel for cars or airlines (which affect airline ticket prices), reduced consumer sentiment caused by geopolitical tension, fears of terrorism and fears of contagious diseases. Domestic trips by US residents were expected to increase during 2020, presenting a potential opportunity to the industry. A rising number of international visitors affect domestic tourism as well. The number of inbound trips by non-us residents was expected to increase during 2020<sup>5</sup>. This did not happen due to the worldwide pandemic and shutdowns/lockdowns: economically, nationally and travel related. International travel is still limited, with most European and Asian governments, and the United States, restricting travel to and from the United States. That said, the effect of COVID-19 on the Domestic Travel industry after May 2020 has been mixed, with flights slowly coming back, attractions slowly reopening, and overall travel beginning to increase. One bright spot was the RV park/campground industry that showed, after May 2020, to have bounced back to near 2019 levels overall for the year and have continued to increase.

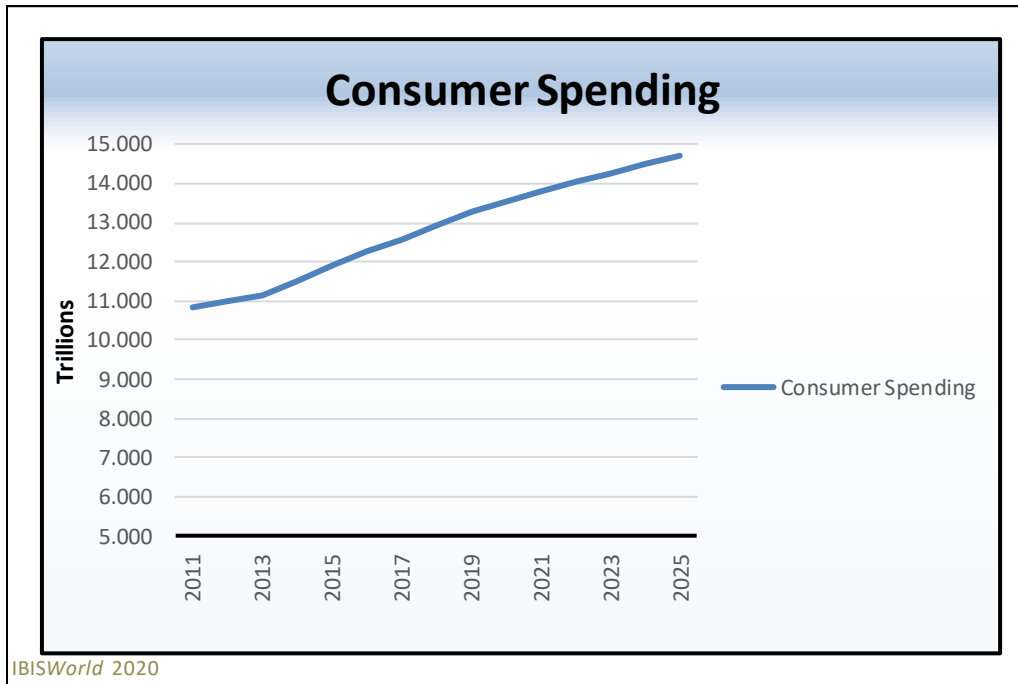
According to IBISWorld, domestic trips by U.S. Residents are expected to increase over the next five years. This after the major recession in 2008-2010 curtailed much of the travel in the U.S.



<sup>5</sup> IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, November 2019

Another factor is disposable income and consumer spending. Consumer spending levels have a direct effect on travel demand and the amount of money people have available for leisure activities. When consumers have higher disposable incomes and are spending more money, they are more likely to spend money staying at RV park/campgrounds. Consumer spending is expected to increase during 2020.

People aged 50 and older account for a majority of total demand for RV parks. This age segment’s share of the population is expected to rise with the progressive aging of the baby-boomer population in the near future. The number of adults aged 50 and older is estimated to have increased at an annualized rate of 1.5% over the five year period to 2018 and is expected to continue to increase over the next five years. However, younger generations are emerging as a new key demographic, as 41% of campers according to KOA North American Camping Report are millennials.



Over the next five years industry operators are expected to bounce back again to pre-pandemic levels with a correction in gas prices and continued demand for recreational vehicles contributing to this continued growth. Continued demand and interest in RVs and camping from both younger and older generations will likely help this industry retain a strong consumer base during the outlook period. Similarly, growing demand for outdoor campgrounds and RV parks in the future will also contribute to operators expanding its workforce and upgrading its facilities to further enhance its operations. In turn, industry revenue is forecast to expand at an annualized rate of 2.7% to \$8.1 billion.

## RV PARK/CAMPGROUND OVERVIEW

The assignment is to appraise the property commonly known as Riverside Estates. The property is a recreational vehicle (RV) resort/campground community where owners of RV's (both motorized and trailer) rent sites. In the case of the subject, the community has similarities to a mobile home park or manufactured housing community (MHCs) – specifically to lease land of a specified time to individuals to place their manufactured home or RV. For MHCs, this length of time is typically for one or more years. MHCs are considered a multi-family property type. For RV parks, the length of time the land is leased is usually less than one year – usually sites are rented on a daily or weekly basis, though many RV parks have monthly and annual/seasonal plans. RV parks/resorts/campgrounds are considered a hospitality property type. In some instances, the property has both RV and manufactured homes on the property and is considered a mixed use property. For both property types, the interest held by the community owner is appraised. For properties developed for manufactured or modular housing, 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 use *mobile home* or *manufactured house* interchangeably. For properties developed for recreational vehicles, market participants and renters (those that live in RV communities) often use phrases such as *RV park*, *RV community*, *RV campsite/campground*, *RV resort*, or *campground* interchangeably. Further discussion within the report the term RV Park will be used. The following is an overview of the RV industry and provides a number of definitions.

## DEFINITIONS

As with all real estate, the RV 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 RV park/campgrounds) often use phrases uni. The following provides definitions for key phrases and concepts in the industry.

### What is a Recreational Vehicle?

RV parks exist for owners of recreational vehicles to park their units for a period of time. A discussion of types of RV that can be owned is in order. Federal standards define recreational vehicles (RVs) as vehicular-type units primarily designed as temporary living quarters for recreation, camping, and travel. Some RVs are motorized, while others are mounted on or towed by another vehicle. They have at the least a place to sleep. Most also have small kitchen, an eating area, a bathroom and place to sit when not sleeping. Sizes vary from 10 to 45 feet long, though most are between 15 and 35 feet long.

### Types of RV Units

There are six basic types of recreational vehicles. They are 1) motorhomes or motorized homes, 2) travel trailer, 3) fifth-wheel trailer, 4) folding camping trailer, 5) truck camper, and 6) recreational park trailer.

**Motorized RVs** are vehicles mounted on a motor vehicle chassis. They are separated into three sub-types – Class A, Class B, and Class C. **Non-motorized RVs** are units that are typically towed by another vehicle, and range in size from a small bedroom on wheels to the equivalent of a Class A motorhome without an engine or transmission. They are travel trailers, fifth-wheel trailers, folding camping trailers, truck campers and recreational park trailers.

## Motorized RVs

**Class A** motorhomes are the largest and most expensive of the motorized RVs, ranging in weight from 15,000 to 48,000 pounds, and from 25 to 45 feet in length. Many Class A motorhomes feature an automatic slide out. Class A units come with comforts you would expect in a home, and provide a small kitchen, heating, air conditioning, a self-contained toilet, water tanks, faucets, sinks, a LP (propane) gas supply, a separate 100-125 volt electrical system, and a full array of appliances and entertainment features. They can sleep up to eight. Prices range from \$60,000 to \$500,000 or more for high end rear engine diesel models.



**Class B** motor homes, or van conversions, are the smallest motorhomes. They are constructed on a van chassis with elevated roof lines but no modifications to the length or width. Class B motorhomes weigh 6,000 to 8,000 pounds and are 17 to 19 feet in length. Living Site is limited. Class B motorhomes usually provide cooking facilities, a refrigerator/ice box, heating, a self-contained toilet, water tanks, a faucet, a sink, convertible/folding beds, a LP gas supply, and 110VAC/12VDC electrical outlets. Class B motorhomes can sleep from two to four people. Prices range from \$60,000 to above \$130,000.



**Class C** motor homes, or mini-motorhomes, are scaled-down versions of Class A motorhomes. They range in weight from 10,000 to 12,000 pounds and are from 20 feet to 31 feet in length. They are generally constructed on a larger van chassis. Some Class C units feature a slide out. Class C units usually provide cooking facilities, a refrigerator, heating, air conditioning, a self-contained toilet, water tanks, faucets, sinks, a LP gas supply, a separate 100-125 volt electrical system, and a full array of appliances and entertainment features. Class C motorhomes can sleep up to ten people. Prices range from \$40,000 to around \$200,000.



## Non-motorized RVs

**Travel Trailers** may be as small as 10-feet long or as big as 35-feet long. Many feature a slide out to quickly extend the unit's living site. Travel trailers must be pulled by a separate tow vehicle. Travel trailers usually provide cooking facilities, a refrigerator, heating, air conditioning, a self-contained toilet, a shower, water tanks, faucets, sinks, a LP gas supply, and a separate 100-125 volt electrical system. They can sleep up to eight people. Prices range from \$8,000 to \$95,000. A hybrid of this unit – the sport utility RV – has a small garage at the back for ATV, motorcycles and other recreation items. Prices for these units range from \$8,000 to \$95,000 new.



**Fifth-wheel Trailers** are like larger travel trailers but have an extension on the front of the box that extends over the tow vehicle. Typically, full-size pickup trucks serve as the "tow" vehicles for fifth wheels. Fifth-wheel trailers usually provide cooking facilities, a refrigerator, heating, air conditioning, a self-contained toilet, a shower, water tanks, faucets, sinks, a LP gas supply, and a separate 100-125 volt electrical system. They can sleep up to six people. Prices range from \$18,000 to \$160,000 new.



**Folding Camping Trailers** are the least expensive RV. Also commonly referred to as tent trailers or pop-up trailers, folding camping trailers are designed from the ground up to be lightweight and inexpensive while providing many of the conveniences found in a basic travel trailer. Folding camping trailers usually provide cooking facilities, a refrigerator/ice box, heating, water tanks, a faucet, a sink, convertible/pull-out beds, a LP gas supply, and a separate 100-125 volt electrical system. They can sleep up to six people. Prices typically run from \$5,000 to \$22,000 new.



**Truck Campers** – sometimes referred to as pickup campers or slide-on campers, they consist of a camper body loaded onto the bed of a standard pickup truck. Truck campers usually provide cooking facilities, a refrigerator/ice box, heating, air conditioning, a self-contained toilet, water tanks, a faucet, a sink, a LP gas supply, and a separate 100-125 volt electrical system. They can sleep from two to six. Prices range from \$6,000 to \$55,000 new.



**Park Model RV** – is a recreational vehicle that is designed to provide temporary living quarters for recreation, camping or seasonal use. Also known as park models, these units are built on a single chassis that is mounted on wheels. The gross trailer area cannot exceed 400 square feet in the set-up mode. From the exterior these units resemble manufactured homes but are smaller than these units and not governed by the same building standards. Interior has one to two bedrooms, cooking/kitchen area, and living area. They can sleep four to eight people. Prices typically range from \$20,000 to \$80,000.



**Other Types of Units**

Other ways to stay at RV Park/Campgrounds is by renting on site a cabin, deluxe cabin, cottage, or lodge. These can be on foundations or units similar to Park Model RVs that are able to be rented on site. The different designations are based on how the operator wants to advertise what they have, but generally a cabin is the smallest and more rustic of the types, with each unit type being fancier and larger.

Additional ways to stay are by renting on site a yurt or glamping tent. These are similar to cabins and cottages but are typically made out of canvas and supporting structures



**YURT**



**GLAMPING TENT**



**RV Shipments and Sales Data<sup>6</sup>**

In 2021, RV manufacturers shipped 604,100 units, an increase from 2020. For 2022 projected shipments of RVs are projected to grow at a slower rate than last few years. The table below shows growth in the last 17 years. The downturn in 2007 and 2008 is related to the economic recession at that time.

**Recreation Vehicles (RVs) Wholesale Shipments 2005-2020**

Year	RV Unit Shipments (in 000)	% Change Prior Year	RV Retail Value (in billions)
2005	384.4	3.9%	\$14.366
2006	390.5	1.6%	\$14.732
2007	353.4	-9.5%	\$14.504
2008	237	-32.9%	\$8.758
2009	165.7	-30.1%	\$5.152
2010*	242.3	46.2%	\$8.732
2011*	252.3	4.1%	\$9.028
2012	285.9	13.3%	\$10.835
2013	321.1	12.3%	\$12.900
2014	356.8	11.1%	\$15.396
2015	374.2	4.9%	\$16.506
2016	430.7	15.1%	\$17.667
2017	504.6	17.2%	\$20.022
2018	483.7	-4.1%	\$20.112
2019	410.3	-15.2%	\$17.567
2020**	434.1	5.8%	\$18.149
2021**	604.1	39.1%	\$25.256

\* Gas and credit crunch \*\*COVID-19 Pandemic

**RVIA 2021**

Shipments of all RVs (motorhomes, travel trailers, sport utility RVs, truck campers and folding camping trailers) totaled 604,100 units in 2021 — a 39.1% increase from the previous year total. Forecasts for 2022 see a leveling off to about 617,000 units or about 2% according to industry analysts. Since the COVID-19 breakout in 2020 shipments have increased to the highest ever in 2021. Record shipments allowing the year to finish with almost 39% YOY increase. According to industry analysts the positive increases are forecasted to continue in 2022 with projections of 617,000 units or about 24% increase over 2020 and an almost 6% increase over the record high of shipments in 2017.

<sup>6</sup> Recreation Vehicle Industry Association RVIA

Today over 10 million RVers now own an RV in the United States, a substantial increase in ownership over the past decade - the highest level ever recorded.

### Reasons for Industry Growth

According to industry participants, RVs support a balanced and healthy lifestyle. In a Harris Interactive survey, it was reported that owners travelling in RVs enables them to experience outdoor activities and enjoy quality family time. It was also reported that RVers had stronger bonds with loved ones and benefits to children, as well as healthier eating habits, sleeping in their own bed and having their own bathroom facilities.

RVs have uses as diverse as the people who own them. In addition to vacation travel, owners use RVs for tailgating, travel with pets, and to participate in outdoor sports and other leisure activities. Research also shows that RVers spend more time enjoying campgrounds and less on the road to save fuel. Analysis of potential fuel cost increases shows that fuel prices would need to more than double over current levels to make RVing more expensive for a family of four than other forms of travel. When fuel prices rise, RVers adjust by traveling to destinations closer to home, driving fewer miles, and staying longer in one place.

### Indicators for Future Growth

It is reported that RV ownership and travel is a great value. A recent study found RV ownership has increased over 62% in the last twenty years with a record 11.2 million RV owning households, split almost equally between those over and under the age of 55, with significant growth among 18-to-34-year-olds, who now make up 22 percent of the market. Additionally, an incredible 9.6 million households intend to buy an RV within the next 5 years. Among current RV owners who plan to buy another RV in the next five year, the numbers for Millennials and Gen Z'ers stand out, with 84% of 18-to-34-year-olds planning to buy another RV, with a 78% preferring to buy a new model. According to KOA North American Camping Report Gen Z, Millennials, and Gen X made up a combined 83% of total campers in 2021. Additionally, the distance traveled has decreased over time with 80% of camping trips less than 200 miles from home, and 60% less than 3 hours from home.

### RV Parks vs. Manufactured Housing Communities

The evolution of the RV park/resort and manufactured housing community (MHC) began in the 1920s, when the first **camping trailer** was built in Michigan (the first RV). Camping trailers were developed or adapted to other uses such as short term, transportable housing. Small campsites developed for travelers to park overnight as they traveled.

The need for short term, on-base housing during World War II resulted in the creation of **house trailers**. House trailers were the next generation of camping trailers, much larger in sized though still portable. 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 communities 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 and 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".

Because of their connected history, the public often confuses recreational vehicles with manufactured (mobile) homes. While they both serve the same purpose as living quarters, there is a significant difference between the two. The most obvious distinction is that RVs are mobile. Although manufactured housing is transported to the home-site, the high cost of moving or relocating them is not feasible.

The difference between RV parks and manufacture home communities (MHC) difficult to differentiate, as some RV parks look, act and operate like an MHC. As mentioned before, it is not uncommon to have a property that is both an RV park and an MHC. However, there are distinct differences. MHCs rent sites by the month for at least a year, with many requiring leases to be signed. RV parks generally rent sites for day, week or month. Because RV park occupancy is transient, operation of the property requires more intensive management and has a higher degree of risk to the owner. Differences and similarities are shown in table below.

<b>RVs vs. MHCs</b>		
	<b>RV Park</b>	<b>MHC</b>
Vehicle mobility	Yes - RVs are designed for movement from point to point	Difficult - relocation is expensive and impractical
Occupancy Type	Daily, weekly, monthly, seasonal	Extended to permanent - year plus
Rent Control	No, except in rare cases	Yes or no, depending on municipality
Management Intensity	Medium to High	Low to medium
Camper/tents Allowed	Yes, in some parks	No
Types of sites/spaces	Pull-through, back-in, tent, group, basic	Single or multi section
Utility Services	Water and electricity with sewer (variable), TV/cable, phone and WiFi	Water, sewer, gas, electric, phone, cable
Typical Improvements	Roads, sites, store, rec hall/clubhouse, registration, restrooms/showers	Roads, spaces, rec hall/clubhouse, office, laundry
Common Recreational Amenities	Recreation hall, swimming pool, athletic courts, playground	Clubhouse, swimming pool, athletic courts, playground
Subject to Transient Taxes	Yes	No
Rent Charge Payable	Daily, Weekly, Monthly	Monthly
Most Important Indicators	GIM, GPM, OAR	OAR, GIM, price per space
Typical Capitalization Rates	6%-13%	4.5% to 10%
Common GIM range	3 - 9	6 - 13

## **Types of RV Parks**

Not unlike other property types that have different sub-types, there are different types of RV parks as well. Much like the motel/hotel industry that has various sub-types (extended stay, limited service, luxury and resort); RV parks have sub-types as well. Also, like most commercial properties, RV parks vary and no two RV parks are exactly alike. Over the past 50 years, the RV industry has matured with the RV parks becoming diversified to meet the needs of the various RV users, from travelers to full-time RV enthusiasts. Some RV parks are designed for the overnight guests, while others are designed as a destination, with many amenities associated with vacation resorts. The following details the types of RV parks. In some instances, an RV park may have characteristics of each type.

### **Overnight Park**

The overnight or “en route” park is one of the most common RV parks. Such parks are often located along or just off interstate highways and freeways. The typical length of stay is one or two nights for the traveler en route to another destination and sometimes longer for business travelers. The short stopovers tend to increase management and labor costs. For overnight parks the ratio of total expenses to collected income is usually higher for overnight parks than for parks with more stable occupancy.

### **Extended-Stay Park**

Extended-stay or residency parks are to some degree similar to manufactured housing communities, where individuals reside on an extended or even permanent basis. However, residents of an extended-stay park live in recreational vehicles (park trailers) rather than manufactured housing. Legal restrictions and the type of demand are important considerations when valuing an extended-stay park. Local zoning ordinances and use permits may restrict occupants’ length of stay.

Extended-stay parks can have year-round permanent residents, seasonal occupants, or a combination of the two. A park’s location usually determines the seasonality of the demand. RV parks along the East Coast, Mid-West, and West Coast tend to have occupancy higher in the summer, whereas parks in the Southwest and Southeast tend to have the higher occupancy in the winter months. Extended stay parks also tend to have more amenities than overnight parks.

### **Destination Park**

Destination Parks are parks where the park itself may be the destination. Some have characteristics similar to overnight or extended-stay parks. Destination parks tend to have more amenities and be resort-like. Recreational facilities may include swimming pool(s), athletic courts (tennis, basketball, volleyball, and shuffleboard), playgrounds and recreation halls. Some also have miniature golf, waterslides, fishing, boating, and hiking. Many have other attractions in the area as well. These parks tend to be seasonal and only open during certain months of the year, although some, like Disney’s Fort Wilderness, are year round parks.

### **Membership Parks**

Membership parks have many similarities to destination parks. Users of these parks pay a membership or right-to-use permit for a specified period of time. This use permit allows the RV owner to use the park or affiliated parks for a specified period of time. There are limitations typically on how many memberships can be sold in relation to the size or site number at the home park. Users can sell the memberships they have, with the home park receiving a transfer fee for the sale. Military campgrounds are a type of a membership park in that users must be active or retired military personnel. Some of the membership associations or networks available include RPI (Resort Parks International), Coast to Coast, and AOR (Adventure Outdoor Resorts). Some resorts are or can be affiliated to multiple associations.

### **Condominium or Condo Parks**

Condominium Parks are where buyers receive fee title for a specific site for use and an undivided interest in the common areas as well. There are also yearly maintenance fees or association dues to cover the maintenance of the property. When not occupied by the user, many resorts allow the Site to be rented, with the association receiving part of the rent to cover overhead.

### **Franchise Parks**

Franchise Parks, such as Yogi Bear's Jellystone or KOA (Kampgrounds of America), have hundreds of campgrounds across North America. These may be overnight, extended-stay, destination or parks with combined characteristics that are open to the general public.

### **Operation Period**

In addition to the type of park (overnight, extended-stay or destination), parks may also operate as seasonal or year round properties. RV parks in the Northeast, Midwest and Northwest of the United States tend to have operations between April and October, though year round operation in these areas is not uncommon. During the months of November to March many are closed or operate on a limited basis. RV parks/resorts located near ski or winter activities tend to operate year round, though occupancies during this season tend to be less than during the summer months. Conversely, RV resorts and RV parks in the south, particularly Florida, Arizona and southern California, operate on a season from September to April, or operate year round.

Within the seasonal operation is an up and down fluctuation of occupancy, with occupancies at their lowest during the beginning and ending of the season (seasonal parks) or during the off season (year round parks). Additionally, most resorts during season have 90% to 100% occupancy on weekends and holidays, with lower occupancies of 70% to 90% during the week. Depending on the area, occupancies for resorts can fluctuate from 50% to 100% during season. Weather also can affect the operation of a resort or park, especially for the weekend traveler.

**The subject is classified as an All Age RV park-campground, with seasonal peak during the summer months. Operation for the property is year round**

### **RV Park/Campground Ratings**

In the RV and campground industry, there are publications that list and rate the campgrounds and RV park/resorts in North America (United States, Canada). At one time there were two of these directories - **Woodall's North American Campground Directory** and **Trailer Life RV Parks, Campgrounds and Services Directory**. Each directory was published on a yearly basis and rated each resort they had inspected and listed. These directories and their ratings were created to help vacationers with their travel plans.

Beginning in 2013, these directories combined to form the Good Sam RV Travel Guide (part of Woodall's). The directory listings includes location, phone number, web site of the RV resort/campground (if available), dates the property is in operation, the number and type of sites (basic, W/E, W/S/E, full hook up), amenities offered, rates from previous year and types of credit cards accepted. An overview of the directory, services offered and ratings system employed is shown below.

### **Good Sam RV Travel Guide – Woodall's Directory Ratings**

The **Good Sam RV Travel Guide and Campground Directory** by Woodall's is a listing of RV resort/park and campgrounds in North America and official directory of the Good Sam Club. To be listed, a park or campground must have a minimum of 10 overnight RV sites. Formerly, the Woodall's directory used a format of 5W/5W system of rating and Trailer Life used a format of 10/10\*/10. For the new directory, the Trailer Life rating system was maintained, where the first rating is for completeness of facilities, the second rating is for cleanliness and physical characteristics of restrooms and showers, and the third rating is for visual appearance and environmental quality. Each of the ratings is a composite of different areas of interest and requirements and range from 1 to 10, with 10 being the highest rating. For the first rating listed – completeness of facilities – the interior roads, registration area, sites, hookups, recreation, swimming, security, laundry, services and internet access are considered. For the second rating listed – cleanliness and physical characteristics of restrooms and showers – the toilets, walls, showers, sinks/counters/mirrors, floors, interior construction, adequate supplies and number of facilities, and exterior/interior appearance are considered. A star shown after the second rating indicates full points for toilets, walls, showers, sinks/counters/mirrors and floors). For the third rating listed – visual appearance and environmental quality – is based on the overall appearance, cleanliness and maintenance of the facility. Less than 1% of the parks receive a rating of 10 and very few properties receive a composite 10/10\*/10 rating. Campgrounds with high ratings have more facilities, are better maintained and are visually more appealing than lesser rated campgrounds. A minimum rating of 5/7.5\*/5 and specific minimum requirements are needed by the property to qualify for Good Sam Park membership.

**The subject is a Class C park and not rated (NR) by the Good Sam RV Travel Guide & Campground Directory at this time.**

## **Major Operators**

### **Equity LifeStyle Properties Inc.** (Estimated market share: 4.1%)

Equity LifeStyle Properties Inc. (ELP) is a real estate investment trust (REIT) and publicly traded company that owns/operates ±430 properties across 33 states and British Columbia; these properties include manufactured home communities, RV resorts and campgrounds. Equity LifeStyle Properties (ELS) employs 4,100 full-time, part-time and seasonal workers. Relevant to this industry, ELS manages more than 185 RV resorts and serves more than 100,000 customers, who can lease sites or sign contracts for limited stays.

ELS' operations has expanded by acquiring Thousand Trails' campground membership business (2008) and some of Morgan RV resorts (2012). To increase park awareness and sales, ELS began to team up with RV dealers, offering a Thousand Trails Camp Pass membership incentive to customers who purchased an RV at a participating dealer. As a result of this program, ELS activated an additional 17,194 park passes by 2018. In 2013, the company paid just over \$24.0 million to acquire the Fiesta Key RV Resort community located in the Florida Keys. The acquisitions continued for the company in the second-half of the five-year period. In 2015, the company acquired three properties, and in 2016, the company acquired four properties, and eight in 2018. A combination of mergers and organic growth will continue to drive company revenue, which is expected to reach \$325.4 million in 2019.

### **Sun Communities Inc.** (Estimated market share: 3.9%)

Sun Communities Inc. is a fully integrated real estate investment trust that owns/operates ±370 properties in 31 states and Canada and employs more than 2,780 full-time workers. Relevant to this industry, Sun Communities operates 110 RV communities and 31 properties containing both RVs and manufactured homes. Many of the company's RV communities contain amenities such as restaurants, golf courses, swimming pools, tennis courts, fitness centers and other social facilities.

Over the five years to 2019, higher consumer spending and travel led to an increase in RV site occupancy and enabled the company to pass through a modest rental rate increase to its patrons. Sun Communities has also expanded by acquisitions, purchasing 20 RV communities as part of eight major acquisitions in 2018 alone. However, the company's biggest acquisition to date occurred in June 2016, when the company acquired all outstanding shares of common stock of Carefree Communities Inc. for an estimated \$1.7 billion. This acquisition added 103 communities and 27,000 sites to the company's portfolio. In 2017, Sun acquired nine communities for \$144.7 million. IBISWorld estimates industry-relevant revenue at Sun Communities will total \$200.7 million in 2019. Sun Communities, Inc. announced that it would acquire Park Holidays UK for about \$1.3 billion. Park Holidays' operating team will continue to run daily operations under the new ownership. This move will increase the company's footprint into the United Kingdom.

### **Kampgrounds of America Inc.** (Estimated market share: 1.3%)

Established in 1962 and headquartered in Billings, MT, Kampgrounds of America Inc. (KOA) operates in 519 locations throughout 47 states and Canada. The company's campsites feature RV hookups, showers, laundry facilities, swimming pools, restrooms, playgrounds and internet access. Facilities also include bare-bones cabins with air conditioning but no running water and deluxe cabins that include air conditioning and running water.

Over the past five years, the company benefited from an uptick in domestic travel. To further encourage business, KOA now offers a point-based rewards program designed to attract repeat patrons. The program offers savings on campground registration fees as well as discounts for industry-related products and services, such as batteries, chargers and RV roadside assistance. In 2017, KOA reported strong growth in registration revenue from short and long-term RV and camper stays. However, a trend toward a more upscale camping experience has boosted company revenue, as the deluxe cabin program is one of KOA's fastest growing segments. Since



the company is privately owned, little financial information is publicly available. Although the company is privately owned and little financial information is publicly available, IBISWorld estimates KOA's industry-relevant revenue will total \$48.2 million in 2021, pressured by the pandemic's resulting declines.

### **Vacation Comparison Costs**<sup>7</sup>

The latest study (2018) comparing vacation costs shows that RVing is affordable. New research shows that recreation vehicle trips remain the least costly, even during this time of economic turmoil and fluctuating fuel prices.

The study, prepared for Recreation Vehicle Industry Association by PKF Consulting USA, a member of an international travel and tourism consulting group, found that RV travel is 23-to-59 percent less expensive than other types of vacations, for a family of four that owns an RV. For an "empty-nester" couple traveling by RV, savings were 11-to-46 percent.

Even after accounting for factors such as RV ownership costs and fuel prices, the study confirms that RV vacations offer greater savings than those taken using a personal car or airline, staying in a hotel, rental house or condominium, and eating in restaurants.

"The study puts numbers to what RV owners have known for years - if you want to save money on travel, go RVing," said RVIA president Richard Coon. "With the opportunity for frequent getaways to spend quality time outdoors with family and friends, RV ownership is a great value."

PKF analyzed vacation costs for two sets of traveling parties - a family of four, including two adults and two children; and a party of two adults. PKF calculated the costs for these hypothetical travelers taking nine different types of vacations to nine popular vacation destinations, including: Branson, MO; Cape Cod, MA; the Grand Canyon; Corpus Christi, TX; Orlando, FL; Lancaster, PA; Napa, CA; Traverse City, MI; and Yellowstone National Park.

Vacation Type	Itinerary	Amount Saved By RV
Folding Camping Trailer vs. Car / Hotel	Denver to Grand Canyon	42 percent
Type C Motorhome vs. Airline / Rental Car / Hotel	Atlanta to Orlando	46 percent
Travel Trailer vs. Airline / Rental Car / Rental Home	Washington, D.C. to Cape Cod	37 percent

The study analyzed popular RV types, including folding camping trailers, lightweight travel trailers, compact motorhomes, Type C motorhomes, and Type A motorhomes. Vacation durations were 3, 7 and 14 days, and were directly related to the round-trip distances in highway miles between city-pairs. PKF also analyzed how theoretical increases in fuel prices could affect vacation travel costs.

<sup>7</sup> Data provided by RVIA – Recreation Vehicle Industry Association

### Cost Comparisons of Vacations Using Recreational Vehicles Versus Other Types of Vacations (4-Person Travel Party)

Vacation Mode of Travel	3 Days	7 Days	14 Days
Party traveling in personal car, towing their folding camping trailer, staying at campgrounds, and preparing all meals in the folding camping trailer or outdoors at campsites.	\$721	\$1,634	\$3,158
Party traveling in lite-duty truck/SUV, towing their travel trailer, staying at campgrounds, and preparing all meals in the trailer or outdoors at campsites.	\$880	\$1,997	\$3,854
Party traveling in compact motorhome, staying at campgrounds, and preparing all meals in the motorhome or outdoors at campsites.	\$880	\$2,035	\$4,033
Party traveling in a Type C motorhome, staying at campgrounds, and preparing all meals in the motorhome or outdoors at campsites.	\$930	\$2,149	\$4,232
Party traveling in personal car, staying at hotels/motels, and eating meals in restaurants.	\$1,128	\$2,906	\$5,456
Party traveling by airline, renting a car at the destination, staying at hotels/motels, and eating meals in restaurants.	\$2,958	\$4,045	\$6,792
Party traveling in airplane, staying at a rental house/condominium, and eating the majority of meals in the rental unit.	\$2,329	\$3,133	\$5,162

Source: PFK Consulting, USA

"RV vacations were more economical than the other vacations analyzed, regardless of trip duration, trip distance, or region of the country where the vacation takes place," said PKF vice president Kannan Sankaran. "As the data indicate, while fuel costs are a component of the overall vacation cost, they are not significant enough to materially affect the outcome of our analysis."

Trips in type A motorhomes - typically the largest and most luxurious of RVs - were compared to other upscale vacation travel options. The study found that Type A motorhome vacations were 45 percent less expensive than upscale air/hotel vacations.

### Cost Comparisons of Upscale Vacations Using Recreational Vehicles Versus Other Types of Vacations (4-Person Travel Party)

Vacation Mode of Travel	3 Days	7 Days	14 Days
Party traveling in a personal Type A motorhome, staying at campgrounds, and preparing all meals in the motorhome or outside at campsites.	\$1,671	\$4,465	\$7,700
Party traveling by first class airline, renting a premium car at the destination, staying at upscale hotels, and eating meals in restaurants.	\$5,619	\$7,631	\$12,170

Source: PFK Consulting, USA

According to the study, for a family of four, fuel prices would have to more than quadruple for RV vacations to lose the economic advantage over other forms of travel. For an adult couple, fuel prices would have to more than double before RV vacations would become more costly. According to PKF, fluctuations in fuel costs economically impact all of the vacation types analyzed. Airlines, for example, often add surcharges when fuel prices rise, in addition to other fees.

PKF's findings match the experiences of RVers, according to RVIA's biannual Campfire Canvass survey of RV owners. In a survey conducted in September, 89 percent of RV owners reported savings of 10 percent or more when they travel by RV. Two-thirds reported saving 25 percent or more.

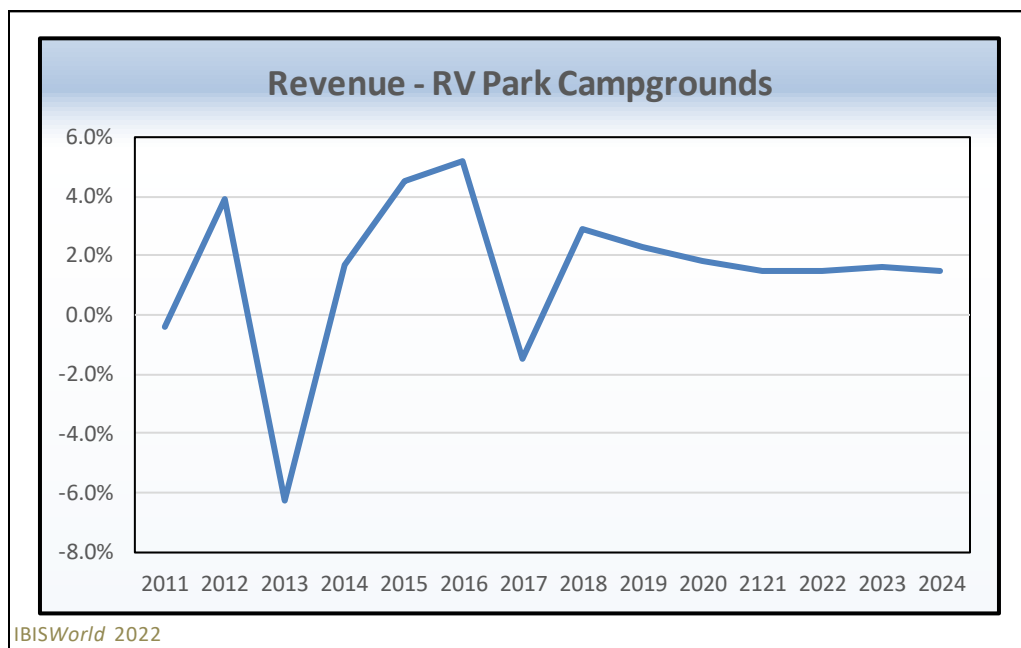
The study did no attempt to quantify non-monetary benefits that RV vacationers enjoy.

"RVing allows families a unique travel experience that offers appeal for those seeking to foster an increased sense of togetherness, control, flexibility, and convenience to travel whenever and wherever desired," said Sankaran of PKF. "Typically the budgetary constraints of raising a family coupled with the trend of taking shorter vacations close to home match quite well with a desire to experience a cost-conscious vacation with few hassles. RV ownership provides an attractive choice for meeting all those requirements."

**REVENUE / EMPLOYMENT**

The appeal of this industry is expected to remain solid among younger and older generations. However, volatility in fuel prices is also expected to temper growth in the period. Nevertheless, IBISWorld expects industry revenue to rebound and grow at an annualized rate of 2.7% to \$8.1 billion over the five years to 2027.<sup>8</sup>

Overall, the cost of using campground and RV facilities is less expensive relative to other types of accommodations and, thus, is especially appealing to younger generations. Furthermore, rising disposable income and demand from recreational vehicle dealers have facilitated strong industry growth for most of the period. Even with the reopening of the economy following a year of related shutdowns, industry revenue is still estimated to decline at an annualized rate of 1.7% to \$7.1 billion over the five years to 2022. However, industry revenue is expected to increase 11.1% in 2022 alone, signaling signs of a continued recovery in this industry.<sup>9</sup>



<sup>8</sup>IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, June 2022

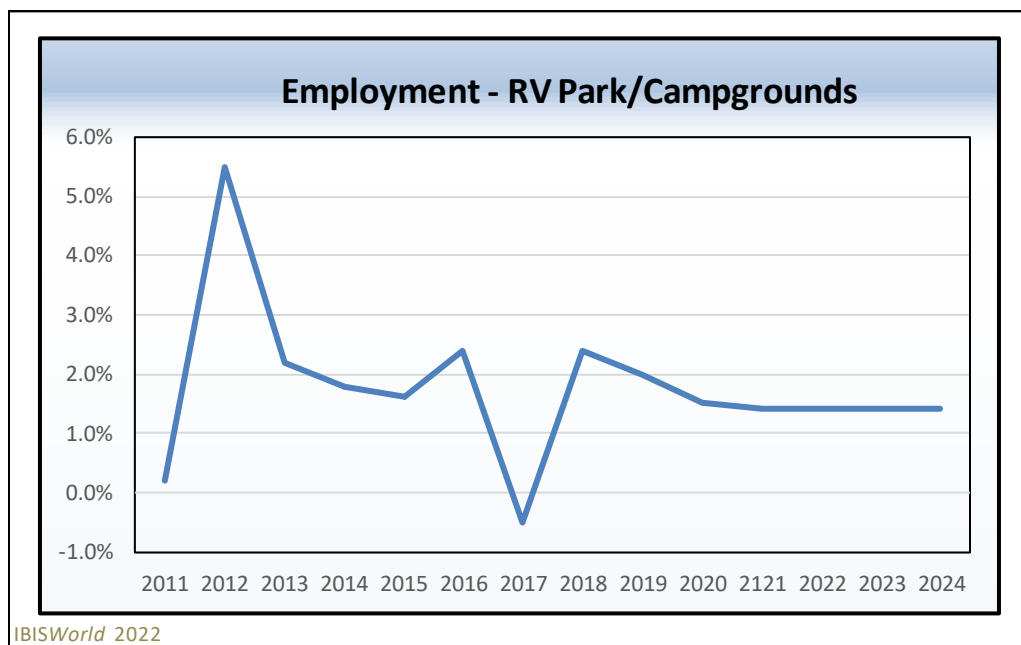
<sup>9</sup>IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, June 2022

The Campgrounds and RV Parks industry has low market share concentration, with the three largest companies in the industry (Equity Lifestyle Communities (ELS), Sun Communities (Sun) and Kampgrounds of America (KOA) controlling less than 10.0% of industry revenue. Most properties are smaller operations, where an estimated 94.2% of industry establishments have less than 20 employees. However, consolidation in the industry has become more commonplace. With low interest rates and better economy, the industry’s largest companies have access to capital and sound amounts of financial resources. This allows them to expand, consolidate and upgrade existing properties.<sup>10</sup>

An example of consolidation was Equity LifeStyle Properties acquisition of Thousand Trails. In 2015, Equity LifeStyle also closed its acquisition of Miami Everglades, a RV resort facility in Florida. In 2016, Sun Communities Inc. completed the acquisition of Carefree Communities Inc.

That said, potential entrance into the industry is difficult despite industry’s fragmentation. Geography plays a role in operating a successful campground or RV Park. Many RV campgrounds are located near natural places of interest such as lakes, forests or National Parks. Climate also is a major consideration. RV campground owner/operators must incur year-round maintenance costs. RV campgrounds in colder climates operate on only a seasonal basis. Also, the initial cost of capital and operating cost are rising as more RV campgrounds offer more amenities comparable to those offered at hotels.

This slow growth can be partially attributed to RV parks and campgrounds commonly offering amenities like spas, pools and golf courses; building and maintaining these facilities increases the industry’s initial capital costs and also acts to somewhat deter new, smaller companies from entering the industry, contributing to milder growth in enterprise numbers. Nevertheless, the appeal of managing a campground park, like being a landlord of a property, will resonate with operators that can turn land investments into profit. As a result, enterprises are expected to increase at an annualized 1.5% to 15,079 businesses over the five years to 2022. With more operators in this industry, more help will be needed to ensure that these parks and campgrounds are cleaned and maintained. As a result, industry employment is estimated to increase at an annualized rate of 3.2% to 62,974 workers over the five years to 2022.<sup>11</sup>



<sup>10</sup> IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, June 2022

<sup>11</sup> IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, June 2022

## INDUSTRY OUTLOOK

The Campgrounds and RV Parks industry is expected to continually rebound over the next five years to 2027 as the COVID-19 (coronavirus) pandemic subsides. Many consumers are expected to travel more again. The appeal of this industry is expected to remain solid among younger and older generations. However, volatility in fuel prices is also expected to temper growth in the period. Nevertheless, IBISWorld expects industry revenue to rebound and grow at an annualized rate of 2.7% to \$8.1 billion over the five years to 2027.<sup>12</sup>

## TRAVEL TRENDS AND GAS PRICES

Expected growth in per capita disposable income will encourage domestic travelers to travel again as vacations represent a large expense for consumers. As a result, domestic trips by US residents are forecast to increase at an annualized rate of 1.7% over the five years to 2027. Like this rise in domestic travelers, inbound trips by non-US residents are expected to increase at an annualized rate of 17.5%. As widespread travel opens up and people revert to more traditional forms of accommodation, industry demand is expected to contend with some pressure from other popular venues for recreation, including hotels and amusement parks. In turn, revenue growth is forecast to slow in the latter half of the period. While most travel is reliant on some sort of transportation, this industry is particularly dependent on driving; therefore, industry operators are negatively affected by high and rising gas prices. In the COVID-19 (coronavirus) pandemic, the world price of crude oil plummeted as travel restrictions and lockdowns decreased transportation use significantly, which negatively impacted this industry in the year. Current issues regarding the Russia-Ukraine conflict have led to countries (including the US) cutting off reliance on Russian oil, contributing to supply shocks in the market for crude oil. However, over the next five years to 2027, these shocks are expected to correct as countries turn to other sources of energy while also ramping up oil production to compensate for the lack of Russian oil. As a result, lower gas prices are to be expected in the future, which will encourage more consumers to take longer road trips again, helping this industry in the outlook period.<sup>13</sup>

## GROWTH

As interest rates were cut, the industry's largest companies have been able to expand, consolidate and upgrade existing properties. The COVID-19 (coronavirus) pandemic forced many operators to temporarily reduce facilities due to added restrictions and reduced demand in 2020 leading to a significant reduction in operators in the year. However, increased demand for RVs in the period has helped this industry bounce back in growth in 2021, resulting in operators expanding operations to manage this new influx of demand from new RV owners that wanted to travel again. As a result, the number of industry establishments is estimated to increase at an annualized rate of 1.7% to 15,875 locations over the five years to 2022.

Among the expansion and upgrades includes an increased emphasis on RV park and campground amenities, which has put pressure on profit over the past five years. Many RV parks and campgrounds now offer facilities such as restaurants, swimming pools and game rooms to attract new visitors. Some industry operators also offer access to golf courses and spas. Consumer demand for more activities and amenities at RV parks and campgrounds has driven up capital costs but has also enabled operators to charge premiums on such services, growing revenue. As a result of these changes, the industry's profit, measured as earnings before interest and taxes, has increased from 13.8% in 2017 to 21.9% in 2022.

Building and maintaining these facilities increases the industry's initial capital costs and also acts to somewhat deter new, smaller companies from entering the industry, contributing to milder growth in enterprise numbers. Nevertheless, the appeal of managing a campground park, similar to being a landlord of a property, will resonate with operators that can turn land investments into profit. As a result, enterprises are expected to increase at an

<sup>12</sup> IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, June 2022

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annualized 1.5% to 15,079 businesses over the five years to 2022. With more operators in this industry, more help will be needed to ensure that these parks and campgrounds are cleaned and maintained. As a result, industry employment is estimated to increase at an annualized rate of 3.2% to 62,974 workers over the five years to 2022.<sup>14</sup>

## SUMMARY

Over the five years to 2022, the Campgrounds and RV Parks industry has experienced relatively steady growth, with the exception of the volatility in 2020 due to travel restrictions amid the COVID-19 (coronavirus) pandemic. The industry is primarily driven by travel-related trends as trips to campgrounds and recreational vehicle (RV) parks are considered an appealing alternative to traditional vacations. Furthermore, high employment and disposable income levels throughout most of the period led to heightened levels of domestic travel. However, a sharp decline in domestic travel in the COVID-19 (coronavirus) pandemic contributed to plummeting revenue. Driven by travel restrictions and many consumers avoiding travel in 2020, the industry has decreased at an annualized rate of 1.7% over the five years to 2022. Weak demand in the pandemic contributed to additional declines in profit. Nevertheless, this industry is expected to rebound by 11.1% to \$7.1 billion as more consumers travel again.

Adults aged 50 and older comprise a key customer segment for the Campgrounds and RV Parks industry. This generation typically has more disposable income and leisure time available to spend on long vacations, which has benefited industry operators. Over the five years to 2022, the number of adults aged 50 and older has increased at an estimated annualized rate of 1.2%. However, younger generations are emerging as another key demographic, particularly Millennials which is already the largest generation in the United States, overtaking the Baby Boomer generation. This demographic shift will provide organic growth for industry operators moving forward with demand for Millennials just as strong as there was for older generations.

Over the next five years industry operators are expected to bounce back again to pre-pandemic levels with a correction in gas prices and continued demand for recreational vehicles contributing to this continued growth. Continued demand and interest in RVs and camping from both younger and older generations will likely help this industry retain a strong consumer base during the outlook period. Similarly, growing demand for outdoor campgrounds and RV parks in the future will also contribute to operators expanding its workforce and upgrading its facilities to further enhance its operations. In turn, industry revenue is forecast to expand at an annualized rate of 2.7% to \$8.1 billion.<sup>15</sup>

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<sup>14</sup> IBISWorld Industry Report 72121 – Campgrounds & RV Parks In the US, June 2022

<sup>15</sup> IBISWorld Industry Report 72121 – Campgrounds & RV Parks in the US, June 2022

## 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. An 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, an 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.



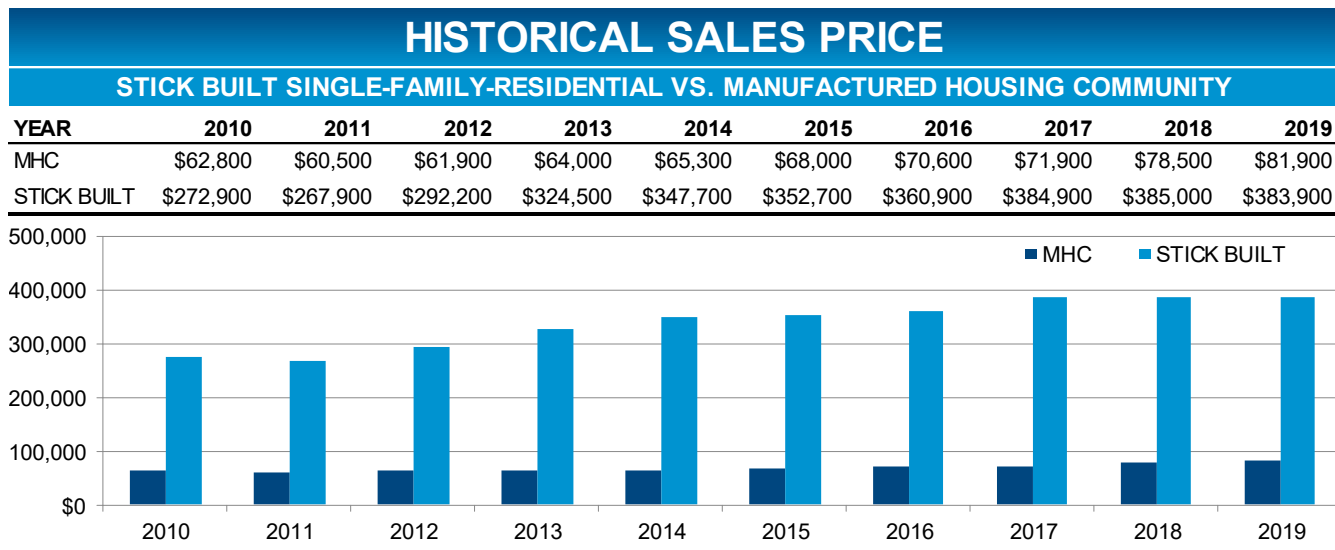
Regarding the “wind factor,” most homes are built to withstand winds of up to 70 miles per hour. Tornadoes usually have winds ranging from 112 to 200 miles per hour. Neither site built homes nor manufactured homes are designed to withstand these excessive winds. Manufactured homes have also had the perception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

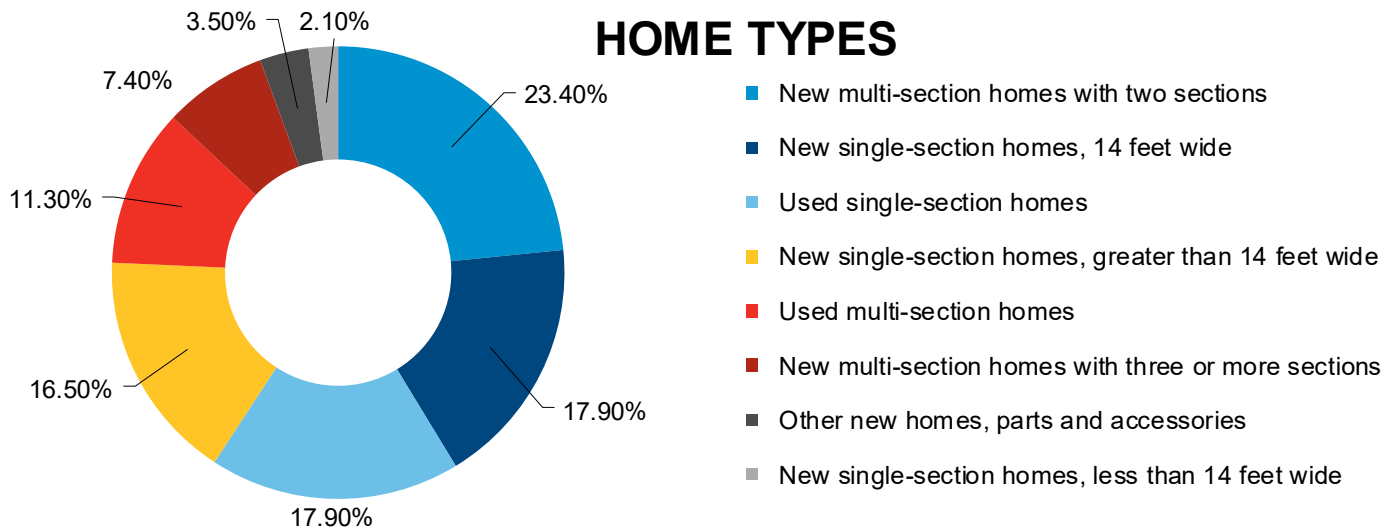


2020 data not yet released

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

MARKET SEGMENTS

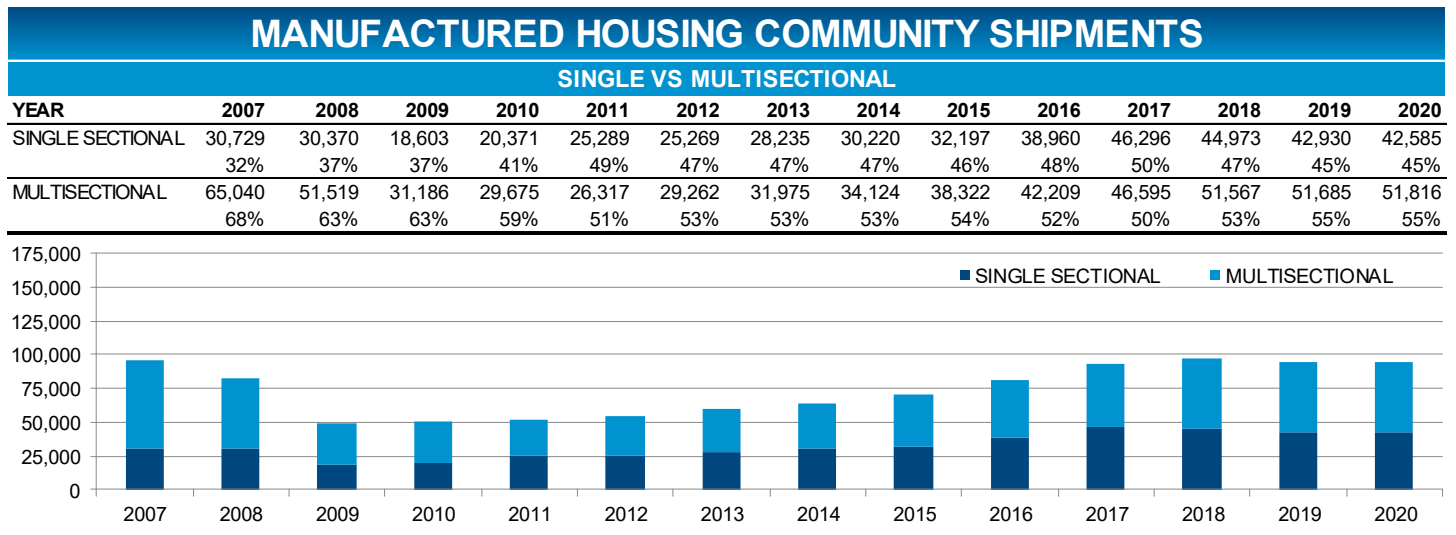
The following chart details the percentages for home sales according to type of home sold.



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

NEW HOME MIX

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



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

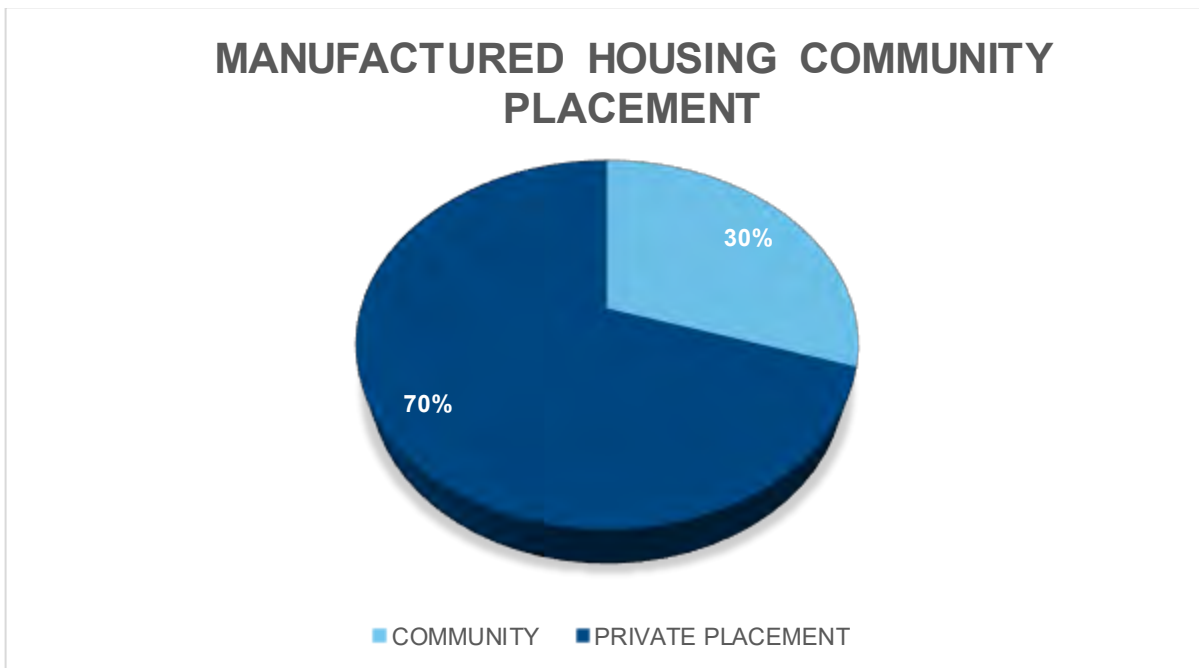
## MANUFACTURED HOUSING COMMUNITY OWNERSHIP (ALSO KNOWN AS LAND LEASE COMMUNITIES)

### Investors

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

### Barriers To Entry

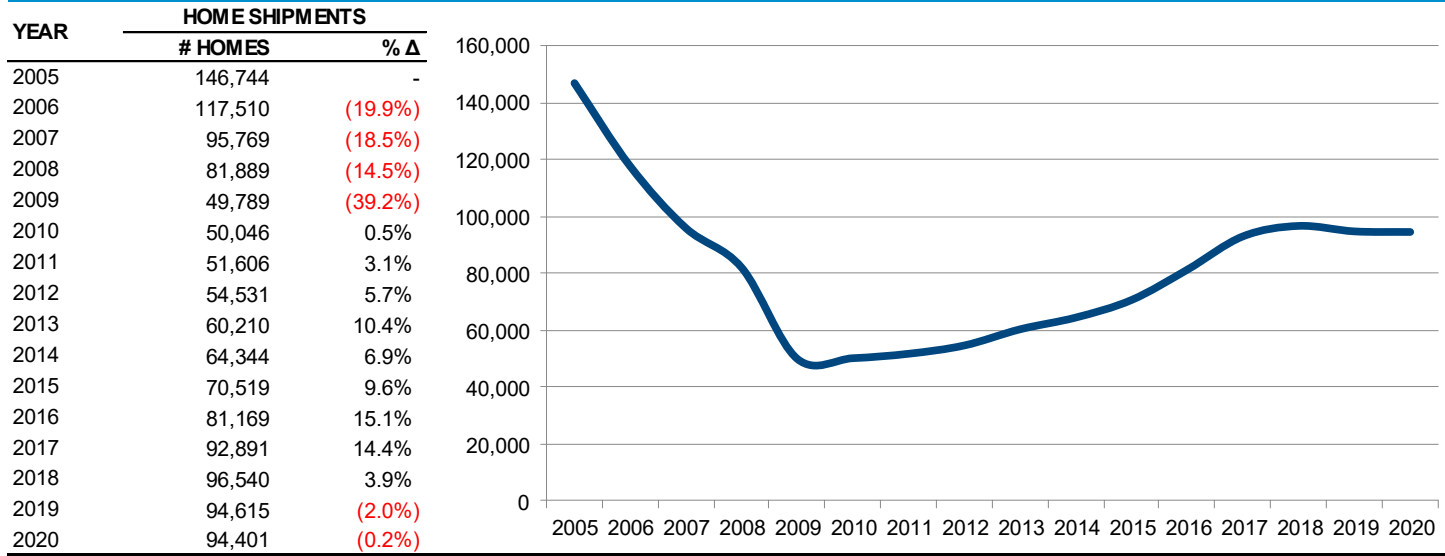
Generally, barriers to entry are considered to be significant across the US. It may be costly to purchase suitable land to begin operations. This varies between regions and is generally dependent on existing populations, infrastructure, facilities, transport, and development. Zoning is the biggest barrier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



## MANUFACTURED HOME SHIPMENTS

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

## MANUFACTURED HOME SHIPMENTS



\*Annualized through November

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.

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

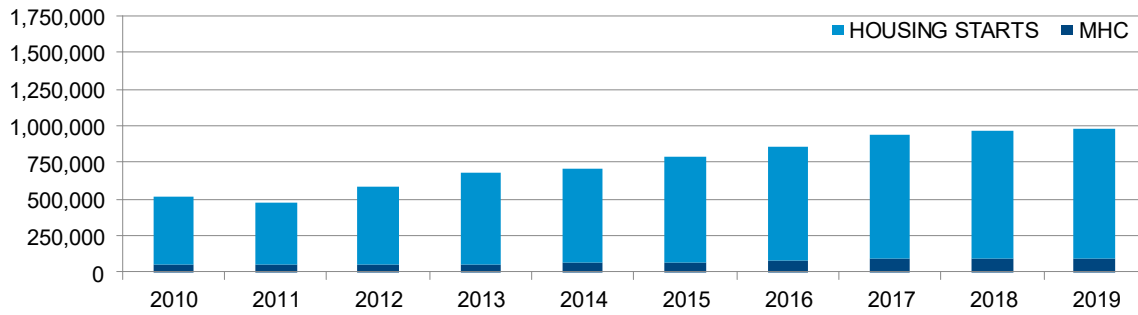
There are several factors that influence a customer's decision to lease a site within a particular manufactured home community, including

- › **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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MHC	50,046	51,618	54,881	60,228	64,331	70,544	81,136	92,902	96,555	94,615
HOUSING STARTS	471,000	431,000	535,000	618,000	648,000	715,000	782,000	849,000	876,000	888,000
TOTAL	521,046	482,618	589,881	678,228	712,331	785,544	863,136	941,902	972,555	954,873
MHC (% of Total)	10%	11%	9%	9%	9%	9%	9%	10%	10%	10%



2020 data not yet released

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.

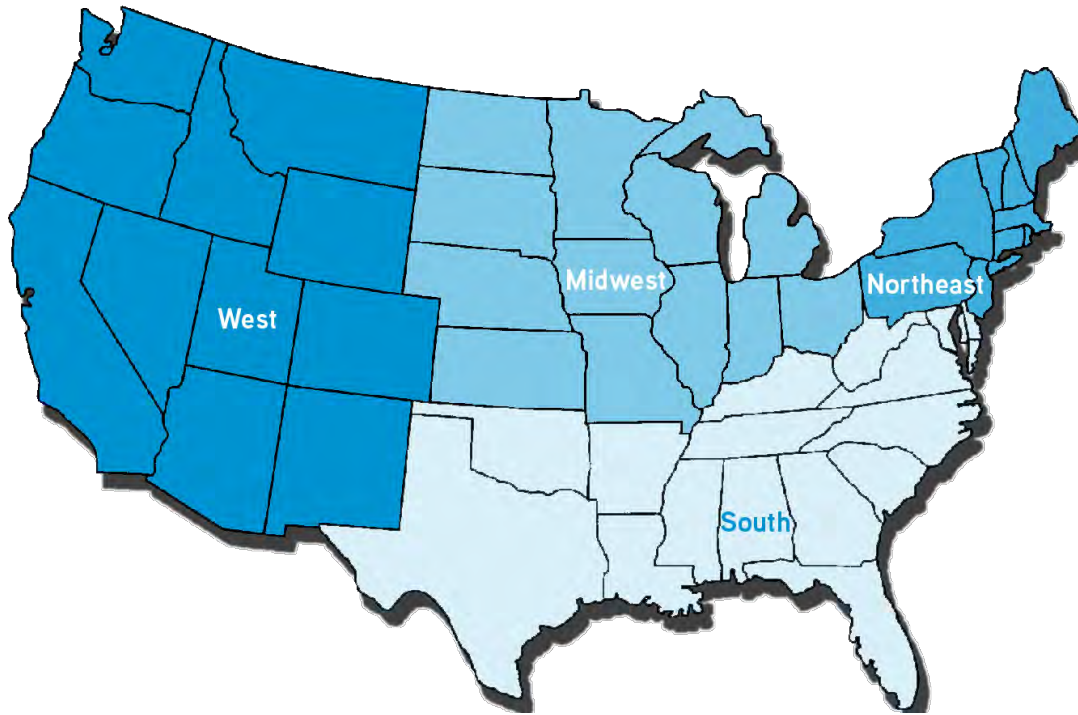
- › **The total price of a manufactured home and lot rent.** The purchase of a manufactured home and rent of a community lot is generally considerably more affordable than a traditional home and land package. For this reason, manufactured home communities are popular with the over 55 years of age group, 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.



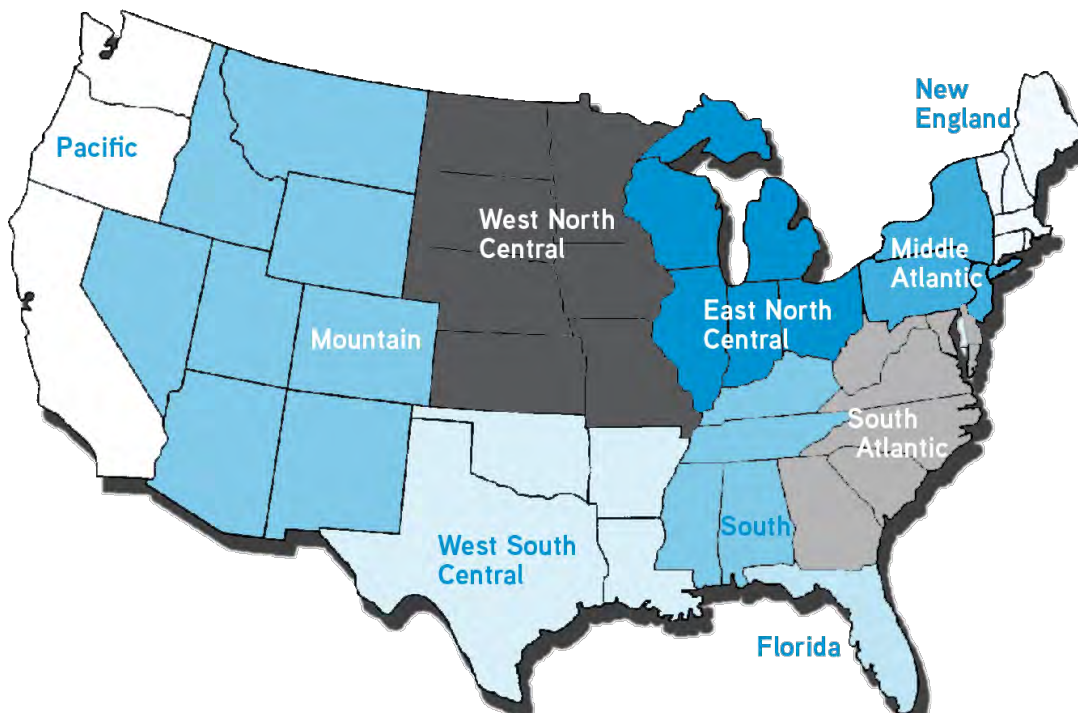
**REGIONAL ANALYSIS**

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.

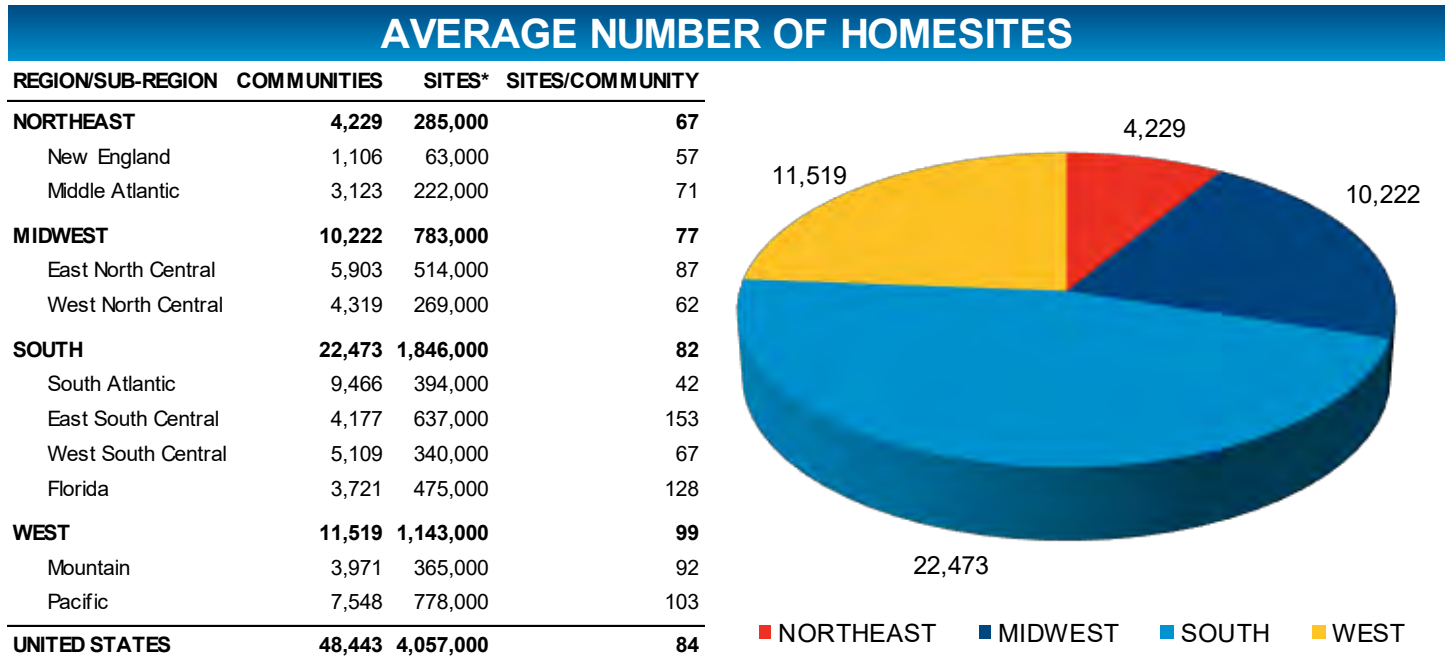
**Regions**



**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**

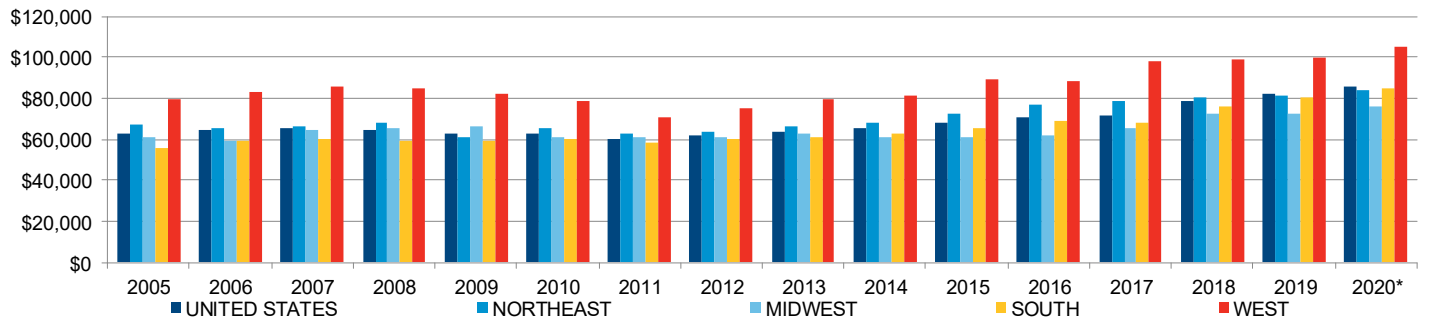
Florida has more homesites than any other state by a significant margin with over 400,000 homesites. North Carolina has ±4,100 communities but they have an average size of just 30 homesites per community.

**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															
UNITED STATES				NORTHEAST			MIDWEST			SOUTH			WEST		
YEAR	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE
2005	\$62,600	\$34,100	\$68,700	\$67,000	\$40,400	\$75,700	\$60,600	\$35,800	\$66,500	\$55,700	\$32,700	\$64,700	\$79,900	\$38,900	\$76,400
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*	\$86,020	\$55,910	\$107,920	\$83,720	\$56,090	\$106,700	\$76,090	\$56,330	\$103,040	\$84,800	\$55,240	\$106,600	\$104,670	\$61,700	\$117,130



\*Through October

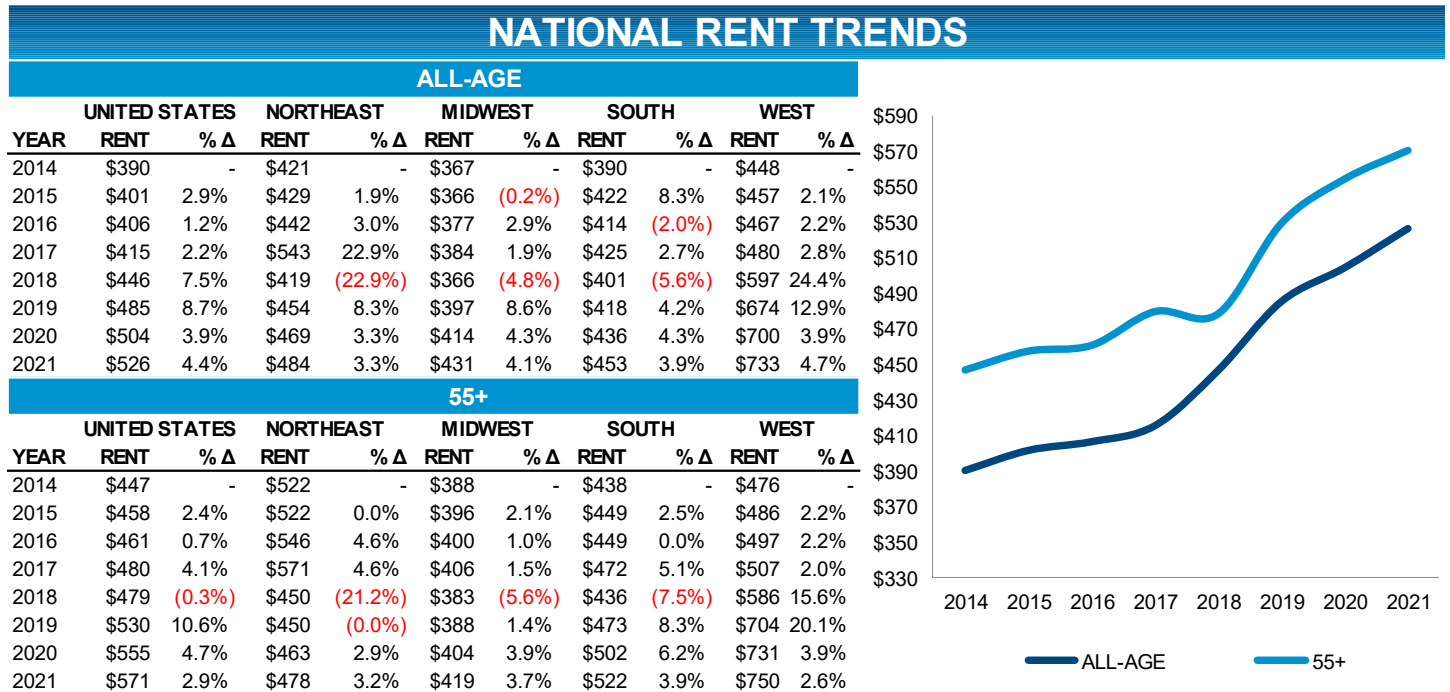
Source: U.S. Commerce Department's Census Bureau via U.S. Department of Housing and Urban Development

**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**

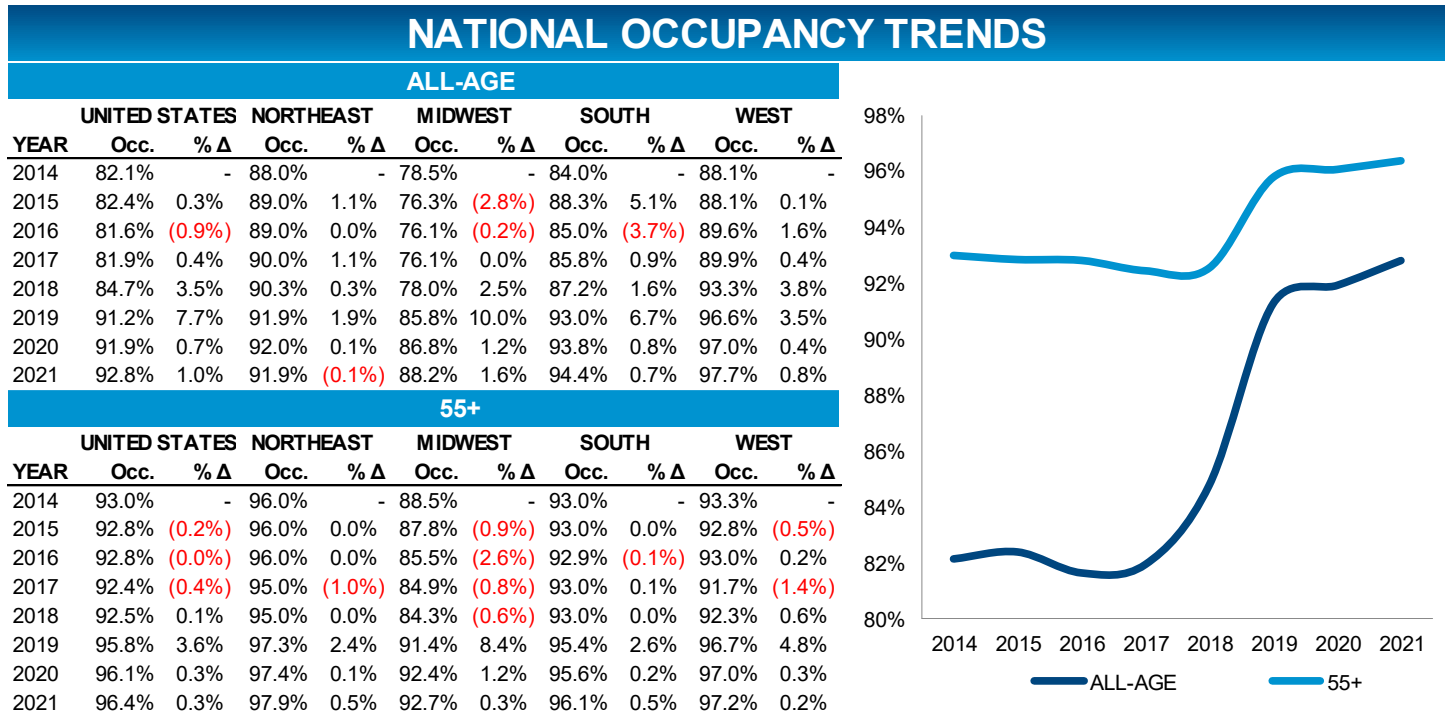
The following chart details rent trends in the different regions and nationally. The rents are also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities command higher rents. Rents have been increasing steadily over the past several years.



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.



## SUBJECT'S MARKET AREA

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

### JLT & Associates Data

The supplemental rents come from a survey conducted by JLT & Associates. JLT & Associates performs an annual survey of the Atlanta manufactured housing market. The survey includes 35 communities, with a total of 10,359 homesites. The chart below details the composition of the market.

ATLANTA MARKET			
	AVG COMMUNITY SIZE	COMMUNITIES	HOMESITES
All Age	296	35	10,359
<b>TOTAL</b>	<b>296</b>	<b>35</b>	<b>10,359</b>

## SUPPLY

### Existing Supply

The majority of existing supply in the subject's immediate neighborhood has been constructed in the 1980s and earlier. The market vacancy survey includes RV park/campgrounds within 27.0 Miles of the subject. The communities included in the vacancy survey range in size from 41 sites to 306 sites. The following chart presents RV park/campground developments that are considered to compete with the subject.

VACANCY SURVEY AS OF NOVEMBER 2022				
PROJECT	YEAR BUILT	RV SITES	VACANT SITES	VACANCY
Riverside Estates	1985	306	8	2.6%
Country Boys RV Park	1990	125	19	15.2%
Atlanta South RV Resort	1976	147	22	15.0%
The Meadow s	1973	240	36	15.0%
Covington Estates	1980	80	8	10.0%
Peach Blossom	1970	41	11	26.8%
<b>TOTAL/AVG</b>	<b>1979</b>	<b>939</b>	<b>104</b>	<b>11.1%</b>

Source: Colliers International Valuation & Advisory Services

### Proposed & Potential Supply

According to the City of Covington Planning Department, there are no RV park/campgrounds 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

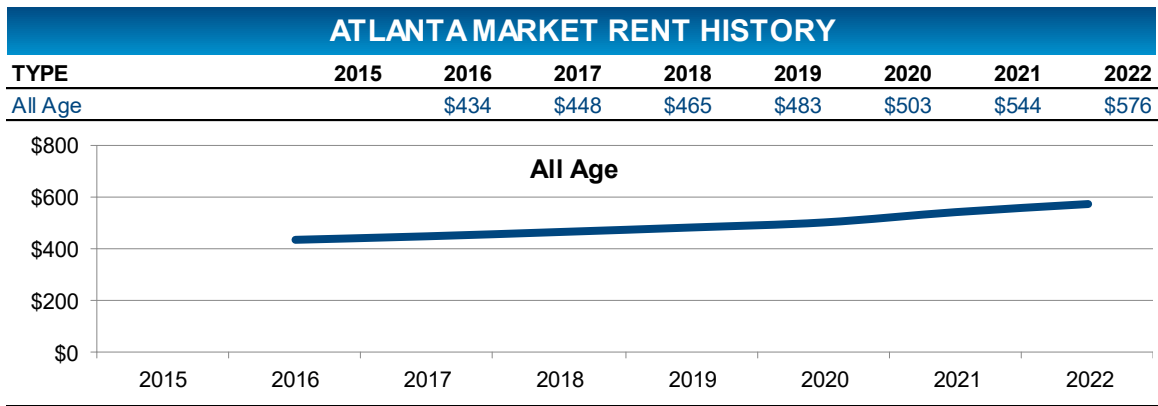
Local governmental jurisdictions have historically been mixed on RV park/campgrounds, where some area are open to the asset as a tourist/lodging property, and other deeming it as a less desirable land use. However, as communities are being encouraged to provide affordable lodging options, their need for RV park/campgrounds to be maintained and located in their jurisdictions has increased.

### Rent Levels

Calculated Monthly Rents at the comparable properties range from \$275 to \$2,280 and average \$1,024. The subject's standard RV site rates (\$1,647/month) are at the top of the range of the comparables and are considered reasonable. Weekly rents range from \$284 to \$504 with an average of \$384 per week. The subject's standard RV site weekly rents fall within this range.

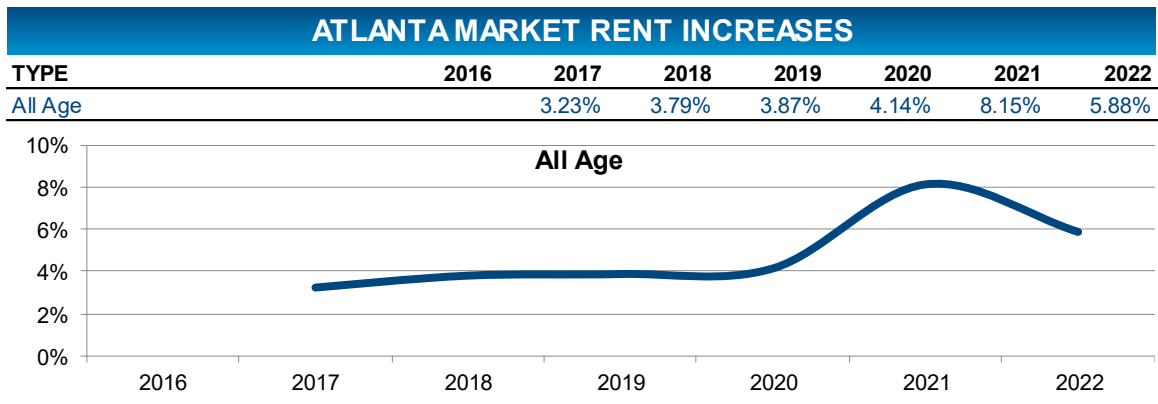
**Rent Levels – MHC**

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	\$35,000	\$200,000	- \$400,000	-
Down Payment or Deposit	\$3,500	\$20,000	- \$40,000	One Months Rent
Amount Financed	\$31,500	\$180,000	- \$360,000	-
Rate	8.50%	6.00%	- 6.00%	-
Term (Years)	20	30	- 30	-
Monthly Mortgage Payment	\$273	\$1,079	- \$2,158	-
Taxes	\$32	\$181	- \$362	-
Insurance	\$25	\$60	- \$75	-
Site Rent	\$494	-	-	-
<b>TOTAL MONTHLY PAYMENT*</b>	<b>\$824</b>	<b>\$1,320</b>	<b>- \$2,595</b>	<b>\$850 - \$2,600</b>

\* Excludes maintenance and utilities.

### Manufactured Homes in the Subject Property

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

### Apartment

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

### Single Family

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

### Conclusion

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



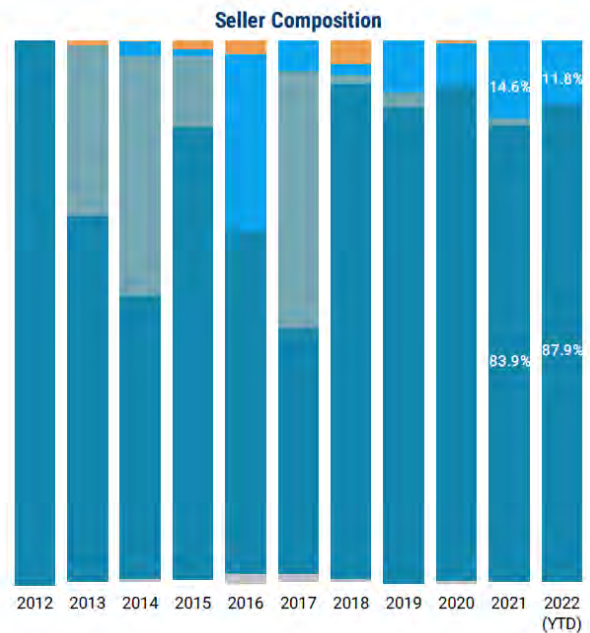
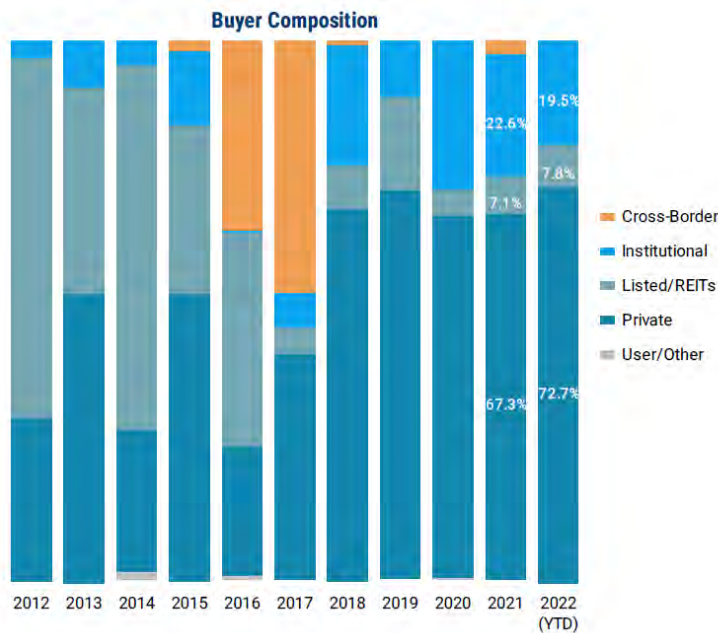
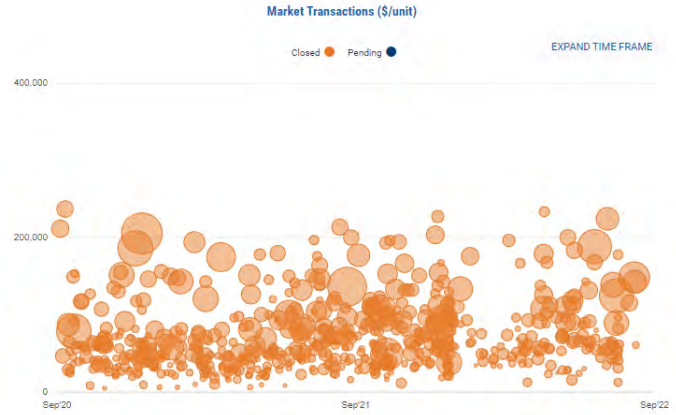
**SUBJECT MARKETABILITY**

The subject is an average quality park in average condition, appears to have been maintained, and has average appeal compared to the typical market supply. The subject's income stream further enhances the subject's marketability. Overall, the subject has average to good marketability. The subject would likely attract a local or regional investor experienced in RV park/campground ownership.

**TRANSACTION TRENDS**

**Most Probable Buyer Profile/Activity**

The following data is taken from the most recent Real Capital Analytics report on the top buyers and sellers in the country along with national sales volume trends.



Top Players

Buyers				Past 24 Months			All Time	
Rank	Buyer	City, State / Country	Investor Type	Acq (\$m)	# Props	Avg. Price (\$m)	Total Global Acq (\$m)	# Props
1	Horizon Land Co	Crofton, MDUSA	Dev/Own	\$812.4	99	\$8.2	\$947.2	118
2	Blackstone	New York, NYUSA	Eq. Fund	\$694.6	44	\$15.8	\$455,076.7	15306
3	RHP Properties	Farmington, MIUSA	Dev/Own	\$547.5	50	\$10.9	\$2,321.5	178
4	Equity Lifestyle Props	Chicago, ILUSA	Pub. REIT	\$544.7	22	\$24.8	\$1,283.4	65
5	Capital Square 1031	Glen Allen, VAUSA	Dev/Own	\$506.7	11	\$46.1	\$4,249.4	137
6	Apollo Global RE	New York, NYUSA	Eq. Fund	\$502.0	79	\$6.4	\$19,784.1	848
7	Crow Holdings	Dallas, TXUSA	Eq. Fund	\$439.9	19	\$23.2	\$15,899.2	798
8	Hometown AM	Chicago, ILUSA	Dev/Own	\$385.8	7	\$55.1	\$1,719.2	72
9	Legacy Communities MHP	Scottsdale, AZUSA	Dev/Own	\$383.4	21	\$18.3	\$618.2	36
10	Vineyards Impact Fund	Sandy, UTUSA	Inv. Mgr.	\$283.0	36	\$7.9	\$358.1	49
11	Carlyle Group	Washington, DCUSA	Eq. Fund	\$264.7	7	\$37.8	\$33,253.2	1555
12	Cobblestone Real Estate	Oak Brook, ILUSA	Dev/Own	\$226.4	12	\$18.9	\$461.9	37
13	Havenpark Capital Partners	Orem, UTUSA	Dev/Own	\$217.4	9	\$24.2	\$458.7	36
14	Sun Communities Inc	Southfield, MIUSA	Pub. REIT	\$209.4	12	\$17.5	\$4,213.1	258
15	PGIM Real Estate	Newark, NJUSA	Insur.	\$202.4	10	\$20.2	\$75,176.0	1854
16	FL State Board of Admin	Tallahassee, FLUSA	Pen. Fund	\$184.7	11	\$16.8	\$1,810.4	48
17	Brookfield AM	Toronto, OntarioCAN	Inv. Mgr.	\$178.1	28	\$6.4	\$126,435.2	2638
18	Cascade Corporate Management	Sacramento, CAUSA	Dev/Own	\$149.7	19	\$7.9	\$298.5	47
19	Cook Properties NY	Rochester, NYUSA	Dev/Own	\$149.4	62	\$2.4	\$149.4	62
20	SSK Communities	Erlanger, KYUSA	Dev/Own	\$117.5	4	\$29.4	\$171.6	13

Sellers				Past 24 Months			All Time	
Rank	Seller	City, State / Country	Investor Type	Disp (\$m)	# Props	Avg. Price (\$m)	Total Global Disp (\$m)	# Props
1	TPG Real Estate	Fort Worth, TXUSA	Eq. Fund	\$838.3	113	\$7.4	\$17,091.3	851
2	Tower Communities LLC	Pasadena, CAUSA	Dev/Own	\$486.9	77	\$6.3	\$486.9	77
3	MHPI Inc	Des Plaines, ILUSA	Dev/Own	\$273.6	25	\$10.9	\$292.8	27
4	PGIM Real Estate	Newark, NJUSA	Insur.	\$218.8	9	\$24.3	\$84,721.1	1778
5	Cobblestone Real Estate	Oak Brook, ILUSA	Dev/Own	\$184.7	11	\$16.8	\$428.6	28
6	Advanced Real Estate Services	Irvine, CAUSA	Dev/Own	\$174.8	1	\$174.8	\$181.8	3
7	Heritage Financial Group Inc	Elkhart, INUSA	Dev/Own	\$172.4	27	\$6.4	\$217.8	35
8	Affordable Props Inc	Caledonia, NYUSA	Dev/Own	\$116.1	55	\$2.1	\$116.1	55
9	Gerard Berger	Miami, FLUSA	Dev/Own	\$114.5	1	\$114.5	\$114.5	1
10	Corrigan Group	Arizona City, AZUSA	Dev/Own	\$100.0	2	\$50.0	\$100.0	2
11	Crow Holdings	Dallas, TXUSA	Eq. Fund	\$99.4	14	\$7.1	\$32,461.7	1156
12	Cirus Development	Irvine, CAUSA	Dev/Own	\$98.5	2	\$49.3	\$98.5	2
13	Northwestern Mutual	Milwaukee, WIUSA	Insur.	\$90.0	1	\$90.0	\$11,569.3	253
14	Legacy Communities MHP	Scottsdale, AZUSA	Dev/Own	\$85.0	5	\$17.0	\$334.3	16
15	Continental Communities	Oak Brook, ILUSA	Dev/Own	\$84.5	1	\$84.5	\$273.8	21
16	MHC America	Cedaredge, COUSA	Dev/Own	\$83.5	8	\$10.4	\$110.1	11
17	Sun Communities Inc	Southfield, MIUSA	Pub. REIT	\$78.6	3	\$26.2	\$394.9	33
18	MHP Funds	Cedaredge, COUSA	Dev/Own	\$78.5	10	\$7.8	\$585.8	105
19	Shane Nerenberg	Sharonville, OHUSA	Dev/Own	\$77.1	3	\$25.7	\$77.1	3
20	BCI	Victoria, British ColumbiaCAN	Pen. Fund	\$76.4	1	\$76.4	\$2,805.1	71

The data from RCA shows large spikes in volume activity due to portfolio transactions with a general upward trend. Cross border and private buyers have made up the largest segment of the buyer pool in recent years showing the increasing diversification in demand for MHC assets.

In the open market, the subject property type would command most interest from national and regional buyers that are actively pursuing similar standard 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.

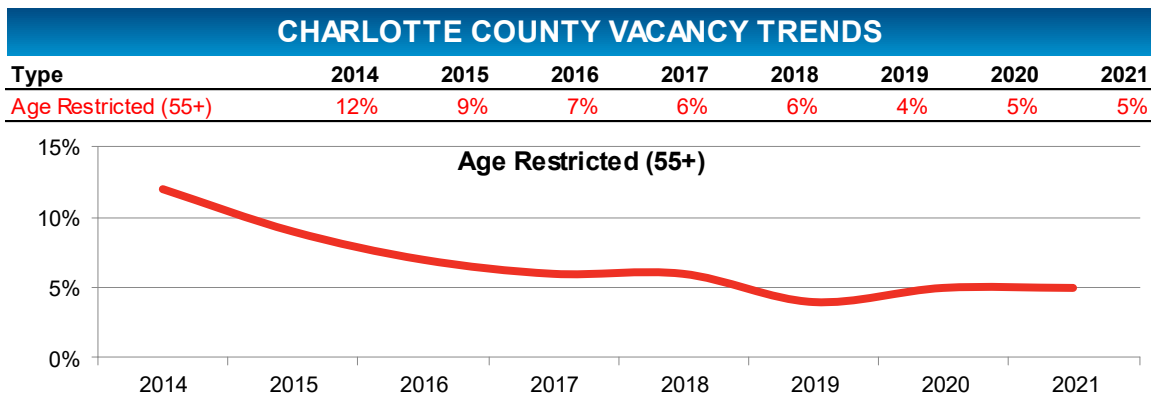
**General Vacancy Conclusion - RV**

Many RV resorts operate on a seasonal basis. RV resorts and RV parks in the Northeast, Midwest and Northwest of the United States tend to have operations between April and October, though year round operation in these areas is not uncommon. During the months of November to March many are closed or operate on a limited basis. RV parks/resorts located near ski or winter activities tend to operate year round, though occupancies during this season tend to be less than during the summer months. Conversely, RV resorts and RV parks in the south, particularly Florida, Arizona and southern California, operate on a season from September to April, or operate year round. Within this seasonal operation is an up and down fluctuation of occupancy, with occupancies at their lowest during the beginning and ending of the season (seasonal parks) or during the off season (year round parks). Additionally, most resorts during season have 90% to 100% occupancy on weekends and holiday, with lower occupancies of 70% to 90% during the week. Depending on the area, occupancies for resorts can fluctuate from 50% to 100% during season. Weather also can affect the operation of a resort or park, especially for the weekend traveler.

RV resorts in the area classify the operational season into two categories – off season and peak. For most of the resorts in the subject’s market, the operational year for the resort is seasonal. Peak season for the market is during the months of June, July and August. Holidays are also considered as peak season. Off season or shoulder months are considered to be May and September.

**General Vacancy Conclusion - MHC**

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



Source: JLT & Associates Survey

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

MARKET VACANCY ANALYSIS & CONCLUSION			
MARKET DATA	MIN	MAX	AVERAGE
CIVAS Comparable Survey	2.6%	26.8%	11.1%
JLT			10.0%
SUBJECT ANALYSIS			Current
Subject History			2.8%
VACANCY RATE CONCLUSIONS			5.0%

Based on the subject's size, location and appeal, the competitive set analyses and JLT report warrant primary consideration. The JLT analysis indicated a vacancy rate of 10.0%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 2.8%. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 5.0% is concluded.

**BROKER / MARKET PARTICIPANT INTERVIEWS**

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

SALES PERSPECTIVE INTERVIEW	
Name	Michael J. Nissley
Company	Colliers
Location	Nationwide
Survey Date	4Q 2022
Survey Property Profile	Manufactured Housing Community and RV Park/

According to Michael J. Nissley, sale transactions have been steady over the past six months for the subject property type, with most activity being seen from national and regional buyers. The market participant reported that quality investment opportunities are currently in greatest demand. This property type is considered to have somewhat limited availability, with few listings offered within the marketplace. Based on these factors, conditions are in equilibrium in regard to negotiating sale terms. Marketing periods are ranging from 0 to 0 months, with an average approximately 0 months. Currently capitalization rates for stabilized assets range from 5.00% to 7.00%, with an average of 6.00%.

SALES PERSPECTIVE INTERVIEW	
Name	William Walker
Company	MH Pro Group LLC
Location	South Carolina
Survey Date	4Q 2022
Survey Property Profile	Manufactured Housing Community and RV Park/

According to William Walker, sale transactions have been steady over the past six months for the subject property type, with most activity being seen from national buyers. The market participant reported that quality investment opportunities are currently in greatest demand. This property type is considered to have scarce availability, with very few listings offered within the marketplace. Based on these factors, conditions are in equilibrium in regard to negotiating sale terms. Marketing periods are ranging from 0 to 6 months, with an average approximately 3 months. Currently capitalization rates for stabilized assets range from 4.50% to 7.00%, with an average of 5.75%.

**SUMMARY OF MARKET ANALYSIS**

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

The subject is an average quality community in average condition, appears to have been regularly well-maintained, and has above average appeal compared to the typical market supply. The subject's stable, quality income stream further enhances the subject's marketability. In the open market, the subject property type would command most interest from national and regional buyers that are actively pursuing similar standard investment properties. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a national and regional investor.

### EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2022). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

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

EXPOSURE TIME & MARKETING PERIOD				
SOURCE	QUARTER	RANGE		AVG
<b>PriceWaterhouse Coopers</b>				
National Apartment Market	3Q 22	1.0 to	12.0	4.3
Southeast Region Apartment	3Q 22	1.0 to	6.0	3.4
<b>Market Participant</b>	4Q 2022	0.0 to	0.0	0.0
<b>Comparable Sales Dataset</b>		0.0 to	12.0	6.0
<b>AVERAGE</b>		<b>0.5 to</b>	<b>7.5</b>	<b>3.4</b>

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 six months or less for Manufactured Housing Community and RV Park/Campground (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-Proposed.

## AS-VACANT ANALYSIS

### Legal Factors

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

### ZONING SUMMARY

<b>Municipality Governing Zoning</b>	Newton County Planning & Zoning Department
<b>Current Zoning</b>	Manufactured Home Park District (MHP)
<b>Permitted Uses</b>	Uses including but not limited to: manufactured housing developments, manufactured homes (class a and b), industrialized homes/modular, group residence facilities (four or less), private gardens, fallout shelters, single-family dwellings, parks and open areas, neighborhood recreation centers, site-built residential dwellings.
<b>Prohibited Uses</b>	Any other use not listed as permitted nor compatible with the district purpose and intent.
<b>Current Use</b>	RV Park/Campground and Manufactured Housing Community
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely
<b>Proposed Use</b>	RV Park/Campground and Manufactured Housing Community
<b>Is Proposed Use Legally Permitted?</b>	Yes

The potential use that meets the requirements of the legal permissibility test is a RV park/campground and/or 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** - Access Road, Interstate 20, West Dollar Circle, Vacant Land
- › **South** - Vacant Land, Single-Family Residential Neighborhood
- › **East** - West Dollar Circle, Single-Family Residential Neighborhood, Vacant Land, Manufactured Housing Community
- › **West** - West Dollar Circle, Yellow River, Vacant Land, Single-Family Residential Neighborhood

Given the subject's location and surrounding uses, physical and locational features best support development of a RV park/campground and/or 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 short term hold prior to 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 RV park/campground and/or manufactured housing community as market conditions warrant.

### AS-PROPOSED ANALYSIS

#### Legal Factors

The subject's Manufactured Housing Community and RV Park/Campground use (as-proposed) is currently zoned Manufactured Home Park District (MHP). The proposed improvements represent a conforming use within this zone. The legal factors influencing the highest and best use of the property support the subject's use as-proposed.

#### 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 1985 and have a remaining economic life of 35 years based on our estimate. The project is of average quality construction and in average condition, with adequate service amenities. The subject improvements as-proposed are sufficiently supported by site features including its irregular shape, level topography, average access and average exposure. Further, the subject's location support the subject improvements as-proposed 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-proposed.

#### Alternative Uses & Feasibility Factors

In addition to legal and physical considerations, analysis of the subject property as-proposed 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-proposed.

- › **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 42.06 acres (1,832,134 SF) and is improved with a Manufactured Housing Community and RV Park/Campground (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, 37 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 and RV Park/Campground (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 and RV Park/Campground (all age), is considered appropriate.

Among the five alternative uses, the subject's use as-proposed 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 RV park/campground supply/demand conditions and immediate market area trends support viable short and long-term operations of the subject's use as-proposed.

**As-Proposed 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-proposed is concluded to be continued use as a RV park/campground and/or 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. Direct Capitalization and the EGIM method are both applicable and developed within this analysis. The resulting opinions of value are correlated into a final value by the Income Approach.

## 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. 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 & EGIM) and Sales Comparison approaches are used to value the subject property, which will be reconciled into the final opinions of market value in the Analysis of Value Conclusions section.

## INTRODUCTION

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

### Subject Income History

There are a total of 306 RV sites (Standard MH and RV )at the subject with a current occupancy of 97.2%. The rents range from -/site to \$550/site per month with an average rent of \$218/site. The chart below details the rent history at the subject property.

RV SITE	SITE SUMMARY			SITE PERCENT	% OCC-	DAILY RATE	WEEKLY RATE	RENTS	
	131	5	136	47.6%	96%	-	-	PER SITE	TOTAL
Standard MH	131	5	136	47.6%	96%	-	-	\$450	\$61,200
RV	147	3	150	52.4%	98%	\$40	\$240	\$600	\$90,000
<b>TOTAL/AVG</b>	<b>278</b>	<b>8</b>	<b>286</b>	<b>100%</b>	<b>97.2%</b>			<b>\$529</b>	<b>\$151,200</b>

### Subject Utility Structure

- › **Water** - Not included in the rent - the landlord is billed and then is reimbursed by the tenant
- › **Sewer** - Included in the rent
- › **Garbage** - Included in the rent
- › **Gas** - Not included in the rent - directly billed from utility company
- › **Electric Transient** - Not included in the rent - directly billed from utility company
- › **Electric Seasonal/Annual** – Not included in the Rent. Billed by landlord/utility.
- › **Cable** - Not included in the rent - directly billed from utility company

## ANALYSIS OF RENT COMPARABLES

### Unit of Comparison

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

### Selection of Comparables

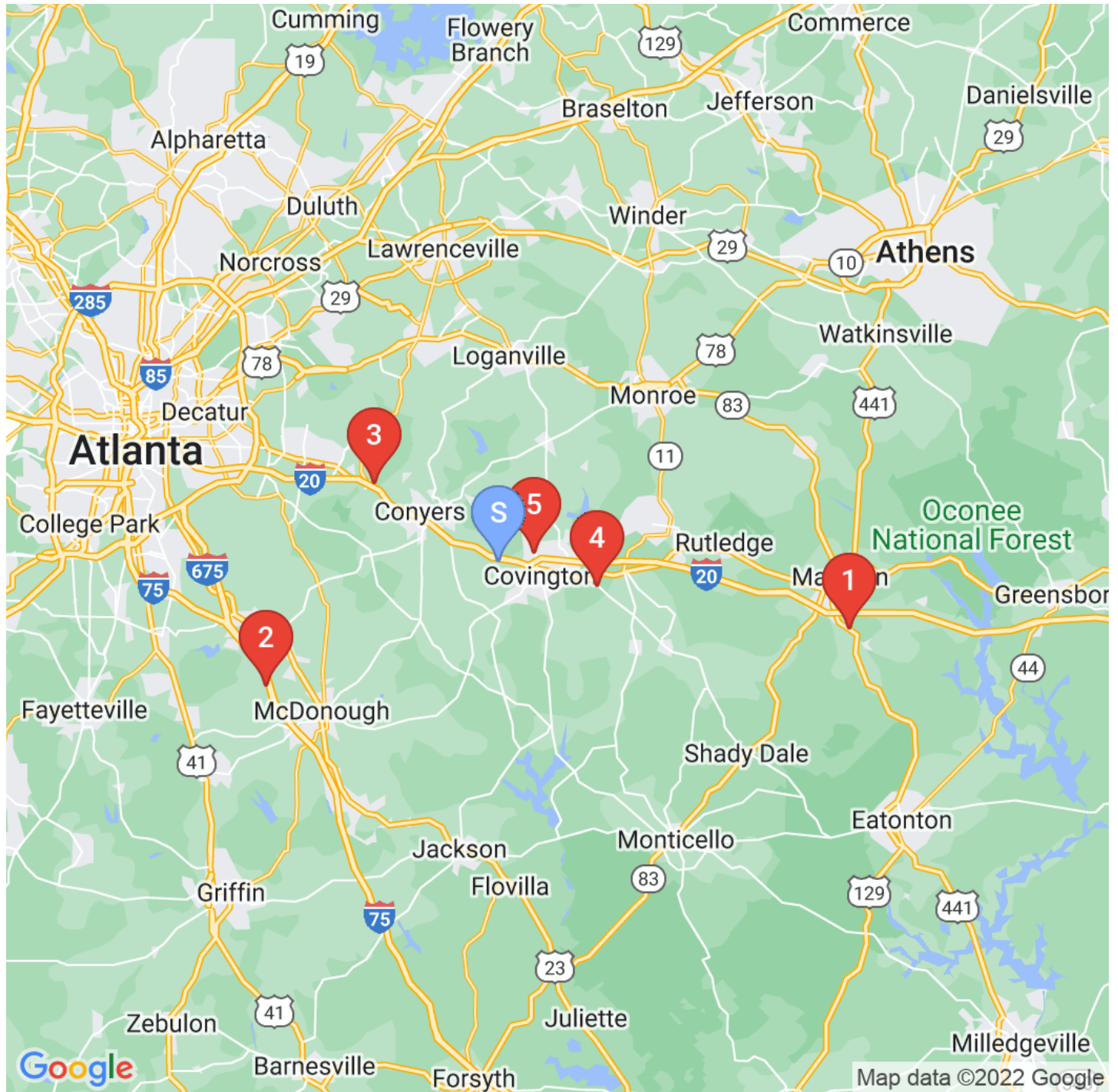
A complete search of the area was conducted in order to find the most comparable communities in terms of age, appeal, condition, number of homesites, and amenities. The rent comparables are located in the subject's local area. The subject is in average condition with average appeal for the market area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

**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.

SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Riverside Estates	Country Boys RV Park	Atlanta South RV Resort	The Meadows	Covington Estates	Peach Blossom
1891 Access Road	2750 Eatonton Rd	281 Mt Olive Rd	8709 Covington Highway	460 Hwy 142	12552 Hwy
Covington GA 30014	Madison GA 30650	McDonough GA 30253	Conyers GA 30012	Covington GA 30014	Oxford GA 30054
All Age	All Age	All Age	All Age	All Age	All Age
C	B	B	B	C	C
306	125	147	240	80	41
1985	1990	1976	1973	1980	1970
Average/Good	Average/Good	Average	Average	Average	Average
Average	Average	Average	Average	Average	Average
Average	Average	Average	Average	Average	Average
Average	Average	Average	Average	Average	Average
97.2%	85.0%	85.0%	85.0%	90.0%	73.0%
\$218	\$625	\$614	\$433	\$475	\$350

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	\$/SITEAVG
SUBJECT	-	Riverside Estates	1891 Access Road, Covington, GA	97.2%	\$218
No. 1	27.0 Miles	Country Boys RV Park	2750 Eatonton Rd, Madison, GA	85.0%	\$625
No. 2	19.8 Miles	Atlanta South RV Resort	281 Mt Olive Rd, McDonough, GA	85.0%	\$614
No. 3	11.0 Miles	The Meadows	8709 Covington Highway, Conyers, GA	85.0%	\$433
No. 4	7.7 Miles	Covington Estates	460 Hwy 142, Covington, GA	90.0%	\$475
No. 5	2.8 Miles	Peach Blossom	12552 Hwy, Oxford, GA	73.0%	\$350

## COMPARABLE 1

### LOCATION INFORMATION

Name Country Boys RV Park  
 Address 2750 Eatonton Rd  
 City, State, Zip Code Madison, GA, 30650

### PHYSICAL INFORMATION

Project Design RV Park  
 Number of Units 125  
 Year Built 1990  
 Resident Type All Age  
 Location Average/Good  
 Quality Average  
 Condition Average  
 Appeal Average  
 Street Construction Asphalt  
 Good Sam Rating

Amenities Laundry Room, Playground



### COUNTRY BOYS RV PARK

#### OCCUPANCY

Vacant Units 19  
 Occupancy Rate 85%

#### CONFIRMATION

Name Manager  
 Source Country Boys RV Park  
 Date 11/20/2022  
 Phone Number Confidential

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

#### REMARKS

#125 RV Sites.  
 Not Rated by Good Sam.  
 Located in Madison, the park is open all year round.

#### UNIT MIX

DESCRIPTION	SITES	LOW	HIGH	AVG RENT
RV	125	\$600	\$650	\$625

## COMPARABLE 2

### LOCATION INFORMATION

Name Atlanta South RV Resort  
 Address 281 Mt Olive Rd  
 City, State, Zip Code McDonough, GA, 30253

### PHYSICAL INFORMATION

Project Design RV Park  
 Number of Units 147  
 Year Built 1976  
 Resident Type All Age  
 Location Average  
 Quality Average  
 Condition Average  
 Appeal Average  
 Good Sam Rating

Amenities Laundry Room



## ATLANTA SOUTH RV RESORT

### OCCUPANCY / ABSORPTION

Vacant Units 22  
 Occupancy Rate 85%

### CONFIRMATION

Name Manager  
 Source Atlanta South RV Resort  
 Date 11/20/2022  
 Phone Number Confidential

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

### REMARKS

This resort is located less than 1 mile west of I-75.

### UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
RV	140	\$620	\$620	\$620
Cabin	7	\$500	\$500	\$500

## COMPARABLE 3

### LOCATION INFORMATION

Name The Meadow s  
 Address 8709 Covington Highway  
 City, State, Zip Code Conyers, GA, 30012  
 MSA Atlanta-Sandy Springs-Marietta, GA

### PHYSICAL INFORMATION

Project Design Manufactured Housing  
 Number of Units 240  
 Year Built 1973  
 Resident Type All Age  
 Location Average  
 Quality Average  
 Condition Average  
 Appeal Average  
 Good Sam Rating



### THE MEADOWS

#### OCCUPANCY / ABSORPTION

Vacant Units 36  
 Occupancy Rate 85%

#### CONFIRMATION

Name Manager  
 Source The Meadow s  
 Date 7/27/2022  
 Phone Number Confidential

Amenities None

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

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

#### REMARKS

Trash is included in the rent.

### UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Single Section	160	\$425	\$425	\$425
Multi-Section	80	\$450	\$450	\$450



## COMPARABLE 4

### LOCATION INFORMATION

Name Covington Estates  
 Address 460 Hwy 142  
 City, State, Zip Code Covington, GA, 30014  
 MSA Atlanta-Sandy Springs-Alpharetta, GA

### PHYSICAL INFORMATION

Number of Units 80  
 Year Built 1980  
 Resident Type All Age  
 Location Average  
 Quality Average  
 Condition Average  
 Appeal Average  
 Street Construction Gravel  
 Good Sam Rating

Amenities None



### COVINGTON ESTATES

#### OCCUPANCY / ABSORPTION

Vacant Units 8  
 Occupancy Rate 90%

#### CONFIRMATION

Name Manager  
 Source Covington Estates  
 Date 11/20/2022  
 Phone Number Confidential

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

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

#### REMARKS

Water, sewer and trash are included in the rent.

### UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Standard	80	\$475	\$475	\$475

## COMPARABLE 5

### LOCATION INFORMATION

Name Peach Blossom  
 Address 12552 Hwy  
 City, State, Zip Code Oxford, GA, 30054  
 MSA Atlanta, GA MSA

### PHYSICAL INFORMATION

Project Design Manufactured Housing  
 Number of Units 41  
 Year Built 1970  
 Resident Type All Age  
 Location Average  
 Quality Average  
 Condition Average  
 Appeal Average  
 Good Sam Rating

Amenities Asphalt Streets, Parking Driveway



### PEACH BLOSSOM

#### OCCUPANCY / ABSORPTION

Vacant Units 11  
 Occupancy Rate 73%

#### CONFIRMATION

Name Manager  
 Source Property Manager  
 Date 11/20/2022  
 Phone Number Confidential

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

#### REMARKS

This property is located along the eastern side of Industrial Park Boulevard NE, just south of Cornish Mountain Road. # of Units: 41 # Units Vacant: 11

### UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
All	41	\$350	\$350	\$350

**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.

<b>RENT COMPARABLE ADJUSTMENT TABLE</b>												
	\$ ADJ.	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5					
<b>PHYSICAL PROJECT FEATURES</b>												
Location	-	Average/Good	Average/Good	Average	Average	Average	Average	Average	Average	Average	Average	Average
Appeal	-	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
Condition	-	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
<b>Physical Subtotal Adjustment</b>			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>PROJECT AMENITIES</b>												
Clubhouse	\$5	1	0	\$5	0	\$5	0	\$5	0	\$5	0	\$5
Pool	\$5	1	0	\$5	0	\$5	0	\$5	0	\$5	0	\$5
<b>Project Amenities Subtotal Adjustment</b>			\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
<b>UTILITIES INCLUDED IN RENT</b>												
Water	\$40	No	Yes	(\$40)	Yes	(\$40)	No	\$0	Yes	(\$40)	Yes	(\$40)
Sewer	\$98	Yes	Yes	\$0	Yes	\$0	No	\$98	Yes	\$0	Yes	\$0
Garbage	\$30	Yes	No	\$30	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
<b>Utilities Subtotal Adjustment</b>				(\$10)		(\$40)		\$98		(\$40)		(\$40)
<b>TOTAL ADJUSTMENTS</b>				\$0		(\$30)		\$108		(\$30)		(\$30)

**RENT COMPARABLE ADJUSTMENT GRID**

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

<b>RENT COMPARABLE ADJUSTMENT SUMMARY</b>								
	NO.	EFF. RENT	ADJUSTMENTS				TOTAL	ADJUSTED
COMPARABLE 1	SITES	\$/SITE	PHYSICAL	PROJECT	PARKING	UTILITES	ADJ	\$/SITE
RV	125	\$625	\$0	\$10	\$0	(\$10)	\$0	\$625
<b>COMPARABLE 2</b>								
RV	140	\$620	\$0	\$10	\$0	(\$40)	(\$30)	\$590
Cabin	7	\$500	\$0	\$10	\$0	(\$40)	(\$30)	\$470
<b>COMPARABLE 3</b>								
Single Section	160	\$425	\$0	\$10	\$0	\$98	\$108	\$533
Multi-Section	80	\$450	\$0	\$10	\$0	\$98	\$108	\$558
<b>COMPARABLE 4</b>								
Standard	80	\$475	\$0	\$10	\$0	(\$40)	(\$30)	\$445
<b>COMPARABLE 5</b>								
All	41	\$350	\$0	\$10	\$0	(\$40)	(\$30)	\$320

**MARKET RENT ANALYSIS**

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

<b>RV HOMESITE CONCLUSION</b>					
COMP	SITE TYPE	RENT/DAILY	RENT/WEEKLY	RENT/MONTH	NET
		\$/SITE	\$/SITE	\$/SITE	ADJUSTMENT %
2	RV	\$55	\$280	\$620	-5.1%
1	RV	\$40	\$240	\$625	0.0%
<b>LOW</b>		\$40	\$240	\$620	-5.1%
<b>HIGH</b>		\$55	\$280	\$625	0.0%
<b>AVERAGE</b>		\$48	\$260	\$623	-2.5%
<b>MEDIAN</b>		\$48	\$260	\$623	-2.5%
<b>SUBJECT ANALYSIS &amp; CONCLUSIONS</b>					
RV		DAILY	WEEKLY	ASKING RENT	CONCLUDED RENT
SITES	SITE TYPE	\$/SITE	\$/SITE	\$/SITE	\$/SITE
150	RV	\$40	\$240	\$600	\$600

The rent comparables unadjusted rent per month ranges from \$620 to \$625 with an average rent of \$623. The rent comparables adjusted rent per month ranges from \$590 to \$625 with an average rent of \$608. There are 150 subject units for this unit type. The comparables presented bracket the subject's rents.

<b>STANDARD MH HOMESITE CONCLUSION</b>				
COMP	SITE TYPE	RENT/MONTH	ADJ RENT/MONTH	NET
		\$/SITE	\$/SITE	ADJUSTMENT %
5	All	\$350	\$320	-9.4%
4	Standard	\$475	\$445	-6.7%
3	Single Section	\$425	\$533	20.3%
<b>LOW</b>		\$350	\$320	-9.4%
<b>HIGH</b>		\$475	\$533	20.3%
<b>AVERAGE</b>		\$417	\$433	1.4%
<b>MEDIAN</b>		\$425	\$445	-6.7%
<b>SUBJECT ANALYSIS &amp; CONCLUSIONS</b>				
RV		ASKING RENT	ACTUAL RENT	CONCLUDED RENT
SITES	SITE TYPE	\$/SITE	\$/SITE	\$/SITE
136	Standard MH	\$450	\$458	\$450

The rent comparables unadjusted rent per month ranges from \$350 to \$475 with an average rent of \$417. The rent comparables adjusted rent per month ranges from \$320 to \$533 with an average rent of \$433. There are 136 subject units for this unit type. The comparables presented bracket the subject's rents.

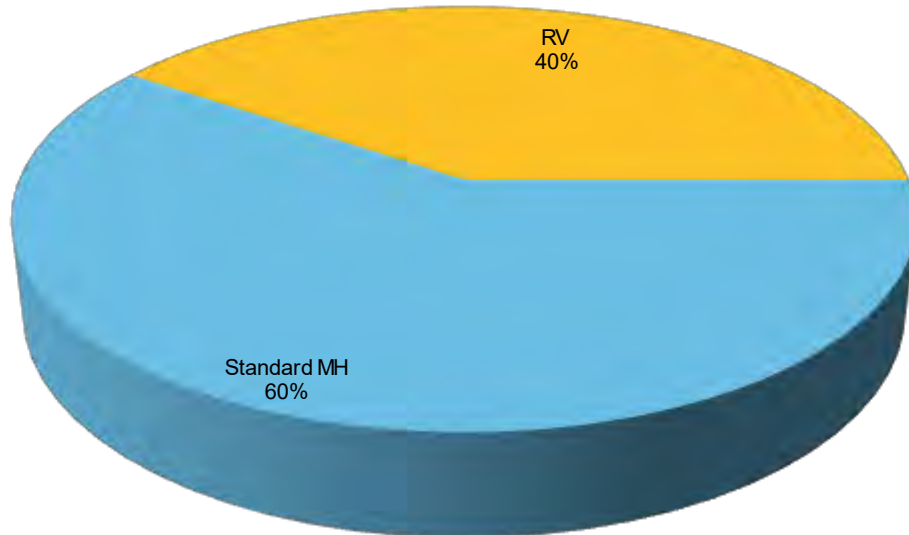
**POTENTIAL RENTAL INCOME**

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

<b>POTENTIAL GROSS INCOME</b>				
SITE TYPE	RV SITES	CONCLUDED MARKET RENT		
		\$/SITE (MO.)	MONTH	YEAR ROUND
RV	150	\$600	\$90,000	\$1,080,000
Standard MH	136	\$450	\$61,200	\$734,400
<b>TOTAL</b>	<b>286</b>	<b>\$494</b>	<b>\$151,200</b>	<b>\$1,814,400</b>

**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; and (3) published operating sources. 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. Also included on the table are the first year revenue and projected revenue on a stabilized basis:

SUBJECT OPERATING HISTORICALS							COLLIERS FORECAST	
YEAR	2021		T-12 MO.		BUDGET 2023		PROFORMA	
INCOME ITEMS	TOTAL	\$/SITE	TOTAL	\$/SITE	TOTAL	\$/SITE	TOTAL	\$/SITE
Potential Rental Income	\$765,368	\$2,501	\$1,621,524	\$5,299	\$1,856,832	\$6,068	\$1,814,400	\$5,929
<b>TOTAL RENTAL INCOME</b>	<b>\$765,368</b>	<b>\$2,501</b>	<b>\$1,621,524</b>	<b>\$5,299</b>	<b>\$1,856,832</b>	<b>\$6,068</b>	<b>\$1,814,400</b>	<b>\$5,929</b>
<b>OTHER INCOME</b>								
Miscellaneous Income	\$1,391	\$5	\$13,516	\$44	\$0	\$0	\$10,000	\$33
Utility Reimbursement	\$0	\$0	\$0	\$0	\$26,676	\$87	\$27,000	\$88
<b>TOTAL OTHER INCOME</b>	<b>\$1,391</b>	<b>\$5</b>	<b>\$13,516</b>	<b>\$44</b>	<b>\$26,676</b>	<b>\$87</b>	<b>\$37,000</b>	<b>\$121</b>
<b>POTENTIAL GROSS INCOME (PGI)</b>	<b>\$766,759</b>	<b>\$2,506</b>	<b>\$1,635,040</b>	<b>\$5,343</b>	<b>\$1,883,508</b>	<b>\$6,155</b>	<b>\$1,851,400</b>	<b>\$6,050</b>
Vacancy	\$0	-	\$0	-	(\$92,844)	(\$303)	(\$54,000)	(\$176)
Credit Loss	\$0	-	\$0	-	\$0	-	(\$36,720)	(\$120)
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$766,759</b>	<b>\$2,506</b>	<b>\$1,635,040</b>	<b>\$5,343</b>	<b>\$1,790,664</b>	<b>\$5,852</b>	<b>\$1,760,680</b>	<b>\$5,754</b>
<b>EXPENSE ITEMS</b>								
Real Estate Taxes	\$0	-	(\$19,538)	(\$64)	(\$99,996)	(\$327)	(\$21,114)	(\$69)
Property Insurance	(\$5,200)	(\$17)	(\$16,237)	(\$53)	(\$28,452)	(\$93)	(\$30,600)	(\$100)
Gas & Electricity	(\$90,369)	(\$295)	(\$167,841)	(\$548)	(\$189,720)	(\$620)	(\$191,250)	(\$625)
Water & Sewer	(\$2,414)	(\$8)	(\$33,963)	(\$111)	(\$56,208)	(\$184)	(\$55,080)	(\$180)
Trash Removal	(\$17,016)	(\$56)	(\$34,357)	(\$112)	(\$43,008)	(\$141)	(\$41,310)	(\$135)
Repairs & Maintenance	(\$53,335)	(\$174)	(\$119,825)	(\$392)	(\$48,480)	(\$158)	(\$61,200)	(\$200)
Off-Site Management	(\$25,941)	(\$85)	\$0	-	(\$89,544)	(\$293)	(\$88,034)	(\$288)
On-Site Management	(\$96,433)	(\$315)	(\$179,697)	(\$587)	(\$140,232)	(\$458)	(\$137,700)	(\$450)
General & Administrative	(\$29,432)	(\$96)	(\$82,790)	(\$271)	(\$23,376)	(\$76)	(\$30,600)	(\$100)
Reserves	\$0	-	\$0	-	(\$42,900)	(\$140)	(\$42,840)	(\$140)
<b>TOTAL EXPENSES</b>	<b>(\$320,141)</b>	<b>(\$1,046)</b>	<b>(\$654,247)</b>	<b>(\$2,138)</b>	<b>(\$761,916)</b>	<b>(\$2,490)</b>	<b>(\$699,728)</b>	<b>(\$2,287)</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$446,618</b>	<b>\$1,460</b>	<b>\$980,793</b>	<b>\$3,205</b>	<b>\$1,028,748</b>	<b>\$3,362</b>	<b>\$1,060,952</b>	<b>\$3,467</b>

**OTHER INCOME**

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

**OTHER INCOME ANALYSIS & CONCLUSIONS****MISCELLANEOUS INCOME**

YEAR	SUBJECT			ANALYSIS
	TOTAL	\$/RV SITE	%EGI	
2021	\$1,391	\$5	0.2%	The concluded amount is all inclusive of income associated with miscellaneous income. The conclusion is based on the historical income information.
T-12 MO.	\$13,516	\$44	0.8%	
BUDGET 2023	\$0	\$0	0.0%	
<b>CONCLUSION</b>	<b>\$10,000</b>	<b>\$33</b>	<b>0.6%</b>	

**UTILITY REIMBURSEMENT**

YEAR	SUBJECT			ANALYSIS
	TOTAL	\$/RV SITE	%EGI	
2021	\$0	\$0	0.0%	The concluded amount is all inclusive of income associated with utility reimbursement. The conclusion is based on the budget 2023 pro forma income.
T-12 MO.	\$0	\$0	0.0%	
BUDGET 2023	\$26,676	\$87	1.5%	
<b>CONCLUSION</b>	<b>\$27,000</b>	<b>\$88</b>	<b>1.5%</b>	

**Vacancy and Credit Loss**

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

INCOME LOSS	
Vacancy Rate-RV	5.0%
Vacancy Rate-MHC	5.0%
<b>TOTAL</b>	<b>5.0%</b>

**Effective Gross Income (EGI) Conclusion**

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

**EFFECTIVE GROSS INCOME (EGI)**

YEAR	TOTAL	\$/RV SITE	%EGI	Δ CHG	ANALYSIS
2021	\$766,759	\$2,506	100.0%	-	Concluded EGI is reasonable based on historical operations and future growth expectations.
T-12 MO.	\$1,635,040	\$5,343	100.0%	113.2%	
BUDGET 2023	\$1,790,664	\$5,852	100.0%	9.5%	
PROFORMA	\$1,760,680	\$5,754	100.0%	(1.7%)	

**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; and (3) published operating sources. 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	Peachtree City	Rossville	Cartersville	Ellenwood	Dublin	Macon	-	-	-
State	GA	GA	GA	GA	GA	GA	-	-	-
Expense Year	2021 T12	2021 T12 Jun.	2021 T12 Jan.	2021	2021 T12 Jan.	2021 T12 Jan.	2021	2021	2021
Actual/Budget	Actual	Actual	Actual	Actual	Actual	Actual	-	-	-
Homesites	284	250	182	164	164	128	128	284	195
Building Class	B	B	C	C	C	C	-	-	-
Year Built	1973	1968	1980	1988	1972	1973	1968	1988	1976
Rental Income	\$3,721	\$3,834	\$4,278	\$4,789	\$4,854	\$3,425	\$3,425	\$4,854	\$4,150
Miscellaneous Income	\$590	\$563	\$690	\$683	\$970	\$560	\$560	\$970	\$676
Miscellaneous Income % EGI	13.7%	12.8%	16.5%	12.5%	21.2%	14.1%	12.5%	21.2%	15.1%
<b>EGI (\$/HOMESITE)</b>	<b>\$4,311</b>	<b>\$4,397</b>	<b>\$4,187</b>	<b>\$5,473</b>	<b>\$4,583</b>	<b>\$3,985</b>	<b>\$3,985</b>	<b>\$5,473</b>	<b>\$4,489</b>
<b>EXPENSE ITEMS</b>	<b>\$/RV SITE</b>	<b>\$/RV SITE</b>	<b>\$/RV SITE</b>	<b>\$/RV SITE</b>	<b>\$/RV SITE</b>	<b>\$/RV SITE</b>	<b>LOW</b>	<b>HIGH</b>	<b>AVG</b>
Real Estate Taxes	\$306	\$84	\$255	\$605	\$109	\$80	\$80	\$605	\$240
Property Insurance	\$33	\$27	\$83	\$73	\$163	\$293	\$27	\$293	\$112
Gas & Electricity	\$21	\$50	\$66	\$110	\$123	\$96	\$21	\$123	\$78
Water & Sewer	\$585	\$434	\$460	\$711	\$834	\$392	\$392	\$834	\$569
Trash Removal	\$93	\$159	\$182	\$137	-	\$95	\$93	\$182	\$133
Repairs & Maintenance	\$124	\$86	\$185	\$218	\$59	\$218	\$59	\$218	\$148
Off-Site Management	\$53	\$145	\$5	\$219	\$179	\$159	\$5	\$219	\$127
%EGI	1.2%	3.3%	0.1%	4.0%	3.9%	4.0%	0.1%	4.0%	2.8%
On-Site Management	\$173	\$200	\$198	\$104	\$415	\$433	\$104	\$433	\$254
General & Administrative	\$32	\$23	\$39	\$49	\$471	\$57	\$23	\$471	\$112
Reserves	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
<b>TOTAL EXPENSES (\$/RV SITE)</b>	<b>\$1,460</b>	<b>\$1,248</b>	<b>\$1,513</b>	<b>\$2,266</b>	<b>\$2,392</b>	<b>\$1,863</b>	<b>\$1,248</b>	<b>\$2,392</b>	<b>\$1,790</b>

Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. Typical expenses range from \$40 - \$100/site.

**Conclusion of Operating Expenses**

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

**EXPENSE ANALYSIS & CONCLUSIONS**

REAL ESTATE TAXES							ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS			The conclusion is based on the current taxes of the subject. Please refer to the Assessments and Taxes section for additional details.
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI	
2021	\$0		0.0%	1	\$306	7.1%	The concluded taxes are based on the current taxes of the subject. Please refer to the Assessments and Taxes section for additional details.
T-12 MO.	\$19,538	\$64	1.2%	2	\$84	1.9%	
BUDGET 2023	\$99,996	\$327	5.6%	3	\$255	6.1%	
				4	\$605	11.1%	
				5	\$109	2.4%	
				6	\$80	2.0%	
<b>CONCLUSION</b>	<b>\$21,114</b>	<b>\$69</b>	<b>1.2%</b>	<b>AVG</b>	<b>\$240</b>	<b>5.1%</b>	
PROPERTY INSURANCE							ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS			This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the historical expenses and the expense comparable information.
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI	
2021	\$5,200	\$17	0.7%	1	\$33	0.8%	This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the historical expenses and the expense comparable information.
T-12 MO.	\$16,237	\$53	1.0%	2	\$27	0.6%	
BUDGET 2023	\$28,452	\$93	1.6%	3	\$83	2.0%	
				4	\$73	1.3%	
				5	\$163	3.6%	
				6	\$293	7.4%	
<b>CONCLUSION</b>	<b>\$30,600</b>	<b>\$100</b>	<b>1.7%</b>	<b>AVG</b>	<b>\$112</b>	<b>2.6%</b>	



GAS & ELECTRICITY						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI
2021	\$90,369	\$295	11.8%	1	\$21	0.5%
T-12 MO.	\$167,841	\$548	10.3%	2	\$50	1.1%
BUDGET 2023	\$189,720	\$620	10.6%	3	\$66	1.6%
				4	\$110	2.0%
				5	\$123	2.7%
				6	\$96	2.4%
<b>CONCLUSION</b>	<b>\$191,250</b>	<b>\$625</b>	<b>10.9%</b>	<b>AVG</b>	<b>\$78</b>	<b>1.7%</b>

**ANALYSIS**  
This expense includes all gas and electricity costs for the subject. The conclusion is based on the historical expenses and the expense comparable information.

WATER & SEWER						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI
2021	\$2,414	\$8	0.3%	1	\$585	13.6%
T-12 MO.	\$33,963	\$111	2.1%	2	\$434	9.9%
BUDGET 2023	\$56,208	\$184	3.1%	3	\$460	11.0%
				4	\$711	13.0%
				5	\$834	18.2%
				6	\$392	9.8%
<b>CONCLUSION</b>	<b>\$55,080</b>	<b>\$180</b>	<b>3.1%</b>	<b>AVG</b>	<b>\$569</b>	<b>12.6%</b>

**ANALYSIS**  
This expense includes all water and sewer costs related to the common area of the subject. The conclusion is based on the historical expenses and the expense comparable information.

TRASH REMOVAL						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI
2021	\$17,016	\$56	2.2%	1	\$93	2.2%
T-12 MO.	\$34,357	\$112	2.1%	2	\$159	3.6%
BUDGET 2023	\$43,008	\$141	2.4%	3	\$182	4.4%
				4	\$137	2.5%
				5	-	0.0%
				6	\$95	2.4%
<b>CONCLUSION</b>	<b>\$41,310</b>	<b>\$135</b>	<b>2.3%</b>	<b>AVG</b>	<b>\$133</b>	<b>2.5%</b>

**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	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI
2021	\$53,335	\$174	7.0%	1	\$124	2.9%
T-12 MO.	\$119,825	\$392	7.3%	2	\$86	2.0%
BUDGET 2023	\$48,480	\$158	2.7%	3	\$185	4.4%
				4	\$218	4.0%
				5	\$59	1.3%
				6	\$218	5.5%
<b>CONCLUSION</b>	<b>\$61,200</b>	<b>\$200</b>	<b>3.5%</b>	<b>AVG</b>	<b>\$148</b>	<b>3.3%</b>

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

OFF-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI
2021	\$25,941	\$85	3.4%	1	\$53	1.2%
T-12 MO.	\$0		0.0%	2	\$145	3.3%
BUDGET 2023	\$89,544	\$293	5.0%	3	\$5	0.1%
				4	\$219	4.0%
				5	\$179	3.9%
				6	\$159	4.0%
<b>CONCLUSION</b>	<b>\$88,034</b>	<b>\$288</b>	<b>5.0%</b>	<b>AVG</b>	<b>\$127</b>	<b>2.8%</b>

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

ON-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI
2021	\$96,433	\$315	12.6%	1	\$173	4.0%
T-12 MO.	\$179,697	\$587	11.0%	2	\$200	4.5%
BUDGET 2023	\$140,232	\$458	7.8%	3	\$198	4.7%
				4	\$104	1.9%
				5	\$415	9.1%
				6	\$433	10.9%
<b>CONCLUSION</b>	<b>\$137,700</b>	<b>\$450</b>	<b>7.8%</b>	<b>AVG</b>	<b>\$254</b>	<b>5.9%</b>

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

GENERAL & ADMINISTRATIVE							ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS			
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI	
2021	\$29,432	\$96	3.8%	1	\$32	0.7%	This expense includes office supplies, accounting, legal fees, other professional fees, and all other administrative costs. The conclusion is based on the historical expenses and the expense comparable information.
T-12 MO.	\$82,790	\$271	5.1%	2	\$23	0.5%	
BUDGET 2023	\$23,376	\$76	1.3%	3	\$39	0.9%	
				4	\$49	0.9%	
				5	\$471	10.3%	
				6	\$57	1.4%	
<b>CONCLUSION</b>	<b>\$30,600</b>	<b>\$100</b>	<b>1.7%</b>	<b>AVG</b>	<b>\$112</b>	<b>2.5%</b>	

RESERVES							ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS			
	TOTAL	\$/RV Site	%EGI	COMP	\$/RV Site	%EGI	
2021	\$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. Conclusion is based on buyer's estimate. The conclusion is based on the budget 2023 pro forma expense.
T-12 MO.	\$0		0.0%	2	\$40	0.9%	
BUDGET 2023	\$42,900	\$140	2.4%	3	\$40	1.0%	
				4	\$40	0.7%	
				5	\$40	0.9%	
				6	\$40	1.0%	
<b>CONCLUSION</b>	<b>\$42,840</b>	<b>\$140</b>	<b>2.4%</b>	<b>AVG</b>	<b>\$40</b>	<b>0.9%</b>	

TOTAL EXPENSES	LOW	HIGH	CONCLUSION
SUBJECT HISTORICAL \$/RV SITE	\$1,046	\$2,490	The concluded expenses are supported by historical and budget operations, and the comparable properties on a per site and % EGI.
EXPENSE COMPARABLES \$/RV SITE	\$1,248	\$2,392	
SALE COMPARABLE \$/RV SITE	\$1,430	\$1,969	
SUBJECT HISTORICAL %EGI	40.0%	42.5%	
EXPENSE COMPARABLES %EGI	28.4%	52.2%	
SALE COMPARABLES %EGI	27.6%	41.3%	
TOTAL EXPENSES \$/RV SITE	\$2,287		
TOTAL EXPENSES %EGI	39.7%		
<b>TOTAL EXPENSES</b>	<b>\$699,728</b>		

**Net Operating Income (NOI) Conclusion**

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

NET OPERATING INCOME (NOI)					ANALYSIS
YEAR	TOTAL	\$/RV SITE	%EGI	Δ CHG	
2021	\$446,618	\$1,460	58.2%	-	Concluded NOI is reasonable based on a stabilized operation, with inclusion of management fee and reserve item.
T-12 MO.	\$980,793	\$3,205	60.0%	119.6%	
BUDGET 2023	\$1,028,748	\$3,362	57.5%	4.9%	
PROFORMA	\$1,060,952	\$3,467	60.3%	3.1%	

**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 and Market Participants
- › 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.

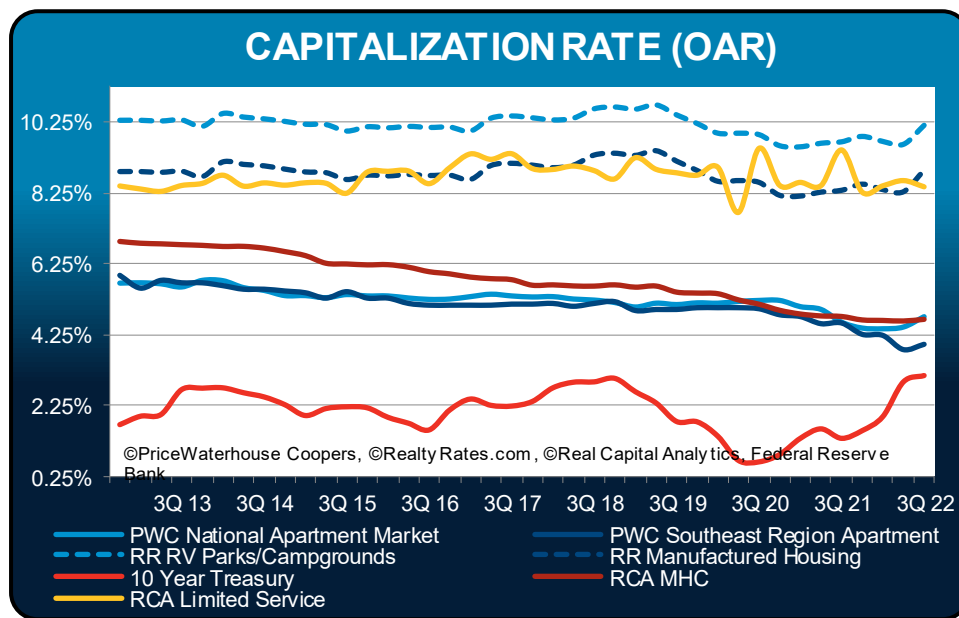
CAPITALIZATION RATE COMPARABLES (OAR)												
NAME	CITY	ST	SALE DATE	YR BLT	CLASS	OCC	SITES	\$/RV SITE	SALE PRICE	NOI	NOI/RV SITE	CAP RATE
1 Gentry's MHC	North	SC	May 1, 2022	1975	C	88.4%	69	\$47,826	\$3,300,000	\$184,485	\$2,674	5.59%
2 Friendly Lane MHC	Cartersville	GA	October 20, 2021	1970	C	88.0%	182	\$62,637	\$11,400,000	\$616,667	\$3,388	5.41%
3 Winterfield MHP	Columbus	GA	August 13, 2021	1982	C	90.0%	77	\$43,128	\$3,320,888	\$207,404	\$2,694	6.25%
4 Lithia Springs MHC	Lithia	GA	August 6, 2021	1972	C	67.0%	228	\$75,877	\$17,300,000	\$1,065,151	\$4,672	6.16%
5 Carolina Estates MHP	Greenville	SC	June 22, 2022	1980	C	99.0%	95	\$64,211	\$6,100,000	\$337,889	\$3,557	5.54%
<b>LOW</b>			August 2021	1970		67.0%	69	\$43,128	\$3,300,000	\$184,485	\$2,674	<b>5.41%</b>
<b>HIGH</b>			June 2022	1982		99.0%	228	\$75,877	\$17,300,000	\$1,065,151	\$4,672	<b>6.25%</b>
<b>AVERAGE</b>			December 2021	1976		86.5%	130	\$58,736	\$8,284,178	\$482,319	\$3,397	<b>5.79%</b>
<b>MEDIAN</b>			October 2021									<b>5.59%</b>
<b>SUBJECT</b>	<b>Covington</b>	<b>GA</b>		<b>1985</b>		<b>97%</b>	<b>306</b>			<b>\$1,060,952</b>	<b>\$3,467</b>	<b>6.00%</b>
<b>INDICATED CAPITALIZATION RATE (OAR)</b>												

Capitalization rates range from 5.41% to 6.25% and average 5.79%. The subject's concluded NOI/unit is near the average of the comparables at \$3,397/Site. The subject property has an average/good location and an average appeal. Overall, the subject has a lower risk profile. The property has upside potential to increase rates over time. For several years, % returns on equity have decreased to historic lows. Coupled with historically low interest rates, cap rates have also been at historic lows. This is evidenced by the downward trend seen in the capitalization rate. Recent market instability has resulted increasing interest rates. An increase in capitalization rates should logically follow. The reason we haven't seen this is due to the significant equity investment into manufactured housing. In light of these factors, a rate toward the high end of the range is considered reasonable due to the RV component.

**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.



PwC Apartment rate data is primarily based on Class A and higher quality Class B properties with seasonal/annual tenants. As such, the capitalization rate data indicated would be expected to be lower than what would be appropriate for the subject.

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

CAPITALIZATION RATE SURVEYS (OAR)				
SOURCE	QUARTER	RANGE		AVG
<b>PriceWaterhouse Coopers</b>				
National Apartment Market	3Q 22	3.00%	to 8.00%	4.75%
Southeast Region Apartment	3Q 22	3.00%	to 4.50%	4.00%
<b>RealtyRates.com</b>				
RV Parks/Campgrounds	2Q 22	5.86%	to 14.81%	10.14%
Manufactured Housing	2Q 22	5.14%	to 13.15%	8.89%
<b>Real Capital Analytics</b>				
MHC	3Q 22			4.69%
Limited Service	3Q 22			8.41%
<b>10 Year Treasury</b>	3Q 22	-	-	3.11%
<b>Market Participant Interview</b>				
Michael J. Nissley	4Q 2022	5.00%	to 7.00%	6.00%
William Walker	4Q 2022	4.50%	to 7.00%	5.75%
<b>AVERAGE</b>		<b>4.42%</b>	<b>to 9.08%</b>	<b>6.58%</b>

### Market Participants

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

MARKET PARTICIPANT INTERVIEWS - CAPITALIZATION RATES (OAR)				
NAME	TITLE	COMPANY	DATE	AVERAGE
Michael J. Nissley	Broker	Colliers	4Q 2022	6.00%
William Walker	Broker	MH Pro Group LLC	4Q 2022	5.75%

### Overall Capitalization Rate Sustainability

Based on our conversations with the brokers listed above and market participants, overall RV park/campground asset capitalization rates have been either flat or trending downward 25 to 50 bps per year. Capitalization rates are anticipated to continue a slightly downward trend or flatten out in the foreseeable future due to the stable interest rates over the last few months.

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	65%	x	7.19%	=	4.676%
Equity Component	35%	x	5.00%	=	1.750%
Indicated Capitalization Rate					6.426%
<b>INDICATED CAPITALIZATION RATE</b>					<b>6.43%</b>

### Capitalization Rate Conclusion

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

CAPITALIZATION RATE CONCLUSION (OAR)				
SOURCE	QUARTER	RANGE		AVG
Comparable Sales		5.41%	to 6.25%	5.79%
Investor Surveys	3Q 22	4.42%	to 9.08%	6.58%
Michael J. Nissley	4Q 2022	5.00%	to 7.00%	6.00%
William Walker	4Q 2022	4.50%	to 7.00%	5.75%
<b>AVERAGE</b>		4.83%	to 7.33%	5.85%
<b>CAPITALIZATION CONCLUSION</b>				<b>6.00%</b>

Based on our conversations with the brokers listed above and market participants, overall RV park/campground capitalization rates have begun to flatten out over the last six months. Based on the data available for this analysis, a cap rate between **5.50% and 6.50%** is best supported for the subject property. However, the following items are noted:

Item	Factor	Appeal to Investors	Impact on Cap Rate
Seasonal	The subject property has a high number of MHC and RV sites. This is more appealing to a wider variety of investors.	Increases	↓ Downward Pressure
Occupancy	The subject generally operates at above 95% occupied. This is more appealing to MHC investors.	Increases	↓ Downward Pressure
Market Vacancy	As previously discussed, market vacancy in this market is stable.	Increases	↓ Downward Pressure
Rent Analysis	The subject's rates fall within the adjusted rent comparable range.	Neutral	→ No Net Impact
Water & Sewer	The subject is serviced by city water services, but not sewer.	Neutral	→ No Net Impact
Environmental Factors	Property is in a Flood Plain	Neutral	→ No Net Impact
Utility Pass Through	Subject passes thru utility (water) for all sites.	Increases	↓ Downward Pressure
<b>Overall Impact</b>	<b>Overall the subject property is attractive to investors.</b>	-	↓ <b>Downward Pressure</b>

Overall, a capitalization rate in the middle of the range, or **6.00%**, is concluded for this analysis.

**Capital Expenditures**

Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. Based on the onsite inspection by the field appraiser, no observable deferred maintenance exists.

<b>CAPITAL EXPENDITURES</b>					
<b>ITEM</b>	<b>SOURCE</b>	<b>TYPE</b>	<b>#</b>	<b>COST/TYPE</b>	<b>EST. COST TO CURE</b>
Landscaping	Buyer	Maintenance	1	Estimate	\$25,000
Tree work	Buyer	Maintenance	1	Estimate	\$25,000
Office/clubhouse renovation	Buyer	Building	1	Estimate	\$75,000
Other capital needs	Buyer	Miscellaneous	1	Estimate	\$100,000
<b>TOTAL COSTS</b>					<b>\$225,000</b>
<b>TOTAL DEFERRED MAINTENANCE COSTS (ROUNDED)</b>					<b>\$225,000</b>

Rounded to nearest \$25,000

**AS-IS DIRECT CAPITALIZATION**

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

The following table summarizes our opinion of market value via direct capitalization for the subject property's As-Is Value as of November 18, 2022.

<b>DIRECT CAPITALIZATION SUMMATION TABLE</b>				
<b>HOMESITE TYPE</b>		<b>RV SITES</b>	<b>\$/RV SITE</b>	<b>TOTAL</b>
Standard MH		136	\$7,941	\$1,080,000
RV		150	\$4,896	\$734,400
<b>TOTAL</b>		<b>306</b>	<b>\$5,929</b>	<b>\$1,814,400</b>
<b>INCOME ITEMS</b>	<b>%PGI</b>	<b>%EGI</b>	<b>\$/RV SITE</b>	<b>TOTAL</b>
Potential Rental Income			\$5,929	\$1,814,400
<b>TOTAL RENTAL INCOME</b>			<b>\$5,929</b>	<b>\$1,814,400</b>
<b>OTHER INCOME</b>				
Miscellaneous Income			\$33	\$10,000
Utility Reimbursement			\$88	\$27,000
<b>TOTAL OTHER INCOME</b>			<b>\$121</b>	<b>\$37,000</b>
<b>POTENTIAL GROSS INCOME (PGI)</b>			<b>\$6,050</b>	<b>\$1,851,400</b>
<b>INCOME LOSS</b>				
Vacancy-MH	(5.0%)		(\$176)	(\$54,000)
Vacancy-RV	(5.0%)		(\$120)	(\$36,720)
<b>TOTAL INCOME LOSS</b>	<b>(4.9%)</b>		<b>(\$296)</b>	<b>(\$90,720)</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>95.1%</b>		<b>\$5,754</b>	<b>\$1,760,680</b>
<b>EXPENSE ITEMS</b>				
Real Estate Taxes	(1.1%)	(1.2%)	(\$69)	(\$21,114)
Property Insurance	(1.7%)	(1.7%)	(\$100)	(\$30,600)
Gas & Electricity	(10.3%)	(10.9%)	(\$625)	(\$191,250)
Water & Sewer	(3.0%)	(3.1%)	(\$180)	(\$55,080)
Trash Removal	(2.2%)	(2.3%)	(\$135)	(\$41,310)
Repairs & Maintenance	(3.3%)	(3.5%)	(\$200)	(\$61,200)
Off-Site Management	(4.8%)	(5.0%)	(\$288)	(\$88,034)
On-Site Management	(7.4%)	(7.8%)	(\$450)	(\$137,700)
General & Administrative	(1.7%)	(1.7%)	(\$100)	(\$30,600)
Reserves	(2.3%)	(2.4%)	(\$140)	(\$42,840)
<b>TOTAL EXPENSES</b>	<b>(37.8%)</b>	<b>(39.7%)</b>	<b>(\$2,287)</b>	<b>(\$699,728)</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>57.3%</b>	<b>60.3%</b>	<b>\$3,467</b>	<b>\$1,060,952</b>
Capitalization Rate				6.00%
Capitalized Value				\$17,682,533
<b>PROSPECTIVE VALUE UPON COMPLETION</b>			<b>\$57,761</b>	<b>\$17,675,000</b>
LESS CAPITAL EXPENDITURES	(12.2%)	(12.8%)		(\$225,000)
<b>AS-IS MARKET VALUE</b>			<b>\$57,026</b>	<b>\$17,450,000</b>

Rounded to nearest \$25,000

**EFFECTIVE GROSS INCOME MULTIPLIER METHOD**

A gross income multiplier is often used by the RV park/campground buyer as the primary valuation method for properties that they are buying. This is usually the case for smaller, owner operator properties that can have a substantial fluctuation in expenses based on operation by the owners. Larger, more sophisticated buyer rely on the Income Capitalization method.

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

<b>EGIM ANALYSIS</b>				
<b>SALE</b>	<b>TOTAL EXPENSE</b>	<b>EXPENSES/HOMESITE</b>	<b>EXPENSE % (EGI)</b>	<b>EGIM</b>
4	\$406,621	\$1,783	28%	11.8
2	\$275,476	\$1,514	31%	12.8
3	\$110,116	\$1,430	35%	10.7
5	\$187,047	\$1,969	36%	11.6
Subject	\$699,728	\$2,287	40%	-
1	\$129,917	\$1,883	41%	10.5
<b>LOW</b>	\$110,116	\$1,430	28%	10.5
<b>HIGH</b>	\$406,621	\$1,969	41%	12.8
<b>AVERAGE</b>	\$221,835	\$1,716	34%	11.5
<b>MEDIAN</b>	\$187,047	\$1,783	35%	11.6

The comparables generally indicate the expected trend of increasing expense ratios with decreasing EGI Multipliers. Based on the subject's expense ratio, which falls within the comparables, but is near the low end a, a multiplier towards the bottom of the range is considered most appropriate for the subject. Therefore, a multiplier of 10.5 is concluded. The concluded EGIM, the EGIM value calculation, and the indicated value based on the EGIM Method are displayed in the following table.

<b>EGIM INDICATED VALUE</b>				
<b>CONCLUDED EGIM</b>	<b>X</b>	<b>CONCLUDED EGI</b>	<b>=</b>	<b>VALUE</b>
10.5	X	\$1,760,680	=	<b>\$18,475,000</b>
LESS CAPITAL EXPENDITURES				<b>(\$225,000)</b>
<b>AS-IS MARKET VALUE</b>				<b>\$18,250,000</b>

Rounded to nearest \$25,000



**RECONCILIATION OF INCOME APPROACH VALUES**

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

<b>VALUATION INDICES</b>	<b>MARKET VALUE AS-IS</b>	<b>PROSPECTIVE VALUE UPON COMPLETION</b>
<b>INTEREST APPRAISED</b>	LEASED FEE	LEASED FEE
<b>DATE OF VALUE</b>	NOVEMBER 18, 2022	NOVEMBER 30, 2023
<b>INCOME CAPITALIZATION APPROACH</b>		
<b>Direct Capitalization</b>	<b>\$17,450,000</b>	<b>\$17,675,000</b>
Direct Capitalization \$/RV Site	\$57,026/RV Site	\$57,761/RV Site
Net Operating Income	-	\$1,060,952
NOI \$/RV Site	-	\$3,467/Homesite
Capitalization Rate	-	6.00%
<b>Effective Gross Income Multiplier</b>	<b>\$18,250,000</b>	<b>\$18,475,000</b>
EGIM \$/RV Site	\$59,641/RV Site	\$60,376/RV Site
<b>INCOME CONCLUSION</b>	<b>\$17,450,000</b>	<b>\$17,675,000</b>
Income Conclusion \$/RV Site	\$57,026/RV Site	\$57,761/RV Site

## INTRODUCTION

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

## UNIT OF COMPARISON

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

## COMPARABLE SELECTION

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

## ADJUSTMENT PROCESS

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

### Transactional Adjustments

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

Property Rights Transferred	The valuation of the subject site was completed on a 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	November 2022	(As-Is)	3%
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The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

### Property Adjustments

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

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

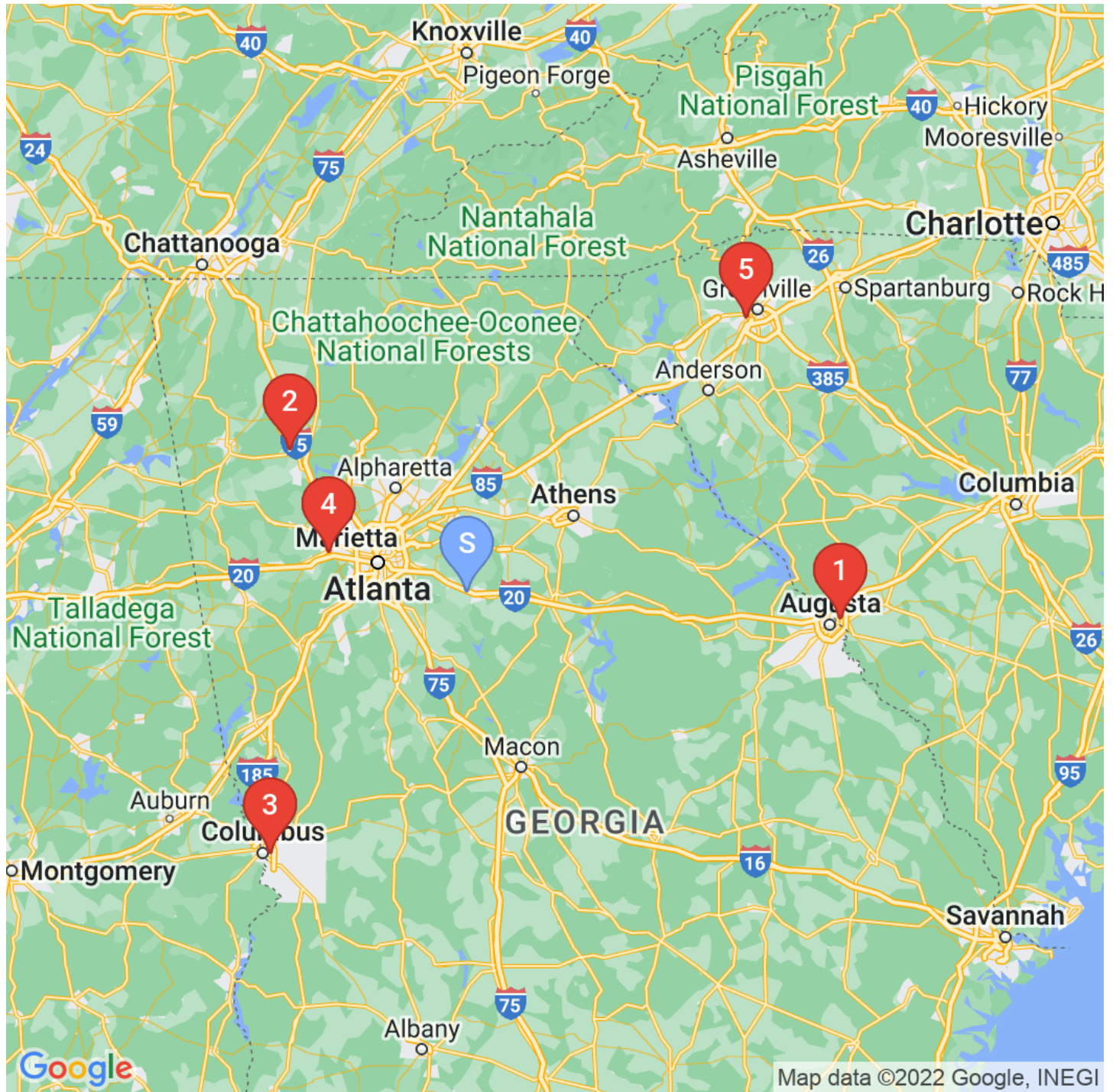
## PRESENTATION

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

### IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
<b>Name</b>	Riverside Estates	Gentry's MHC	Friendly Lane MHC	Winterfield MHP	Lithia Springs MHC	Carolina Estates MHP
<b>Address</b>	1891 Access Road	104 Daffodil Drive	278 Mac Johnson Rd NW	400 29th Avenue	2970 Skyview Drive	2745 Anderson Rd
<b>City</b>	Covington	North Augusta	Cartersville	Columbus	Lithia Springs	Greenville
<b>State</b>	GA	SC	GA	GA	GA	SC
<b>Zip</b>	30014	29841	30120	31903	30122	29611
<b>County</b>	New ton	Aiken	Bartow	Muscogee	Douglas	Greenville
PHYSICAL INFORMATION						
<b>Project Design</b>	All Age	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing
<b>Class</b>	C	C	C	C	C	C
<b>RV Sites</b>	306	69	182	77	228	95
<b>Density</b>	7.3	6.3	4.8	5.8	5.0	5.8
<b>Land Area (AC)</b>	42.1	10.9	38.3	13.2	45.4	16.3
<b>Land Area (SF)</b>	1,832,134	476,546	1,667,041	576,734	1,978,931	710,028
<b>Year Built</b>	1985	1975	1970	1982	1972	1980
<b>Location</b>	Average/Good	Average	Average/Good	Average/Good	Good	Average/Good
<b>Quality</b>	Average	Average	Average/Good	Fair/Average	Average/Good	Average/Good
<b>Condition</b>	Average	Average	Average/Good	Fair/Average	Average/Good	Average/Good
<b>Appeal</b>	Average	Average	Average/Good	Fair/Average	Average/Good	Average/Good
SALE INFORMATION						
<b>Date</b>		5/1/2022	10/20/2021	8/13/2021	8/6/2021	6/22/2022
<b>Status</b>		Recorded	Recorded	Recorded	Recorded	Recorded
<b>Parcel Number</b>		013-13-02-001	0059-0124-009	Multiple	0527-18-2-00003	248000200601
<b>Recording Number</b>		-	-	-	-	-
<b>Rights Transferred</b>		Fee Simple	Fee Simple	Fee Simple	-	Leased Fee
<b>Transaction Price</b>		\$3,300,000	\$11,400,000	\$3,320,888	\$17,300,000	\$6,100,000
<b>Transaction \$/RV Site</b>		\$47,826	\$62,637	\$43,128	\$75,877	\$64,211
<b>Recorded Date</b>		10/21/2022	10/20/2021	-	5/18/2022	6/22/2022
<b>Analysis Price</b>		\$3,300,000	\$11,400,000	\$3,320,888	\$17,300,000	\$6,100,000
<b>Expenses % EGI</b>		41%	31%	35%	28%	36%
<b>NOI/Unit</b>	\$3,467	\$2,674	\$3,388	\$2,694	\$4,672	\$3,557
<b>Occupancy</b>	97.2%	88.4%	88.0%	90.0%	67.0%	99.0%
<b>Capitalization Rate</b>		5.59%	5.41%	6.25%	6.16%	5.54%
<b>EGIM</b>		10.50	12.78	10.68	11.75	11.62

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/SITE
SUBJECT	-	Riverside Estates	1891 Access Road, Covington, GA	97.2%	-	-	-
No. 1	113.4 Miles	Gentry's MHC	104 Daffodil Drive, North Augusta, SC	88.4%	5/1/2022	5.59%	\$47,826
No. 2	68.6 Miles	Friendly Lane MHC	278 Mac Johnson Rd NW, Cartersville, GA	88.0%	10/20/2021	5.41%	\$62,637
No. 3	100.2 Miles	Winterfield MHP	400 29th Avenue, Columbus, GA	90.0%	8/13/2021	6.25%	\$43,128
No. 4	43.5 Miles	Lithia Springs MHC	2970 Skyview Drive, Lithia Springs, GA	67.0%	8/6/2021	6.16%	\$75,877
No. 5	117.9 Miles	Carolina Estates MHP	2745 Anderson Rd, Greenville, SC	99.0%	6/22/2022	5.54%	\$64,211

**COMPARABLE 1**

**LOCATION INFORMATION**

Name	Gentry's MHC
Address	104 Daffodil Drive
City, State, Zip Code	North Augusta, SC, 29841
County	Aiken
MSA	Columbia, SC
APN	013-13-02-001

**SALE INFORMATION**

Buyer	Tarawa Management LLC
Seller	Gentry MHP LLC
Transaction Date	05/1/2022
Transaction Status	Recorded
Transaction Price	\$3,300,000
Recorded Date	10/21/2022
Rights Transferred	Fee Simple
Down Payment	\$1,320,000
Financing	Conventional
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	69
Year Built	1975
Quality / Condition	Average / Average
Appeal	Average
Site Size	10.9 Acres (476,546 SF)
Zoning	UD
Street Construction	Asphalt
Homesite Parking	Asphalt
Total Parking Spaces	134
Spaces Per Homesite	1.942
Good Sam Rating	
Amenities	None

**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. SITES</u>
Standard	68
Single Family Residence	1



**GENTRY'S MHC**

**OPERATING INCOME**

	<u>PER SITE</u>	<u>TOTAL</u>
Rent Income	\$4,519	\$311,820
Other Income	\$580	\$40,000
Gross Income	\$5,099	\$351,820
Vacancy @ 0.0%	(\$542)	(\$37,418)
Effective Gross Income	\$4,557	\$314,402
Expenses	(\$1,883)	(\$129,917)
Net Operating Income	\$2,674	\$184,485
Occupancy at Sale		88.4%
Expense % of PGI / EGI	37%	41%

**ANALYSIS INFORMATION**

Price/SF	\$47,826.09
Adjusted Price/SF	\$56,100.00
Capitalization Rate	5.59%
PGIM / EGIM	9.38 10.50

**CONFIRMATION**

Name	Nancy A Caniff
Company	Colliers International VAS
Source	Appraiser
Date / Phone Number	08/5/2022 +1 904 316 2124

**REMARKS**

This asset sold for \$3,300,000 between Gentry MHP, LLC (Grantor) and Tarawa Management LLC (Grantee). Rents were increased from \$350 to \$375 in February 2022, prior to the sale. In addition to base rent, the tenants reimburse for utilities. There is a single-family home that is rented as a religious community center. The cap rate of 5.59% is based on the proforma rents and also includes off-site management fees and reserves for replacements.

**COMPARABLE 2**

**LOCATION INFORMATION**

Name	Friendly Lane MHC
Address	278 Mac Johnson Rd NW
City, State, Zip Code	Cartersville, GA, 30120
County	Bartow
MSA	Atlanta, GA MSA
APN	0059-0124-009 0059H-0002-004

**SALE INFORMATION**

Buyer	OZ Impact Funds
Seller	Affordable Communities Group
Transaction Date	10/20/2021
Transaction Status	Recorded
Transaction Price	\$11,400,000
Recorded Date	10/20/2021
Analysis Price	\$11,400,000
Rights Transferred	Fee Simple
Financing	Assumed Debt
Conditions of Sale	Assumed Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	182
Year Built	1970
Quality / Condition	Average/Good / Average/Good
Appeal	Average/Good
Site Size	38.3 Acres (1,667,041 SF)
Zoning	A-1
Street Construction	Asphalt
Good Sam Rating	

Amenities None

**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. SITES</u>
Standard	182



**FRIENDLY LANE MHC**

**OPERATING INCOME**

	<u>PER SITE</u>	<u>TOTAL</u>
Rent Income	\$4,278	\$778,602
Other Income	\$624	\$113,541
Gross Income	\$4,902	\$892,143
Vacancy @ 0.0%	\$0	\$0
Effective Gross Income	\$4,902	\$892,143
Expenses	(\$1,514)	(\$275,476)
Net Operating Income	\$3,388	\$616,667
Occupancy at Sale		88.0%
Expense % of PGI / EGI	31%	31%

**ANALYSIS INFORMATION**

Price/SF	\$62,637.36
Adjusted Price/SF	\$58,064.83
Capitalization Rate	5.41%
PGIM / EGIM	12.78 12.78

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Purchase Contract
Date / Phone Number	06/2/2021 Confidential

**REMARKS**

This community is located east of Hwy 41 and west of I75 in Cartersville, GA. This community is located less than 1 mile east of US-41 in Cartersville. This asset sold as part of a 5 asset portfolio for an aggregate purchase price of \$40,000,000. The internal allocation for this property was \$11,400,000 and traded at a 5.4% cap rate based on actual income in place. It was 88% occupied at the time of sale.

**COMPARABLE 3**

**LOCATION INFORMATION**

Name	Winterfield MHP
Address	400 29th Avenue
City, State, Zip Code	Columbus , GA, 31903
County	Muscogee
MSA	Columbus, GA-AL
APN	Multiple

**SALE INFORMATION**

Buyer	Sam Turner
Seller	Spelman-Hung Capital, LLC
Transaction Date	08/13/2021
Transaction Status	Recorded
Transaction Price	\$3,320,888
Analysis Price	\$3,320,888
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	77
Year Built	1982
Quality / Condition	Fair/Average / Fair/Average
Appeal	Fair/Average
Site Size	13.2 Acres (576,734 SF)
Zoning	RMH
Good Sam Rating	

Amenities                      None

**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. SITES</u>
Standard	77



**WINTERFIELD MHP**

**OPERATING INCOME**

	<u>PER SITE</u>	<u>TOTAL</u>
Rent Income	\$4,039	\$311,040
Other Income	\$0	\$0
Gross Income	\$4,039	\$311,040
Vacancy @ 0.0%	\$0	\$0
Effective Gross Income	\$4,039	\$311,040
Expenses	(\$1,430)	(\$110,116)
Net Operating Income	\$2,694	\$207,404
Occupancy at Sale		90.0%
Expense % of PGI / EGI	35%	35%

**ANALYSIS INFORMATION**

Price/SF	\$43,128.42
Adjusted Price/SF	\$58,309.63
Capitalization Rate	6.25%
PGIM / EGIM	10.68      10.68

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Appraiser
Date / Phone Number	09/13/2021      Confidential

**REMARKS**

This all age MHC has 77 sites with development potential for 29 more though the vacant areas are in a flood zone with heavy vegetation. The owner brought in 13 homes in 2016 to increase occupancy to 77% in 2017 and continued this pattern to 90% in 2021. The buyer intends to increase rents and invest about \$150k in capital improvements.

**COMPARABLE 4**

**LOCATION INFORMATION**

Name	Lithia Springs MHC
Address	2970 Skyview Drive
City, State, Zip Code	Lithia Springs, GA, 30122
County	Douglas
MSA	Atlanta, GA MSA
APN	0527-18-2-00003

**SALE INFORMATION**

Seller	Lithia Springs MHC LLC
Transaction Date	08/6/2021
Transaction Status	Recorded
Transaction Price	\$17,300,000
Recorded Date	05/18/2022
Analysis Price	\$17,300,000
Financing	Conventional
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	228
Year Built	1972
Quality / Condition	Average/Good / Average/Good
Appeal	Average/Good
Site Size	45.4 Acres (1,978,931 SF)
Zoning	RMH
Good Sam Rating	

Amenities	Parking Driveway, Playground, Street Lights, Swimming Pool and Pool (1)
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**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. SITES</u>
Standard	214



**LITHIA SPRINGS MHC**

**OPERATING INCOME**

	<u>PER SITE</u>	<u>TOTAL</u>
Rent Income	\$5,913	\$1,348,200
Other Income	\$779	\$177,500
Gross Income	\$6,692	\$1,525,700
Vacancy @ 0.0%	(\$237)	(\$53,928)
Effective Gross Income	\$6,455	\$1,471,772
Expenses	(\$1,783)	(\$406,621)
Net Operating Income	\$4,672	\$1,065,151
Occupancy at Sale		67.0%
Expense % of PGI / EGI	27%	28%

**ANALYSIS INFORMATION**

Price/SF	\$75,877.19
Adjusted Price/SF	\$55,238.60
Capitalization Rate	6.16%
PGIM / EGIM	11.34 11.75

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Appraiser
Date / Phone Number	08/6/2021 Confidential

**REMARKS**

This represents the sale of a 216-unit (pad) mobile home park located in Douglasville, Georgia. The community was developed in 1972 and is situated on 45.43-acres. The community consists of 75 park owned homes, with lot rents at \$395/pad per month at the time of sale. Based on the trailing 12-month operating data this comparable sold at an OAR of 10.7%. The property was originally under contract for \$2,200,000; however \$700,000 of deferred maintenance was present. The cap rate of 6.1% was based on proforma figures including an aggressive lease up of 5 sites per quarter. The cap rate based on the budgeted figure was 4.16% while actual NOI resulted in a cap rate of 3.8%.



**COMPARABLE 5**

**LOCATION INFORMATION**

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

**SALE INFORMATION**

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

**PHYSICAL INFORMATION**

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

Amenities None

**UNIT MIX**

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



**CAROLINA ESTATES MHP**

**OPERATING INCOME**

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

**ANALYSIS INFORMATION**

Price/SF	\$64,210.53
Adjusted Price/SF	\$58,367.38
Capitalization Rate	5.54%
PGIM / EGIM	11.07 11.62

**CONFIRMATION**

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

**REMARKS**

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

## IMPROVED SALES LOCATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
<b>Name</b>	Riverside Estates	Gentry's MHC	Friendly Lane MHC	Winterfield MHP	Lithia Springs MHC	Carolina Estates
<b>Address</b>	1891 Access	104 Daffodil Drive	278 Mac Johnson	400 29th Avenue	2970 Skyview	2745 Anderson Rd
<b>City</b>	Covington	North Augusta	Cartersville	Columbus	Lithia Springs	Greenville
<b>State</b>	GA	SC	GA	GA	GA	SC
<b>Zip</b>	30014	29841	30120	31903	30122	29611
<b>County</b>	New ton	Aiken	Bartow	Muscogee	Douglas	Greenville
LOCATION INFORMATION						
<b>Median Home Value</b>		\$0	\$281,618	\$0	\$0	\$0
<b>Median Income</b>		\$0	\$32,668	\$0	\$0	\$0
<b>Average Apartment Rent</b>		\$0	\$994	\$0	\$0	\$0
<b>Average Apartment Vacancy</b>		0.00%	2.90%	0.00%	0.00%	0.00%
<b>Annual Growth Rate</b>		0.00%	29.60%	0.00%	0.00%	0.00%
<b>Vacant Housing Units</b>		0.00%	3.20%	0.00%	0.00%	0.00%
<b>Avg Shelter/mo</b>		\$0	\$0	\$0	\$0	\$0
<b>Location</b>	Average/Good	Average	Average/Good	Average/Good	Good	Average/Good
<b>Location Adjustment</b>		10%	0%	0%	-10%	0%

## IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
<b>Address</b>	1891 Access Road	104 Daffodil Drive	278 Mac Johnson Rd NW	400 29th Avenue	2970 Skyview Drive	2745 Anderson Rd
<b>City, State</b>	Covington, GA	North Augusta, SC	Cartersville, GA	Columbus , GA	Lithia Springs, GA	Greenville, SC
<b>Units</b>	306	69	182	77	228	95
<b>Density</b>	7.3	6.3	4.8	5.8	5.0	5.8
<b>Land Area (AC)</b>	42.1	10.9	38.3	13.2	45.4	16.3
<b>Land Area (SF)</b>	1,832,134	476,546	1,667,041	576,734	1,978,931	710,028
<b>Year Built</b>	1985	1975	1970	1982	1972	1980
<b>Location</b>	Average/Good	Average	Average/Good	Average/Good	Good	Average/Good
<b>Quality</b>	Average	Average	Average/Good	Fair/Average	Average/Good	Average/Good
<b>Condition</b>	Average	Average	Average/Good	Fair/Average	Average/Good	Average/Good
<b>Appeal</b>	Average	Average	Average/Good	Fair/Average	Average/Good	Average/Good

## SALE INFORMATION

<b>Date</b>		5/1/2022	10/20/2021	8/13/2021	8/6/2021	6/22/2022
<b>Status</b>		Recorded	Recorded	Recorded	Recorded	Recorded
<b>Rights Transferred</b>		Fee Simple	Fee Simple	Fee Simple	-	Leased Fee
<b>Occupancy</b>	97.2%	88.4%	88.0%	90.0%	67.0%	99.0%
<b>Capitalization Rate</b>		5.6%	5.4%	6.3%	6.2%	5.5%
<b>NOI/RV Site</b>		\$2,674	\$3,388	\$2,694	\$4,672	\$3,557
<b>Transaction Price</b>		\$3,300,000	\$11,400,000	\$3,320,888	\$17,300,000	\$6,100,000
<b>Analysis Price</b>		\$3,300,000	\$11,400,000	\$3,320,888	\$17,300,000	\$6,100,000
<b>\$/RV Site</b>		\$47,826	\$62,637	\$43,128	\$75,877	\$64,211

## TRANSACTIONAL ADJUSTMENTS

<b>Property Rights</b>		0%	0%	0%	0%	0%
<b>Financing</b>		0%	0%	0%	0%	0%
<b>Conditions of Sale</b>		0%	0%	0%	0%	0%
<b>Expenditures After the Sale</b>		0%	0%	0%	0%	0%
<b>Market Conditions<sup>1</sup></b>		2%	3%	4%	4%	1%
<b>Subtotal Transactional Adj Price</b>		\$48,783	\$64,516	\$44,854	\$78,912	\$64,853

## PROPERTY ADJUSTMENTS

<b>Location</b>		10%	0%	0%	-10%	0%
<b>Quality</b>		0%	-10%	10%	-10%	-10%
<b>Condition</b>		0%	-10%	10%	-10%	-10%
<b>Age</b>		0%	0%	0%	0%	0%
<b>Number Of RV Sites</b>		5%	5%	5%	0%	5%
<b>Density</b>		0%	0%	0%	0%	0%
<b>Amenities</b>		0%	5%	5%	0%	5%
<b>Subtotal Property Adjustment</b>		15%	-10%	30%	-30%	-10%
<b>TOTAL ADJUSTED \$/RV Site</b>		<b>\$56,100</b>	<b>\$58,065</b>	<b>\$58,310</b>	<b>\$55,239</b>	<b>\$58,367</b>

<b>STATISTICS</b>	<b>UNADJUSTED</b>	<b>ADJUSTED</b>
<b>LOW</b>	\$43,128	\$55,239
<b>HIGH</b>	\$75,877	\$58,367
<b>MEDIAN</b>	\$62,637	\$58,065
<b>AVERAGE</b>	\$58,736	\$57,216

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

Date of Value (for adjustment calculations): 11/18/22

## SALES COMPARABLE ANALYSIS

### Introduction

The comparable sales indicate an adjusted value range from \$55,239 to \$58,367/RV Site, with a median of \$58,065/RV Site and an average of \$57,216/RV Site. The range of total gross adjustment applied to the comparables was from 27% to 44%, with an average gross adjustment across all comparables of 34%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop the subject property's total value. The adjustment process for each comparable sale is discussed in the following paragraphs.

### Discussion of Adjustments

Comparable 1 (\$56,100/RV Site as adjusted) required a total upward transaction adjustment of 2%. A time value adjustment is made to this property as it was sold during a time when the market for RV park/campgrounds was weaker, and this sale is adjusted upward. This comparable required a total upward adjustment of 15% for property characteristics. The property location is inferior to the subject. Small communities have less RV sites to spread expenses across. This community is adjusted upward for its inferior size. The total gross adjustment applied to this comparable was 27%. 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 2 (\$58,065/RV Site as adjusted) required a total upward transaction adjustment of 3%. A time value adjustment is made to this property as it was sold during a time when the market for RV park/campgrounds was weaker, and this sale is adjusted upward. 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 RV sites to spread expenses across. This community is adjusted upward for its inferior size. This property has inferior amenities compared to the subject property and is adjusted upward. The total gross adjustment applied to this comparable was 33%. 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 (\$58,310/RV Site as adjusted) required a total upward transaction adjustment of 4%. A time value adjustment is made to this property as it was sold during a time when the market for RV park/campgrounds was weaker, and this sale is adjusted upward. This comparable required a total upward adjustment of 30% for property characteristics. This property is considered to be inferior to the subject property in terms of quality and is adjusted upward. This property has not been as well maintained as the subject property and is adjusted upward. Small communities have less RV sites to spread expenses across. This community is adjusted upward for its inferior size. This property has inferior amenities compared to the subject property and is adjusted upward. The total gross adjustment applied to this comparable was 34%. 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 secondary consideration as a value indicator for the subject.

Comparable 4 (\$55,239/RV Site as adjusted) required a total upward transaction adjustment of 4%. A time value adjustment is made to this property as it was sold during a time when the market for RV park/campgrounds was weaker, and this sale is adjusted upward. This comparable required a total downward adjustment of -30% for property characteristics. The property location is superior to the subject. 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. The total gross adjustment applied to this comparable was 44%. 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 secondary consideration as a value indicator for the subject.

Comparable 5 (\$58,367/RV Site as adjusted) required a total upward transaction adjustment of 1%. A time value adjustment is made to this property as it was sold during a time when the market for RV park/campgrounds was weaker, and this sale is adjusted upward. 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 RV sites to spread expenses across. This community is adjusted upward for its inferior size. This property has inferior amenities compared to the subject property and is adjusted upward. The total gross adjustment applied to this comparable was 31%. 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 \$55,239 to \$58,367/RV Site, with a median of \$58,065/RV Site and an average of \$57,216/RV Site. Based on the results of the preceding analysis, Comparable 1 (\$56,100.00/SF adjusted), Comparable 2 (\$58,064.83/SF adjusted) and Comparable 5 (\$58,367.38/SF adjusted) are given primary consideration for the subject's opinion of value.

The subject property previously sold on April 29, 2021, as improved for \$8,192,000, as recorded in Book 4186, Page 140 of the Newton 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 acquisition by FSP Covington LLC, incomes were increased by raising rents, occupancy was increased, and the amenities and roads were improved. Capitalization rates have compressed since acquisition as well. The subject property is under contract to sell for \$16,250,000 between FSP Covington LLC (Grantor) and The Boavida Group LP (Grantee). The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arm's-length transaction. Overall, in light of all the information presented our conclusion is reasonable in comparison with the contracted sales price.

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

## SALES COMPARISON APPROACH CONCLUSION (\$/RV SITE)

COMP	ANALYSIS	ADJUSTMENT				NET ADJ %	GROSS ADJ %	WEIGHT GIVEN
	PRICE	TRANSACTIONAL <sup>1</sup>	ADJUSTED	PROPERTY <sup>2</sup>	FINAL			
1	\$47,826	2%	\$48,783	15%	\$56,100	17%	27%	PRIMARY
2	\$62,637	3%	\$64,516	-10%	\$58,065	-7%	33%	PRIMARY
3	\$43,128	4%	\$44,854	30%	\$58,310	35%	34%	SECONDARY
4	\$75,877	4%	\$78,912	-30%	\$55,239	-27%	44%	SECONDARY
5	\$64,211	1%	\$64,853	-10%	\$58,367	-9%	31%	PRIMARY
<b>LOW</b>	<b>\$55,239</b>						<b>AVERAGE</b>	<b>\$57,216</b>
<b>HIGH</b>	<b>\$58,367</b>						<b>MEDIAN</b>	<b>\$58,065</b>
		<b>SUBJECT RV SITES</b>		<b>\$/RV SITE CONCLUSION</b>				<b>VALUE</b>
<b>PROSPECTIVE VALUE UPON COMPLETION</b>		<b>306</b>	<b>x</b>	<b>\$57,000</b>		<b>=</b>	<b>\$17,450,000</b>	
LESS CAPITAL EXPENDITURES							<b>(\$225,000)</b>	
<b>AS-IS MARKET VALUE</b>				<b>\$56,291</b>			<b>\$17,225,000</b>	

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

Rounded to nearest \$25,000

## 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	November 2022	(As-Is)	4%
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The analysis applies an upward market conditions adjustment of 4% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

**Property Adjustments**

Quantitative percentage adjustments are also made for location and physical characteristics such as size, 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.

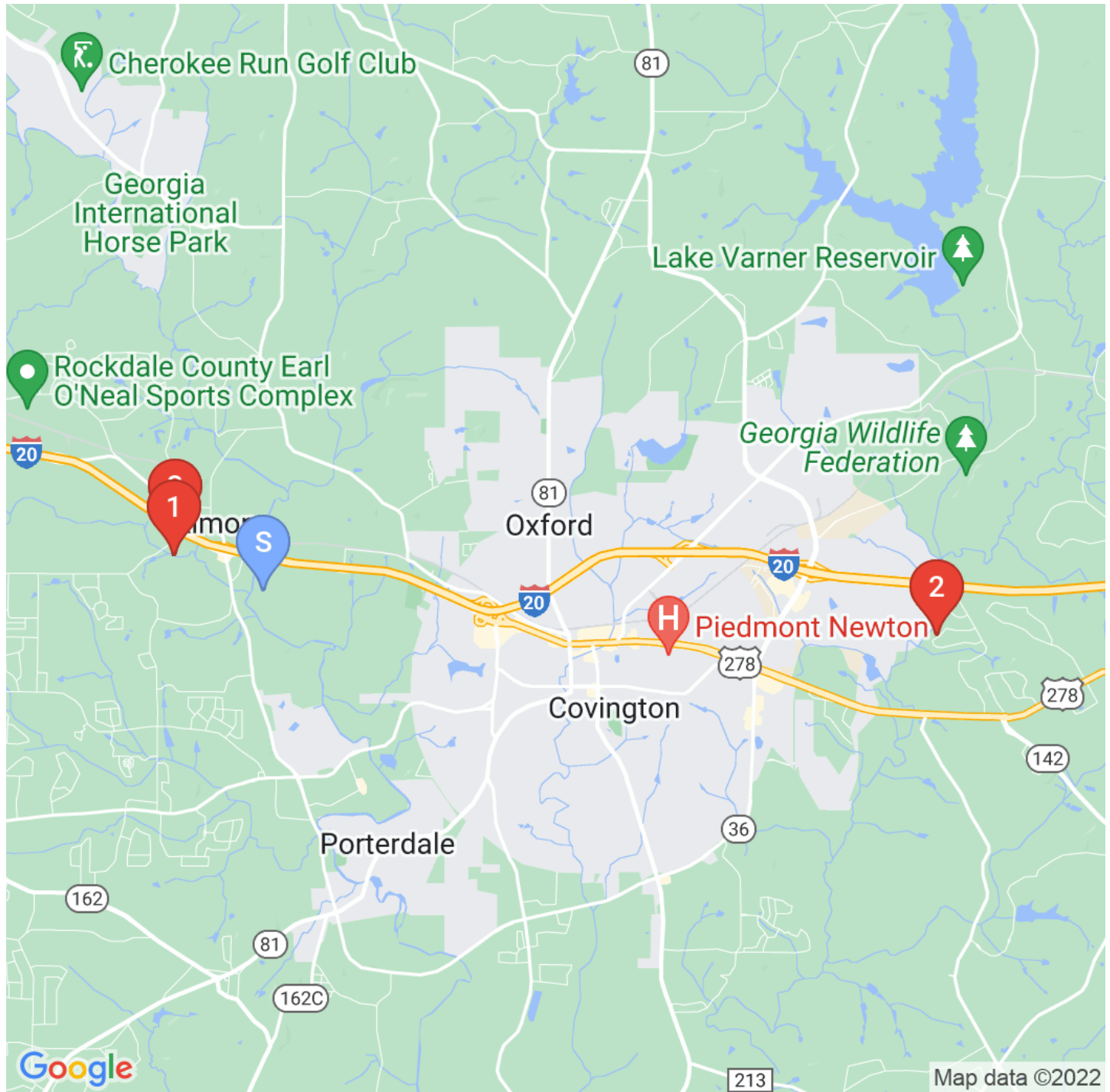
**PRESENTATION**

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
<b>Name</b>	Riverside Estates	3655 Fairview Rd	Commercial Land	Prose Fairview - Site
<b>Address</b>	1891 Access Road	3655 Fairview Rd	000 Alcovy Cir	3655 Fairview Road
<b>City</b>	Covington	Covington	Covington	Covington
<b>State</b>	GA	GA	GA	GA
<b>Zip</b>	30014	30016	30014	30016
<b>County</b>	New ton	New ton	New ton	New ton
PHYSICAL INFORMATION				
<b>Acres</b>	42.06	43.03	48.00	36.16
<b>Location</b>	Average/Good	Average/Good	Average/Good	Average/Good
<b>Exposure</b>	Average	Average	Average	Average
<b>Access</b>	Average	Average	Average	Average
<b>Shape</b>	Irregular	Irregular	Irregular	Irregular
<b>Site Utility Rating</b>	Average	Average	Average	Average
<b>Zoning</b>	MHP, CN, and R-3 -	-	-	RMF
<b>Flood Zone</b>	Zone X	RMF	Zone X	-
<b>Corner</b>	No	No	No	No
<b>Topography</b>	Level	Generally Level	Generally Level	Rolling
<b>Street Frontage</b>	Average	Average	Average	Average
SALE INFORMATION				
<b>Date</b>		9/13/2021	9/30/2022	9/24/2020
<b>Status</b>		Recorded	Recorded	Recorded
<b>Rights Transferred</b>		Fee Simple	Fee Simple	Fee Simple
<b>Transaction Price</b>		\$4,025,000	\$9,837,000	\$4,025,000
<b>Analysis Price</b>		\$4,025,000	\$9,837,000	\$4,025,000
<b>\$/Acre</b>		\$93,539	\$204,938	\$111,311



LAND SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/ACRE
SUBJECT	-	1891 Access Road, Covington, GA	-	42.06	1,832,134	-
No. 1	0.9 Miles	3655 Fairview Rd, Covington, GA	9/13/2021	43.03	1,874,387	\$93,539
No. 2	6.4 Miles	000 Alcovy Cir, Covington, GA	9/30/2022	48.00	2,090,880	\$204,938
No. 3	1.0 Miles	3655 Fairview Road, Covington, GA	9/24/2020	36.16	1,575,130	\$111,311

## COMPARABLE 1

### LOCATION INFORMATION

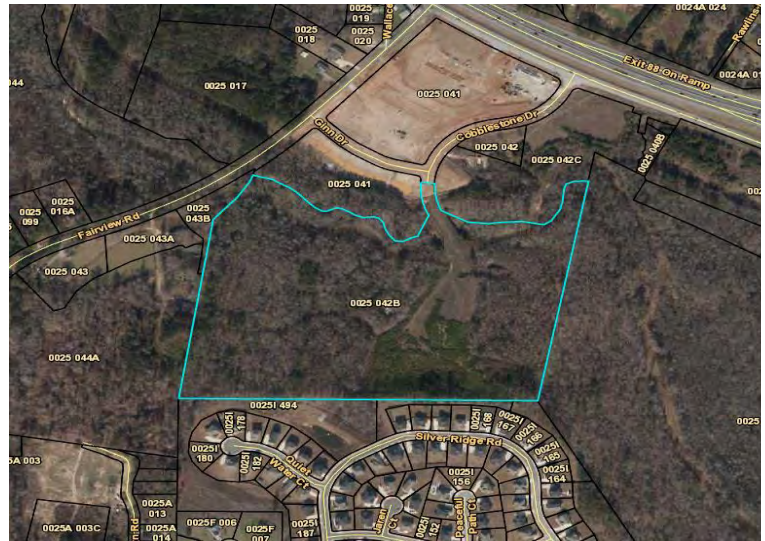
Name 3655 Fairview Rd  
 Address 3655 Fairview Rd  
 City, State, Zip Code Covington, GA, 30016  
 County New ton

### SALE INFORMATION

Transaction Date 09/13/2021  
 Transaction Status Recorded  
 Transaction Price \$4,025,000  
 Analysis Price \$4,025,000  
 Rights Transferred Fee Simple  
 Financing Undisclosed  
 Conditions of Sale Arms-Length

### PHYSICAL INFORMATION

Intended Use Rural Land  
 Flood Zone RMF  
 Frontage Average  
 Site Size Acres SF  
     Net 43.03 1,874,387  
     Gross 43.03 1,874,387  
 Density Average  
 Shape Irregular  
 Topography Generally Level  
 Access Average  
 Exposure Average



### 3655 FAIRVIEW RD

### ANALYSIS INFORMATION

Price	\$/Acre	\$/SF
Gross	\$93,539	\$2.15
Net	\$93,539	\$2.15

### CONFIRMATION

Name Confidential  
 Company Confidential  
 Source CoStar  
 Date / Phone Number 11/20/2022 Confidential

### REMARKS

On 9/13/21, New ton 318, LLC sold the land at 3655 Fairview Road in Covington, GA to Fairview Apartments Venture, LLC for \$4,025,000. It is unknown if there were any brokers involved in the transaction.

The subject property is approximately 43.03 acres of land that is zoned RMF and is located in between Ginn Chrysler Jeep Dodge Ram at Fairview Road & Access Road and Fairview Elementary School. On 9/13/21, New ton 318, LLC sold the land at 3655 Fairview Road in Covington, GA to Fairview Apartments Venture, LLC for \$4,025,000. It is unknown if there were any brokers involved in the transaction.

The subject property is approximately 43.03 acres of land that is zoned RMF and is located in between Ginn Chrysler Jeep Dodge Ram at Fairview Road & Access Road and Fairview Elementary School.

**COMPARABLE 2**

**LOCATION INFORMATION**

Name	Commercial Land
Address	000 Alcovy Cir
City, State, Zip Code	Covington, GA, 30014
County	New ton

**SALE INFORMATION**

Transaction Date	09/30/2022
Transaction Status	Recorded
Transaction Price	\$9,837,000
Analysis Price	\$9,837,000
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Intended Use	Industrial Land	
Flood Zone	Zone X	
Frontage	Average	
Site Size	Acres	SF
Net	48.00	2,090,880
Gross	48.00	2,090,880
Density	Average	
Shape	Irregular	
Topography	Generally Level	
Access	Average	
Exposure	Average	



**COMMERCIAL LAND**

**ANALYSIS INFORMATION**

Price	<u>\$/Acre</u>	<u>\$/SF</u>	
Gross	\$204,938	\$4.70	\$0
Net	\$204,938	\$4.70	\$0

**CONFIRMATION**

Name	Confidential	
Company	Confidential	
Source	CoStar	
Date / Phone Number	11/20/2022	Confidential

**REMARKS**

48 Acres. Recorded in September of 2021 for a sales price of \$9,837,000.

**COMPARABLE 3**

**LOCATION INFORMATION**

Name Prose Fairview - Site  
 Address 3655 Fairview Road  
 City, State, Zip Code Covington, GA, 30016  
 County New ton  
 MSA Atlanta-Sandy Springs-Alpharetta, GA  
 APN 0025 042B, 0025 043B

**SALE INFORMATION**

Buyer Alliance Realty Partners, LLC  
 Seller Covington 35, LLC  
 Transaction Date 09/24/2020  
 Transaction Status Recorded  
 Transaction Price \$4,025,000  
 Analysis Price \$4,025,000  
 Rights Transferred Fee Simple  
 Financing All Cash  
 Conditions of Sale Arms-Length

**PHYSICAL INFORMATION**

Intended Use Garden  
 Frontage Average  
 Site Size Acres SF  
     Net 36.16 1,575,130  
     Gross 36.16 1,575,130  
 Zoning RMF  
 Development Potential 318  
 Density 8.8  
 Shape Irregular  
 Topography Rolling  
 Access Average  
 Exposure Average



**PROSE FAIRVIEW - SITE**

**ANALYSIS INFORMATION**

Price	\$/Acre	\$/SF	\$/Site
Gross	\$111,311	\$2.56	\$12,657
Net	\$111,311	\$2.56	\$12,657

**CONFIRMATION**

Name Confidential  
 Company Confidential  
 Source Purchase Contract  
 Date / Phone Number 06/25/2021 Confidential

**REMARKS**

This piece of land is for the development of Prose Fairview , a proposed garden style multifamily property that w ill contain 318 units. This piece of land was sold on September 24, 2020 for \$4,025,000.

LAND SALES ADJUSTMENT TABLE				
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
<b>Name</b>	Riverside Estates	3655 Fairview Rd	Commercial Land	Prose Fairview -
<b>Address</b>	1891 Access	3655 Fairview Rd	000 Alcovy Cir	3655 Fairview
<b>City</b>	Covington	Covington	Covington	Covington
<b>Acres</b>	42.06	43.03	48.00	36.16
<b>Location</b>	Average/Good	Average/Good	Average/Good	Average/Good
<b>Exposure</b>	Average	Average	Average	Average
<b>Access</b>	Average	Average	Average	Average
<b>Shape</b>	Irregular	Irregular	Irregular	Irregular
<b>Site Utility Rating</b>	Average	Average	Average	Average
SALE INFORMATION				
<b>Date</b>		9/13/2021	9/30/2022	9/24/2020
<b>Status</b>		Recorded	Recorded	Recorded
<b>Rights Transferred</b>		Fee Simple	Fee Simple	Fee Simple
<b>Analysis Price</b>		\$4,025,000	\$9,837,000	\$4,025,000
<b>Price/Acre</b>		\$93,539	\$204,938	\$111,311
TRANSACTIONAL ADJUSTMENTS				
<b>Property Rights</b>		0%	0%	0%
<b>Financing</b>		0%	0%	0%
<b>Conditions of Sale</b>		0%	0%	0%
<b>Expenditures After the Sale</b>		0%	0%	0%
<b>Market Conditions<sup>1</sup></b>		5%	0%	9%
<b>Subtotal Transactional Adj Price</b>		\$98,216	\$204,938	\$121,329
PROPERTY ADJUSTMENTS				
<b>Location</b>		0%	0%	0%
<b>Size</b>		0%	0%	0%
<b>Exposure</b>		0%	0%	0%
<b>Access</b>		0%	0%	0%
<b>Shape</b>		0%	0%	0%
<b>Site Utility Rating</b>		0%	0%	0%
<b>Subtotal Property Adjustment</b>		0%	0%	0%
<b>TOTAL ADJUSTED PRICE</b>		<b>\$98,216</b>	<b>\$204,938</b>	<b>\$121,329</b>
<b>STATISTICS</b>	<b>UNADJUSTED</b>	<b>ADJUSTED</b>		
<b>LOW</b>	\$93,539	\$98,216		
<b>HIGH</b>	\$204,938	\$204,938		
<b>MEDIAN</b>	\$111,311	\$121,329		
<b>AVERAGE</b>	\$136,596	\$141,494		

<sup>1</sup> Market Conditions Adjustment: 4%

Date of Value (for adjustment calculations): 11/18/22

**LAND SALES ANALYSIS**

**Introduction**

The comparable land sales indicate an adjusted value range from \$98,216 to \$204,938/Acre, with a median of \$121,329/Acre and an average of \$141,494/Acre. The range of total gross adjustment applied to the comparables was from 0% to 9%, with an average gross adjustment across all comparables of 5%. The level of total adjustments applied to the comparables are considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible opinion of land value. The adjustment process for each comparable land sale is discussed in the following paragraphs.

**Discussion of Adjustments**

Comparable 1 (\$98,216/Acre as adjusted) required a total upward transaction adjustment of 5%. A time value adjustment is made for the sale.

Comparable 2 (\$204,938/Acre as adjusted) did not require any transaction adjustments.

Comparable 3 (\$121,329/Acre as adjusted) required a total upward transaction adjustment of 9%. A time value adjustment is made for the sale.

Comparable 4 (\$97,281/Acre as adjusted) required a total upward transaction adjustment of 4%. A time value adjustment is made for the sale.

**LAND VALUE CONCLUSION**

The comparable land sales indicate an adjusted value range from \$98,216 to \$204,938/Acre, with a median of \$121,329/Acre and an average of \$141,494/Acre. Based on the results of the preceding analysis, Comparable 1 (\$98,216/Acre adjusted), and Comparable 3 (\$121,329/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.

<b>CALCULATION OF LAND VALUE</b>									
<b>COMP</b>	<b>ANALYSIS PRICE</b>	<b>ADJUSTMENT</b>				<b>NET ADJ %</b>	<b>GROSS ADJ %</b>	<b>OVERALL COMPARISON</b>	
		<b>TRANSACTIONAL<sup>1</sup></b>	<b>ADJUSTED</b>	<b>PROPERTY<sup>2</sup></b>	<b>FINAL</b>				
1	\$93,539	5%	\$98,216	0%	<b>\$98,216</b>	5%	5%	PRIMARY	
2	\$204,938	0%	\$204,938	0%	<b>\$204,938</b>	0%	0%	SECONDARY	
3	\$111,311	9%	\$121,329	0%	<b>\$121,329</b>	9%	9%	PRIMARY	
<b>LOW</b>	<b>\$98,216</b>					<b>AVERAGE</b>		<b>\$141,494</b>	
<b>HIGH</b>	<b>\$204,938</b>					<b>MEDIAN</b>		<b>\$121,329</b>	
<b>COMPONENT</b>		<b>SUBJECT ACRES</b>		<b>\$/ACRE CONCLUSION</b>			<b>VALUE</b>		
<b>TOTAL PROPERTY</b>		<b>42</b>		<b>x \$120,000 =</b>			<b>\$5,050,000</b>		

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

Rounded to nearest \$25,000

## 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 RV park/campground 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 conduct 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 standard 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 and Prospective Value Upon Completion 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**

<b>VALUATION INDICES</b>	<b>MARKET VALUE AS-IS</b>	<b>PROSPECTIVE VALUE UPON COMPLETION</b>
<b>INTEREST APPRAISED</b>	LEASED FEE	LEASED FEE
<b>DATE OF VALUE</b>	NOVEMBER 18, 2022	NOVEMBER 30, 2023
Sales Comparison Approach	\$17,225,000	\$17,450,000
Income Approach	\$17,450,000	\$17,675,000
<b>FINAL VALUE CONCLUSION</b>	<b>\$17,225,000</b>	<b>\$17,675,000</b>
\$/RV Site	\$56,291/RV Site	\$57,761/RV Site
Exposure Time	Six Months or Less	Six Months or Less
Marketing Period	Six Months or Less	Six Months or Less
<b>OTHER CONCLUSIONS</b>	<b>AS OF NOVEMBER 18, 2022</b>	
Land	\$5,050,000	
Insurable Replacement Cost	\$850,000	
Actual Cash Value (Buildings in Flood Zone Only)	\$286,000	



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.
- › J. Robert Black III, MAI, MICP has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Nancy Caniff has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- › 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.
- › J. Robert Black III, MAI, MICP did not inspect the property that is the subject of this report. Nancy Caniff inspected the property that is the subject of this report.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

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

As of the date of this report J. Robert Black III, MAI, MICP completed the continuing education program for Designated Members of the Appraisal Institute. As of the date of this report J. Robert Black III, MAI, MICP and Nancy Caniff have completed the Standards and Ethics Education Requirement for (Candidates or Practicing Affiliates) of the Appraisal Institute.



November 30, 2022

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 Certified General Real Estate Appraiser  
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 bob.black@colliers.com

Date



November 30, 2022

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 Senior Valuation Specialist  
 Certified General Real Estate Appraiser  
 State of Georgia License #330330  
 +1 904 316 2124  
 nancy.caniff@colliers.com

Date

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

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

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

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

Insurable Replacement Cost and Actual Cash Value  
Engagement Letter  
P&L Statements  
Purchase & Sale Agreement  
Subject Data  
Rent Roll  
Valuation Glossary  
Qualifications of Appraisers  
Qualifications of Colliers International Valuation & Advisory Services

**INSURABLE REPLACEMENT COST AND ACTUAL CASH VALUE**

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 charts summarizes the insurable replacement cost estimate, actual cash value and pictures of the buildings within the flood zones:

<b>INSURABLE REPLACEMENT COST</b>									
<b>MARSHALL VALUATION SERVICE DIRECT COST</b>									
<b>COMMON BUILDINGS</b>									
<b>Flood Zone</b>	<b>Zone X</b>	<b>Zone X</b>	<b>Zone X</b>	<b>Zone X</b>	<b>Zone X</b>	<b>Zone AE</b>	<b>Zone AE</b>	<b>Zone X (Shaded)</b>	
Number of Buildings	8								
Gross Building Area	6,825 SF	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
MVS Building Type	Utility	Utility	Office	Utility	Office	Utility	Bath House	Utility	
Number of Stories	1	1	1	1	1	1	1	1	1
Height per Story	12'	9'	9'	10'	9'	9'	12'	9'	
Component Description	1-Commercial Building	2-Storage Building	3-Office / Clubhouse	4-Storage Building	5-RV Office	6-Storage Building	7-Bath House	8- Storage Building	
MVS Section/Page/Class	17/12/D	17/12/D	15/17/C	17/12/D	17/14/C	17/12/D	18/21/C	17/12/D	
MVS Publication Date	May-21	May-21	Nov-21	May-21	May-21	May-21	Feb-21	May-21	
Quality Rating	Average	Average	Average	Average	Average	Average	Average	Average	
Component SF (Gross)	1,250	400	1,800	400	525	350	1,500	600	
<b>Base Cost (Per SF)</b>	<b>\$23.10</b>	<b>\$23.10</b>	<b>\$144.00</b>	<b>\$34.50</b>	<b>\$68.50</b>	<b>\$34.50</b>	<b>\$168.00</b>	<b>\$23.10</b>	
<b>COST MULTIPLIERS</b>									
Current Cost Multiplier	1.26	1.26	1.12	1.28	1.28	1.27	1.27	1.28	
Local Multiplier	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	
<b>DIRECT COSTS PER SF</b>	<b>\$28.23</b>	<b>\$28.23</b>	<b>\$156.44</b>	<b>\$42.84</b>	<b>\$85.05</b>	<b>\$42.50</b>	<b>\$206.96</b>	<b>\$28.68</b>	
Component SF (Gross)	1,250	400	1,800	400	525	350	1,500	600	
<b>TOTAL REPLACEMENT COST NEW</b>	<b>\$40,585</b>	<b>\$12,987</b>	<b>\$323,834</b>	<b>\$19,704</b>	<b>\$51,349</b>	<b>\$17,106</b>	<b>\$357,005</b>	<b>\$19,790</b>	
<b>BASE IMPROVEMENT COST</b>	<b>\$842,360</b>								
<b>Demolition</b>	7%	<b>\$58,965</b>							
<b>Insurable Replacement Exclusions</b>	7%	<b>(\$58,965)</b>							
<b>Insurable Replacement Cost</b>		<b>\$850,000</b>							

<sup>1</sup>Colliers International Estimate

Rounded to nearest \$25,000

**ACTUAL CASH VALUE - BUILDINGS IN ZONE AE****MARSHALL VALUATION SERVICE DIRECT COST****COMMON BUILDINGS**

Flood Zone	Zone AE	Zone AE
	5	7
MVS Building Type	Utility	Restroom
Number of Stories	1	1
Height per Story	9'	12'
Component Description	5-RV Office	7-Bath House
MVS Section/Page/Class	17/12/C	18/21/C
MVS Publication Date	May-21	Feb-21
Quality Rating	Average	Average
Component SF (Gross)	525	1,500
<b>Base Cost (Per SF)</b>	<b>\$68.50</b>	<b>\$168.00</b>
<b>COST MULTIPLIERS</b>		
Current Cost Multiplier	1.28	1.27
Local Multiplier	0.97	0.97
<b>DIRECT COSTS PER SF</b>	<b>\$85.05</b>	<b>\$206.96</b>
Component SF (Gross)	525	1,500
<b>TOTAL REPLACEMENT COST NEW</b>	<b>\$51,349</b>	<b>\$357,005</b>
<b>BASE IMPROVEMENT COST</b>	<b>\$408,353</b>	
<b>Depreciation</b>	-30%	<b>(\$122,506)</b>
<b>ACTUAL CASH VALUE - BUILDINGS IN ZONE AE</b>	<b>\$286,000</b>	

<sup>1</sup>Colliers International Estimate

Rounded to nearest \$1,000

PICTURES OF ALL BUILDINGS



COMMERCIAL BUILDING (1)



STORAGE BUILDING (2)



OFFICE/CLUBHOUSE (3)



STORAGE BUILDING (4)



RV OFFICE (5)



STORAGE BUILDING (6)





**BATH HOUSE (7)**



**STORAGE BUILDING (8)**





10-28-2022

Bruce Nell  
Colliers  
8800 Lyra Dr#650  
Columbus, OH 43240

Subject: Appraisal Report  
**Property Type:** Manufactured housing community and RV park  
1891 Access Rd  
Covington, GA 30014

Bruce Nell:

The following is our request for appraisal services in the form of an engagement letter. Please review the terms of this request and if you agree, sign, scan, and return via email to [appraisals@fivestarb.com](mailto:appraisals@fivestarb.com).

### **GENERAL TERMS**

This letter is for professional appraisal services and represents your authorization to prepare an independent appraisal report for Five Star Bank. Five Star Bank is the client and the intended user of the report. The intended use of the appraisal involves a federally regulated real estate loan transaction. Therefore, you shall perform this report as an independent contractor and not as an employee/partner, principal, or agent of Five Star Bank. The appraisal assignment involves the **Leased Fee** interest in the above-referenced subject property.

### **Values Requested:**

- As-Is Market Value
- Prospective Value Upon Completion
- Prospective Value Upon Stabilization
- Insurable Value (SPECIFY IF IN A FLOOD ZONE)
- Land Value

**Insurable Values:**

For regulatory purposes, a “building” is defined as a walled and roofed structure, other than a gas or liquid storage tank, that is principally above ground and affixed to a permanent site.

Please indicate whether all structures on the property are affixed to a permanent site and provide an “Insurable Replacement Cost” value for each one individually. The appraisal **MUST** include a site map with the location of all permanent structures labeled. Please include clear photos and detailed descriptions of each permanent structure in the report.

For properties in a flood zone:

In addition to the requirements above, for structures in a Special Flood Hazard Area (SFHA), please provide the “Actual Cash Value” individually for each 1-4 family residential structure, multifamily and/or commercial structure, and the “Replacement Cost Value” for each principal dwelling.

**Special Request Related to Marijuana Activity:**

Five Star Bank will not finance properties if marijuana is grown, processed, or sold on the premises. This includes any products containing THC (for example “edibles”). Please notify the Bank immediately if any such activity is observed on the property and cease all appraisal activities until the Bank can determine if the assignment can continue. If the circumstance results in the Bank cancelling the assignment, the appraiser will be compensated for all costs incurred to that point.

**Fees and Delivery Time:**

The fee for appraisal services rendered shall be **\$6,500.00**. The date of completion shall be on or before **11-18-2022**. Unless an extension is approved by an officer of this bank, a fee of \$100.00 may be deducted from the stipulated fee for this assignment for each day that the report is late.

**COMPLETE SCOPE APPRAISAL REQUIREMENTS**

The appraisal must conform to, and satisfy, the requirements of the regulations adopted by the Federal Deposit Insurance Corporation in order to comply with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) as well as the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with the USPAP effective January 1, 2018, the scope of work must always be sufficient to produce credible assignment results. Further, it is the appraiser's responsibility to ensure that the scope of work performed is sufficient and not misleading. At a minimum, the scope of work for this assignment is as follows:

1. The appraisal report must include a section that outlines the scope of work that was performed.
2. Disclosure of Competency - This appraisal report shall make an affirmative statement that the appraiser is competent to complete this report in accordance with the competency provision in the USPAP. In the absence of an affirmative statement, the appraiser must disclose any lack of knowledge and/or experience for this assignment and any necessary steps taken to comply with the competency provision in the USPAP.

3. Defined Market Value - The type of value estimate desired in this report is a **Leased Fee** market value. Definitions of other types of values must be approved by an officer of this institution prior to acceptance of the appraisal report. No alternative definitions are acceptable to this institution.

Market value is defined as 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
  - b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
  - c. A reasonable time is allowed for exposure in the open market;
  - d. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
  - e. 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.
4. A complete interior and exterior inspection of the subject property, indicating how building size and land area were determined.
  5. Analysis of highest and best use as though vacant and as improved or proposed.
  6. Development of all applicable valuation approaches (Cost, Sales Comparison and Income Capitalization). Clear explanation of reasons for exclusion of any approach not deemed applicable. Photographs of the comparable building sales and rentals are required.
  7. Disclosure of tax assessment information; current and forecast property taxes.
  8. Disclosure, analysis and reconciliation of all sales, agreements of sale, offers, options or listings of the subject property within three (3) years prior to the effective date of value; to be discussed within the context of the final opinion of market value.
  9. In addition to conforming to the USPAP, the governing agency's appraisal regulations require that appraisals supporting federally related transactions must:
    - a. Be written and contain sufficient information and analysis to support the regulated institution's decision to engage in the transaction, consistent with the agreed scope of work.

- b. Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units.
- c. Be based upon the definition of market value in the regulation.
- d. Be performed by a state licensed general appraiser in accordance with the regulatory requirements.

**10. A copy of this letter must be included in the appraisal report.**

**11. A copy of the appraiser(s) license(s) must be included in the report**

**12. A copy of the appraiser(s) resume(s)/qualifications must be included in the report**

**13. A copy of the appraiser(s) current Errors and Omissions Insurance policy must be included in the report**

14. Appraiser is to include census track and block as part of the property description

15. A statement is required and must be included in the appraisal report certifying that the appraiser has no direct or indirect interest in the property, that the appraiser has no stake of any sort in the outcome of any decision affecting the property that may be based in whole or in part on the appraisal and that the appraiser has not been influenced by any interested party in determining the estimate of market value.

16. Any additional requirements as discussed with Five Star Bank and/or as noted later in this engagement letter.

Past experience with regulatory authorities suggests that major areas of particular concern are that the appraisal contains recent and appropriate comparables, that market trends are analyzed, and that discounts or deductions for marketing periods are recognized (if applicable). Accordingly, if the opinion of the absorption or exposure time exceeds one year, a discounted cash flow analysis is required to arrive at market value that reflects no more than a one year absorption or exposure term. The date of valuation in all cases must be a current or "As-Is" date, typically the same date as the date of your inspection. The values reported are not to include any upward trending of cash flows.

If the above fairly sets out your understanding of this appraisal assignment and the specifications pertaining thereto, please signify by signing below at the space provided and returning this letter to the undersigned. In the meantime, unless word is received from you to the contrary, we will assume that you are proceeding with the subject assignment as stated.

#### **CLIENT AND INTENDED USER**

Five Star Bank is the client for this report. The appraisal shall be ordered/requested by the Collateral Program Officer (or their designee) and payment shall be made directly from Five Star Bank to the appraiser. All documents furnished to the appraiser from the Bank are to be considered confidential information to the appraiser pursuant to the disclosure requirements in the confidentiality section of the ethics provision and the relevant Statement on Appraisal Standards.

## COMMENTS AND/OR ADDITIONAL REQUIREMENTS

Unless otherwise directed, please provide one (1) electronic copy of the Appraisal Report to Five Star Bank.

*Send the electronic copy to: [Appraisals@fivestarb.com](mailto:Appraisals@fivestarb.com)*

Enclosed are the following documents to be included in the appraisal report.  
(Please erase what is not provided)

- PSA
- Flood Certificate
- Rent roll(s)

## FIVE STAR BANK COLLATERAL VALUATION PROGRAM

*To ensure all appraisal reports yield independent valuation opinions, employees of Five Star Bank are expressly prohibited from making statements to appraisers that would impair their ability to offer unbiased opinions. However, communication between Loan Officers and appraisers is encouraged as long as it relates to the exchange of information necessary to complete the assignment. This typically includes preliminary title reports, sales contracts, leases, and financial statements. It may also include information related to comparable transactions, offered to the appraiser for his or her consideration. Five Star Bank's Collateral Valuation Program Officer (the undersigned) is responsible for addressing issues such as report quality, timeliness and appraise/employee conduct. If you wish to discuss the conduct of a Five Star Bank employee related to this assignment, please contact me directly.*

## SUBJECT PROPERTY ACCESS

Please contact **Kris Parkes** at **916-390-0176** or [kris@theboavidagroup.com](mailto:kris@theboavidagroup.com) to arrange a site visit or for additional information/documentation.

Sincerely,



Eimy Valadez - Robledo  
Five Star Bank  
3100 Zinfandel Dr, Suite 100  
Rancho Cordova, CA 95670  
916-626-5028

Acceptance of the terms of this engagement letter:

Bruce Nell

By:  \_\_\_\_\_

Name: Bruce Nell

Date: 10/31/2022



**FSP Covington, LLC**  
**Profit and Loss by Month**  
 January - December 2021

	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Total
<b>Income</b>													
4010 Lot Rent					84,494.70	103,131.05	88,509.99	59,638.38	45,234.78	54,871.51	47,441.68	56,780.74	540,102.83
4020 Monthly Campsite Rent							14,359.19	40,572.50	46,679.00	44,618.38	40,636.00	39,770.00	226,635.07
4030 Campsite Additional Charges							380.00	2,896.00	-499.00	-712.00	-428.25	-2,195.75	-559.00
4040 Retail Store Sales								42.70	169.52	405.02	638.54		1,282.39
4050 Cancellation Fees								85.60	30.00			85.60	201.20
4110 Other rental income					125.00	225.00	25.00	50.00					425.00
4130 Late Fees						200.00	200.00	700.00	500.00	300.00	300.00	400.00	2,600.00
4140 Damages					20.00	20.00							40.00
4150 Move-In Fee - NonRefundable												495.00	495.00
4160 Home Sales								5,000.00				500.00	5,500.00
4170 House Payments					935.00	850.00	1,020.00	610.00	225.00				3,640.00
4180 Refunds Given							-214.00	-210.00	-109.00	-837.00			-1,370.00
<b>Total Income</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 85,574.70	\$ 104,426.05	\$ 104,280.18	\$ 109,385.18	\$ 92,230.30	\$ 98,645.91	\$ 88,587.97	\$ 96,362.20	\$ 779,492.49
<b>Gross Profit</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 85,574.70	\$ 104,426.05	\$ 104,280.18	\$ 109,385.18	\$ 92,230.30	\$ 98,645.91	\$ 88,587.97	\$ 96,362.20	\$ 779,492.49
<b>Expenses</b>													
6000 Payroll Expenses													0.00
6010 Salaries and Wages						1,481.44	13,378.00	24,256.35	13,208.00	11,842.77	11,457.54	11,499.54	87,123.64
6020 Payroll Tax Expenses						251.36	1,222.27	2,237.15	1,368.96	1,174.79	1,049.59	1,045.08	8,349.20
6030 Worker's Comp						44.36	197.87	332.41	40.09	78.24	72.90	92.60	858.47
<b>Total 6000 Payroll Expenses</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,777.16	\$ 14,798.14	\$ 26,825.91	\$ 14,617.05	\$ 13,095.80	\$ 12,580.03	\$ 12,637.22	\$ 96,331.31
6070 Employee Appreciation								37.51			64.06		101.57
6080 Contractors							4,500.00						4,500.00
6110 Bank Charges & Fees					36.75		120.05	115.50	159.00	15.00	199.00	35.00	680.30
6120 Merchant Fees					1.25	154.34	375.25	450.41	570.66	684.37	814.48	608.92	3,659.68
6130 Reservation System						2,210.60		750.60			752.20		3,713.40
6140 Car & Truck							84.66	104.64	159.59	218.32	35.30	40.00	642.51
6150 Marketing & Advertising							717.00	180.00	717.00	299.00	299.00	749.00	2,961.00
6160 Activities and Events								46.67			126.96		173.63
6170 Items for resale								457.14	339.30	1,434.76	484.08	877.39	3,592.67
6180 Insurance									-12,519.55	4,698.00	13,021.64		5,200.09
6200 Repair & Maintenance													0.00
6210 Lawn Maintenance								4,525.18	2,750.00		1,500.00	1,500.00	10,275.18
6220 Maintenance Supplies					45.30		347.26	1,622.83	1,077.44	2,306.17	1,242.88	3,515.56	10,157.44
6230 Repairs & Maintenance						2,509.65	3,054.45	4,386.62	296.25	2,068.15	8,950.22	6,494.47	27,759.81
<b>Total 6200 Repair &amp; Maintenance</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 45.30	\$ 2,509.65	\$ 3,401.71	\$ 10,534.63	\$ 4,123.69	\$ 4,374.32	\$ 11,693.10	\$ 11,510.03	\$ 48,192.43
6300 Office/General Administrative Expenses													0.00
6310 Office Supplies					77.25		150.61	1,023.27	29.95			98.13	1,379.21
6320 Software						200.00				43.40			449.40
6350 Other office expenses					142.64		382.32	31.32	40.76				597.04
6360 Accounting Software								35.00	8.70	160.00	56.00	56.00	315.70
6375 Membership Fee										495.00		477.60	972.60
<b>Total 6300 Office/General Administrative Expenses</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 77.25	\$ 342.64	\$ 532.93	\$ 1,089.59	\$ 285.41	\$ 698.40	\$ 56.00	\$ 631.73	\$ 3,713.95
6380 Meals & Entertainment								63.95			17.28	19.01	100.24
6390 Other Business Expenses									1,071.00			99.55	1,170.55
6400 Legal and Professional Services													0.00
6410 Payroll Service							169.98	148.45	142.41	97.43	94.94	94.94	748.15
6420 Other Professional Fees					401.40	352.80	1,951.85	176.40	1,391.96	806.82	368.78		5,450.01
6430 Accounting & Tax Service										945.00			945.00
6440 Legal fees										1,275.00			1,275.00
<b>Total 6400 Legal and Professional Services</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 401.40	\$ 522.78	\$ 2,100.30	\$ 318.81	\$ 1,489.39	\$ 3,121.76	\$ 463.72	\$ 463.72	\$ 8,418.16
6700 Utilities													0.00
6710 Garbage						2,430.81	892.81	3,968.81	2,430.81	2,430.81	2,430.81	2,430.81	17,015.67
6720 Internet & Phone					64.00	627.29	64.42	522.66	352.68	352.68	488.04	631.64	3,103.41
6730 Electric					9,210.00		12,631.11	15,205.39	15,497.40	14,858.01	11,110.04	9,701.15	88,213.10
6740 Gas & Propane						766.94	283.73	275.03	249.78	282.49			2,156.06
6750 Water & Sewer											43.73	2,370.75	2,414.48
<b>Total 6700 Utilities</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,274.00	\$ 3,825.04	\$ 13,872.07	\$ 19,971.89	\$ 18,530.67	\$ 17,923.99	\$ 14,072.62	\$ 15,432.44	\$ 112,902.72
Taxes & Licenses													0.00
6810 Eviction Fees								94.00		188.00	426.00		708.00
<b>Total Taxes &amp; Licenses</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 94.00	\$ 188.00	\$ 426.00	\$ 0.00	\$ 0.00	\$ 708.00
Travel													0.00
6811 Meals						64.47	335.50	293.94	247.92	88.15			1,029.98
6812 Lodging						575.05	1,054.40	1,236.58	1,355.69		676.11		4,897.83
6813 Other travel expenses							188.40	3,440.81	67.50		70.01	212.73	3,979.45
<b>Total Travel</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 639.52	\$ 1,578.30	\$ 4,971.33	\$ 1,671.11	\$ 88.15	\$ 746.12	\$ 212.73	\$ 9,907.26
<b>Total Expenses</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,434.55	\$ 11,866.35	\$ 40,502.89	\$ 67,700.07	\$ 30,137.74	\$ 45,207.50	\$ 58,509.63	\$ 43,316.74	\$ 306,669.47
<b>Net Operating Income</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 76,140.15	\$ 92,559.70	\$ 63,777.29	\$ 41,685.11	\$ 62,092.56	\$ 53,438.41	\$ 30,078.34	\$ 53,045.46	\$ 472,823.02
<b>Other Expenses</b>													
8020 Management Fee						3,931.80	1,990.90	3,780.80	4,131.80	4,090.30	4,020.80	3,994.80	25,941.20
<b>Total Other Expenses</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,931.80	\$ 1,990.90	\$ 3,780.80	\$ 4,131.80	\$ 4,090.30	\$ 4,020.80	\$ 3,994.80	\$ 25,941.20
<b>Net Other Income</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,931.80	\$ 1,990.90	\$ 3,780.80	\$ 4,131.80	\$ 4,090.30	\$ 4,020.80	\$ 3,994.80	\$ 25,941.20
<b>Net Income</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 76,140.15	\$ 88,633.90	\$ 61,786.39	\$ 37,904.31	\$ 57,960.76	\$ 49,348.11	\$ 26,057.54	\$ 49,050.66	\$ 446,881.82



Riverside Estates - 1891 Access Rd Covington, GA

Aquisition summary	Per space	
Purchase price	16,750,000	58,566
Additional capital	363,250	1,270
<b>Total investment</b>	<b>17,113,250</b>	<b>59,837</b>

Number of spaces	Total	Occupied	Vacant	Vacancy %
MH	136	131	5	4%
RV	150	147	3	2%
<b>Total</b>	<b>286</b>	<b>278</b>	<b>8</b>	<b>3%</b>

Monthly operating budget	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Monthly rental rate by category</b>					
MH	476	516	556	596	636
RV	600	624	649	675	702

Gross rental income by category					
MH	64,736	70,176	75,616	81,056	86,496
RV	90,000	93,600	97,344	101,238	105,287
	-	-	-	-	-
<b>Vacancy Loss</b>	<i>Vac. Sp=7</i>	<i>Vac. Sp=7</i>	<i>Vac. Sp=7</i>	<i>Vac. Sp=7</i>	<i>Vac. Sp=7</i>
MH	(3,237)	(3,509)	(3,781)	(4,053)	(4,325)
RV	<i>Vac. Sp=8</i>	<i>Vac. Sp=8</i>	<i>Vac. Sp=8</i>	<i>Vac. Sp=8</i>	<i>Vac. Sp=8</i>
	(4,500)	(4,680)	(4,867)	(5,062)	(5,264)

Other income					
Electric		14,514	14,804	15,100	15,402
Gas/propane					
Trash					
Water/Sewer	2,223	2,268	2,313	2,359	2,406
Other					
<b>Total Income (monthly)</b>	<b>149,237</b>	<b>172,383</b>	<b>181,443</b>	<b>190,653</b>	<b>200,017</b>

Monthly Expenses					
Salary Exp	11,467	11,696	11,930	12,169	12,412
Payroll Taxes	162	166	169	172	176
Workers Comp	57	58	60	61	62
Electric	15,810	16,126	16,449	16,778	17,113
Gas/Propane					
Trash	3,584	3,656	3,729	3,804	3,880
Sewer	917	936	955	974	993
Water	3,767	3,842	3,919	3,997	4,077
Phone/Cable/Internet	90	92	94	96	97
Auto expense & travel	208	213	217	221	226
Maintenance / Capital Reserve (\$150 per space / year)	3,575	3,647	3,719	3,794	3,870
Outside Services -plumbing, electrical, etc	833	850	867	884	902
Landscape, maintenance & supplies	2,999	3,059	3,120	3,182	3,246
Property Taxes (Add Description of Assumptions)	8,333	8,500	8,670	8,843	9,020
Insurance	2,371	2,419	2,467	2,516	2,567
Billing Software	183	186	190	194	198
Legal Expenses	417	425	434	442	451
LLC/LP Tax	283	289	295	301	307
Advertising	-	-	-	-	-
Tax Return Preparation/accounting	204	208	212	217	221
Licenses and Permits	83	85	87	88	90
Banking and Merchant fees (est)	63	64	65	66	68
Office Supplies, Postage, Pager, Printing, dues, subscr,	625	638	650	663	677
Professional Mgmt (\$1,000/mo or 5.0%)	7,462	8,619	9,072	9,533	10,001
<b>Total Expenses</b>	<b>63,495</b>	<b>65,773</b>	<b>67,369</b>	<b>68,995</b>	<b>70,653</b>

Monthly NOI	85,742	106,610	114,074	121,657	129,364
<b>Annual NOI</b>	<b>1,028,902</b>	<b>1,279,321</b>	<b>1,368,893</b>	<b>1,459,889</b>	<b>1,552,370</b>

Debt Service	LTV					
Outstanding loan balance	65%	10,887,500	10,732,623	10,569,888	10,398,899	10,219,235
Payment	Amort	707,191	707,191	707,191	707,191	707,191
Principal	360	154,877	162,734	170,990	179,664	188,778
Interest	Rate	552,314	544,457	536,202	527,527	518,413
Ending balance	5.00%	10,732,623	10,569,888	10,398,899	10,219,235	10,030,457

<b>DSCR</b>	<b>1.45</b>	<b>1.81</b>	<b>1.94</b>	<b>2.06</b>	<b>2.20</b>
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Additional capital needs	
Closing costs	138,250
Landscaping	25,000
Tree work	25,000
Office/clubhouse renovation	75,000
Other capital needs	100,000
<b>Total</b>	<b>363,250</b>

Park Owned Homes	
Total POHs	15
Occupied	15
Vacant	0

Inputs:		
MH annual rate increase	\$40	\$20 year 1 and then \$40 thereafter
RV annual rate increase	4%	
Inflation	2%	
Management fee	5%	
Maintenance/capital reserves	\$150	
MH vacancies filled/year	0	
RV vacancies filled/year	0	
Stabilized occupancy	95%	

## SUMMARY OF TERMS

- PROPERTY:** That certain mobile home and recreational vehicle (“RV”) park development consisting of approximately 33 acres of land, more or less, located at 1891 Access Road, Covington, Georgia, having a Tax Parcel ID of 0043B0000008000, commonly known as Riverside Estates Mobile Home Park (the “MHC”) and Riverside Estates RV Park (the “RV Park”; hereinafter the MHC and RV Park shall be collectively referred to as the “Community”), as more particularly described on Exhibit A attached hereto and made a part hereof, and all rights, privileges and appurtenances pertaining thereto (the “Community Land”), and a vacant undeveloped tract of land located adjacent to the Community containing approximately +/- 8.23 acres near the Community Land (the “Vacant Tract”), as more particularly described on Exhibit A-1 attached hereto and made a part hereof; together with (i) all buildings, improvements and fixtures located on the Community Land with respect to the ownership and maintenance of the Community (collectively, the “Improvements”, and together with the Community, Community Land, collectively hereinafter referred to as the “Real Property”); (ii) those certain manufactured homes located on the MHC owned by Seller at the time of Closing, a description of the homes owned by Seller as of the date hereof is identified on Exhibit B attached hereto and made a part hereof (the “Homes”); (iii) all of Seller's fixtures, machinery, equipment, building supplies, and articles of personal property attached or appurtenant to or used in connection with the Real Property or the Homes (collectively, the “Personal Property”); (iv) all of Seller's right, title and interest as lessor in all leases and occupancy agreements pursuant to which Seller is leasing mobile home and RV pads, the Homes or covering any portion of the Real Property and Improvements (collectively, as amended, the “Leases”); and (v) all of Seller's interest in and to any trademarks and trade names used in connection with the Real Property and/or Improvements, together with Seller's interest in and to any service, maintenance, and utility contracts that Buyer elects to assume and will survive the Closing (the “Contracts”), guaranties, licenses, approvals, certificates, permits, and warranties relating to the Real Property or the Improvements, or other rights relating to the ownership, development, construction, design, use, and operation of the Real Property, to the extent assignable (collectively, the “Intangible Property”) (hereinafter, the Real Property, Homes, Personal Property, Leases, Contracts and Intangible Property is collectively referred to herein as the “Property”).
- PURCHASE PRICE:** Sixteen Million Seven Hundred Fifty Thousand and No/100 Dollars (**\$16,750,000.00**).
- INITIAL DEPOSIT:** One Hundred-Fifty Thousand (**\$150,000.00**) in immediately available funds within three (3) days upon mutual execution of this Agreement.
- INSPECTION PERIOD:** Buyer to have 5:00 p.m. MT on the date that is **thirty (30)** days following the Effective Date to remove inspection contingency.
- FINANCING PERIOD:** Buyer to have 5:00 p.m. MT on the date that is **forty-five (45)** days following the Effective Date to remove loan contingency. At the end of the Financing Contingency, the Initial Deposit shall be non-refundable to Buyer and Buyer shall deposit with Title Company a second deposit (the “**Second Deposit**”) of one hundred thousand (\$100,000.00) in immediately available funds, which shall be non-refundable to Buyer but credited against the Purchase Price at Closing (hereinafter, the Initial Deposit and the Second Deposit shall be collectively referred to herein as the “**Deposit**”).
- CLOSE OF ESCROW; CLOSING; CLOSING DATE:** Escrow and the transactions contemplated by this Agreement shall close on or before the date that is **seventy five (75)** days following the Effective Date.
- BROKERAGE:** Buyer is not represented by a Broker.

## REAL ESTATE PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

**THIS REAL ESTATE PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (this “**Agreement**”) is made to be effective as of this 19th day of September, 2022 (the “**Effective Date**”), by and between **FSP COVINGTON, LLC**, a Georgia limited liability company (“**Seller**”), and **THE BOAVIDA GROUP LP**, a Delaware limited partnership, and its permitted successors and assigns (“**Buyer**”).

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller the Property, subject to the terms and conditions set forth herein. The Summary of Terms attached hereto is an integral part of this Agreement and is hereby incorporated herein by reference. Any capitalized term used but not defined in this Agreement shall have the meaning given such term in the Summary of Terms.

**NOW, THEREFORE**, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

### **TERMS OF SALE:**

- 1. Purchase Price; Deposit:** The Purchase Price shall be paid by Buyer as follows: (a) within three (3) days after the Effective Date, Buyer shall deposit with Stewart Title Guaranty Company (the “**Title Company**” or “**Escrow Agent**”), 55 Madison Street, Suite 400, Denver, Colorado 80206; Attn: April Knott and Carma Weymouth; Email: [April.knott@stewart.com](mailto:April.knott@stewart.com) and [cweymouth@stewart.com](mailto:cweymouth@stewart.com) the Initial Deposit; (b) no later than the last day of the Financing Contingency, Buyer shall deposit with the Title Company the Second Deposit; and (c) the balance of the Purchase Price, less the Deposit paid, and the other credits due to Buyer, shall be paid by Buyer at Closing. The Initial Deposit and Second Deposit shall be placed in escrow by Title Company in an interest bearing bank account for the account of the party who is entitled to receive the Deposit pursuant to the terms of this Agreement. The Deposit will be credited against the Purchase Price upon Close of Escrow.
- 2. Purchase Price:** The Purchase Price shall be deposited in immediately available funds with the Title Company to be paid to the Seller at the Close of Escrow.
- 3. Contingency Period(s):** This Agreement is contingent upon Buyer inspecting the Property and obtaining financing acceptable in its sole discretion within the time stated below. All dates shall be counted from the Effective Date. Buyer to remove the Physical Inspection Contingency (defined below) on or before the expiration of the Inspection Period. Buyer to remove the Financing Contingency (defined below) on or before the expiration of the Financing Period. If, by the time specified in this Agreement, Buyer does not deliver to Seller a written confirmation of the satisfaction or waiver of the applicable contingency or written termination of this Agreement, then this Agreement shall automatically terminate and neither party shall have any further obligations or liability under this Agreement except as expressly provided herein. In such event, Escrow Agent shall promptly refund Deposit to the Buyer

**Physical Inspection Contingency:** Buyer shall have until the expiration of the Inspection Period to ascertain, in Buyer’s sole and exclusive discretion and judgment, whether the Property is suitable for Buyer’s intended development, use, and/or investment objectives. Buyer shall have reasonable access to the Property to conduct Buyer’s investigations provided that Buyer shall coordinate with Seller at least twenty-four (24) hours prior to entering the Property, shall not interfere with any tenants on the Property, and shall repair any damage to the Property caused by Buyer’s investigations to the substantially similar condition that existed immediately prior to said investigations. No invasive testing, drilling, or boring shall be performed without Seller’s prior written approval, in its sole discretion. All investigations and other activities conducted by Buyer shall be performed at its sole

cost and expense, and Buyer shall keep the Property free and clear of any liens which may be asserted against Seller or the Property as a result of Buyer's activities thereon. Buyer agrees to indemnify and hold Seller free and harmless from any loss, cost, claim, action, demand, liability, or expense arising as a result of Buyer's entry on the Property for purposes of conducting Buyer's investigations. Buyer shall maintain, and shall cause all persons and entities entering the Property at Buyer's request to maintain, commercial general liability and property damage insurance in the amount of \$1,000,000 in the aggregate and not less than \$1,000,000 for any injury or death of one or more persons in an occurrence, and not less than \$1,000,000 for damage to tangible property (including loss of use) in an occurrence, and workers compensation insurance for its activities on the Property and covering any accident arising in connection with any such entry or inspections. Such insurance shall name Seller as additional insured. Within five (5) business days of the Effective Date, Buyer shall deliver to Seller, a certificate of insurance evidencing the existence of the aforesaid policies and naming Seller as additional insureds. Buyer's right to inspect shall continue to exist through Close of escrow. The provisions of this paragraph shall expressly survive the termination of this Agreement.

**Financing Contingency:** Buyer(s) agrees to use Buyer(s) best efforts, at Buyer(s) expense, to obtain a new first loan to finance a portion of the Purchase Price at best available prevailing rate and terms. Said loan shall be secured by a new first mortgage or deed of trust on the Property. Buyer(s) shall submit a written application to obtain said loan within **30** calendar days of the Effective Date and shall authorize said lender to confirm in writing to Seller(s) that lender has received said application.

**4. LIQUIDATED DAMAGES:** (THIS LIQUIDATED DAMAGES PARAGRAPH IS APPLICABLE ONLY IF INITIALED HERE BY BOTH PARTIES). BUYER AND SELLER AGREE THAT UPON BUYER'S DEFAULT NOT CAUSED BY SELLER'S BREACH IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS CONTRACT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS CONTRACT. THEREFORE, IF AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR BUYER'S BENEFIT, BUYER BREACHES THIS CONTRACT, SELLER SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT AND TO LIQUIDATED DAMAGES IN THE AMOUNT OF THE DEPOSIT(S). UPON PAYMENT OF THE LIQUIDATED DAMAGES AMOUNT TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER FOR SPECIFIC PERFORMANCE OR OTHERWISE EXCEPT FOR ANY OBLIGATIONS THAT EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT. THIS PROVISION DOES NOT LIMIT, ALTER, DIMINISH OR REPLACE ANY AVAILABLE REMEDIES TO SELLER FOR SURVIVABLE OBLIGATIONS OF BUYER UNDER THIS AGREEMENT.

BUYER(S) INITIALS     *W*                        SELLER(S) INITIALS     JH    

**5. Title Insurance; Survey.** Promptly after the Effective Date, Seller shall cause the Title Company to examine title to the Real Property and to issue to Buyer a commitment for an owner's policy of title insurance (the "**Title Commitment**"). If the Title Commitment (or the Survey obtained under this Section) indicates: (i) that Seller, at Closing, will be unable to convey the Real Property; or (ii) the Real Property is subject to any defects, liens, encumbrances, encroachments, easements, rights of way, covenants, reservations, restrictions, or any other matters that are not acceptable to Buyer, then Buyer, within five (5) business days after its receipt of both the Title Commitment and the Survey (as defined below) but in no event any later than fifteen (15) days before the expiration of the Financing Period, shall give Seller written notice thereof. The matters that are set forth in such written notice are hereinafter referred to as "**Title Objections.**" The cost of the Title Commitment, all title search and abstract fees and the cost of issuance of the standard basic owner's policy shall be shared equally between Buyer and Seller provided that all costs related to extended coverage and all title policy endorsements requested or required by Buyer shall be paid by Buyer. Seller shall notify Buyer within ten (10) days of receipt of the Title Objections (the "**Seller Cure Period**") of its intended action in regard to satisfying or remedying the Title Objections (the "**Seller's Title Notice**"). If Seller elects in writing to satisfy or remedy the Title Objections, but has not so satisfied or remedied all Title Objections as of the expiration of the Financing Period in the manner described in the Seller's Title Notice,

or if Seller elects not to satisfy or remedy all the Title Objections (or if Seller fails to timely provide a Seller's Title Notice), then Buyer may either (i) terminate this Agreement within the earlier of five (5) days following the Seller Cure Period or the expiration of the Financing Period; or (ii) elect to not terminate this Agreement thereby waiving its objection to any uncured Title Objections, in which case Buyer shall proceed to close this transaction without reduction in the Purchase Price; provided, however that Buyer shall have the right to remove such Title Objections, at Buyer's sole cost and expense, which can be cured by payment of a stated sum of money. Notwithstanding the foregoing, Seller shall be responsible for causing the discharge at Closing of any existing deeds of trust, security agreements, ad valorem taxes and assessments constituting a lien against the Property for any years prior to the year of Closing, mechanic's and materialmen's liens for work ordered by, or on behalf of Seller, and Seller judgments, any of which have attached to and become liens against the Property, and Seller may use the Purchase Price proceeds to discharge the same. Any exceptions shown on the Title Commitment to which Buyer does not object as herein provided or any exceptions to which Buyer waives its objections by written notice or by electing not to timely terminate this Agreement as provided above shall be deemed approved by Buyer, and shall be referred to herein as "**Permitted Exceptions**". During the Inspection Period, Buyer may, at Buyer's cost and expense, obtain a survey of the Property (the "**Survey**"). If the Survey (a) is for good cause not acceptable to the Title Company or Buyer; or (b) shows easements, encroachments or other adverse conditions which are not acceptable to Buyer, any such items shall also be "**Title Objections**," subject to the written notice and remedy procedures under this Section 5. Any exceptions shown on the Survey which Buyer does not object to in writing pursuant to this Section and any exceptions to which Buyer waives its objection by written notice or by electing not to timely terminate this Agreement as provided in this Section shall be deemed approved by Buyer and shall be "Permitted Exceptions."

**6. Escrow and Closing:** The Escrow Agent shall handle the escrow and closing of the transactions contemplated by this Agreement. The Closing shall occur on the Closing Date, unless otherwise mutually agreed to by the parties in writing. The parties agree to execute additional escrow instructions that are not inconsistent with these instructions as escrow may reasonably request. The cost of the Title Commitment, all title search and abstract fees and the cost of issuance of the standard basic owner's policy shall be shared equally between Buyer and Seller, and Buyer shall pay all endorsements to title policy, recording of Deeds (as defined below) , sales and transfer taxes and fees for the Homes, and ½ of the escrow fee. Seller shall pay ½ of the escrow fee and transfer tax on the Deeds. All other costs shall be split as per escrow custom between Buyer and Seller. At Closing, title to the Real Property (except the Vacant Tract) shall be conveyed to Buyer at Closing pursuant to a limited warranty deed in substantially the same form as shown on **Exhibit C** attached hereto (the "**Real Property Deed**"). The Vacant Tract was acquired by Seller in 2021 by quitclaim deed, and Seller will convey to Buyer title to the Vacant Tract at Closing pursuant to a quit claim deed in substantially the same form as shown on **Exhibit D** attached hereto (the "**Quit Claim Deed**"; hereinafter, the Real Property Deed and the Quit Claim Deed shall be collectively referred to herein as the "**Deeds**"). At Closing, Seller's right, title and interest in and to the Homes shall be conveyed to Buyer by a manufactured home bill of sale executed by Seller in a form reasonably acceptable to Seller and Buyer (the "**Home Bill of Sale**") and all of Seller's right, title and interest in and to any Home sale agreements and Leases (including RV reservation agreements) shall be transferred to Buyer pursuant to an assignment of leases to be executed by Buyer and Seller in a form reasonably acceptable to Seller and Buyer (the "**Assignment of Leases**"). Seller shall convey the Contracts and the Intangible Property to Buyer at Closing pursuant to a general assignment to be executed by Seller and Buyer in a form reasonably acceptable to Seller and Buyer (the "**General Assignment**"). Seller shall convey the remaining Personal Property to Buyer at Closing pursuant to a bill of sale in a form reasonably acceptable to Seller and Buyer (the "**Bill of Sale**"). Each party shall deliver the respective closing documents referenced in this paragraph to which it is a party to Escrow Agent no later than the Closing Date.

**7. Prorations:** Escrow Agent to prorate all prepaid rents, the current monthly rents, utilities, miscellaneous income, taxes, operating expenses, interest, and prepaid laundry contract fees all for the month of Closing based on the number of days in such month. Any delinquent rents owed to Seller at the Close of Escrow that are received by Buyer after the Closing shall be promptly paid by Buyer pursuant to the terms of this paragraph when collected, and such payment obligation shall expressly survive the Closing. Any delinquent rents paid by tenants after the Close of Escrow to first be applied against the current rent and utilities owed, and any amount above the current monthly rent and utilities, to be applied against the delinquent rent owed to Seller and be paid by Buyer to Seller. All deposits being maintained by Seller at Closing to be assigned and credited to Buyer in full at Closing. The

amount of any bond or assessment which is a lien and not customarily paid with real estate taxes for the year of Closing not then ascertainable, if any, shall be adjusted based on the most recent tax assessment available on record with the county in which the Real Property is located, as of day of Closing. The provisions of this Section 7 shall expressly survive the Closing.

**8. Assignment:** Without being relieved of any liability under this Agreement resulting from Seller's acceptance hereof, Buyer shall have the right to assign this agreement and Buyer's right under it to an entity owned or controlled by Buyer, and provided assignee assumes all of the obligations of Buyer in writing and agrees to execute all documents that Buyer is obligated to execute and that Buyer remains liable hereunder.

**9. Prior Agreements:** The agreement resulting from Seller's acceptance hereof supersedes any and all agreements between the Buyer and Seller hereto regarding the Property which are prior in time to this agreement. Neither Buyer nor Seller shall be bound by any understanding, agreement, promise, representation, or warranty, expressed or implied, not specified in this agreement. Buyer has investigated the property and Seller and Broker are hereby released from all responsibility regarding the valuation thereof.

**10. Exchange:** In the event either Buyer or Seller desires to effect a 1031 or 1033 tax-deferred exchange, which will not delay the closing or cause additional expense or liability to the cooperating party, the Buyer's and/or Seller's rights and obligations under this agreement may be assigned to a qualified intermediary for the purpose of completing the exchange. Buyer and Seller agree to cooperate with each other and the qualified intermediary in a manner necessary to complete the exchange.

**11. Personal Property:** Within 10 days following the Effective Date, Seller shall provide a list of the Personal Property.

**12. Seller Disclosures:** Within 5 days following the Effective Date, Seller shall deliver to Buyer electronic copies, or make available via an online program (i.e., Dropbox), copies of the following documents and materials to the extent in in Seller's possession (collectively, the "**Seller Diligence Materials**"):

- a. Rental Service Agreements: (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration; and (iii) a list of any rent to own contracts or seller carryback loans with balance and payment detail. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.
- b. Income and Expense Statements: The books and records, including a statement of income and expense for the 24 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business and used by Seller in the computation of federal and state income tax returns.
- c. Permits: Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
- d. Miscellaneous Items: Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) any notice of violations of any law filed or issued against the Property.

Buyer acknowledges and agrees that the Seller Diligence Materials that are prepared by third parties will be furnished without any representation or warranty whatsoever from Seller. If this Agreement is terminated for any reason, Buyer shall promptly return the Seller Diligence Materials to Seller.

**13. Possession:** Possession of the Property shall be delivered to Buyer at Closing subject to the rights of tenants in possession.



**14. Warranty of Authority:** The persons executing this Agreement on behalf of Buyer and Seller represent and warrant that each has full power and authority to execute and deliver this Agreement and all documents contemplated hereby and to take all other actions necessary or desirable to complete this transaction on behalf of Buyer or Seller, as applicable, all of which shall be valid and binding on Buyer or Seller, as applicable, without the approval of any person or entity, including any bankruptcy or probate court, or the taking of any other action.

**15. Seller's Representations and Warranties:** Seller hereby represents and warrants, to Seller's actual knowledge, as follows:

- a. Seller agrees to maintain and operate the Property until Close of Escrow in substantially the same physical condition which property was in at time of the Effective Date, in the ordinary course of business, save and except casualty, condemnation and normal wear and tear. Subject to the terms of Section 19, Seller agrees to repair any items that are damaged or become in need of repair during the course of escrow.
- b. From and after the expiration of the Financing Period until the earlier of Closing or termination of this Agreement, Seller shall not rent spaces on any terms or conditions other than the current rent schedule and lease agreements without obtaining Buyer's consent and shall not enter into any lease or vendor agreement that is not cancelable with a 30-day notice. Seller shall not terminate any existing lease or occupancy agreement and will not enter into any sales contracts, rent to own contracts, owner financing contracts or any other similar types of contracts without obtaining Buyer's consent thereto.
- c. Except as disclosed in the Seller Diligence Materials or any environmental assessment or report delivered by Seller to Buyer, Seller has no actual knowledge that: 1) any real property within 2,000 feet of the perimeter of the Property contain any hazardous, toxic or polluting materials ("**Hazardous Materials**") which requires remediation pursuant to any federal, state or local laws governing Hazardous Materials; (2) any person or entity (including Seller) has used, generated, manufactured, stored, treated, discharged, released or disposed of Hazardous Materials on, into, over or under the Property; and (3) the Property contains any underground treatment or storage tanks or water, gas or oil wells or any other underground improvements (unless septic tanks and leech lines are used for sewage disposal).
- d. Except as disclosed in the Seller Diligence Materials or the Title Commitment, Seller has no actual knowledge of any pending condemnation proceedings on the Property, special taxes or special assessments being contemplated by any governmental body, or that the Property is in violation of any law, ordinance, rule or regulation to which the Property is subject.
- e. To Seller's actual knowledge, there are no unrecorded contracts, mechanics liens or other liens, easements, or other agreements related to the Property except as disclosed in writing to Buyer. Furthermore, to Seller's actual knowledge, there are no leases except tenant leases that will be provided to Buyer with Seller diligence materials or as disclosed to writing to Buyer.
- f. Seller has no knowledge of pending or threatened legal actions with regard to the Property except with respect to the Georgia Department of Transportation rebuilding of the bridge on the access road near the entrance of the Community, as more fully described in the Seller Diligence Materials.

From and after the Effective Date and until Closing or earlier termination of this Agreement, if Seller shall become aware of any fact, matter or circumstance which makes any of the herein representations and warranties of Seller no longer true, complete and correct in any material respect then Seller will promptly notify Buyer of same in writing. The representations and warranties set forth hereinabove shall be continuing and shall be true and correct on and as of Closing with the same force and effect as if made at

that time, and all of such representations and warranties shall survive Closing for a period twelve (12) months (the “**Survival Period**”).

**16. Default by Seller; Default by Buyer:** In the event of a default by Seller in the performance or observance of any of Seller’s duties or obligations herein contained, and such default continues beyond the applicable notice and cure period set forth in Section 17, then Buyer may elect to either (i) enforce this Agreement by an action for specific performance to be filed no later than 60 days following the date of default, or (ii) terminate the Agreement within 20 business days following the uncured default and receive an immediate refund of the Deposit. In the event of a default by Buyer in the performance or observance of any of Buyer’s duties or obligations herein contained, and such default continues beyond the applicable notice and cure period set forth in Section 17, then Seller's sole remedy shall be to terminate this Agreement by giving written notice thereof to the Buyer, whereupon the Deposit shall be paid to Seller as liquidated damages as the Seller's sole and exclusive remedy, and neither party shall have any further liability or obligation to the other, except for any provision of this Agreement that is expressly intended to survive the termination of this Agreement. The parties acknowledge and agree that the Seller's actual damages in the event of Buyer's default are uncertain in amount and difficult to ascertain and that said amount of liquidated damages was reasonably determined and is not a penalty.

**17. Notice and Cure Period; Damages:** Notwithstanding anything contained herein to the contrary, in the event either party is in default of any provision hereof, the non-defaulting party, as a condition precedent to the exercise of its remedies, shall be required to give the defaulting party written notice of the same. The defaulting party shall have 3 business days from the receipt of such notice to cure the default. If the defaulting party timely cures the default, then the default shall be deemed waived and this Agreement shall continue in full force and effect. If the defaulting party does not timely cure such default, the non-defaulting party shall be entitled to pursue its remedies as set forth in this Agreement.

**18. Arbitration of Disputes:**

- a. Arbitration Requirement. Any dispute between the parties relating to the interpretation and enforcement of the rights and obligations under this Agreement shall be resolved solely by arbitration in accordance with the provisions of this Section.
- b. Arbitration Procedures. Any such dispute between the parties shall be resolved by arbitration conducted by the Judicial Arbitration and Mediation Services (“JAMS”) in accordance with their commercial arbitration rules then in effect, except as provided below. Any such arbitration shall be held and conducted before one (1) arbitrator who shall be selected by mutual agreement of the parties; provided further that, if an agreement is not reached on the selection of an arbitrator within ten (10) days after a party's written request for arbitration, then such arbitrator shall be appointed by the Presiding Judge of the Superior Court of the County in which the Property is located and where such arbitration is to be conducted. The provisions of the commercial arbitration rules of JAMS shall govern such arbitration subject, however, to the following:
  - i. Any demand for arbitration shall be in writing and must be made within sixty (60) days after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date that institution of legal or equitable proceedings based upon such claim, dispute, or other matter, would be barred by the applicable statute of limitations;
  - ii. The arbitrator shall prepare in writing and provide to the parties factual findings and the reasons on which the decision of the arbitration is based;
  - iii. Final decision by the arbitrator must be made within sixty (60) days from the date the arbitration proceedings are initiated;
  - iv. The award or decision of the arbitrator which may include equitable relief shall be final and judgment may be entered on it in accordance with applicable law in any court having

jurisdiction over the matter.

- c. Exceptions to Arbitration Requirements. The following matters are excluded from arbitration hereunder: (i) a judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales Agreement; (ii) actions for injunctive relief; (iii) an unlawful detainer action; (iv) the filing or enforcement of a mechanic's lien; (v) any matter which is within the jurisdiction of a probate court; or (vi) any matter or obligation that expressly survives the Closing or earlier termination of this Agreement .
- d. No Waiver of Arbitration Rights. The filing of a judicial action shall not constitute a waiver of the right to arbitrate under this Section, if in filing an action, the party at the same time presents to the court an application that the action be stayed pending the arbitration of any dispute claimed to be arbitrable and which is relevant to the action. Moreover, the filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to arbitrate under this Section.

**NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY STATE LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE STATE CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS "ARBITRATION OF DISPUTES" PROVISION IS VOLUNTARY.**

**WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.**

BUYER(S) INITIALS                     

SELLER(S) INITIALS           JH                    

**19. Risk of Loss:** In the event of any material loss, damage or taking of the Property prior to Closing, Buyer may, within ten (10) business days after Buyer receives notice of such loss, damage or taking, terminate this Agreement and upon written termination the Deposit shall be returned to Buyer. In the case of either (a) loss, damage or taking of the Property, prior to the Closing, which is not material; or (b) material loss, damage or taking of the Property prior to Closing, where Buyer does not timely terminate this Agreement in accordance with the first sentence of this section, Buyer and Seller shall proceed to consummate the transactions contemplated hereby in accordance with this Agreement; provided, however, there shall be no reduction in the Purchase Price, and Buyer shall be entitled, in the case of casualty, to receive any proceeds assigned to Seller from the current Property owner's insurance carrier or, in the case of condemnation, to receive the entire award for the Property or the portion thereof so taken if such award is assigned to Seller. Seller shall execute and deliver to Buyer at Closing, all proper instruments for the assignment and collection of such proceeds and awards. For purposes of this section, a loss, damage or taking shall be deemed material if it results in the permanent loss of use of ten percent (10%) or more of the Property.

**20. No Assumption of Seller's Liabilities:** Buyer is acquiring only the Property from Seller and is not the successor of Seller. Buyer does not assume or agree to pay and shall not indemnify Seller or any other person against, any liability, obligation or expense of Seller or relating in any way to the Property except to the extent, if any, expressly and specifically provided for in this Agreement or the closing documents executed and delivered as part of the Closing. Seller agrees to pay all utility bills associated with the Property for expenses incurred through

Close of Escrow.

## 21. General Provisions:

- a. **Time of the Essence.** Time is hereby expressly made of the essence of this Agreement and failure to comply with this provision shall be a material breach of this Agreement. In the event the last date for performance of any obligation or for giving any notice hereunder falls on a Saturday, Sunday or legal holiday of the State where the property is located, then the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.
- b. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which counterparts together shall constitute one and the same instrument.
- c. **Construction.** This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws and judicial decisions of the state the Property is situated applicable to agreements made and to be performed in that state. This Agreement is in all respects intended by each party hereto to be deemed and construed to have been jointly prepared by the parties and the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of Agreement shall govern the interpretation of any uncertainty or ambiguity.
- d. **Binding on Successors.** This Agreement and each and every covenant, condition, and other provisions herein contained shall apply to, be binding upon, and inure to the burden and benefit as may be the case of the respective heirs, administrators, executors, legal representatives, assignees, successors, and agents of the parties hereto.
- e. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and may be modified or amended only by a written instrument executed by all of the parties hereto.
- f. **In the event of any litigation (including Arbitration) with respect to this Agreement, the party hereto who does not substantially prevail shall be responsible for all reasonable costs (e.g., court costs, attorney's fees including upon appeal(s), damages, etc.) incurred by the substantially prevailing party.**
- g. **Email and Facsimile Copies Acceptable.** Buyer and Seller agree that signed email and facsimile copies shall be binding as though original documents.
- h. **Severability.** If any provision of this Agreement or its application to any person or situation, to any extent, shall be held invalid or unenforceable, the remainder of this Agreement, and the application of such provision to persons or situations other than those to which it shall have been held invalid or unenforceable, shall not be affected thereby, but shall continue valid and enforceable to the fullest extent permitted by law.

**22. Broker:** Both Seller and Buyer represent and warrant to each other that they have not dealt with any broker, consultant, finder, or like agent who might be entitled to any compensation in connection with the sale of the Property to Buyer, other than Marcus & Millichap, whose fee will be paid by Seller pursuant to a separate written agreement. Seller and Buyer do each hereby indemnify and agree to hold one another harmless from and against any and all causes, claims, demands, losses, liabilities, commissions, settlements, judgments, damages, expenses and fees (including reasonable attorneys' fees and court costs) which may be asserted or recovered against each other on account of any brokerage fee, commission or compensation arising by reason of Seller's or Buyer's breach of this representation or warranty.

**23. Seller Limitation of Liability.** Seller's post-Closing survivable obligations and Seller's warranties and representations contained in Section 15 of this Agreement and in any document executed by Seller pursuant to this Agreement shall survive Buyer's purchase of the Property only until the expiration of the Survival Period. Seller's liability for breach of any such representation or warranty and any post-Closing survivable obligation shall be limited to claims in excess of \$10,000, and Seller's aggregate liability for claims arising out of such warranties or representations and any post-Closing survivable obligation shall not exceed \$1,000,000.00. Buyer specifically acknowledges that such limitation of liability represents a material element of the consideration to Seller.

**24. As-Is Sale; Disclaimers.** EXCEPT AS SET FORTH IN THIS SECTION 15 AND IN ANY DOCUMENTS DELIVERED BY SELLER AT CLOSING, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE (OTHER THAN SELLER'S WARRANTY OF TITLE SET FORTH IN THE DEED TO BE DELIVERED AT CLOSING) ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, (i) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY, (ii) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE PROPERTY AND (iii) THE MANNER, QUALITY, STATE OR REPAIR OR LACK OF REPAIR OF THE PROPERTY. BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR AGENT OF SELLER EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN SECTION 15 AND IN THE SELLER'S CLOSING DOCUMENTS. BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE BUYER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF BUYER'S CONSULTANTS IN PURCHASING THE PROPERTY. IT IS ACKNOWLEDGED AND AGREED TO BY BUYER THAT BUYER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS BUYER DEEMS NECESSARY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAME. UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INSPECTIONS AND INVESTIGATIONS. BUYER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS," WITH ALL FAULTS EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN THIS SECTION 15 AND IN ANY DOCUMENTS DELIVERED BY SELLER AT CLOSING. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER, ANY AGENT OF SELLER OR ANY THIRD PARTY EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN THIS SECTION 15 OR AS OTHERWISE CONTAINED IN THE CLOSING DOCUMENTS DELIVERED BY SELLER. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING, NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS OR THE DEED. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

**25. Notices.** All notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered upon the receipt by email transmission as evidenced by electronic receipt, or upon the delivery by overnight express delivery service, addressed as follows:

If to Buyer, to:

The BoaVida Group, LLC  
Attention: Eli Weiner  
1910 Terracina Drive  
Sacramento, CA 95834  
Email: [eli@boavidacommunities.com](mailto:eli@boavidacommunities.com)  
CC: [brian@theboavidagroup.com](mailto:brian@theboavidagroup.com)  
CC: [alan@theboavidagroup.com](mailto:alan@theboavidagroup.com)

If to Seller, to:

c/o Solsidan Capital, LLC  
Attention: Jacob Harcrow  
935 Forrest Street, Suite C  
Roswell, Georgia 30075  
Email: [harcrowj@outlook.com](mailto:harcrowj@outlook.com)

With a copy to:

MDH Law Group LLC  
Attention: Michelle McDonald, Esq. and Jennifer Haynes, Esq.  
1001 Bannock Street, Suite 135  
Denver, Colorado 80204  
Email: [mmcdonald@mdhlawgroup.com](mailto:mmcdonald@mdhlawgroup.com) and [jhaynes@mdhlawgroup.com](mailto:jhaynes@mdhlawgroup.com)

If to Escrow Agent, to:

Stewart Title Insurance Company  
55 Madison Street, Suite 400  
Denver, Colorado 80206  
Attn: April Knott and Carma Weymouth  
Email: [April.knott@stewart.com](mailto:April.knott@stewart.com) and [cweymouth@stewart.com](mailto:cweymouth@stewart.com)

or to such other address or to such other person as any party shall designate to the others for such purpose in the manner hereinabove set forth.

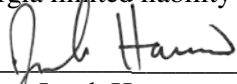
*[Remainder of page left intentionally blank; signatures on following page]*

IN WITNESS WHEREOF, Seller and Buyer have duly executed this Agreement as of the Effective Date hereinabove set forth.

**SELLER:**

**FSP COVINGTON, LLC,**  
a Georgia limited liability company

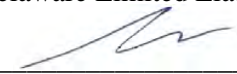
By: Forrest Street Partners II, LLC,  
a Georgia limited liability company, its Manager

By:   
Name: Jacob Harcrow  
Its: Member

**BUYER:**

**THE BOAVIDA GROUP, LP,**  
a Delaware Limited Partnership

By: The BoaVida Group GP, LLC,  
a Delaware Limited Liability Company, its general partner,

By:   
Elias Weiner, Manager

## EXHIBIT A

### Property Description

See below.

TRACT 1:

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOTS 189 AND 196 OF THE 10TH DISTRICT, NEWTON COUNTY, GEORGIA, DESIGNATED AS TRACTS A1-1, A1-2, A1-3, A1-4, A1-5, A2-A, AND A2-B, CONTAINING A TOTAL OF 34.82 ACRES, AND TRACT A-3, CONTAINING 0.20 ACRES, AND TRACT A-4, CONTAINING 0.37 ACRES, ALL ACCORDING TO A BOUNDARY PLAT FOR METRO MOBILE HOME PARKS, LLC, RODDY STURDIVANT, THE COMMUNITY BANK, AND CHICAGO TITLE INSURANCE COMPANY DATED AUGUST 27, 2002, PREPARED BY MATTISON & ASSOCIATES LAND SURVEYORS, JERRY PATRICK WARD, GEORGIA REGISTERED LAND SURVEYOR NO. 2861, SAID TRACTS BEING MORE PARTICULARLY DESCRIBED ACCORDING TO SAID SURVEY AS FOLLOWS:

BEGINNING AT A POINT LOCATED AT THE INTERSECTION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 20 ACCESS ROAD AND THE SOUTHEASTERLY EDGE OF THE YELLOW RIVER, RUN THENCE ALONG SAID RIGHT-OF-WAY LINE OF THE INTERSTATE 20 ACCESS ROAD SOUTH 76 DEGREES 29 MINUTES 39 SECONDS EAST A DISTANCE OF 442.14 FEET TO A POINT; LEAVING SAID RIGHT-OF-WAY LINE, RUN THENCE SOUTH 50 DEGREES 10 MINUTES 53 SECONDS WEST A DISTANCE OF 80.13 FEET TO A POINT; RUN THENCE SOUTH 76 DEGREES 07 MINUTES 21 SECONDS EAST A DISTANCE OF 72.35 FEET TO A POINT; RUN THENCE NORTH 13 DEGREES 55 MINUTES 32 SECONDS EAST A DISTANCE OF 65.95 FEET TO A POINT LOCATED ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 20 ACCESS ROAD; RUN THENCE ALONG THE AFORESAID RIGHT-OF-WAY LINE SOUTH 76 DEGREES 08 MINUTES 28 SECONDS EAST A DISTANCE OF 131.46 FEET TO A POINT; LEAVING SAID RIGHT-OF-WAY LINE, RUN THENCE SOUTH 11 DEGREES 01 MINUTE 55 SECONDS WEST A DISTANCE OF 80.37 FEET TO A POINT; RUN THENCE NORTH 85 DEGREES 23 MINUTES 24 SECONDS WEST A DISTANCE OF 126.42 FEET TO A POINT; RUN THENCE SOUTH 13 DEGREES 22 MINUTES 23 SECONDS WEST A DISTANCE OF 86.04 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 47 MINUTES 52 SECONDS EAST A DISTANCE OF 382.58 FEET TO A POINT; RUN THENCE NORTH 85 DEGREES 40 MINUTES 31 SECONDS EAST A DISTANCE OF 28.60 FEET TO A POINT; RUN THENCE SOUTH 01 DEGREE 14 MINUTES 44 SECONDS EAST A DISTANCE OF 98.91 FEET TO A POINT; RUN THENCE SOUTH 01 DEGREE 20 MINUTES 43 SECONDS EAST A DISTANCE OF 290.52 FEET TO A POINT; RUN THENCE NORTH 85 DEGREES 12 MINUTES 53 SECONDS EAST A DISTANCE OF 114.00 FEET TO A POINT; RUN THENCE SOUTH 01 DEGREE 53 MINUTES 14 SECONDS EAST A DISTANCE OF 75.00 FEET TO A POINT; RUN THENCE SOUTH 85 DEGREES 29 MINUTES 42 SECONDS WEST A DISTANCE OF 113.97 FEET TO A POINT; RUN THENCE SOUTH 01 DEGREE 42 MINUTES 31 SECONDS EAST A DISTANCE OF 324.22 FEET TO A POINT; RUN THENCE SOUTH 01 DEGREE 38 MINUTES 12 SECONDS EAST A DISTANCE OF 597.72 FEET TO A POINT; RUN THENCE SOUTH 01 DEGREE 36 MINUTES 26 SECONDS EAST A DISTANCE OF 615.84 FEET TO A POINT; RUN THENCE SOUTH 86 DEGREES 56 MINUTES 51 SECONDS WEST A DISTANCE OF 244.38 FEET TO A POINT; RUN THENCE NORTH 02 DEGREES 55 MINUTES 24 SECONDS WEST A DISTANCE OF 465.60 FEET TO A POINT; RUN THENCE SOUTH 87 DEGREES 19 MINUTES 31 SECONDS WEST A DISTANCE OF 50.70 FEET TO A POINT; RUN THENCE SOUTH 87 DEGREES 01 MINUTE 46 SECONDS WEST A DISTANCE OF 63.00 FEET TO A POINT; RUN THENCE SOUTH 87 DEGREES 06 MINUTES 46 SECONDS WEST A DISTANCE OF 263.97 FEET TO A POINT; RUN THENCE NORTH 02 DEGREES 59 MINUTES 15 SECONDS WEST A DISTANCE OF 541.21 FEET TO A POINT; RUN THENCE SOUTH 87 DEGREES 21 MINUTES 38 SECONDS WEST A DISTANCE OF 238.90 FEET TO A POINT LOCATED ON THE EASTERLY EDGE OF THE YELLOW RIVER ("POINT A"); RUN THENCE ALONG THE EASTERLY EDGE OF THE YELLOW RIVER ALONG ITS MEANDERING BANK IN A GENERALLY NORTHEASTERLY DIRECTION TO ITS POINT OF INTERSECTION WITH THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 20 ACCESS ROAD, SAID POINT BEING THE TRUE PLACE OR POINT OF BEGINNING ("POINT B"). (AS OF THE DATE OF THIS SURVEY, THE EDGE OF THE BANK OF THE YELLOW RIVER RUNS THE FOLLOWING COURSES AND DISTANCES: FROM POINT A, RUN THENCE NORTH 15 DEGREES 10 MINUTES 18 SECONDS EAST 250.36 FEET; NORTH 19 DEGREES 43 MINUTES 21 SECONDS EAST 455.40 FEET; NORTH 05 DEGREES 19 MINUTES 02 SECONDS WEST 283.24



FEET; NORTH 15 DEGREES 08 MINUTES 10 SECONDS EAST 391.29 FEET; NORTH 12 DEGREES 50 MINUTES 42 SECONDS EAST 389.48 FEET, WHICH POINT IS POINT B.)

## **Exhibit A-1**

### **Vacant Tract:**

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot 189 of the 10<sup>th</sup> District, Newton County, Georgia, designated as Tract A-5, containing 8.23 acres, according to a boundary plat for Metro Mobile Home Parks, LLC, Roddy Sturdivant, the Community Bank, and Chicago Title Insurance Company dated August 27, 2002, prepared by Mattison & Associates Land Surveyors, Jerry Patrick Ward, Georgia Registered Land Surveyor No. 2861, said tract being more particularly described according to said survey as follows:

TO LOCATE THE TRUE PLACE OR POINT OF BEGINNING, commence at a point located at the intersection of the southwesterly right-of-way line of Interstate 20 Access Road and the southeasterly edge of the Yellow River, run thence along said right-of-way line of the Interstate 20 Access Road South 76 degrees 29 minutes 39 seconds East a distance of 442.14 feet to a point; leaving said right-of-way line, run thence South 50 degrees 10 minutes 53 seconds West a distance of 80.13 feet to a point; run thence South 50 degrees 03 minutes 45 seconds West a distance of 32.20 feet to a point; run thence South 08 degrees 15 minutes 52 seconds West a distance of 31.86 feet to a point; run thence South 89 degrees 30 minutes 48 seconds East a distance of 101.95 feet to a point; run thence South 13 degrees 22 minutes 23 seconds West a distance of 86.04 feet to a point; run thence South 03 degrees 47 minutes 52 seconds East a distance of 382.58 feet to a point; run thence North 85 degrees 40 minutes 31 seconds East a distance of 28.60 feet to a point; run thence South 01 degree 14 minutes 44 seconds East a distance of 98.91 feet to a point; run thence South 01 degree 20 minutes 43 seconds East a distance of 290.52 feet to a point; run thence South 01 degrees 53 minutes 14 seconds East a distance of 74.44 feet to a point; run thence South 01 degree 42 minutes 31 seconds East a distance of 324.22 feet to a point; run thence South 01 degree 38 minutes 12 seconds East a distance of 597.72 feet to a point, run thence South 01 degree 36 minutes 26 seconds East a distance of 499.24 feet to a point, said point being the TRUE PLACE OR POINT OF BEGINNING.

FROM THE TRUE PLACE OR POINT OF BEGINNING as thus established, run thence North 83 degrees 39 minutes 05 seconds East a distance of 252.67 feet to a point located on the westerly side of the former right-of-way line of Dollar Circle East; run thence along the former right-of-way line of Dollar Circle East the following courses and distances: South 01 degrees 45 minutes 03 seconds West 768.98 feet; South 14 degrees 34 minutes 57 seconds West 107.16 feet; South 28 degrees 44 minutes 56 seconds West 45.84 feet; South 66 degrees 12 minutes 01 second West 50.70 feet; North 69 degrees 25 minutes 27 seconds West 276.04 feet; North 43 degrees 46 minutes 23 seconds West 100.73 feet; North 04 degrees 14 minutes 05 seconds West 607.38 feet to a point; leaving the aforesaid former right-of-way line of Dollar Circle East, run thence North 86 degrees 56 minutes 51 seconds East a distance of 244.38 feet to a point; run thence North 01 degree 36 minutes 26 seconds West a distance of 116.60 feet to a point, SAID POINT BEING THE TRUE PLACE OR POINT OF BEGINNING.



**EXHIBIT B**

Description of Homes

<b>No.</b>	<b><u>Address</u></b>	<b><u>Serial</u></b>	<b><u>Make/Size</u></b>
1	Lot 63	L35428	Legacy 16x72
2	Lot 31	L35497	Legacy 16x64
3	Lot 69	L35427	Legacy 16x72
4	Lot 5	L35423	Legacy 16x72
5	Lot 81	L35498	Legacy 16x64
6	Lot 66	L35500	Legacy 16x64
7	Lot 28	L35501	Legacy 16x64
8	Lot 134	L35502	Legacy 16x64
9	Lot 4	L35125	Legacy 16x72
10	Lot 89	L35424	Legacy 16x72
11	Lot 43	L35504	Legacy 16x64
12	Lot 24	L35499	Legacy 16x64
13	Lot 141	L35503	Legacy 16x64
14	Lot 32	L35623	Legacy 12x44
15	Lot 129	L35622	Legacy 12x44

**EXHIBIT C**

LIMITED WARRANTY DEED

**After recording return to:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Tax Parcels:** \_\_\_\_\_

LIMITED WARRANTY DEED

STATE OF GEORGIA

COUNTY OF \_\_\_\_\_

THIS DEED is made the \_\_\_\_\_ day of \_\_\_\_\_, in the year two thousand twenty-two (2022) between FSP COVINGTON, LLC, a Georgia limited liability company, as party of the first part, hereinafter called Grantor, and \_\_\_\_\_, as party of the second part, hereinafter called Grantee (the words “Grantor” and “Grantee” to include their respective heirs, successors and assigns where the context requires or permits).

WITNESSETH, that Grantor, for and in consideration of Ten and No/100 (\$10.00) Dollars, and other valuable consideration, in hand paid at and before the sealing and delivering of these presents, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto said Grantee, the property described on **Exhibit “A”** attached hereto and made a part hereof (the “Property”), together with all improvements, fixtures and appurtenances thereunto belonging, or in anywise appertaining.

TO HAVE AND TO HOLD the Property with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the proper use, benefit and behoof of Grantee, subject only to those matters set forth in **Exhibit “B”** attached hereto and by this reference incorporated herein, forever in FEE SIMPLE.

AND Grantor will only warranty and forever defend the right and title to the Property unto

Grantee, its successors and assigns, against the claims of those persons claiming by, through or under Grantor only, but no others.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Grantor has caused this deed to be executed, sealed, and delivered as of the day and year first above written.

Signed, sealed and delivered  
in the presence of

FSP COVINGTON, LLC,  
a Georgia limited liability company

\_\_\_\_\_  
UNOFFICIAL WITNESS

By: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_  
[SEAL]

**EXHIBIT D**

Quit Claim Deed

AFTER RECORDING RETURN TO:

**After recording return to:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Tax Parcels:** \_\_\_\_\_

STATE OF GEORGIA

Cross-Reference to:

COUNTY OF \_\_\_\_\_

**QUIT CLAIM DEED**

THIS INDENTURE, MADE THIS \_\_\_\_ day of \_\_\_\_\_, 2022, by FSP COVINGTON, LLC, a Georgia limited liability company, party of the first part (hereinafter referred to as “Grantor”) and \_\_\_\_\_, party of the second part (hereinafter referred to as “Grantee”).

WITNESSETH: That Grantor for and in consideration of the sum of one (\$1.00) Dollar and other good and valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, has bargained, sold and does by these presents bargain, sell, remise, release, and forever quitclaim to Grantee, its heirs and assigns, all the right, title, interest, claim or demand which Grantor has or may have had in and to the following described property (the “Property”):

- (i) That certain vacant real property legally described on Exhibit A attached hereto and made a part hereof (the “Real Estate”);
- (ii) Any street, road or avenue, open or proposed, in front of or adjoining the Real Estate, or any part thereof, to the centerline thereof, together with all right, title and interest of the Seller in or to the use of any easements or rights-of-way abutting or adjoining the Real Estate and all tenements, hereditaments, privileges and appurtenances thereto belonging or in any way appertaining thereto; and
- (iii) all air, mineral and riparian rights appertaining to the Real Estate.



Together with all the rights, hereditaments and appurtenances to the Property in anywise appertaining or belonging.

TO HAVE AND TO HOLD the Property unto Grantee, its heirs and assigns, so that neither Grantor nor its heirs, nor any other person or persons claiming under Grantor shall at any time, claim or demand any right, title or interest to the Property or its appurtenances.

IN WITNESS WHEREOF, Grantor has hereunto set its hand and affixed its seal as of the day and year above written.

in the presence of

FSP COVINGTON, LLC,  
a Georgia limited liability company

\_\_\_\_\_  
UNOFFICIAL WITNESS

By: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_

[SEAL]



**FIRST AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT AND  
JOINT ESCROW INSTRUCTIONS**

This First Amendment to the Real Estate Purchase Agreement and Joint Escrow Instructions dated 9/19/2022 (as amended, the "Agreement"), by and between **FSP COVINGTON, LLC**, a Georgia limited liability company ("Seller"), and **THE BOAVIDA GROUP LP**, a Delaware limited partnership and/or Assignee ("Buyer") regarding the property commonly known as Riverside Estates Mobile Home Park and Riverside Estates RV Park (the "Property").

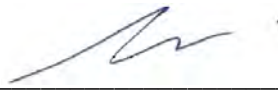
The terms and conditions specified in the Agreement are hereby modified as follows:

- PURCHASE PRICE: Sixteen Million Two Hundred Fifty Thousand and No/100 Dollars (\$16,250,000)
- Buyer hereby waives the Physical Inspection Contingency
- Buyer hereby waives the Financing Contingency
- Per the terms of the PSA, the Initial Deposit shall be non-refundable to Buyer and Buyer shall deposit with Title Company the Second Deposit of one hundred thousand (\$100,000.00) by October 21, 2022, which shall also be non-refundable to Buyer but credited against the Purchase Price at Closing

All other terms and conditions contained in the Agreement and any addenda thereto, not specifically modified herein shall remain unchanged, and in full force and effect. This Amendment may be executed by original signature, facsimile or electronically, and in counterparts, each of which, when taken in aggregate, shall constitute one binding agreement between the parties.

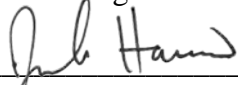
**BUYER:**

**THE BOAVIDA GROUP LP,**  
a Delaware limited partnership

By:  dated: 10/19/2022  
Name: Elias Weiner,  
Title: General Partner, The BoaVida Group GP LLC

**SELLER:**

**FSP COVINGTON, LLC**  
a Georgia limited liability company

By: Forrest Street Partners II, LLC,  
a Georgia limited liability company, Its Manager  
By:   
Name: Jacob Harcrow  
Its: Member

MANUFACTURED HOME COMMUNITY QUESTIONNAIRE

To Community Owner/Property Contact:

We have been hired to appraise the property. Please take a few minutes and complete this questionnaire, which will speed the completion of the appraisal.

Reason for Financing: Acquisition

Project Name: Riverside Estates

Address (please include zip code): 1891 Access Rd Covington GA

**PROJECT:**

Age of Project/Renovations 1970s

Number of home sites: 286

Acreage: 33

Density: \_\_\_\_\_

Tenant Profile: \_\_\_\_\_ % Families

\_\_\_\_\_ % Adult

\_\_\_\_\_ % Adult that are retired

Property History

Year	Occupancy		Rents	
Current	<u>90% - MH</u>	<u>100% - RV</u>	<u>\$ 465 - MH</u>	<u>\$ 600 RV</u>
Last Year	_____	_____	_____	_____
Two Years Ago	_____	_____	_____	_____
Three Years Ago	_____	_____	_____	_____

Is this park in lease up or expanding? (Please Explain) Stable

Nearest Town/City (include closest city in excess of 100,000): Atlanta

What are the largest employers in the area of the park and approximately how many tenants are employed by each: \_\_\_\_\_

Is your project under rent control? No If so, please explain: \_\_\_\_\_

Do you have long term leases? Yes - 12 mos MH and 6 mos RV

How many tenants have signed leases? All Annual Increase: \_\_\_\_\_

Is any of the park on a land lease? No

How many homes in the park are owned by the park? 15

Approximate number of homes currently for sale? 15

Average Sale price for homes in community? Unknown

What is the average age of the homes? 80s/90s

How many are multi section? mostly singles

How many are single section? \_\_\_\_\_

How many spaces will accommodate multi section? unknown

Are any of the park spaces occupied by RV's or park models? No

If so, how many? \_\_\_\_\_ Park Models \_\_\_\_\_ RV's \_\_\_\_\_

What is the asking rent? \$500 MH Single Section \$600 RV ~~Multi Section~~

When are rents expected to increase next? Jan 2023

Are any model homes (income from dealers) in rent roll? No

If so, how many spaces? \_\_\_\_\_

Are there any rent concessions? No If so, please explain: \_\_\_\_\_

When and how much were the historical rent increases for the last 5 years: \_\_\_\_\_

Jan 2022 increase \$125 for RV and \$75 - \$100 for MH

Do the rent increases go into effect on the lease anniversary dates or at a specified date?

Specified date - January

What amenities are offered?

Clubhouse	<u>X</u>	Laundry	<u>X</u>
Pool	<u>X</u>	RV Storage	
Tennis Courts		Lake	
Shuffleboard		Exercise Room	
Golf		Jacuzzi	
Other	_____		

Is the sewer connected to a municipal system? No If not, please explain the type and age of system: Septic system in good working condition

Is the water connected to a municipal system? Yes If not, please explain the type and age of system: \_\_\_\_\_

What is the amperage of the electric/pedestal? (Please select)

60A  100A  150A  200A  Mixed

Is there gas/oil on site? Yes X No \_\_\_\_\_

If yes please select.  Natural  Propane  Heating Oil  N/A

Please Identify the name of the local utility providers and who pays for service:

Service	Utility Provider	Paid by Tenant	Paid by Landlord	Paid by the Landlord & reimbursed by tenant
Electric	<u>Snapping Shoals</u>	<u>X</u>		
Gas	<u>Scana Energy</u>	<u>X</u>		
Water	<u>Newton Co Water</u>			<u>X</u>
Sewer	<u>Septic</u>			
Trash	<u>Burgess &amp; Son</u>		<u>X</u>	
Cable				

Home sites are constructed of: concrete

Does your park have curbs and sidewalks? No

Are the streets paved? Yes

How many cars can park off the street at each home? None Carports? No

Is there guest parking? Yes Where? leasing office How many? \_\_\_\_\_

What would you consider this park?

5 Star  4 Star  3 Star  2 Star

List the 4-5 nearest competitors to your park and their approximate rent range and occupancy percentage:

Community Name	Address	Age	Size	Rent	Occupancy

What is the overall market vacancy? \_\_\_\_\_

**Management:**

Is there a live-in Property Manager? Yes

Who is the on-site manager (Name/Phone number) \_\_\_\_\_?

Is there an on-site management office? Yes

Security Deposit	\$	Application Fee	\$
Late Charges	\$	Early Payment Bonus	\$

**OTHER:**

Do you have a current appraisal? No If so, what is the date of the appraisal and who is it by? \_\_\_\_\_

Do you have an environmental report? No If so, what is the date of the report and who is it by? \_\_\_\_\_

Do you have any oil and gasoline tanks on the property? No

Please identify any additional structures on the property and their use.

Site Built Apartments: \_\_\_\_\_

Retail Store: \_\_\_\_\_

Other: \_\_\_\_\_



## MANUFACTURED HOUSING COMMUNITY INFORMATION REQUEST

The following list details the items we need:

- Detailed operating statements (P&L) for the past 3 years and year to date
- Tenant Rent Roll
- Management Contracts
- Purchase Agreement (if applicable)
- Legal description of Property: including lot dimensions, and any community buildings
- Copy of any site plans or sketches that are readily available
- Details of property ownership history
- Details regarding recent or planned capital improvements
- Most recent tax bill
- Copy of state/county MHC license (if applicable)
- Provide details regarding community construction (if constructed within the last 3 years)
- Provide details regarding lease up (if not stabilized; either historic or anticipated)
- Details regarding other MHCs you may own in the area
- Any additional information relating to the subject property that you think might aid the appraisers in completing the assignment.

Please send these items ASAP to [bob.black@colliers.com](mailto:bob.black@colliers.com) to avoid any delay.

Colliers International  
ATTN: J. Robert Black III, MAI, MICP  
1943 SW 8<sup>th</sup> Court  
Cape Coral, FL 33991  
614.271.4819 (C)  
[bob.black@colliers.com](mailto:bob.black@colliers.com)



VALUATION & ADVISORY SERVICES

# Rent Roll & Recurring Charges

Property: Riverside Estates MHP

As of 08/01/22

Tenant	ID	Unit	Unit Type	Lot	RC	Water+	Total
Riverside Estates MHP							
Pacheco, Itzel	4644	L-004	POH-LEG	495.00	800.00	0.00	1,295.00
Dominguez, Damaris	4864	L-005	POH-LEG	495.00	800.00	0.00	1,295.00
Jackson, Richard	5852	L-024	POH-LEG	495.00	700.00	0.00	1,195.00
Spence, Ramona	6296	L-028	POH-LEG	495.00	700.00	0.00	1,195.00
Glass, Randi	6131	L-031	POH-LEG	495.00	700.00	0.00	1,195.00
Strawn, Ryan	6531	L-032	POH-LEG	495.00	500.00	0.00	995.00
Hunter, Chase	6205	L-043	POH-LEG	495.00	700.00	0.00	1,195.00
Bates, Linda	5210	L-063	POH-LEG	495.00	800.00	0.00	1,295.00
Peshek, Ashley	6518	L-066	POH-LEG	495.00	700.00	0.00	1,195.00
Pattee, Sean	6250	L-069	POH-LEG	495.00	800.00	0.00	1,295.00
Fuller, Kalyn	4873	L-081	POH-LEG	495.00	700.00	0.00	1,195.00
Henry, Lolita	5620	L-089	POH-LEG	495.00	800.00	0.00	1,295.00
Byers, Shelby	4642	L-129	POH-LEG	495.00	500.00	0.00	995.00
Peterson, India	6098	L-134	POH-LEG	495.00	700.00	0.00	1,195.00
Darrisaw, Renata	6238	L-141	POH-LEG	495.00	700.00	0.00	1,195.00
Patton, Jamie	2781	A-24	RV	420.00	0.00	16.97	436.97
Hughes, Cherraine	2765	A-28	RV	420.00	0.00	16.97	436.97
Bailey, Herbert	2788	A-30	RV	420.00	0.00	16.97	436.97
Seanor, James	2789	A-33	RV	420.00	0.00	16.97	436.97
Elem, Tonie	7603	A-34	RV	420.00	0.00	16.97	436.97
Allen, Billy	2925	L-002	TOH	450.00	0.00	16.97	466.97
Diaz, Jose	2926	L-003	TOH	450.00	0.00	16.97	466.97
Vega, Erick	2928	L-006	TOH	450.00	0.00	16.97	466.97
Catalan, Maria	2929	L-007	TOH	450.00	0.00	16.97	466.97
Vazquez, Elizabeth	2930	L-008	TOH	450.00	0.00	16.97	466.97
Rivera, Edwardo	2931	L-009	TOH	495.00	0.00	16.97	511.97
Vega, Araceli	2932	L-010	TOH	450.00	0.00	16.97	466.97
Condado Mayo, Sandr:	2933	L-011	TOH	450.00	0.00	16.97	466.97
Lopez, Armando	2934	L-012	TOH	450.00	0.00	16.97	466.97
Rockwood, Robert	2935	L-013	TOH	450.00	0.00	16.97	466.97
Arroyo-Serranno, Jose	2936	L-014	TOH	450.00	0.00	16.97	466.97
Padovani, Daniel	2937	L-015	TOH	450.00	0.00	16.97	466.97
Avendano, Lazaro	2938	L-016	TOH	450.00	0.00	16.97	466.97
Rodriguez, Amelia	2939	L-017	TOH	450.00	0.00	16.97	466.97
Ortiz, Kimberley	2940	L-018	TOH	450.00	0.00	16.97	466.97
Cervantes, Yuli	2941	L-019	TOH	450.00	0.00	16.97	466.97
Cordova Gonzalez, Ele	2942	L-020	TOH	450.00	0.00	16.97	466.97
Regalado, Gregorio	2943	L-021	TOH	450.00	0.00	16.97	466.97
Carreon-Romero, Virgi	2944	L-022	TOH	450.00	0.00	16.97	466.97
Elizalde, Lilia	2945	L-023	TOH	450.00	0.00	16.97	466.97

Tenant	ID	Unit	Unit Type	Lot	RC	Water+	Total
Esslinger, Gary	2946	L-025	TOH	450.00	0.00	16.97	466.97
Najar, Leonor	2947	L-026	TOH	450.00	0.00	16.97	466.97
Valerio, Alejandro	2948	L-027	TOH	450.00	0.00	16.97	466.97
Lopez, Lina	2949	L-029	TOH	450.00	0.00	16.97	466.97
Ortiz-Borja, Cornelio	2952	L-033	TOH	450.00	0.00	16.97	466.97
Valadez, Javier	2953	L-034	TOH	450.00	0.00	16.97	466.97
Viveros, Olga	2954	L-035	TOH	450.00	0.00	16.97	466.97
Priego-Zacarias, Denni	2955	L-036	TOH	450.00	0.00	16.97	466.97
Andrade, Irene	2956	L-037	TOH	450.00	0.00	16.97	466.97
Soriano, Carla	2957	L-038	TOH	450.00	0.00	16.97	466.97
Valerio, Esdrey	2958	L-039	TOH	450.00	0.00	16.97	466.97
Martinez, Daniel	2959	L-040	TOH	450.00	0.00	16.97	466.97
Saavedra, Perla	2960	L-041	TOH	450.00	0.00	16.97	466.97
Moctezuma, Angel	2961	L-042	TOH	450.00	0.00	16.97	466.97
Mejia, Elsy	2962	L-044	TOH	450.00	0.00	16.97	466.97
Humberto, Melissa	2963	L-045	TOH	450.00	0.00	16.97	466.97
Gonzales, Cordova	2964	L-046	TOH	450.00	0.00	16.97	466.97
Rosecrans, Daniel	2965	L-047	TOH	450.00	0.00	16.97	466.97
Berry, Cynthia	2966	L-048	TOH	450.00	0.00	16.97	466.97
Wiggins, Rodney	2967	L-049	TOH	450.00	0.00	16.97	466.97
Saavedra Contreras, Li	2968	L-050	TOH	450.00	0.00	16.97	466.97
Atkinson, Patricia	2969	L-051	TOH	450.00	0.00	16.97	466.97
Serranno, Joel	2970	L-052	TOH	450.00	0.00	16.97	466.97
Moreno, Nicolas	2971	L-053	TOH	450.00	0.00	16.97	466.97
Hernandez, Diosmar	2972	L-054	TOH	450.00	0.00	16.97	466.97
Gonzales, Salvador	2973	L-055	TOH	450.00	0.00	16.97	466.97
Reyes, Luis	2974	L-056	TOH	450.00	0.00	16.97	466.97
Moreno, Rosario	2975	L-057	TOH	450.00	0.00	16.97	466.97
Ortiz, Maribel	2976	L-058	TOH	450.00	0.00	16.97	466.97
Sanchez-Amaro, Octav	2977	L-059	TOH	450.00	0.00	16.97	466.97
Gonzalez, Carlos	2978	L-060	TOH	450.00	0.00	16.97	466.97
Sandoval, Javier	2979	L-061	TOH	450.00	0.00	16.97	466.97
Ortiz Esparza, Juan	2980	L-062	TOH	450.00	0.00	16.97	466.97
Azamar-Ramos, Franc	2981	L-064	TOH	450.00	0.00	16.97	466.97
Treadwell, William	2982	L-065	TOH	450.00	0.00	16.97	466.97
Scott, David	2983	L-067	TOH	450.00	0.00	16.97	466.97
Ortiz, Carolina	2984	L-068	TOH	450.00	0.00	16.97	466.97
Hernandez, Veronica	2985	L-070	TOH	450.00	0.00	16.97	466.97
Peralta, Maria	2986	L-071	TOH	450.00	0.00	16.97	466.97
Peralta, Maria	2987	L-072	TOH	450.00	0.00	16.97	466.97
Condado Mayo, Ofelia	2988	L-073	TOH	450.00	0.00	16.97	466.97
Garcia Martinez, Migue	2989	L-074	TOH	450.00	0.00	16.97	466.97
Wright, James (David)	2990	L-075	TOH	450.00	0.00	16.97	466.97
Montes-Castellon, Jose	2991	L-076	TOH	450.00	0.00	16.97	466.97
Carr, Rosa	2992	L-077	TOH	450.00	0.00	16.97	466.97
Chavez, Marta	2993	L-078	TOH	450.00	0.00	16.97	466.97

Tenant	ID	Unit	Unit Type	Lot	RC	Water+	Total
Perez Ramirez, Maria	2995	L-080	TOH	450.00	0.00	16.97	466.97
Najera-Valente, Victor	2996	L-082	TOH	450.00	0.00	16.97	466.97
Gonzalez Torres, Salv	2997	L-083	TOH	450.00	0.00	16.97	466.97
Christina, Maria	2998	L-084	TOH	450.00	0.00	16.97	466.97
Mendez, Saul	2999	L-085	TOH	450.00	0.00	16.97	466.97
Borja, Emilia Ortiz	3000	L-087	TOH	450.00	0.00	16.97	466.97
Lemus, Gabriel	3001	L-088	TOH	450.00	0.00	16.97	466.97
Garcia, Dalia	3003	L-096	TOH	450.00	0.00	16.97	466.97
Correa, Jose	3004	L-097	TOH	450.00	0.00	16.97	466.97
Sandoval, Carlos	3195	L-098	TOH	495.00	0.00	16.97	511.97
Morales-Jimenez, One	3006	L-099	TOH	450.00	0.00	16.97	466.97
Saavedra, Perla	3007	L-110	TOH	450.00	0.00	16.97	466.97
Caldelas Ortiz, Mariel	3008	L-113	TOH	450.00	0.00	16.97	466.97
Ellis, Lori	3009	L-114	TOH	450.00	0.00	16.97	466.97
Faulkner, Debra	3010	L-115	TOH	450.00	0.00	16.97	466.97
Montiel Gomez, Luis	3011	L-116	TOH	450.00	0.00	16.97	466.97
Cardona Diaz, Steven	3564	L-117	TOH	495.00	0.00	16.97	511.97
Sprayberry, Maxine	3013	L-119	TOH	450.00	0.00	16.97	466.97
Beatriz Rodriguez, Aris	3014	L-120	TOH	450.00	0.00	16.97	466.97
Fajardo, Nancy	3015	L-121	TOH	450.00	0.00	16.97	466.97
Tenorio, Erubey	3016	L-122	TOH	450.00	0.00	16.97	466.97
Hernandez, Julio	3017	L-123	TOH	450.00	0.00	16.97	466.97
Sanchez-Garcia, Winst	3018	L-124	TOH	450.00	0.00	16.97	466.97
Andrade, Monica Ayala	3019	L-125	TOH	450.00	0.00	16.97	466.97
Garcia, Olivia	3021	L-126	TOH	450.00	0.00	16.97	466.97
Ponce, Consuelo	3020	L-127	TOH	450.00	0.00	16.97	466.97
Shiple, Alonzo	3022	L-130	TOH	450.00	0.00	16.97	466.97
Hernandez, Leonardo	3024	L-133	TOH	450.00	0.00	16.97	466.97
Mendez, Claudia	3025	L-135	TOH	450.00	0.00	16.97	466.97
Alvarado-Vega, Angelic	3026	L-136	TOH	450.00	0.00	16.97	466.97
Valerio, Lazaro	3027	L-137	TOH	450.00	0.00	16.97	466.97
Collins, Frankie Lee	3028	L-138	TOH	450.00	0.00	16.97	466.97
Marquez Borja, Santos	3029	L-139	TOH	450.00	0.00	16.97	466.97
Condado, Sandra	3030	L-140	TOH	450.00	0.00	16.97	466.97
Penaloza, Jose	3031	L-142	TOH	450.00	0.00	16.97	466.97
Correa, Manuel	3032	L-144	TOH	450.00	0.00	16.97	466.97
Rodriguez, Edward	3033	L-147	TOH	450.00	0.00	16.97	466.97
Ruiz-Morales, Filiberto	3034	L-148	TOH	450.00	0.00	16.97	466.97
Avalos, Bertha	3035	L-149	TOH	450.00	0.00	16.97	466.97
White, Kathy	3036	L-150	TOH	450.00	0.00	16.97	466.97
Property Total				57360.00	10600.00	1883.67	69843.67
Property Counts	126	126		126	15	111	

# Rent Roll & Recurring Charges (Summary)

Totals for 126 Tenants

Charge Type	Description	Customers	% Charged	% of Total \$	Amount
Lot	Lot Rent	126	100.0%	82.1%	57,360.00
RC	Rent Charge	15	11.9%	15.2%	10,600.00
Water+	Water & Sewer	111	88.1%	2.7%	1,883.67
Total receipts:					69,843.67

## Valuation Glossary 2022



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

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

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

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

### **Absolute Net Lease**

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

### **Ad Valorem Tax**

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

### **Arm's-length Transaction**

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

### **As-Is Market Value**

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

### **Assessed Value**

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

### **Average Daily Room Rate (ADR)**

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

### **Band of Investment**

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

### **Cash-Equivalent Price**

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

### **Common Area**

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

### **Contract Rent**

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

### **Cost Approach**

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

### **Curable Functional Obsolescence**

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

### **Debt Coverage Ratio (DCR)**

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

### **Deferred Maintenance**

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

### **Depreciation**

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

### **Direct Costs**

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

### **Discounted Cash Flow (DCF) Analysis**

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

### **Discount Rate**

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

### **Disposition Value**

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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

### **Easement**

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

### **Economic Life**

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

### **Effective Age**

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

### **Effective Date**

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

### **Effective Gross Income (EGI)**

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

### **Effective Gross Income Multiplier (EGIM)**

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

### **Effective Rent**

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

### **Eminent Domain**

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

### **Entrepreneurial Incentive**

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

### **Entrepreneurial Profit**

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

### **Excess Land**

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

### **Excess Rent**

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

### **Expense Stop**

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

### **Exposure Time**

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

### **Extraordinary Assumption**

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

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

### **External Obsolescence**

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

### **Fair Market Value**

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

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

### **Feasibility Analysis**

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

### **Fee Simple Estate**

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

### **Floor Area Ratio (FAR)**

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

### **Functional Obsolescence**

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

### **Functional Utility**

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

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

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

### **Going-concern**

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

### **Going-concern Value**

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

### **Gross Building Area (GBA)**

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



### **Gross Leasable Area (GLA)**

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

### **Gross Living Area (GLA)**

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

### **Highest & Best Use**

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

### **Hypothetical Condition**

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

### **Income Capitalization Approach**

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

### **Incurable Functional Obsolescence**

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

### **Indirect Costs**

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing

costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

### **Interim Use**

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

### **Investment Value**

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

### **Leased Fee Interest**

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

### **Leasehold Estate**

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

### **Legal Nonconforming Use**

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

### **Liquidation Value**

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

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

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

### Market Area

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

### Market Rent

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

### Market Study

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

### Market Value (Most Common Non-FRT)

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

### Market Value (Interagency Guidelines)

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

### Marketability Analysis

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

### Neighborhood Analysis

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

### Net Net Net Lease

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

### Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

### Obsolescence

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

### Off-site Costs

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

### On-site Costs

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

### Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

### **Overall Capitalization Rate (OAR)**

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

### **Parking Ratio**

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

### **Potential Gross Income (PGI)**

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

### **Potential Gross Income Multiplier (PGIM)**

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

### **Present Value (PV)**

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

### **Prospective Opinion of Value**

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

### **Qualitative Adjustment**

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

### **Quantitative Adjustment**

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

### **Rentable Area**

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

### **Replacement Cost**

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

### **Replacement Cost for Insurance Purposes**

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

### **Reproduction Cost**

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

### **Retrospective Value Opinion**

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

### **Sales Comparison Approach**

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

### **Scope of Work**

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

- The extent to which the property is identified;

- The extent to which tangible property is inspected;

- The type and extent of data researched; and

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

## Shopping Center Types

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

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

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

**Super-Regional Center:** A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

### Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

### Superadequacy

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

### Surplus Land

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

## Tenant Improvements (TIs)

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

### Usable Area

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

### Useful Life

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

### Vacancy and Collection Loss

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

### Yield Capitalization

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



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Senior Valuation Specialist, Colliers International Valuation & Advisory Services, Tampa, Florida

Robert Black has over 15 years of appraisal experience, having completed over 1000 assignments in 49 states. His experience of valuation of commercial property includes preparation of appraisal reports, supply and demand analysis, financial and site feasibility, and overall market examination. Robert Black is nationally recognized for work with manufactured home communities and RV park/resort campgrounds, having completed 700+ MHC assignments and 150+ RV park/resort assignments. In addition to these niche property types, he has extensive experience in all commercial real estate. Projects range from office buildings, retail centers, industrial, self-storage/mini-storage, and various types of multifamily residential developments.

### Professional Background

Senior Appraiser, Crown Appraisal Group, Columbus, Ohio

Construction and Building Materials Wholesale Sales/Inventory- Westwater Supply, Columbus, Ohio, Carr Supply, Columbus, Ohio, and HD Supply (formerly Hughes Supply), Orlando, Florida.

### Education or Qualifications

Bachelor of Arts (Business Administration), University of South Florida, Tampa, Florida

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Master's in Commercial Property - MICP

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## Nancy A. Caniff

### Area of Expertise

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

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

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

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

### Affiliations or Memberships

Appraisal Institute, Candidate for Designation

### Appraisal Institute Courses

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

### Other Related Courses

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

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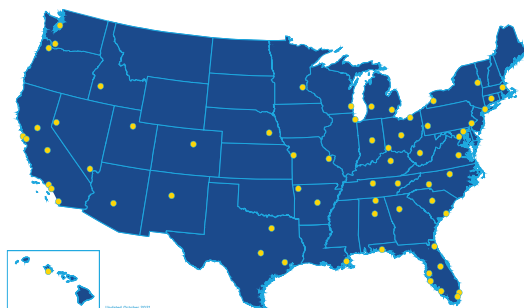
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Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing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

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