

Pines Mobile Home Park

701 Willow Street Southeast
New Philadelphia, Tuscarawas County, OH
44663

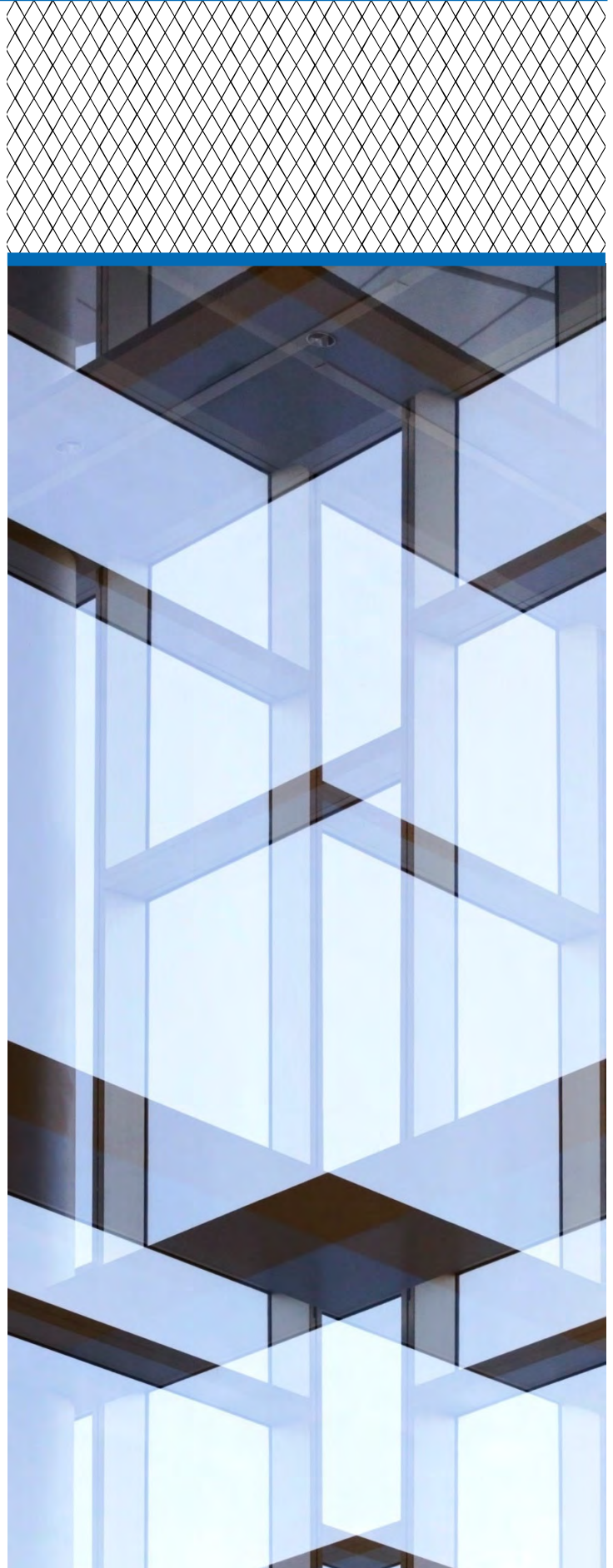
Newmark Job No.: 22-0179492-1
Client Reference: File ID: 221122085

Appraisal Report Prepared For:

Appraisal Department
Presidential Bank- Bethesda, MD
4600 East-West Highway
Bethesda, MD 20814

Prepared By:

Newmark Valuation & Advisory
1300 East 9th Street, Suite 105
Cleveland, OH 44114



NEWMARK VALUATION & ADVISORY

January 3, 2023

Appraisal Department
Presidential Bank- Bethesda, MD
4600 East-West Highway
Bethesda, MD 20814

RE: Appraisal of a Manufactured Housing Community located at 701 Willow Street
Southeast, New Philadelphia, Tuscarawas County, OH 44663, prepared by Newmark
Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 22-0179492-1
Client Reference: File ID: 221122085

To Presidential Bank:

The "Subject Property" is a 67 pad manufactured housing project located at 701 Willow Street Southeast in New Philadelphia, Ohio. The park is located on a site totaling 8.141 acres, or 354,622 square feet, and was built in 1955. The park is in average condition based on our observation and is 84% occupied. The property does not offer any amenities. The individual pads are concrete and have all utilities including natural gas and cable television. Tenants pay for their own gas and electricity while reimbursing for a pro rata of water/sewer usage. The subject includes 14 park owned manufactured homes, but our appraisal is concerned only with the real property and excludes the homes themselves (but does include the underlying pad rent for these units).

The subject, along with one other nearby mobile home park is under contract for \$2,500,000, and includes 104 units including 18 dated park owned homes and one single-family home. This was an off-market transaction where the buyer directly reached out and negotiated a price with the seller.

We have developed both an as is and as stabilized value because the subject property is not economically stabilized due to below market rent that is being generated at pad sites.

Key Value Considerations

Strengths

- Upside potential in terms of occupancy and rent rates.
- Demand for mobile home parks and multi-family uses remains high.
- The subject is located in close proximity to New Towne Mall.

Risk Factors

- Interest rates continue to rise.

National Economic Trends and Uncertainties

- Record setting inflation and impacts on rent and expense growth
- Federal Reserve interest rate increases and attendant effects on mortgage and investment rates
- Growing threat of recession as reflected by yield curve inversion

Based on the analysis contained in the following report, the opinions of value for the subject are:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	12/12/2022	\$1,750,000
Prospective Market Value "Upon Stabilization"	Leased Fee	12/12/2023	\$1,850,000

Compiled by Newmark

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP 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. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as 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. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute,

Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).

Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest in with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Ohio.
9. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and FIRREA.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Christopher Orlando, MAI, Paul Griffith, MAI, CRE, FRICS and Robert Vodinelic, MAI, MRICS have completed the continuing education program for Designated Members of the Appraisal Institute.
12. Christopher Orlando, MAI has and Robert Vodinelic, MAI, MRICS and Paul Griffith, MAI, CRE, FRICS have not made a personal inspection of the property that is the subject of this report.
13. Significant real property appraisal assistance was provided by Adam D. Kleiser, MAI who has not signed this certification. The assistance of Adam D. Kleiser, MAI solely consisted of a qualitative assessment of this appraisal report as part of Newmark's quality control review program. No additional real property appraisal assistance was provided by Mr. Kleiser. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

16. Robert Vodinelic, MAI, MRICS, Paul Griffith, MAI, CRE, FRICS and Christopher Orlando, MAI has not performed any 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 the agreement to perform this assignment.



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Exterior View



Exterior View



Exterior View



Exterior View



Street View



Exterior View

Executive Summary

Pines Mobile Home Park

Property Type:	Multifamily-Mobile Home Park
Street Address:	701 Willow Street Southeast
City, State & Zip:	New Philadelphia, Tuscarawas County, OH 44663
Number of Pads:	67
Year Built:	1955
Land Area:	8.141 acres; 354,622 SF
Zoning:	Business District
Highest and Best Use - As Vacant:	A Multifamily Use
Highest and Best Use - As Improved:	Multifamily Use

In-Contract Summary

Buying Entity:	Greco Real Estate LLC, an Ohio Limited Liability Co Etal
Selling Entity:	The Boavida Group LP
Purchase Price:	\$2,500,000 (\$37,313 Per Unit)
Contract Date:	October 7, 2022

Analysis Details

Valuation Dates:	
Market Value "As Is"	December 12, 2022
Prospective Market Value "Upon Stabilization"	December 12, 2023
Inspection Date and Date of Photos:	December 12, 2022
Report Date:	January 3, 2023
Report Type:	Appraisal Report
Client:	Presidential Bank- Bethesda, MD
Intended Use:	Mortgage Loan Underwriting
Intended User:	Presidential Bank- Bethesda, MD and Mountain Seed Appraisal Management, LLC
Appraisal Premise:	Market Value "As Is", Prospective Market Value "Upon Stabilization"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	5 Months (5 Months)

Compiled by Newmark

Leasing Summary

Rental Unit Subtotals	Overall
Average Pad Asking Rent	\$200
Pad Occupancy	83.6%
Pad Market Rent	\$300

Valuation Summary

Sales Comparison Approach		\$/Pad	\$ Total
Number of Sales			5
Range of Sale Dates			Nov-20 to Dec-22
Adjusted Range of Comparables (\$/Pad)			\$20,306 to \$33,380
Indicated Sales Comparison Approach Value	As Is	\$26,119	\$1,750,000
	Prospective Upon Stabilization	\$27,612	\$1,850,000

Income Capitalization Approach - Direct Capitalization Method		\$/Pad	\$ Total
Capitalization Rate Indicators and Conclusion		Indication	
Comparable Sales		3.28% - 12.13%	
Band of Investment		8.00%	
Concluded Going-In Capitalization Rate		7.00%	
Stabilized Income Estimate			
Potential Gross Income		\$3,600	\$241,200
Stabilized % Vacancy & Collection Loss		-8.00%	(\$19,296)
Net Other Income		\$596	\$39,932
Effective Gross Income		\$3,908	\$261,836
Operating Expenses		\$2,022	\$135,471
Operating Expense Ratio			51.7%
Net Operating Income		\$1,886	\$126,365
Capitalization Rate			7.00%
Indicated Direct Capitalization Value	As Is	\$26,119	\$1,750,000
	Prospective Upon Stabilization	\$27,612	\$1,850,000
Market Value Conclusions		As Is	\$26,119
	Prospective Upon Stabilization	\$27,612	\$1,850,000
Exposure / Marketing Time			
Concluded Exposure Time		5 Months or Less	
Concluded Marketing Time		5 Months or Less	

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

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1. None

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1. None

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Introduction

OWNERSHIP HISTORY

The current owner is Greco Real Estate LLC, an Ohio Limited Liability Co Etal.

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale	
In-Contract:	October 7, 2022	
Buyer:	Greco Real Estate LLC, an Ohio Limited Liability Co Etal	
Seller:	The Boavida Group LP	
Purchase Price:	\$2,500,000	\$37,313 Per Pad

Compiled by Newmark

The subject property, along with one other mobile home park known as Quaker Park Mobile Home Park is under contract for \$2,500,000. The subject consists of 67 Pad sites including 10 park owned homes while Pines Mobile Home Park consists of 37 sites including 8 park owned homes and one single-family residence. This equates to an allocated purchase price of \$1,610,577 and an allocated sales price was not provided by the buyer. Although this is slightly lower, it is generally supportive of our as is value conclusion. The buyer indicated that most of the mobile homes appeared old and they placed minimal weight on residual value of the mobile homes. It is reasonable that our overall value conclusion is slightly higher because this was an off-market, two property portfolio transaction.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for financial institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending-related activities and no other use is permitted.

- The client is Presidential Bank- Bethesda, MD.
- The intended users are Presidential Bank- Bethesda, MD and Mountain Seed Appraisal Management, LLC, and no other user is permitted by any other party for any other purpose.

DEFINITION OF VALUE

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

INTEREST APPRAISED

The appraisal is of the Leased Fee interest.¹

- ◆ **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.

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report

¹ The Dictionary of Real Estate, 6th Edition, Appraisal Institute

incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to develop an opinion of the Market Value of the Leased Fee interest in the property.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	12/12/2022
Prospective Market Value "Upon Stabilization"	Leased Fee	12/12/2023
Insurable Value	Fee Simple	12/12/2022

Compiled by Newmark

SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on December 12, 2023 as per the defined scope of work. Christopher Orlando, MAI made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- Exposure and marking time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

Economic Analysis

NATIONAL TRENDS AND UNCERTAINTIES

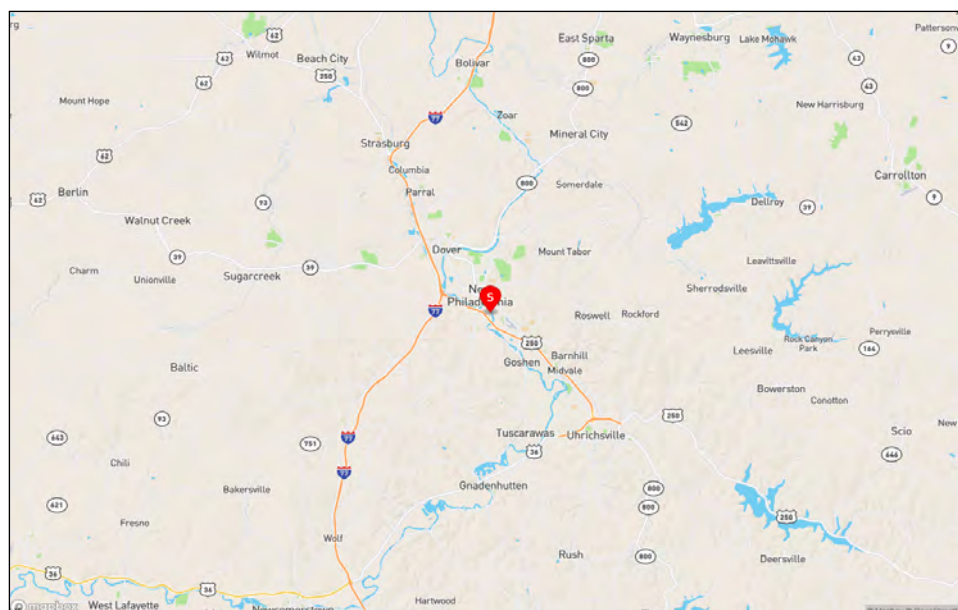
National and Global economies have experienced record setting inflation and interest rates are rising. Influences of the COVID pandemic on the economy have reduced but some fallout effects continue. The recession is widely expected across surveys of business managers, economists and the populace at large – not to mention yield curve indicators.

In an effort to curtail inflation, The Fed has embarked on an aggressive strategy. As of December, 2022, the Federal Reserve has raised rates 425 basis points this year targeting a range of 4.25% to 4.50% for the Federal Funds Rate. The effects of such a substantial increase in the cost of funds include increased mortgage rates but also investment rates.

We are cognizant that such significant changes have had an effect on Commercial Capital Markets activity and have driven changes in rent and expense growth. Investment sales declined 23% year-over-year and 27% quarter-over-quarter in the third quarter of 2022.

We have considered, and will address, these issues throughout this appraisal and report including in our determinations of overall capitalization rates, discount rates and growth of rents and expenses where applicable.

AREA ANALYSIS



Area Map

The subject is located within New Philadelphia and Tuscarawas County, Ohio. It is part of the Canton, OH metro area (Canton MSA).

Moody's Analytics' Economy.com provides the following economic summary for the Canton MSA as of October 2022.

Moody's Analytics Précis® Metro Indicators: Canton MSA												
2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
17.9	17.8	17.6	17.8	17.1	18.0	Gross metro product (C12\$ bil)	18.0	18.0	18.3	18.7	19.2	19.6
-1.7	-0.1	-1.2	1.1	-4.3	5.7	% change	-0.1	-0.3	1.9	2.5	2.5	2.3
172.6	173.8	173.9	173.2	163.1	165.7	Total employment (ths)	168.1	169.1	170.4	171.2	171.4	171.8
0.2	0.7	0.1	-0.4	-5.8	1.6	% change	1.4	0.6	0.7	0.5	0.1	0.2
5.6	5.2	4.9	4.6	8.2	5.3	Unemployment rate (%)	3.9	4.1	4.3	4.2	4.6	4.7
-0.1	3.1	3.1	3.7	6.9	6.5	Personal income growth (%)	-0.4	4.2	4.0	3.6	3.9	3.7
50.4	51.2	52.8	55.7	57.6	61.1	Median household income (\$ ths)	62.1	64.4	66.7	68.8	71.3	73.8
401.1	399.3	398.3	397.5	396.6	395.6	Population (ths)	395.2	394.8	394.0	393.0	391.9	390.9
-0.3	-0.4	-0.2	-0.2	-0.2	-0.2	% change	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3
-1.4	-1.3	-0.6	-0.6	-0.4	0.0	Net migration (ths)	0.0	0.0	-0.2	-0.3	-0.3	-0.3
458	445	413	478	518	538	Single-family permits (#)	486	644	714	720	720	711
96	80	115	146	172	415	Multifamily permits (#)	253	220	180	163	149	140
149	154	161	169	178	201	FHFA house price (1995Q1=100)	224	213	205	203	204	208

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

Canton-Massillon's economy is turning in the wrong direction. Payrolls have slid over the past few months even as the nation has pressed upward. Canton is faring even worse than the not-yet-recovered state. The key manufacturing and healthcare industries are responsible for much of the recovery holdup. Retail has been somewhat of a bright spot, having fully recovered lost jobs, but payrolls have contracted more recently. Canton's weakness is partly because of its sputtering labor force. The number of available workers is well below the pre-pandemic level, making the fully recovered unemployment rate less impressive. The housing market is similarly discouraging. House price appreciation is underwhelming compared with the nation but is slightly outpacing that in the state.

Market Comparison

The following table illustrates key economic indicators and a comparison of the Canton MSA to the regional grouping as a whole. As indicated, Canton is projected to outperform the Midwest Region Metros in two of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Canton MSA Metro to Midwest Region										
Indicator	Canton MSA			Annual Growth		Midwest Region Metros			Annual Growth	
	2017	2022	2027	2017 - 2022	2022 - 2027	2017	2022	2027	2017 - 2022	2022 - 2027
Gross metro product (C12\$ bil)	17.9	18.0	19.2	0.2%	1.3%	3,573	3,795	4,269	1.2%	2.4%
Total employment (ths)	172.6	165.7	171.4	-0.8%	0.7%	32,701	32,702	33,637	0.0%	0.6%
Unemployment rate (%)	5.6%	5.3%	4.6%			4.1%	3.4%	4.1%		
Personal income growth (%)	-0.1%	6.5%	3.9%			3.2%	1.2%	4.2%		
Population (ths)	401.1	395.6	391.9	-0.3%	-0.2%	68,127	68,425	68,521	0.1%	0.0%
Single-family permits (#)	458	538	720	3.3%	6.0%	121,493	155,435	171,643	5.1%	2.0%
Multifamily permits (#)	96	415	149	34.0%	-18.5%	73,625	102,291	56,583	6.8%	-11.2%
FHFA house price (1995Q1=100)	149	201	204	6.3%	0.3%	310	435	445	7.0%	0.5%
Canton MSA outperforming Midwest Region Metros										
Canton MSA underperforming Midwest Region Metros										

Source: Moody's Analytics Précis® US Metro; Compiled by Newmark

Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

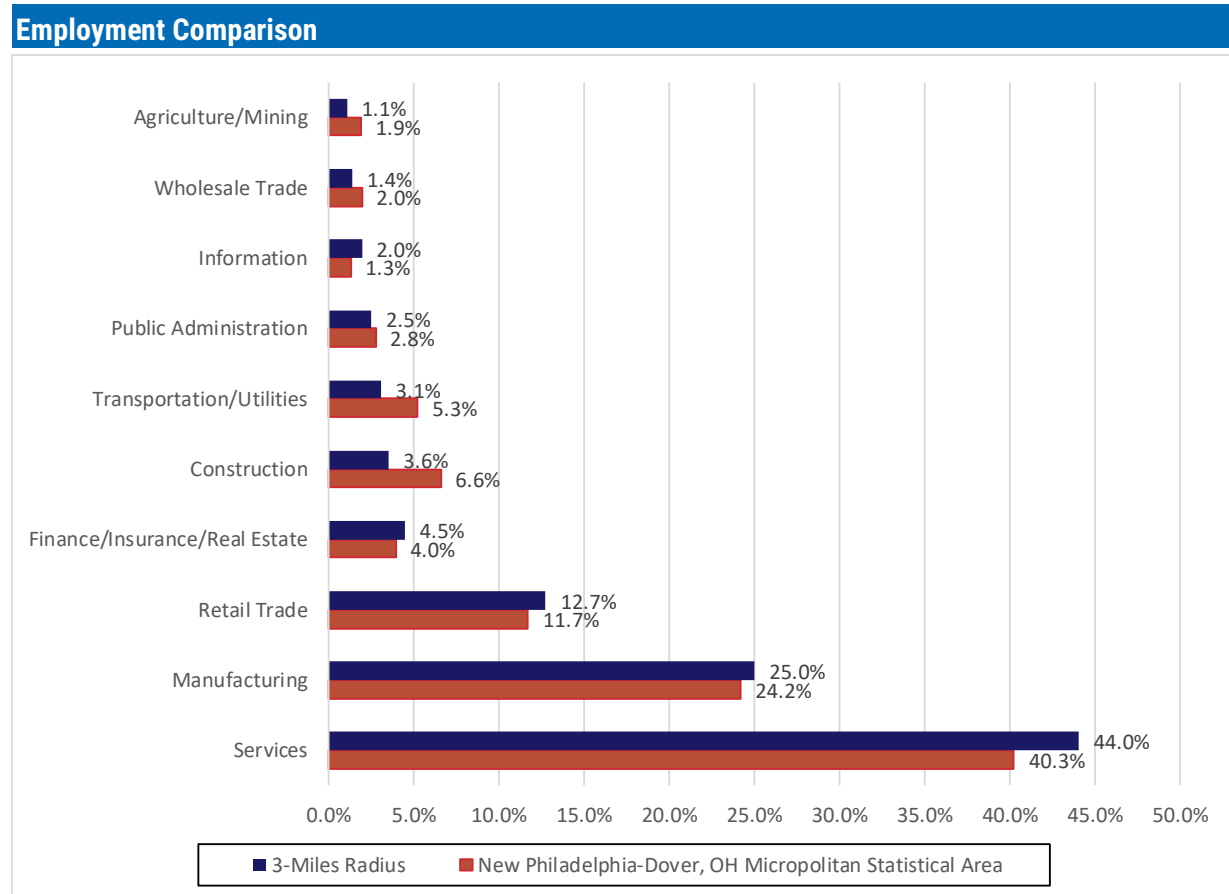
Current Employment by Occupation Sector														
Occupation Sector	1-Mile Radius		3-Miles Radius		5-Miles Radius		New Philadelphia City		Tuscarawas County		New Philadelphia-Dover, OH Micropolitan Statistical Area		Ohio	
White Collar	995	32.9%	6,857	48.8%	9,010	50.2%	3,794	45.7%	21,126	47.4%	21,126	47.4%	3,427,102	60.1%
Administrative Support	318	10.5%	1,539	10.9%	1,982	11.1%	874	10.5%	4,864	10.9%	4,864	10.9%	646,572	11.3%
Management/Business/Financial	191	6.3%	1,487	10.6%	1,893	10.6%	822	9.9%	4,628	10.4%	4,628	10.4%	949,881	16.7%
Professional	331	10.9%	2,666	19.0%	3,625	20.2%	1,494	18.0%	7,895	17.7%	7,895	17.7%	1,325,490	23.2%
Sales and Sales Related	155	5.1%	1,165	8.3%	1,510	8.4%	604	7.3%	3,739	8.4%	3,739	8.4%	505,159	8.9%
Services	734	24.2%	2,255	16.0%	2,688	15.0%	1,472	17.7%	6,867	15.4%	6,867	15.4%	880,816	15.4%
Blue Collar	1,299	42.9%	4,952	35.2%	6,232	34.8%	3,044	36.6%	16,605	37.2%	16,605	37.2%	1,396,397	24.5%
Construction/Extraction	158	5.2%	522	3.7%	674	3.8%	313	3.8%	2,680	6.0%	2,680	6.0%	240,279	4.2%
Farming/Fishing/Forestry	0	0.0%	0	0.0%	6	0.0%	0	0.0%	82	0.2%	82	0.2%	17,115	0.3%
Installation/Maintenance/Repair	149	4.9%	648	4.6%	824	4.6%	377	4.5%	1,747	3.9%	1,747	3.9%	170,447	3.0%
Production	512	16.9%	1,830	13.0%	2,397	13.4%	1,182	14.2%	5,914	13.3%	5,914	13.3%	457,426	8.0%
Transportation/Material Moving	480	15.9%	1,952	13.9%	2,331	13.0%	1,172	14.1%	6,182	13.9%	6,182	13.9%	511,130	9.0%
Total Employees (16+ Occupation Base)	3,027	100.0%	14,064	100.0%	17,931	100.0%	8,310	100.0%	44,598	100.0%	44,598	100.0%	5,704,315	100.0%
Source: FSR; Compiled by Newmark														

Source: ESRI; Compiled by Newmark

Current Employment by Industry Sector														
Industry Sector	1-Mile Radius		3-Miles Radius		5-Miles Radius		New Philadelphia City		Tuscarawas County		New Philadelphia-Dover, OH Micropolitan Statistical Area		Ohio	
Agriculture/Mining	23	0.8%	155	1.1%	280	1.6%	96	1.2%	864	1.9%	864	1.9%	45,698	0.8%
Construction	91	3.0%	501	3.6%	720	4.0%	270	3.2%	2,947	6.6%	2,947	6.6%	336,753	5.9%
Manufacturing	924	30.5%	3,516	25.0%	4,426	24.7%	2,015	24.2%	10,787	24.2%	10,787	24.2%	844,049	14.8%
Wholesale Trade	21	0.7%	201	1.4%	342	1.9%	109	1.3%	878	2.0%	878	2.0%	140,262	2.5%
Retail Trade	301	9.9%	1,793	12.7%	2,234	12.5%	1,039	12.5%	5,228	11.7%	5,228	11.7%	644,097	11.3%
Transportation/Utilities	87	2.9%	437	3.1%	650	3.6%	318	3.8%	2,348	5.3%	2,348	5.3%	343,585	6.0%
Information	45	1.5%	276	2.0%	328	1.8%	189	2.3%	594	1.3%	594	1.3%	80,906	1.4%
Finance/Insurance/Real Estate	81	2.7%	635	4.5%	777	4.3%	368	4.4%	1,765	4.0%	1,765	4.0%	376,838	6.6%
Services	1,313	43.4%	6,194	44.0%	7,719	43.0%	3,622	43.6%	17,951	40.3%	17,951	40.3%	2,652,183	46.5%
Public Administration	143	4.7%	357	2.5%	455	2.5%	286	3.4%	1,236	2.8%	1,236	2.8%	239,944	4.2%
Total Employees (16+ Occupation Base)	3,027	100.1%	14,064	100.0%	17,931	100.0%	8,310	100.0%	44,598	100.0%	44,598	100.0%	5,704,315	100.0%

Source: ESRI; Compiled by Newmark

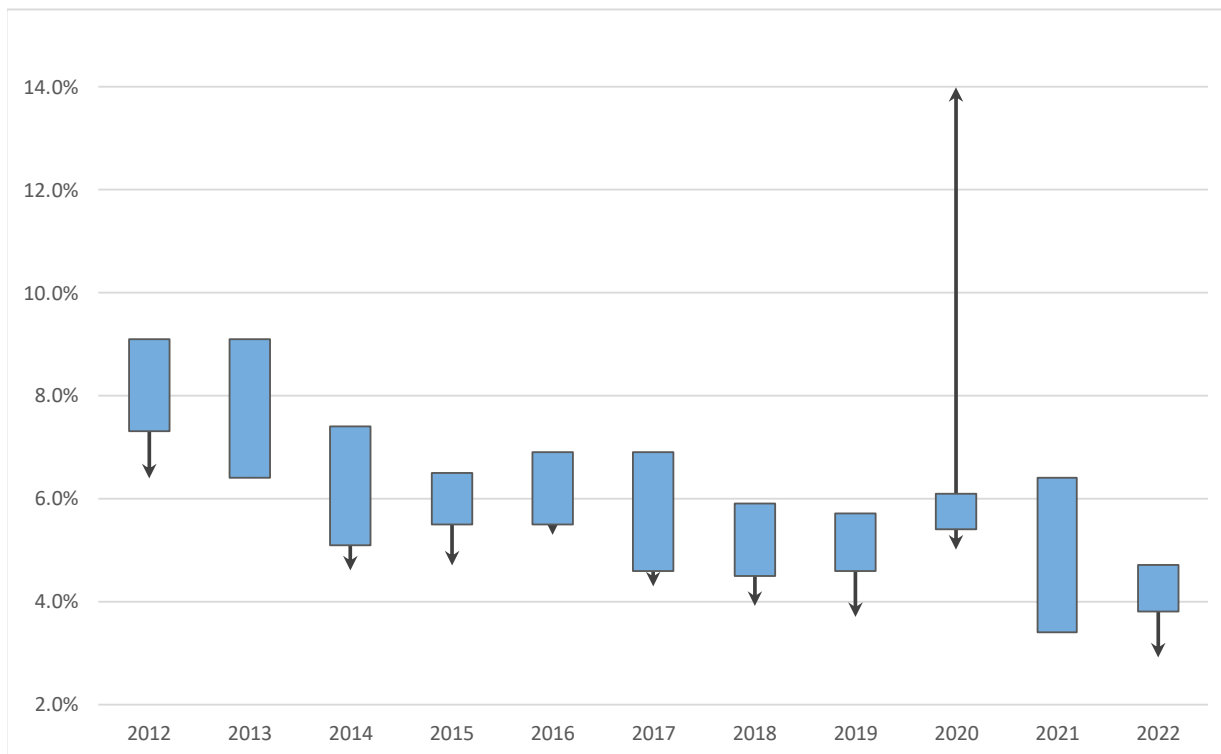
Comparing the industry sectors for the local market area (3-Miles Radius) to New Philadelphia-Dover, OH Micropolitan Statistical Area indicates the local market area is somewhat more heavily weighted toward the Services, Information, Public Administration, Finance/Insurance/Real Estate, and Retail Trade sectors. By contrast, the industry employment totals for New Philadelphia-Dover, OH Micropolitan Statistical Area indicate somewhat higher proportions within the Construction, Transportation/Utilities, Wholesale Trade, Agriculture/Mining, and Manufacturing sectors. The following graphic further illustrates this comparison.



Source: ESRI; Compiled by Newmark

Unemployment

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the New Philadelphia-Dover, OH Micropolitan Statistical Area is 3.8% (April 2022).

Unemployment Rate: New Philadelphia-Dover, OH Micropolitan Statistical Area

Bars represent beginning to end range of unemployment rates in each year
Orange bars denote increasing unemployment from beginning to end of year
Blue bars are declining unemployment from beginning to end of year
Arrows are extent of unemployment rates over the year

Compiled by Newmark

Major Employers

The following table lists a number of major employers with the Canton MSA as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: Canton MSA		
Rank	Employer	Employees
1	Aultman Hospital	6,900
2	TimkenSteel	2,775
3	Mercy Medical Center	2,655
4	Freshmark Inc.	1,846
5	Diebold Inc.	1,700
6	Walmart	1,209
7	Alliance Community Hospital	1,082
8	The Timken Co.	1,049
9	Stark State College of Technology	987
10	Giant Eagle	956
11	GE Money	835
12	Republic Engineered Products	816
13	Nationwide	780
14	Affinity Hospital	738
15	Fisher Foods Marketing Inc.	700
16	Alliance Castings	633
17	Workshops Inc.	624
18	Coastal Pet Products	610
19	Alfred Nickles Bakery	600
20	A.R.E. Accessories	600

Source: Moody's Analytics Précis® US Metro

Analysis

Further economic analysis from Moody's is detailed as follows:

Food Fails

Manufacturing in Canton will face a tough road ahead because of its outsize reliance on the weakening food processing industry. Food manufacturing, which employs one-fifth of local factory workers, took a substantial hit in 2021 as supply-chain disruptions rattled the industry. Strong domestic and international demand coupled with supply-chain bottlenecks has caused a spike in the prices of key commodities such as pork and wheat. These are essential inputs for two of Canton's larger employers, Freshmark and Alfred Nickles Bakery. The price of pork is about 60% higher than the five-year average per swine and wheat prices are at a decade high. As a result, input costs have been pushed to record levels, pinching margins for producers, implying that Canton's food processing industry will not recover its pandemic-induced losses any time soon. Some upside could come from continued elevated demand, which has been fueled by higher incomes and food stamp expansions. But this will not be enough to overcome cost pressures.

Hurdles

Retail will outperform that in the region near term but fall below average thereafter as demographics disappoint. Average hourly wages in the metro area are sputtering and lower than across the state and nation. Despite this, wages are at a historic high, which will boost consumer spending near term, fueling the expansion in retail jobs. But a weak labor market will put a cap on growth. Further, lackluster demographics will pose a major headwind long term. An unfavorable industrial mix and the lack of high-paying jobs outside of healthcare are causing workers to seek greener economic pastures elsewhere. As a result, the share of the working-age population will slide, crushing consumer demand.

More Hurdles

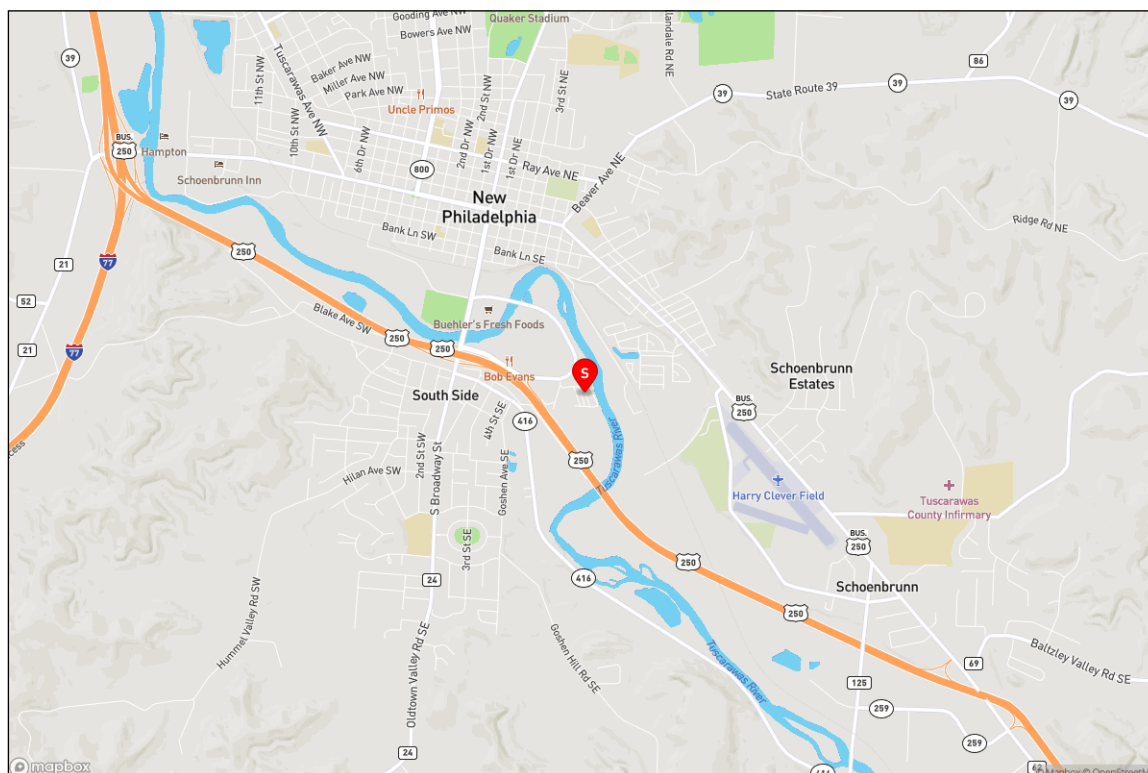
Canton has faced serious population losses over the past decade and the situation will not improve soon because of a lack of strong economic drivers. In some ways, the metro area's population woes will be reflective of broader state trends, but Canton will shrink even faster. The dwindling working-age population will continue to contract as workers seek out higher wages and more stable jobs elsewhere. Net migration of the working-age cohort has been negative over the past decade, putting Canton in the bottom tier of Ohio metro areas for population losses, according to data from Equifax. This has ramifications that will carry into the already-underperforming housing market. House prices will fall faster than nationally as demand from the increasingly shaky population weakens.

Conclusion

Positive Attributes	Negative Attributes
<ul style="list-style-type: none">– Below-average business and living costs; high housing affordability.– Significant presence of steel industry.	<ul style="list-style-type: none">– Population decline constrains long-term potential.– Low educational attainment and average earnings of workforce.– Lack of high-paying jobs outside of healthcare.

Canton-Massillon's economy will slowly climb toward a full recovery near term but at a below-average clip. Manufacturing will struggle near term, but retail will give the metro area some support. Demographic headwinds brought on by below-average earnings and the lack of strong drivers will ensure Canton remains an underperformer longer term.

NEIGHBORHOOD ANALYSIS



Neighborhood Map

Boundaries

The subject is located in the southeastern area of New Philadelphia, OH. This area is part of the Tuscarawas County submarket as defined by Costar and is generally delineated as follows:

North	Interstate 77
South	US Highway 36
East	State Highway 212
West	State Highway 93

Surrounding Area of Influence Trends

Description

The subject's surrounding area is viewed as suburban with office and retail properties in immediate proximity to the subject. The immediate area around the subject can be described as medium density suburban.

Fundamental Real Estate Cycle

The surrounding area is considered to be within the recovery stage of its real estate cycle.

New Development

- There is no new competitive inventory recently proposed within the subject submarket.
- There is no new competitive inventory recently completed within the subject submarket

Nuisances or Hazards

Our observation of the area revealed no evidence of significant nuisances or hazards.

Access**Primary Access**

Primary highway access to the subject is provided by US Highway 250 and State Highway 39. The distance from US Highway 250 to our subject property is approximately 5 minutes (2.5 mile) and from State Highway 39 is about 5 minutes (2.5 miles).

Major Thoroughfares

US Highway 250, State Highway 800, State Highway 39, Mill Avenue SE, Willow Street SE, Winspear Drive SE.

Transportation

SARTA, (Stark Area Regional Transit Authority), is a public sector transit agency servicing Stark County, a county in Ohio containing Canton, Alliance, and Massillon. In addition to its regular line service within Stark County, SARTA runs one bus route (with multiple times) between Canton and downtown Akron, connecting to Akron's METRO RTA bus system and also serving the Akron-Canton Regional Airport from both cities and one route to Cleveland.

Distance from Key Locations

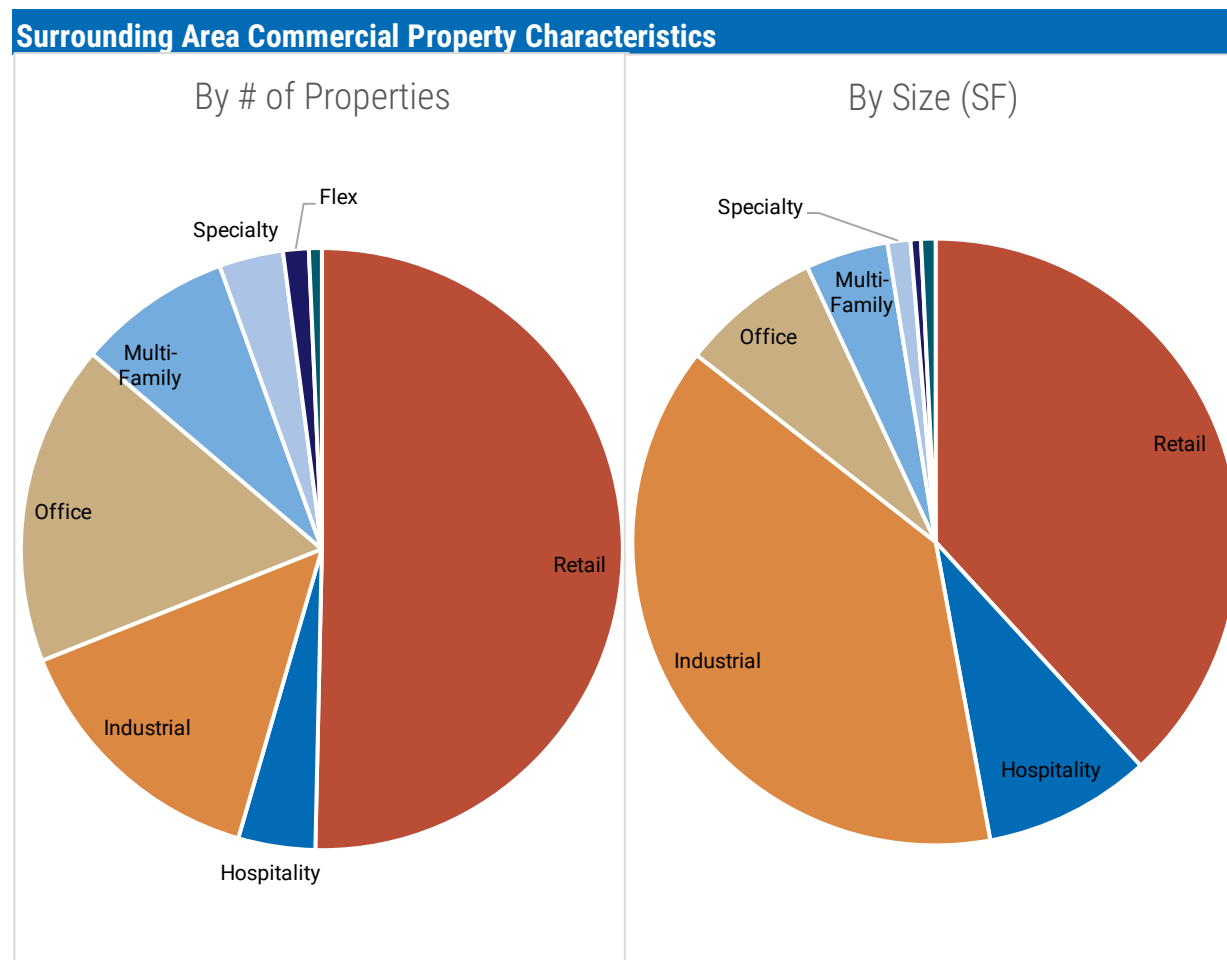
The commute to Downtown Akron is about fifty minutes and the drive to Akron-Canton Airport is about forty minutes. The following illustrates the 10-minute drive time from the subject.



Drive Time Map

Land Use

The following was developed from Costar data for the major property types in the surrounding 1 mile radius around the subject.



Source: Costar; Compiled by Newmark

Within the immediate area of the subject, property uses include the following:

- Within a 1- mile radius, Costar recognizes a total of 152 commercial use properties.
- Costar recognizes 82 retail, 32 office, 21 industrial and 7 multifamily properties in this radius. Retail and industrial occupy the major area.
- As per Costar, the total property size of multifamily developments is 80,228 SF.

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	44663	New Philadelphia City	Tuscarawas County	New Philadelphia-Dover, OH Metropolitan Statistical Area	Ohio
Population								
2010 Total Population	5,110	22,122	36,807	25,750	17,256	92,582	92,582	11,536,504
2022 Total Population	5,453	22,511	36,892	26,007	17,735	93,014	93,014	11,820,906
2027 Total Population	5,436	22,304	36,505	25,719	17,570	92,204	92,204	11,829,083
Projected Annual Growth %	-0.1%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	0.0%
Households								
2010 Total Households	2,259	9,412	15,154	10,686	7,315	36,965	36,965	4,603,435
2022 Total Households	2,430	9,725	15,389	10,975	7,603	37,695	37,695	4,831,463
2027 Total Households	2,433	9,674	15,285	10,899	7,561	37,497	37,497	4,856,145
Projected Annual Growth %	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.1%
Income								
2022 Median Household Income	\$52,275	\$51,226	\$54,305	\$53,787	\$50,321	\$57,562	\$57,562	\$62,419
2022 Average Household Income	\$68,919	\$68,871	\$72,781	\$71,550	\$66,837	\$74,883	\$74,883	\$89,526
2022 Per Capita Income	\$29,810	\$29,577	\$30,365	\$30,325	\$28,803	\$30,365	\$30,365	\$36,681
Housing								
2022 Owner Occupied Housing Units	54.8%	57.7%	61.8%	62.0%	55.3%	67.6%	67.6%	61.4%
2022 Renter Occupied Housing Units	38.4%	35.7%	31.3%	31.0%	38.2%	24.7%	24.7%	30.2%
2022 Median Home Value	\$146,951	\$158,141	\$162,348	\$165,715	\$150,696	\$172,728	\$172,728	\$189,226
Median Year Structure Built	1971	1963	1963	1966	1962	1969	1969	1968
Miscellaneous Data Items								
2022 Bachelor's Degree	12.0%	13.3%	14.3%	13.0%	13.3%	12.6%	12.6%	19.5%
2022 Grad/Professional Degree	7.9%	7.2%	7.9%	6.7%	7.0%	6.8%	6.8%	11.6%
2022 College Graduate %	19.9%	20.5%	22.2%	19.7%	20.3%	19.4%	19.4%	31.1%
2022 Average Household Size	2.19	2.28	2.35	2.34	2.30	2.44	2.44	2.38
2022 Median Age	42.9	43.7	43.5	43.7	42.7	42.9	42.9	40.6

Source: ESRI; Compiled by Newmark

- As shown above, the current population within a 3-mile drive distance of the subject is 22,511, and the average household size is 2.28. The population in the area has increased since the 2010 census, and this trend is projected to decline over the next five years. Compared to Tuscarawas County overall, the population within a 3-mile drive distance is projected to decrease at a similar rate.
- The median household income is \$51,226 is lower than the household income for Tuscarawas County. Residents within a 3-mile drive distance have a higher level of educational attainment than those of Tuscarawas County, while median owner-occupied home values are lower.
- Population growth in the surrounding area has been weakened with income levels increasing. This trend is projected to continue into the foreseeable future.

Demand Generators

The subject is mobile home park, and the demand generators for this type of property would be proximity to highway access, residential properties, and other commercial properties. The subject lies within ten minutes of travel time to US Highway 250 and within a two-mile radius of several multifamily properties. Additionally, the subject lies within 30 minutes of travel time to Canton where several major employers lie, including Aultman Hospital, TimkenSteel, and Mercy Medical Center.

Conclusion

- The area is in the recovery stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will grow in the near future.

MULTIFAMILY MARKET ANALYSIS

Classification

The subject is in the Tuscarawas County submarket of the Canton market. The property is considered a mobile home park; however, given that mobile home parks are a specialty type property, our market analysis is based on the more traditional multi-family market analysis.

Demographic Analysis

Population and Household Formation

Demographic Growth Rate Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	44663	New Philadelphia City	Tuscarawas County	Philadelphia-Dover, OH Micropolitan Statistical Area	Ohio
Population								
2010 Total Population	5,110	22,122	36,807	25,750	17,256	92,582	92,582	11,536,504
2022 Total Population	5,453	22,511	36,892	26,007	17,735	93,014	93,014	11,820,906
2027 Total Population	5,436	22,304	36,505	25,719	17,570	92,204	92,204	11,829,083
Annual Growth - Past Period	0.5%	0.1%	0.0%	0.1%	0.2%	0.0%	0.0%	0.2%
Annual Growth - Future Period	-0.1%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	0.0%
Households								
2010 Total Households	2,259	9,412	15,154	10,686	7,315	36,965	36,965	4,603,435
2022 Total Households	2,430	9,725	15,389	10,975	7,603	37,695	37,695	4,831,463
2027 Total Households	2,433	9,674	15,285	10,899	7,561	37,497	37,497	4,856,145
Annual Growth - Past Period	0.6%	0.3%	0.1%	0.2%	0.3%	0.2%	0.2%	0.4%
Annual Growth - Future Period	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.1%

Source: ESRI; Compiled by Newmark

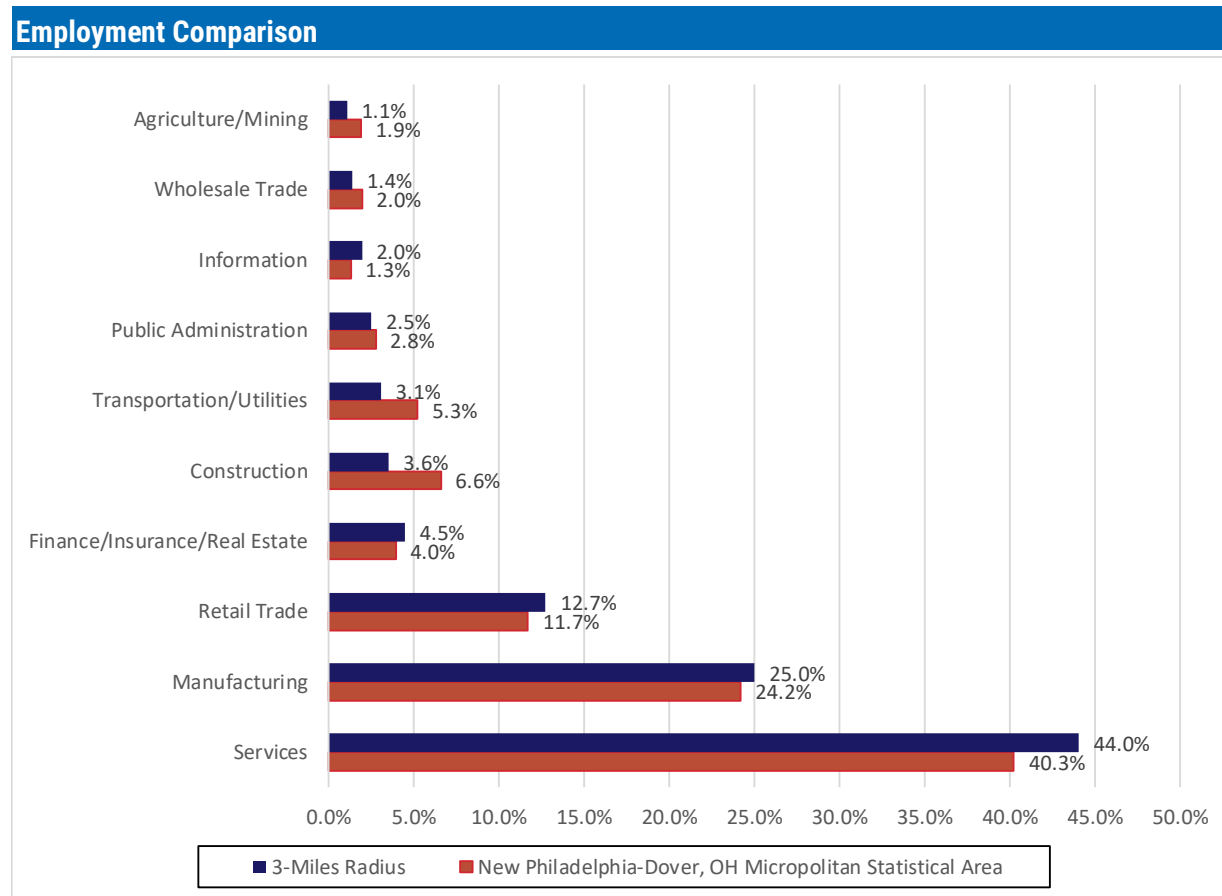
Income Distributions

Household Income Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	44663	New Philadelphia City	Tuscarawas County	New Philadelphia-Dover, OH Micropolitan Statistical Area	Ohio
2022								
Household Income <\$15,000	244 10.0%	1,102 11.3%	1,494 9.7%	1,130 10.3%	915 12.0%	3,208 8.5%	3,208 8.5%	448,418 9.3%
Household Income \$15,000-\$24,999	254 10.4%	1,085 11.2%	1,481 9.6%	1,095 10.0%	819 10.8%	3,345 8.9%	3,345 8.9%	408,821 8.5%
Household Income \$25,000-\$34,999	294 12.1%	1,231 12.7%	1,776 11.5%	1,321 12.0%	1,016 13.4%	4,009 10.6%	4,009 10.6%	430,898 8.9%
Household Income \$35,000-\$49,999	342 14.1%	1,287 13.2%	2,083 13.5%	1,405 12.8%	1,018 13.4%	4,885 13.0%	4,885 13.0%	595,094 12.3%
Household Income \$50,000-\$74,999	579 23.8%	2,086 21.4%	3,471 22.6%	2,432 22.2%	1,636 21.5%	8,447 22.4%	8,447 22.4%	899,632 18.6%
Household Income \$75,000-\$99,999	256 10.5%	1,046 10.8%	1,946 12.6%	1,268 11.6%	801 10.5%	5,923 15.7%	5,923 15.7%	649,741 13.4%
Household Income \$100,000-\$149,999	373 15.3%	1,453 14.9%	2,298 14.9%	1,798 16.4%	1,098 14.4%	5,807 15.4%	5,807 15.4%	768,983 15.9%
Household Income \$150,000-\$199,999	20 0.8%	145 1.5%	342 2.2%	197 1.8%	94 1.2%	947 2.5%	947 2.5%	326,327 6.8%
Household Income \$200,000+	69 2.8%	292 3.0%	498 3.2%	327 3.0%	206 2.7%	1,124 3.0%	1,124 3.0%	303,475 6.3%
Median Household Income	\$52,275	\$51,226	\$54,305	\$53,787	\$50,321	\$57,562	\$57,562	\$62,419
Average Household Income	\$68,919	\$68,871	\$72,781	\$71,550	\$66,837	\$74,883	\$74,883	\$89,526
Per Capita Income	\$29,810	\$29,577	\$30,365	\$30,325	\$28,803	\$30,365	\$30,365	\$36,681

Source: ESRI; Compiled by Newmark

Employment

The following graph was presented previously but is also given below given its relevance to Multifamily demand. Comparing the industry sectors for the local market area (3-Miles Radius) to New Philadelphia-Dover, OH Micropolitan Statistical Area indicates the local market area is somewhat more heavily weighted toward the Services, Information, Public Administration, Finance/Insurance/Real Estate, and Retail Trade sectors. The following graphic further illustrates this comparison.

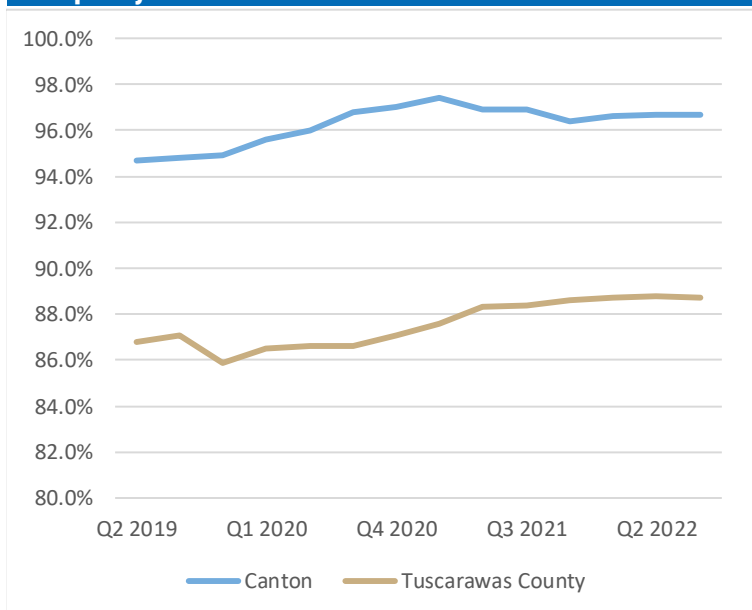


Source: ESRI; Compiled by Newmark

Multifamily Market Overview

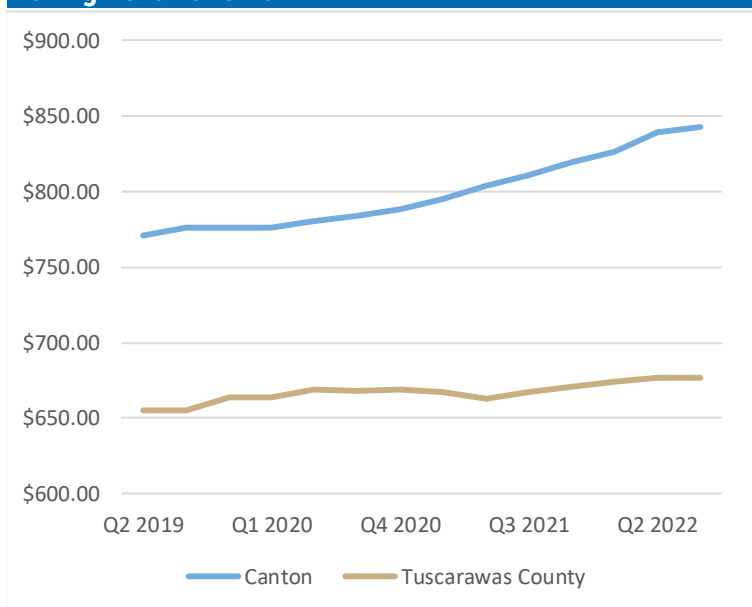
The following discussion outlines overall market performance in the surrounding Multifamily market using Costar market metric data. Presented first are market statistics of the Canton area and the subject Tuscarawas County submarket overall. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.

Occupancy Rate



Source: Costar; Compiled by Newmark Valuation & Advisory

Asking Rent Per Unit



Source: Costar; Compiled by Newmark Valuation & Advisory

Multifamily Market Statistics						
Trailing Four Quarters Ended Q3 2022						
Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
Canton	19,745	139	3.30%	104	\$843	\$839
Tuscarawas County	1,750	16	11.30%	20	\$677	\$672

Source: Costar; Compiled by Newmark Valuation & Advisory

- The average vacancy rate for the subject submarket is higher than that of the overall market area.
- The average rental rate for the submarket is lower than the overall Canton market. The subject Tuscarawas County submarket is considered a similar tier submarket as compared to the other submarkets in the overall Canton area.
- Approximately 0.9% of the submarket inventory, and 0.7% of the market inventory, represents newer construction.
- Absorption for the last 12 months was positive for the overall market area and at the submarket level.

Market and Submarket Trends

Multifamily Market Trends								
	Canton				Tuscarawas County			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q3 2020	19,429	0	3.2%	\$784	1,734	0	13.4%	\$668
Q4 2020	19,429	0	3.0%	\$788	1,734	0	12.9%	\$669
Q1 2021	19,429	0	2.6%	\$795	1,734	0	12.4%	\$667
Q2 2021	19,606	177	3.1%	\$804	1,734	0	11.7%	\$663
Q3 2021	19,606	0	3.1%	\$811	1,734	0	11.6%	\$667
Q4 2021	19,730	124	3.6%	\$819	1,734	0	11.4%	\$671
Q1 2022	19,745	15	3.4%	\$826	1,734	0	11.3%	\$674
Q2 2022	19,745	0	3.3%	\$839	1,734	0	11.2%	\$677
Q3 2022	19,745	0	3.3%	\$843	1,750	16	11.3%	\$677

* Forecast

Source: Costar; Compiled by Newmark Valuation & Advisory

- The overall market area and submarket have been stagnant with respect to occupancy over the past year.
- Over the past several years, effective rental rates have been following an increasing trend and have increased within the submarket in the past 12 months.
- As shown above, the submarket is underperforming against the market overall in terms of occupancy and rental rates.

Long Term Canton Market Metrics

The following provides a longer-term view of the market.

Canton Market Metrics						
Period	Inventory (Units)	Vacancy %	Net Absorption (Units)	Completions (Units)	Asking Rent Per Unit	Effective Rent Per Unit
Q1 2020	19,429	4.4%	125	0	\$776	\$773
Q2 2020	19,429	4.0%	86	0	\$780	\$776
Q3 2020	19,429	3.2%	156	0	\$784	\$779
Q4 2020	19,429	3.0%	45	0	\$788	\$783
Q1 2021	19,429	2.6%	69	0	\$795	\$792
Q2 2021	19,606	3.1%	72	177	\$804	\$800
Q3 2021	19,606	3.1%	-1	0	\$811	\$808
Q4 2021	19,730	3.6%	27	124	\$819	\$813
Q1 2022	19,745	3.4%	48	15	\$826	\$822
Q2 2022	19,745	3.3%	17	0	\$839	\$832
Q3 2022	19,745	3.3%	12	0	\$843	\$839
Y 2002	18,331	8.9%	58	114	\$640	\$636
Y 2003	18,391	9.5%	-40	60	\$638	\$633
Y 2004	18,393	9.8%	-56	2	\$638	\$633
Y 2005	18,441	9.2%	149	48	\$643	\$638
Y 2006	18,485	8.5%	175	44	\$656	\$651
Y 2007	18,533	7.9%	160	48	\$671	\$666
Y 2008	18,606	7.0%	237	73	\$681	\$676
Y 2009	18,606	7.2%	-49	0	\$666	\$662
Y 2010	18,662	7.2%	57	56	\$667	\$662
Y 2011	18,754	6.5%	214	92	\$671	\$667
Y 2012	18,879	5.9%	226	125	\$676	\$671
Y 2013	18,920	5.6%	102	41	\$695	\$689
Y 2014	18,956	5.0%	150	36	\$702	\$698
Y 2015	19,184	5.4%	130	228	\$725	\$719
Y 2016	19,304	6.0%	-3	136	\$736	\$727
Y 2017	19,429	6.0%	122	133	\$746	\$739
Y 2018	19,429	5.3%	142	0	\$761	\$755
Y 2019	19,429	5.1%	37	0	\$776	\$772
Y 2020	19,429	3.0%	412	0	\$788	\$783
Y 2021	19,730	3.6%	167	301	\$819	\$813
5 Year Average	19,489	4.6%	176	87	\$778	\$772
10 Year Average	19,269	5.1%	149	100	\$742	\$737
15 Year Average	19,057	5.8%	140	85	\$719	\$713

Source: Costar; Compiled by Newmark Valuation & Advisory

Supply & Demand

Supply Additions

- There is no new competitive inventory recently proposed within the subject submarket.
- There is no new competitive inventory recently completed within the subject submarket.

Demand Generators

- The subject Tuscarawas County submarket is within one of the expanding segments of the Canton area.
- The subject is within immediate proximity to US Highway 250.
- The subject lies within 10 minutes of travel time to State Highway 280, which can be a demand generator.

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
Canton	301	167	1.8	301	616	0.5	434	880	0.5
Tuscarawas County	0	26	0.0	0	49	0.0	0	-104	0.0

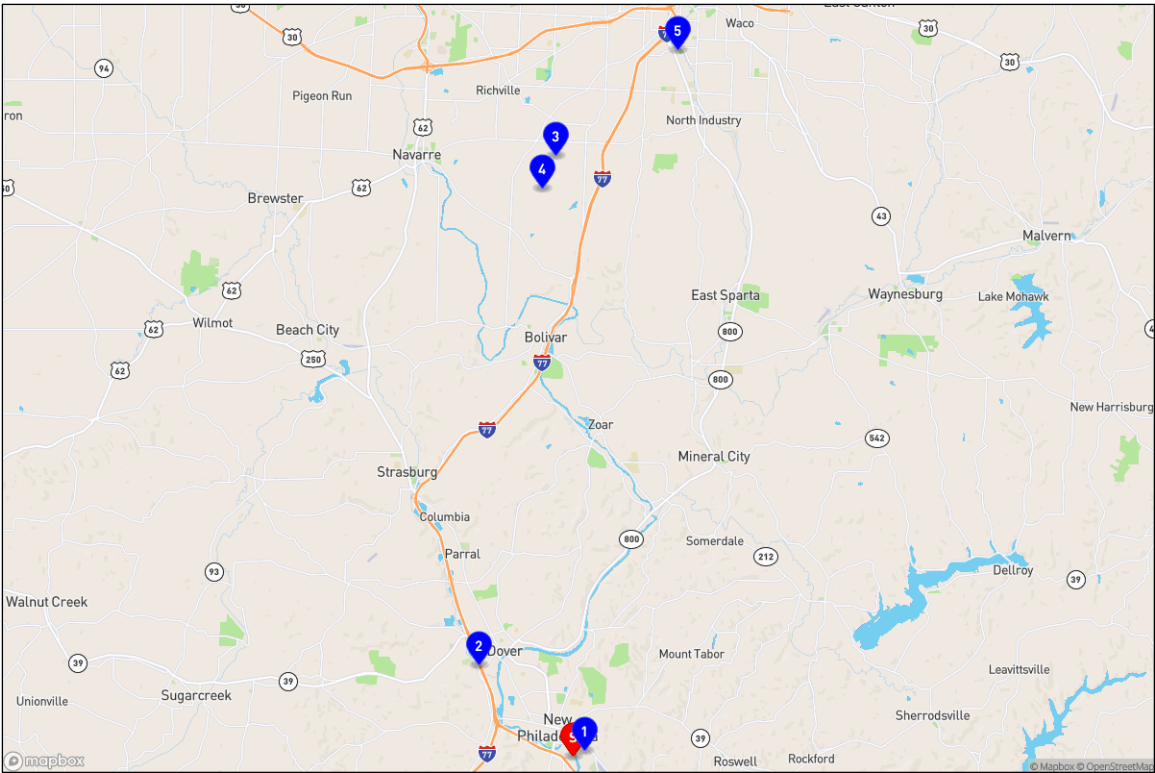
Source: Costar; Compiled by Newmark Valuation & Advisory

- Absorption in the Tuscarawas County submarket is outpacing construction.

Supply & Demand Conclusion

Overall, development activity in proximity to the subject has been limited. Along with the demand generators, it is anticipated that property values will be stable.

Competitive Properties



Competitive Properties Map

Comparable Property Summary						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Pines Mobile Home Park	Shel Mar Estates	Superior Mobile Home Park	Beth Mobile Home Park	Lake Sherman Village	South Haven Mobile Home Park
Address	701 Willow Street Southeast	100 Ali Cir SE	535 West 3rd Street	6000 Beth Avenue Southwest	7227 Beth Avenue Southwest	2812 Cleveland Ave S
City, State	New Philadelphia, OH	New Philadelphia, OH	Dover, OH	Canton, OH	Navarre, OH	Canton, OH
Number of Units	67	370	160	94	250	73
Year Built	1955	2003	1960	2017	1971	N/A
Condition	Average	Average	Average	Average	Average	Average
Occupancy	84%	92%	100%	99%	100%	93%

Compiled by Newmark Valuation & Advisory

Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Canton	3.30%	3.60%	5.10%	6.00%	5.90%
Tuscarawas County	11.30%	11.40%	14.10%	8.00%	14.80%
Direct Competition	2.04%				
Subject	16.40%				
Concluded Subject Vacancy Rate	7.00%				

Source: Costar, Newmark Valuation & Advisory

Market Conclusion

Positive Attributes	Negative Attributes
– None noted.	– The multifamily submarket is not stabilized.

Absorption

- Although the subject is not quite stabilized, all of the comparables are stabilized and we are projecting a stabilization period of 12 months to be reasonable.

Conclusion

Occupancy Conclusions	
Costar	
Canton	96.70%
Tuscarawas County	88.70%
Direct Competition	97.96%
Subject Property's Current Occupancy	83.60%
Subject Property's Stabilized Occupancy	93.00%

Source: Costar, Newmark Valuation & Advisory

- We have concluded a 93% occupancy rate to be stabilized. Although the rent comparables are suggesting a higher occupancy rate, the submarket is reporting an 88.70% occupancy rate. For this reason, we have projected a stabilized occupancy rate of 93% to be reasonable.

LOCAL MANUFACTURED HOUSING MARKET ANALYSIS

Manufactured Housing Community Market Report

The following table summarizes the manufactured housing community market report for the Cleveland-Akron MSA as reported in the JLT market reports dated December 2021. JLT produces annual market surveys for manufactured housing in larger markets throughout the US.

The table and subsequent pie charts summarize overall averages in rent and occupancy for the properties surveyed. It also shows the sample size broken down by age restriction.

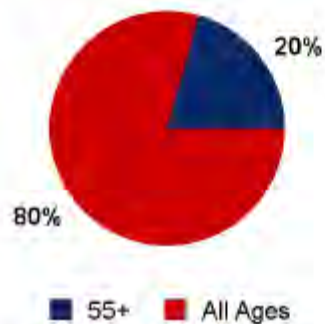
Cleveland/Akron MSA, Ohio JLT Market Report - December 2021						
Summary						
Type	# of Communities	# of Homesites	Occ*	% Occ	Average # of Homesites	Average Market Rent**
All Communities						
55+	9	2,301	2,196	95%	256	\$503
All Ages	35	7,918	7,344	93%	226	\$392
Total	<u>44</u>	<u>10,219</u>	<u>9,540</u>	<u>93%</u>	<u>232</u>	<u>\$417</u>

Source: JLT Report

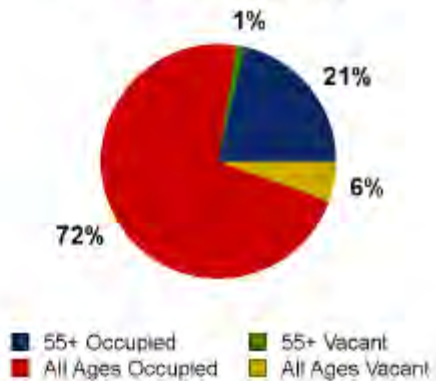
Cleveland/Akron MSA, Ohio JLT Market Report - December 2021

Graphs

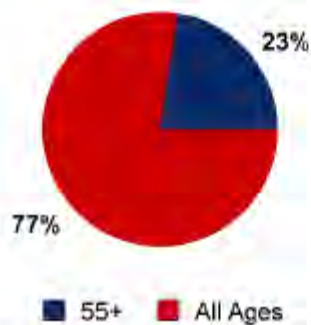
Communities by Type



Occupancy by Type



Homesites by Type



Average Adjusted Market Rent



Source: JLT Report

The table below summarizes the rent and occupancy trends year-over-year from previous surveys conducted by JLT to today.

Cleveland/Akron MSA, Ohio JLT Market Report

Historical Recap of Rents and Occupancy Market Rent

Year	Month	55+			All Ages		
		Market Rent*	Increase %	Occupancy	Market Rent*	Increase %	Occupancy
2021	Dec	\$503	4.40%	95%	\$392	5.10%	93%
2020	Dec	\$482	2.30%	95%	\$373	3.90%	92%
2019 (1)	Dec	\$471	10.60%	94%	\$359	5.00%	90%
2018	Dec	\$426	3.60%	93%	\$342	3.60%	91%
2017	Dec	\$411	3.00%	95%	\$330	2.50%	91%
2016	Dec	\$399	0.50%	94%	\$322	1.60%	88%
2015 (2)	Dec	\$397	2.80%	93%	\$317	2.30%	87%
2014 (3)	Nov	\$386	2.10%	85%	\$310	1.00%	87%
2013 (4)	Nov	\$378	6.20%	86%	\$307	7.70%	86%
2012	Nov	\$356	-3.00%	88%	\$285	-2.70%	83%
2011	Nov	\$367	1.40%	87%	\$293	1.00%	83%
2010	Nov	\$362	1.40%	89%	\$290	1.40%	84%
2009	Nov	\$357	3.80%	90%	\$286	1.40%	86%
2008	Nov	\$344	3.60%	89%	\$282	2.50%	86%
2007	Nov	\$332	7.10%	91%	\$275	1.10%	88%
2006	Nov	\$310	2.00%	92%	\$272	1.10%	90%
2005	Nov	\$304	5.90%	93%	\$269	3.50%	90%
2004	Nov	\$287	4.00%	93%	\$260	2.00%	92%
2003	Nov	\$276	4.50%	93%	\$255	3.20%	92%
2002	Nov	\$264	0.80%	94%	\$247	1.60%	91%
2001	Nov	\$262	10.50%	97%	\$243	4.70%	95%
2000	Nov	\$237	0.40%	96%	\$232	3.60%	93%
1999	Nov	\$236		97%	\$224		94%
Compound Annual Growth Rate		3.50%			2.58%		

(1) The 2018's "55+" market rent increased by \$12 in the 2019 report. This was due to two "55+" communities understating their market rent.

(2) Twelve communities were added to the report in 2015.

(3) Brook MHP, Camelot Village, Grand Rapids MHP, and Lakeside Terrace were added to the report in 2014

(4) Eight communities were added to the survey in 2013

Source: JLT Report

In the JLT report, from December of 2021 35 communities implemented or announced rent increases during the last twelve months. The market rent increases ranged from \$5 to \$82 per month. Most of the market increases ranged from \$15 to \$37 per month. The average market increase was \$24.

Occupancy rates increased for all age communities and remained strong at 95% for age-restricted communities.

Stabilization Discount

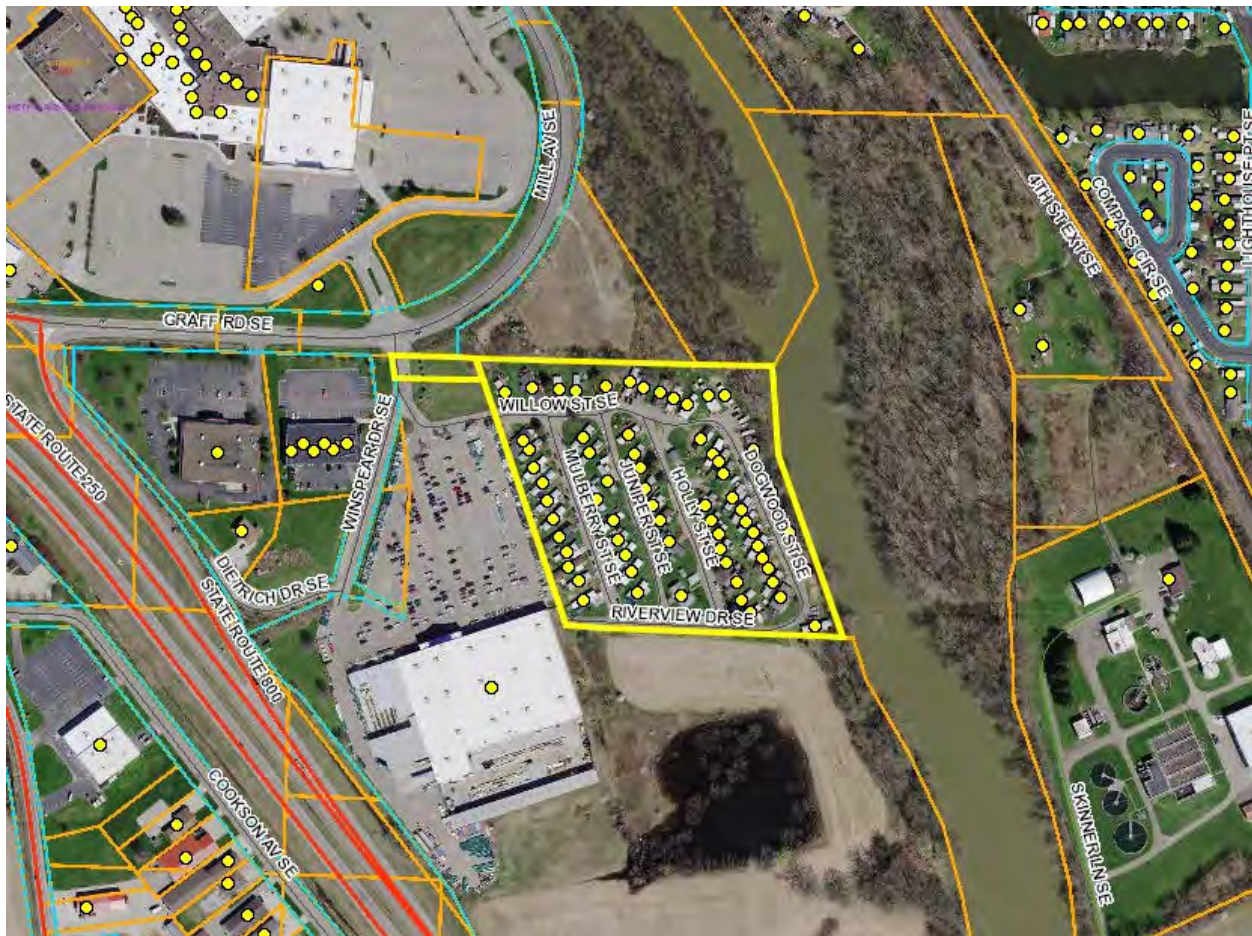
The approaches to value employed for this appraisal are developed to reflect a property operating at a stabilized level. A stabilized occupancy for the subject has been estimated to be 93% while the subject is currently operating at 84%. Therefore, we have estimated a stabilization discount projecting a 12 month lease up time and including a 20% profit margin.

The stabilization discount assumptions are based predominately on the market rent conclusions described in the Income Capitalization Approach along with the absorption conclusion above.

Multifamily Stabilization Discount			
Current Monthly Contract Rent			\$11,200
Monthly Market Rent Estimate - at Stabilization	\$20,100	92.00% stab. occ. =	\$18,492
Stabilization Period			12 Mos.
Income Loss During Stabilization			
Monthly Rent Loss		\$7,292	
Divide by Two for Straight Line Stabilization		\$3,646	
Stabilization Period (mos.)		12 Mos.	
Total Income Loss During Stabilization			\$43,752
Total Income Loss			\$43,752
Add: Profit		20%	\$8,750
Stabilization Discount			\$52,502
Rounded			\$50,000

Compiled by Newmark

Land and Site Analysis



Site Plan



Flood Map

Land Parcels

Parcel Summary	Associated APN(s)	Classification	Land Area (SF)	Land Area (Acres)
Subject	43-08310-000 & 43-08311-000	Primary Site 1	354,622	8.1410
Total Gross Land Area			354,622	8.1410
Total Usable Land Area			354,622	8.1410

*Compiled by Newmark***Land Description**

Total Land Area	8.1410 Acres; 354,622 SF
Usable Land Area	8.1410 Acres; 354,622 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	None noted

Site Characteristics

Primary Street Frontage	Willow Street
Traffic Control at Entry	None
Traffic Flow	Low
Accessibility Rating	Average
Visibility Rating	Below average
Shape	Irregular
Corner	No
Rail Access	No
Topography	Generally level
Site Vegetation	Minimal
Other Site Characteristics	None noted
Easement/Encroachments	None Noted
Environmental Issue	None Noted

Flood Zone Analysis

Flood Area Panel Number	39157C0255D & 39157C0260D
Date	7/22/2010
Zone	Zone X and Zone AE
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level. Special Flood Hazard Area where base flood elevations are provided.
Insurance Required?	Yes

Utilities

Utility Services	None noted
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Compiled by Newmark

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. Further, there are identified exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

ENVIRONMENTAL ISSUES

No environmental issues were observed or reported. Newmark is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

Environmental Report Conclusions

Based on our review of the environmental report and the conclusions stated within, there does not appear to be any negative impact on our estimate of market value for the subject property.

CONCLUSION

- The subject is located in a flood zone.
- Although located in a flood zone, there does not appear to be any factors that negatively impact the developability of the subject's site.

Zoning and Legal Restrictions

Zoning Summary	
Category	Description
Zoning Jurisdiction	City of New Philadelphia
Zoning Designation	Business District
Description	Commercial uses, as well as, single-family, multi-family and mobile home park use
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Office, Retail, Specialty

Compiled by Newmark

We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

Improvements Analysis

The improvements are more fully described in the following table.

Improvements Description	
Component Structures	
Improvements (Structures)	Subtotal
General Improvement Type	Mobile Home Pad Site
Use Description	Mobile Home Park
No. Pads	67
Construction Status	N/A
Quality	Average
Current Condition	Average
Age/Life Depreciation Analysis	
Year Built	1955
Actual Age (Yrs.)	67
Economic Life (Yrs.)	45
Effective Age (Yrs.)	25
Remaining Economic Life (Yrs.)	20
Percent Depreciation	55.56%
Construction Details - Structural Improvements	
Foundation	N/A
Basement	N/A
Structural Frame/Construction Summary	N/A
Exterior Walls	N/A
Windows	N/A
Roof	N/A
Interior Finish	
Floors	N/A
Walls	N/A
Ceilings	N/A
Lighting	N/A

Engineering & Mechanical	
HVAC	N/A
Electrical	N/A
Plumbing	N/A
Utility Meters	N/A
Elevators	N/A
Rest Rooms	N/A
Fire Sprinklers	N/A
Improvement Features and Amenities	
Property Amenities	None
Pad Description	Concrete pads
Site Features	None noted
Other Improvements Characteristics	

Compiled by Newmark

UNIT MIX

Unit Mix			
No. Pads	Pad Description	Occupied Pads	Pad Occupancy
67	Pad Site	56	83.6%
67	Totals	56	
	Averages		83.6%

Compiled by Newmark

OTHER PROPERTY CONSIDERATIONS

Functional Utility

Based on our inspection and consideration of its current use as well as review of the overall layout and functionality of the individual pads, there do not appear to be any significant items of functional obsolescence.

ADA Compliance

Based on our observation as well as any information provided, no ADA compliance issues were noted. However, the client is advised to obtain review by a qualified professional versed in ADA compliance as we do not have expertise.

Environmental Assessment

We requested, but were not provided a Phase I Environmental Assessment. We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements.

However, it is noted that we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business decision.

Personal Property

Certain items in multifamily projects are sometimes considered personal property, such as furniture, fixtures or equipment. For a manufactured housing community, park owned manufactured houses may be present. For our appraisal, we have specifically excluded the manufactured homes owned by the park and focused only on the real property – the underlying pads.

CONCLUSION

- Overall, the quality, condition, and functional utility of the improvements are rated as average for their age and location.

Real Estate Taxes

The subject property is located in Tuscarawas County, Ohio. Property taxes within the State of Ohio are based on a tax millage rate applied to the assessed value of a commercial property. The assessed value is equal to 35% of the market value as estimated by the local Auditor's Office. All commercial property in the State of Ohio is classified as a Class 2 property; only residential and agricultural properties are classified as Class 1 properties. The total gross tax millage in Tuscarawas County includes separately established millages from various governmental entities, most notably the school district in which the property is located. The gross millage rate is then reduced by a reduction factor to establish an effective tax millage. The effective tax millage is applied to the assessed value of the property at a rate of \$1.00 per \$1,000.

ASSESSMENTS/REASSESSMENTS

In the state of Ohio, each county requires property reassessments every three years and reappraisals every six years, staggered across a six-year rotation so that not all counties experience reassessments/reappraisals in the same year. During a typical reassessment year, the specific county will review and adjust the value of a property based on shifts in market conditions. During a typical reappraisal year, the county develops a new value for a property.

In addition to these government-mandated reassessments and reappraisals, there are circumstances that may also immediately trigger a revaluation. A property owner or taxing entity (most commonly a school district represented by an attorney) can file a real estate tax complaint requesting an adjustment to the market value of the property. This request is only permitted once every three years except under the occurrence of certain circumstances, most commonly a sale of the property in question.

Taxes and Assessments											
Tax Year 2022											
Tax ID	Auditor's Market Value				Assessed Value			Tax Rates		Taxes and Assessments	
	Land	Improvements	Total	Assessment Ratio	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
43-08310-000 & 43-08311-000	\$282,630	\$128,680	\$411,310	35.0%	\$98,921	\$45,038	\$143,959	1.8254%	\$7,508	\$162	\$7,670
	\$282,630	\$128,680	\$411,310	35.0%	\$98,921	\$45,038	\$143,959	1.8254%	\$7,508	\$162	\$7,670

Compiled by Newmark

The local assessor's methodology for valuation is cost, sales, income. The property is assessed on a fee simple basis.

TAX COMPARABLES

Tax Comparables					
Tax Year 2022	1	2	3	4	Subject (Actual)
Property Name	11461 State Route 800 NE	2830 Connecticut St SW	4516 Navarre Rd SW	407 Wind Chaser Ln SE	Pines Mobile Home Park
City, County, State	Magnolia, Tuscarawas, OH	Massillon, Stark, OH	Canton, Tuscarawas, OH	New Philadelphia, Tuscarawas, OH	New Philadelphia, Tuscarawas, OH
MHP Pads	364	40	60	378	67
Total Taxable Value	\$2,095,590	\$498,500	\$1,292,600	\$2,311,550	\$143,959
Taxable Value Per Pad	\$5,757	\$12,463	\$21,543	\$6,115	\$2,149

Compiled by Newmark

SUBJECT TAX CONCLUSION

Ad Valorem Tax Analysis				
	Comparable Data		Subject History	Conclusion
	Range	Average	2022	
Total Taxable Value			\$411,310	\$1,850,000
Assumed Reassessment Rate				80.00%
Assumed Taxable Value				\$1,480,000
Total Assessed Value			\$143,959	\$518,000
Total Assessed Value/Pad	\$5,757 - \$21,543	\$11,470	\$2,149	\$7,731
Direct Assessments			\$162	\$162
Tax Rate			1.82541%	1.8254%
Actual / Pro Forma Taxes			\$7,670	\$27,178
Reported Tax Delinquencies			None	None
Tax Exemptions or Abatements			None	None

Compiled by Newmark

It is our opinion that most prudent investors are allowing for change in real estate assessment/taxes in instances where the current assessment is notably different than the market value. Based upon interviews with various market participants, most parties to a transaction in Ohio generally account for the county auditor to eventually reappraise a property following a sale to approximately 70% to 80% of a purchase amount. This allocation allows for Board of Revision and Board of Tax Appeal settlements, with owners and local school boards oftentimes compromising upon an increased reassessment. We have projected real estate taxes to increase to 80% of our stabilized value conclusion.

Highest and Best Use

AS VACANT

The site is zoned for commercial use including both commercial uses and mobile home park use. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification.

The subject site contains 354,622 square feet (8.141 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted.

While market metric data and both market and economic trends are not favorable at present, there is evidence of improvement in the near term. Therefore, a multifamily development could be feasible in the foreseeable future.

The financially feasible analysis has yielded the conclusion that development of a multifamily use is feasible and reasonably probable. The associated risk is typical and market conditions appear to be supportive. Therefore, the highest and best use of the subject as though vacant is the development of a multifamily use. As noted, market and economic conditions are supportive of the near term development of this use on the site. The most likely buyer would be a developer. An investor is a potential buyer as land value appreciation would support speculation although near term development would also be likely.

AS IMPROVED

The existing manufactured housing community improvements are legally conforming to zoning. There are no known legal restrictions to the continued use of the improvements as they were designed. As previously discussed, the improvements are rated as average for their age and location. The improvements conform to the expectations of the market and conform in general terms to the highest and best use as though vacant conclusion above. The improvements were designed for this use. Based on our analysis and review, the improvements do not appear to suffer from significant functional obsolescence. Therefore, continuation of the existing manufactured housing community use is reasonably probable and appropriate.

In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation and maintenance of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated. Since the concluded value as though improved exceeds the value of the underlying land, it follows that

removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated.

The existing manufactured housing community improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the highest and best use of the subject as improved is the existing manufactured housing community property use. Market and economic conditions are supportive of this continued use. The most likely buyer would be a single investor. This is based on the size and base price of the subject.

Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

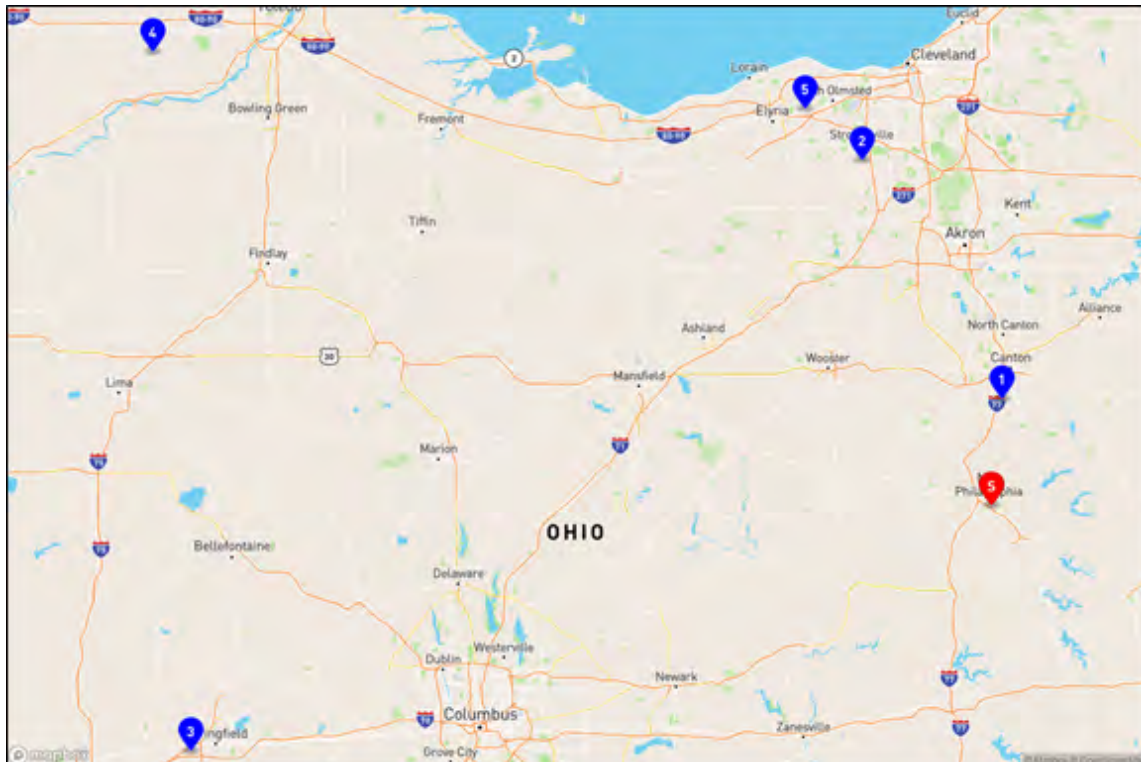
Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by Newmark







The cost approach was not used because the age of the improvements makes depreciation highly speculative. More significantly, however, market participants considering properties like the subject do not give consideration to the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal. We have also developed a land and insurable value.

Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The unit of comparison applied in this sales comparison analysis is price per pad as it mirrors the primary comparison method used by market participants.



Comparable Map

Comparable Sales Summary						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
						
Property Name	Pines Mobile Home Park	Fohl Village MHP	Clover Leaf Mobile Home	Edgewood	Camelot South MHP	Ridgewood Estates MHC
Address	701 Willow Street Southeast	5729 Jolanda Drive Southwest	4086 Boston Road	3834 Dayton Springfield Road	3402 OH-109	35157 Center Ridge Road
City, State	New Philadelphia, OH	Canton, OH	Brunswick, OH	Springfield, OH	Delta, OH	North Ridgeville, OH
Land Size	8.14 Acres	170.00 Acres	4.81 Acres	24.42 Acres	19.72 Acres	10.60 Acres
Number of MHP Pads	67	321	34	56	50	76
Year Built (Renovated)	1955	1970	1950	1950 (1992)	1970	1950
Occupancy/Owner Occ.	93%	77%	67%	95%	80%	96%
Condition	Average	Average	Fair	Average	Average	Average
Buyer	—	UMH Properties, Inc.	Dominic Bologna	Multiple Park Holdings, LLC	Multiple Park Holdings, LLC	Jones Estates Ridgewood LLC
Seller	—	OH Fohl Village LLC	McGuire's Property Management of Ohio LLC	SSA Edgewood MHP, LLC	PMN Camelot South MHC LLC	Ridgewood Estates LLC
Marketing Time	—	1 month	N/A	N/A	N/A	N/A
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Competitive Class	C	Class C	Class C	Class C	Class C	Class C
Transaction Status	—	Recorded	Recorded	Closed	Closed	Recorded
Transaction Date	—	Dec-22	Sep-22	Jul-21	Jul-21	Nov-20
Price	—	\$19,100,000	\$540,000	\$1,083,000	\$1,535,000	\$2,700,000
Required Capital Costs	—	\$0	\$183,000	\$0	\$0	\$0
Stabilized Price	—	\$19,100,000	\$723,000	\$1,083,000	\$1,535,000	\$2,700,000
Price per Pad	—	\$59,502	\$21,265	\$19,339	\$30,700	\$35,526
EGI/Pad	\$3,908	N/A	\$3,744	N/A	N/A	N/A
NOI/Pad	\$1,886	\$1,953	\$2,073	\$2,345	\$1,750	\$2,224
Cap Rate	—	3.28%	9.75%	12.13%	5.70%	6.26%

Compiled by Newmark



Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five

ANALYSIS OF IMPROVED COMPARABLE DATA

Comparable One

Sale Comparable One represents the December 2022 sale of a 321 unit mobile home park property located at 5729 Joloda Drive Southwest, Canton, Ohio. This comparable was listed for one month prior to going under contract. The property has only one park owned mobile home and amenities include a pool and clubhouse. There is approximately 170 acres of land that includes the potential expansion of 80 acres of undeveloped land that could allow for 100 additional PADs. Lot rent includes water/sewer and current lot rents are reportedly below market. The property sold for \$19,100,000 and the exact actual cap rate was not available, but was reported in the 4's. The current taxable value is \$3,619,800 and the property is significantly underassessed based on the purchase price. Assuming an OAR of around 4.5% on in place income, Assuming a reassessment of 80% of the purchase price, the implied OAR would be 3.28%.

Comparable Two

Sale Comparable Two represents the September 2022 sale of a 34 unit mobile home park property located at 4086 Boston Road, Brunswick, Ohio. This comparable is called Clove Leaf Mobile Home Park. It included 33 pad sites and one single-family home. As of the date of sale, the property was 68% occupied and had \$183,000 of deferred maintenance. Based on the actual 2021 financials, the implied OAR was 2.29%; however the property was below stabilized, had deferred maintenance and was generating below market rent. Based on the buyer's 2023 projected financials, the OAR would be 9.75%.

Comparable Three

Sale Comparable Three represents the July 2021 sale of a 56 unit mobile home park property located at 3834 Dayton Springfield Road, Springfield, Ohio. The property is currently in-contract along with 5-other properties for a combined portfolio price of \$9,000,000. The entire portfolio contains about 342-units which makes for an average purchase price of \$26,316 per unit. When the property contact was asked to provide allocated purchase prices for the assets in the portfolio, they stated that an allocation methodology was not utilized in the development of the purchase price. They did provide an estimated allocation for purchase price of this asset at \$1,083,000. This allocated purchase price indicates a capitalization rate of 12.13% on the t-12 NOI. The sale has not been recorded, but a mortgage statement record was filed and was utilized to confirm the closing of the transaction.

Comparable Four

Sale Comparable Four represents the July 2021 sale of a 50 unit mobile home park property located at 3402 OH-109, Delta, Ohio. The property sold along with 5-other properties for a combined portfolio price of \$9,000,000. The entire portfolio contains about 342-units which makes for an average purchase price of \$26,316 per unit. When the property contact was asked to

provide allocated purchase prices for the assets in the portfolio, they stated that an allocation methodology was not utilized in the development of the purchase price. They did provide an estimated allocation for purchase price of this asset at \$1,535,000. With this allocated sale price the indicated capitalization rate based on the t-12 is 5.70%. The sale was not recorded but a mortgage statement was filed and thus used to determine whether the sale closed.

Comparable Five

Sale Comparable Five represents the November 2020 sale of a 76 unit mobile home park property located at 35157 Center Ridge Road, North Ridgeville, Ohio. The broker on this transaction confirms this property sold for a reported \$2,700,000 in November of 2020. A capitalization rate of 6.26% was reported, though no details on what was included in this capitalization rate was made clear. As such, there may have been downward pressure on the capitalization rate if risk for reassessment and other factors are exempt.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

Comparable Sales Adjustment Grid						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	Pines Mobile Home Park	Fohl Village MHP	Clover Leaf Mobile Home	Edgewood	Camelot South MHP	Ridgewood Estates MHC
Address	701 Willow Street Southeast	5729 Jolea Drive Southwest	4086 Boston Road	3834 Dayton Springfield Road	3402 OH-109	35157 Center Ridge Road
City	New Philadelphia, OH	Canton, OH	Brunswick, OH	Springfield, OH	Delta, OH	North Ridgeville, OH
Land Size	8.14 Acres	170.00 Acres	4.81 Acres	24.42 Acres	19.72 Acres	10.60 Acres
Number of MHP Pads	67	321	34	56	50	76
Year Built (Renovated)	1955	1970	1950	1950 (1992)	1970	1950
NOI/Pad	\$1,886	\$1,953	\$2,073	\$2,345	\$1,750	\$2,224
Transaction Type	--	Recorded	Recorded	Closed	Closed	Recorded
Transaction Date	--	Dec-22	Sep-22	Jul-21	Jul-21	Nov-20
Actual Sale Price	--	\$19,100,000	\$540,000	\$1,083,000	\$1,535,000	\$2,700,000
Stabilized Sale Price	--	\$19,100,000	\$723,000	\$1,083,000	\$1,535,000	\$2,700,000
Price per Pad	--	\$59,502	\$21,265	\$19,339	\$30,700	\$35,526
Occupancy	93%	77%	67%	95%	80%	96%
Cap Rate	--	3.28%	9.75%	12.13%	5.70%	6.26%
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)	12/12/2023	2%	2%	5%	5%	6%
Subtotal (adjustments are multiplied)		2.0%	2.0%	5.0%	5.0%	6.0%
Transaction Adjusted Price per Pad		\$60,692	\$21,690	\$20,306	\$32,235	\$37,658
Property Adjustments						
Location		-15%	-10%	0%	0%	-20%
Size		-15%	0%	0%	0%	0%
Age/Condition		-5%	0%	0%	-5%	0%
Features/Amenities		0%	0%	0%	0%	0%
Quality		0%	0%	0%	0%	0%
Economic Characteristics		10%	15%	0%	5%	0%
Site Size		-20%	0%	0%	0%	0%
Subtotal (adjustments are summed)		-45%	5%	0%	0%	-20%
Gross Adjustment		67%	27%	5%	15%	26%
Overall Adjustment		-43.9%	7.1%	5.0%	5.0%	-15.2%
Indicated Price per Pad		\$33,380	\$22,775	\$20,306	\$32,235	\$30,126

Compiled by Newmark

All of the comparables have been adjusted upward by 2.00% per year accounting for improving market conditions.

Comparables One, Two and Five are adjusted downward for their superior submarket locations. Comparable One is adjusted downward for size based on the rationale that larger properties attract larger institutional buyers that can drive the price up, as well as, creating operational efficiencies. Comparables One and Four are adjusted downward for their superior age/condition. Comparables One, Two and Four are adjusted upward for economic conditions accounting for differences in occupancy. Comparables One is adjusted downward for its much superior site size allowing for future expansion.

PRICE PER PAD CONCLUSION

Overall, we have placed reliance towards the middle of the range to be appropriate. Further support is provided by the market participant interviews and data. Based on the preceding analysis, the value indication by price per pad is as follows:

Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

Sales Comparison Approach Conclusion			
Reconciliation of Price per Pad Indication			Value Indication
Adjusted Value Range - Low			\$20,306
Adjusted Value Range - High			\$33,380
Reconciled As Stabilized Value - Price per Pad	Effective Date: 12/12/2023		\$27,500
Subject MHP Pads			67
Reconciled As Stabilized Value - Sales Comparison Approach	Effective Date: 12/12/2023		\$1,842,500
De-Escalated Prospective Stabilized Value Indications			Value Indication
De-Escalation Factor (per year)			2.00%
As Stabilized Value as of Current Date	Effective Date: 12/12/2022		\$1,806,373
Prospective As Stabilized Value as of Date of Stabilization	Effective Date: 12/12/2023		\$1,842,500
Value Indications			
As Stabilized			Value Indication
Prospective As Stabilized Value as of Date of Stabilization	Effective Date: 12/12/2023		\$1,842,500
Rounded			\$1,850,000
As Is			Value Indication
As Stabilized Value as of Current Date	Effective Date: 12/12/2022		\$1,806,373
Stabilization Discount			(\$50,000)
As Is Value	Effective Date: 12/12/2022		\$1,756,373
Rounded			\$1,750,000

Compiled by Newmark

Pending Contract

In-Contract:	October 7, 2022	
Buyer:	Greco Real Estate LLC, an Ohio Limited Liability Co Etal	
Seller:	The Boavida Group LP	
Purchase Price:	\$2,500,000	\$37,313 Per Pad

The subject property, along with one other mobile home park known as Quaker Park Mobile Home Park is under contract for \$2,500,000. The subject consists of 67 Pad sites including 10 park owned homes while Pines Mobile Home Park consists of 37 sites including 8 park owned homes and one single-family residence. This equates to an allocated purchase price of \$1,610,577 and an allocated sales price was not provided by the buyer. Although this is slightly lower, it is generally supportive of our as is value conclusion. The buyer indicated that most of the mobile homes appeared old and they placed minimal weight on residual value of the mobile homes. It is reasonable that our overall value conclusion is slightly higher because this was an off-market, two property portfolio transaction.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method.

RENT ROLL / TENANT OVERVIEW

A summary rent roll for the property is shown below, based on our review of leases. Market rent will be developed below.

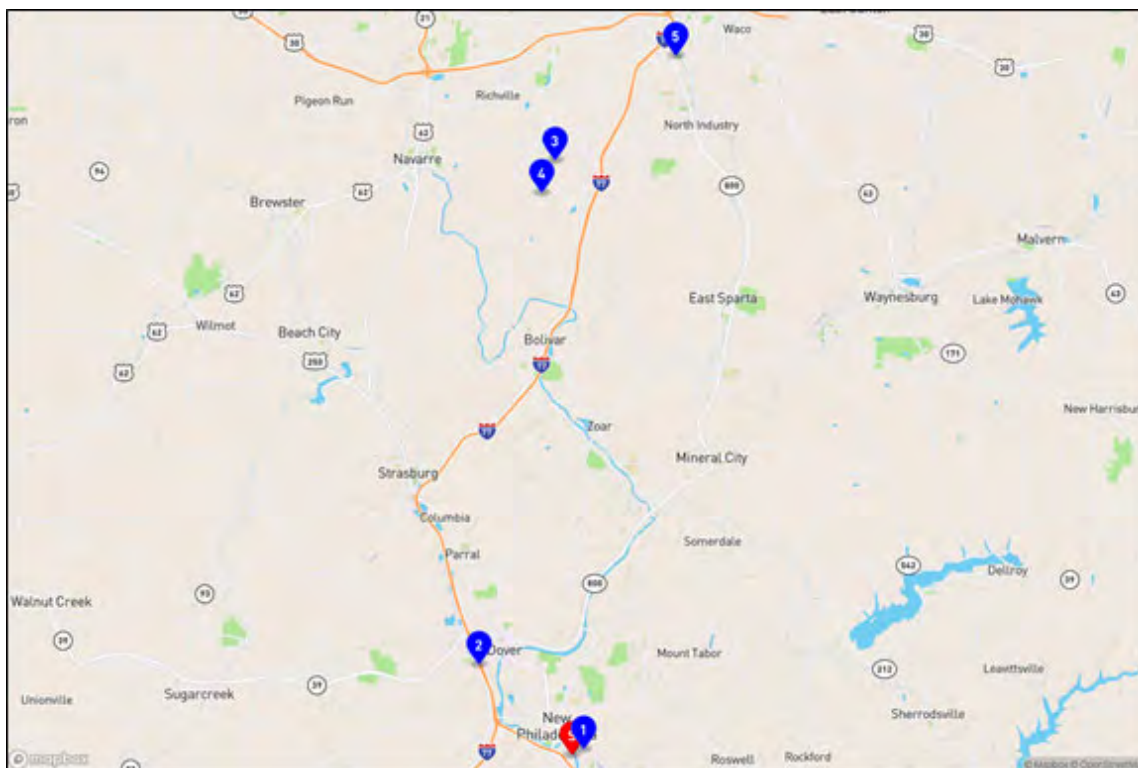
Unit Mix							
No. Pads	Pad Description	Occupied Pads	Pad Occupancy	Avg. Contract Rent	Asking Rent	Typical Recent Leases	Market Rent
67	Pad Site	56	83.6%	\$200	\$200	\$200	\$300
67	Totals	56					
	Averages		83.6%	\$200	\$200		\$300

Compiled by Newmark

MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered data and opinions from the following:

- Leasing activity with competing properties;
- Market area leasing trends; and
- opinions of market rent derived from our interviews of leasing agents active in the local market.



Comparable Map

No.	Name	Address
Subject	Pines Mobile Home Park	701 Willow Street Southeast, New Philadelphia,
1	Shel Mar Estates	100 Ali Cir SE, New Philadelphia, OH
2	Superior Mobile Home Park	535 West 3rd Street, Dover, OH
3	Beth Mobile Home Park	6000 Beth Avenue Southwest, Canton, OH
4	Lake Sherman Village	7227 Beth Avenue Southwest, Navarre, OH
5	South Haven Mobile Home Park	2812 Cleveland Ave S, Canton, OH

Compiled by Newmark



Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five

Individual Unit Type Analysis

Unit Rent Adjustment Summary and Conclusions							
Subject	Subject	Average	Typical	Comparables Indicators			Newmark Market Rent Estimate
Unit Type	Asking Rates	Contract	Recent Leases	Min	Max	Average	\$/Unit
Pad Site	\$200	\$200	\$200	\$250	\$545	\$392	\$300

Compiled by Newmark

The following summary table and adjustment grid arrays subject unit data in comparison to the most comparable unit types report within the competitive set for each type of pad.

Comparable Rentals Summary						
Pad Site	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	Pines Mobile Home Park	Shel Mar Estates	Superior Mobile Home Park	Beth Mobile Home Park	Lake Sherman Village	South Haven Mobile Home
Address	701 Willow Street Southeast	100 Ali Cir SE	535 West 3rd Street	6000 Beth Avenue	7227 Beth Avenue Southwest	2812 Cleveland Ave S
City, State	New Philadelphia, OH	New Philadelphia, OH	Dover, OH	Canton, OH	Navarre, OH	Canton, OH
Definition of Units	MHP Pads	MHP Pads	MHP Pads	MHP Pads	MHP Pads	MHP Pads
Number of Pads	67	370	160	94	250	73
Year Built (Renovated)	1955	2003	1960	2017	1971	N/A
Condition	Average	Average	Average	Average	Average	Average
Tenant Paid Utilities	Electricity, gas, water, sewer, trash	Electricity, gas & trash	Electricity, gas, water, trash	Electricity, gas, water, trash (with \$21 per month surcharge)	Electricity, gas & trash	Electricity, gas & trash
Rental Survey Information						
Survey Date		Dec-22	Dec-22	Dec-22	Dec-22	Dec-22
Occupancy at Survey	84%	92%	100%	99%	100%	93%
Pad Site Unit Comparison						
No. Pads	67	370	160	94	250	73
Pad Occupancy	84%	92%	100%	99%	100%	96%
Pad Asking Rent	\$200	\$388	\$250	\$450	\$545	\$325

Compiled by Newmark

The following table summarizes the adjustments made to each comparable.

Comparable Rentals Adjustment Grid						
Pad Site	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	Pines Mobile Home Park	Shel Mar Estates	Superior Mobile Home Park	Beth Mobile Home Park	Lake Sherman Village	South Haven Mobile Home
Address	701 Willow Street Southeast	100 Ali Cir SE	535 West 3rd Street	6000 Beth Avenue	7227 Beth Avenue Southwest	2812 Cleveland Ave S
Pad Occupancy	84%	92%	100%	99%	100%	96%
Pad Asking Rent	\$200	\$388	\$250	\$450	\$545	\$325
Financial Adjustments						
Expense Structure (\$ Adjustment)		\$25	\$15	\$21	\$25	\$25
Expense Structure		6%	6%	5%	5%	8%
Conditions of Lease		0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%
Subtotal		6%	6%	5%	5%	8%
Physical Adjustments						
Location/Access/Exposure		0%	0%	-20%	-20%	-20%
Age/Condition		-10%	0%	-10%	0%	0%
Subtotal		-10%	0%	-30%	-20%	-20%
Overall Adjustment		-4%	6%	-27%	-16%	-14%
Adjusted Rent Per Pad		\$372	\$265	\$330	\$456	\$280
Range of Adjusted Rents	\$265 - \$456					
Average	\$341					
Indicated Rent Per Pad	\$300					

Compiled by Newmark

Adjustments have been applied for utility structure, location and age/condition.

The buyer plans on charging \$350 per pad per month in rent, which may be slightly high when compared to the comparables. The most similar comparable is only charging an adjusted price of \$265 per pad. We are projecting a market rental rate of \$300 per pad per month to be market.

Market Rent Conclusions

The following is a summary of the subject's unit mix and our market rent conclusions based on our analysis of the subject rent roll and comparable market data detailed in the preceding.

Unit Mix							
No. Pads	Pad Description	Occupied Pads	Pad Occupancy	Avg. Contract Rent	Asking Rent	Typical Recent Leases	Market Rent
67	Pad Site	56	83.6%	\$200	\$200	\$200	\$300
67	Totals	56					
	Averages		83.6%	\$200	\$200		\$300

Compiled by Newmark

GROSS INCOME ESTIMATE

Potential Gross Rent

For the direct capitalization analysis, potential gross rent is based on market rent. Total market rent is \$241,200.

Potential Gross Rent						
Unit Description	No. Pads	Avg. Contract Rent / Pad	Potential Gross Rent- Contract	Market Rent / Pad	Potential Gross Rent- Market	Loss to Lease
Leased Units						
Pad Site	56	\$200	\$134,400	\$300	\$201,600	-33.3%
Total Leased	56	\$200	\$134,400	\$300	\$201,600	-33.3%
Vacant Units (at market rents)						
Pad Site	11	\$300	\$39,600	\$300	\$39,600	
Total Vacant	11	\$300	\$39,600	\$300	\$39,600	
Grand Total	67	\$216	\$174,000	\$300	\$241,200	-33.3%

Compiled by Newmark

Loss to Lease

Loss to Lease Analysis				
Rental Revenue Segment	Number of Units	Average Monthly Rent	Total Monthly Rent	Total Annual Rent
Occupied Units	56	\$200	\$11,200	\$134,400
Less Employee/Model Units				\$0
Occupied Units at Contract Rents	56	\$200	\$11,200	\$134,400
Occupied Units at Market Rents	56	\$300	\$16,800	\$201,600
Differential				(\$67,200)
Indicated Gain/Loss Differential				-33.3%

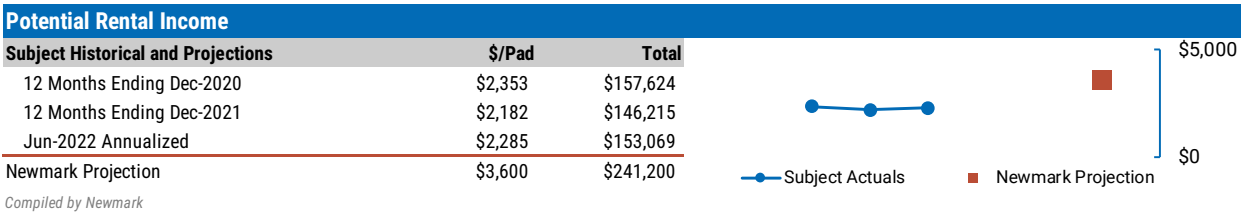
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- There is a considerable loss to lease due to below market rent being paid at the pad sites.
- We will be accounting for this gap in a stabilization discount.

Concessions

- Concessions are not the prevalent in the market at the present time.

Potential Rental Income



Operating History

We have been provided with 2020, 2021 and June 2022 year to date financials.

As appropriate, the owner’s operating expenses are reclassified into standard categories and exclude items that do not reflect normal operating expenses for this type of property.

The reclassification is done for proper analysis against comparable data and industry benchmarks as appropriate. Because the historical operating data statements use different names for some categories and it is not always immediately apparent which expenses belong to which standard expense category, the following provides a mapping of these expenses. The categories on the historical operating statements are in the far left column while the “Newmark Revenue or Operating Expense Category” are the categories used in this analysis for that line item.

Application of NewmarkAccount Standards to Owner's Revenue and Expenses					
Actual or Proforma		Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	6 Mos.	Annualized
Period Ending		12/31/2020	12/31/2021	6/30/2022	6/30/2022
Owner's Revenue Category	Newmark Revenue Category				
Rent Income	Rental Income	\$157,624	\$146,215	\$76,535	\$153,069
Water Income	Net Expense Reimbursements	\$39,244	\$39,753	\$18,653	\$37,305
Effective Gross Income	Effective Gross Income	\$196,868	\$185,968	\$95,187	\$190,375

Actual or Proforma		Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	6 Mos.	Annualized
Period Ending		12/31/2020	12/31/2021	6/30/2022	6/30/2022
Owner's Operating Expense Category	Newmark Operating Expense Category				
Interest	Omit Row	\$125,160	\$62,580	\$62,580	\$125,160
Water bill	Utilities	\$37,645	\$0	\$22,296	\$44,592
Electric bill	Utilities	\$1,496	\$0	\$1,022	\$2,044
Insurance	Insurance	\$3,127	\$0	\$1,070	\$2,140
Plumbing	Repairs and Maintenance	\$3,023	\$0	\$4,847	\$9,694
Bonuses	Payroll and Benefits	\$14,817	\$0	\$2,577	\$5,154
Sewer work	Utilities	\$773	\$0	\$515	\$1,031
Mowing	Repairs and Maintenance	\$2,632	\$0	\$1,179	\$2,358
Gas bill	Utilities	\$767	\$0	\$0	\$0
Tree work	Repairs and Maintenance	\$3,028	\$0	\$0	\$0
Work on trailer we own (115 Mulberry)	Omit Row	\$113	\$177	\$486	\$973
Fix health dept. violations (Skirting)	Repairs and Maintenance	\$457	\$0	\$0	\$0
Pest control	Repairs and Maintenance	\$1,146	\$0	\$0	\$0
Postage	General and Administrative	\$325	\$116	\$38	\$77
New license fee	General and Administrative	\$470	\$0	\$0	\$0
Work on modular we own (23611th. St.)	Omit Row	\$481	\$132	\$0	\$0
Work on trailer we own (Lot 14)	Omit Row	\$129	\$406	\$0	\$0
Donation to city trash workers (Christmas)	General and Administrative	\$161	\$0	\$0	\$0
Work on trailer we own (Lot 13)	Omit Row	\$193	\$0	\$0	\$0
Electrical work	Repairs and Maintenance	\$2,201	\$1,940	\$0	\$0
Work on trailer we own (108 Dogwood)	Omit Row	\$225	\$0	\$43	\$86
Title fees	General and Administrative	\$105	\$86	\$0	\$0
Work on trailer we own (125 Holly)	Omit Row	\$64	\$271	\$0	\$0
Office supplies	General and Administrative	\$92	\$0	\$0	\$0
Work on trailer we own (Lot 24)	Omit Row	\$456	\$0	\$0	\$0
Bought trailer (Lot 31)	Omit Row	\$387	\$0	\$0	\$0
Work on trailer we own (Lot 31)	Omit Row	\$193	\$0	\$0	\$0
Work on trailer we own (Lot 31)	Omit Row	\$687	\$0	\$77	\$155
Work on trailer we own (100 Holly)	Omit Row	\$240	\$296	\$0	\$0
Real estate taxes	Real Estate Taxes	\$8,176	\$7,856	\$7,828	\$15,656
Trailer taxes	General and Administrative	\$732	\$566	\$556	\$1,113
Snow plowing	Repairs and Maintenance	\$124	\$813	\$781	\$1,561
Bought trailer (Lot 26)	Omit Row	\$966	\$0	\$0	\$0
Tax returns	General and Administrative	\$258	\$387	\$387	\$773
Bought trailer (106 Dogwood)	Omit Row	\$387	\$0	\$0	\$0
Work on trailer we own (106 Dogwood)	Omit Row	\$1,310	\$0	\$0	\$0
tify tax	General and Administrative		\$0	\$0	\$0
Water bill	Utilities		\$41,091	\$0	\$0
Electric bill	Utilities		\$1,346	\$0	\$0
Insurance	Insurance		\$2,787	\$0	\$0
Plumbing	Repairs and Maintenance		\$3,640	\$0	\$0
Bonuses	Payroll and Benefits		\$30,923	\$0	\$0
Sewer work	Repairs and Maintenance		\$902	\$515	\$1,031
Mowing	Repairs and Maintenance		\$2,181	\$0	\$0
Tree work	Repairs and Maintenance		\$1,643	\$0	\$0
Fix health dept violations	Repairs and Maintenance		\$476	\$0	\$0
Gas bill	Utilities		\$78	\$0	\$0
Park license fees	General and Administrative		\$696	\$0	\$0
Office supplies	General and Administrative		(\$197)	\$0	\$0
P. O Box fee for mail	General and Administrative		\$94	\$0	\$0
Work on garage we own	Repairs and Maintenance		\$64	\$0	\$0
Gravel back to garage	Omit Row		\$237	\$0	\$0
Work on trailer we own (111 Dogwood)	Omit Row		\$5,665	\$0	\$0
Clean out Al Dietrichs trailer	Repairs and Maintenance		\$926	\$0	\$0
Work on house we own (338 11th.)	Omit Row		\$660	\$0	\$0
Hauling tires	Repairs and Maintenance		\$64	\$0	\$0
Fix pot holes	Repairs and Maintenance		\$951	\$889	\$1,778
Payment	Repairs and Maintenance		\$0	\$0	\$0
Legal fees	General and Administrative		\$0	\$387	\$773
Fix billboards	Repairs and Maintenance		\$0	\$206	\$412
Work on house we own (338 11th.)	Omit Row		\$0	\$161	\$322
Work on modular we own (236 11th.)	Omit Row		\$0	\$64	\$129
City Tax	General and Administrative		\$55	\$0	\$0
Total Operating Expenses	Total Operating Expenses	\$81,555	\$99,485	\$45,093	\$90,186
Net Operating Income		\$115,313	\$86,483	\$50,094	\$100,188

Compiled by Newmark

Operating History and Projections									
Period Length	12 Mos.		12 Mos.		6 Mos.	Annualized	Newmark		
Period Ending	12/31/2020		12/31/2021		6/30/2022	6/30/2022	Projection		
Manufactured Housing Income	Total \$	\$/Pad	Total \$	\$/Pad	Total \$	Total \$	\$/Pad	Total \$	\$/Pad
Rental Income	\$157,624	\$2,353	\$146,215	\$2,182	\$76,535	\$153,069	\$2,285	\$241,200	\$3,600
Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$16,884)	(\$252)
Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,412)	(\$36)
Effective Rental Income	\$157,624	\$2,353	\$146,215	\$2,182	\$76,535	\$153,069	\$2,285	\$221,904	\$3,312
Net Expense Reimbursements	\$39,244	\$586	\$39,753	\$593	\$18,653	\$37,305	\$557	\$38,525	\$575
Net Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,407	\$21
Effective Gross Income	\$196,868	\$2,938	\$185,968	\$2,776	\$95,187	\$190,375	\$2,841	\$261,836	\$3,908
Operating Expenses	Total \$	\$/Pad	Total \$	\$/Pad	Total \$	Total \$	\$/Unit	Total \$	\$/Pad
Real Estate Taxes	\$8,176	\$122	\$7,856	\$117	\$7,828	\$15,656	\$234	\$27,178	\$406
Insurance	\$3,127	\$47	\$2,787	\$42	\$1,070	\$2,140	\$32	\$3,015	\$45
Utilities	\$40,682	\$607	\$42,515	\$635	\$23,833	\$47,666	\$711	\$45,225	\$675
Repairs and Maintenance	\$12,611	\$188	\$13,601	\$203	\$8,417	\$16,835	\$251	\$15,075	\$225
Payroll and Benefits	\$14,817	\$221	\$30,923	\$462	\$2,577	\$5,154	\$77	\$23,450	\$350
General and Administrative	\$2,143	\$32	\$1,803	\$27	\$1,368	\$2,736	\$41	\$3,350	\$50
Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,473	\$156
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,705	\$115
Total Operating Expenses	\$81,555	\$1,217	\$99,485	\$1,485	\$45,093	\$90,186	\$1,346	\$135,471	\$2,022
Operating Expense Ratio	41.4%		53.5%		47.4%	47.4%		51.7%	
Net Operating Income	\$115,313	\$1,721	\$86,483	\$1,291	\$50,094	\$100,188	\$1,495	\$126,365	\$1,886

Compiled by Newmark

- The provided historical financials include both the subject property and the other property being purchased. We have broken out a pro rata on the income and expenses for the subject property.

Vacancy & Collection Loss Allowance

Vacancy and Collection Loss - Units			
Subject Historical and Projections	% of PGI	\$/Pad	Total
Newmark Projection	8.00%	\$288	\$19,296

Compiled by Newmark

Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 8.00% (7.00% vacancy and 1.00% collection loss).

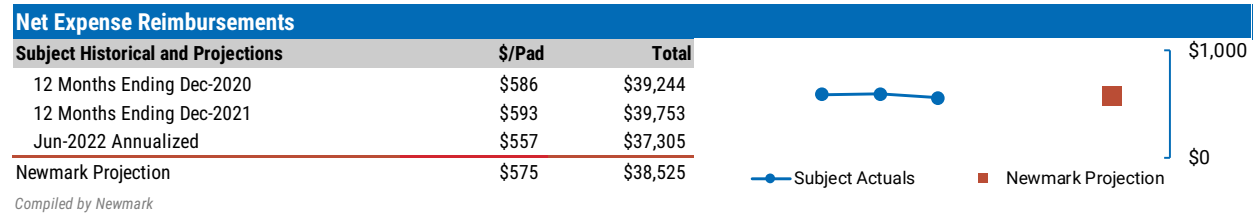
Effective Rental Income

Effective Rental Income			
Subject Historical and Projections	% of PGI	\$/Pad	Total
12 Months Ending Dec-2020	100.00%	\$2,353	\$157,624
12 Months Ending Dec-2021	100.00%	\$2,182	\$146,215
Jun-2022 Annualized	100.00%	\$2,285	\$153,069
Newmark Projection	92.00%	\$3,312	\$221,904

Compiled by Newmark

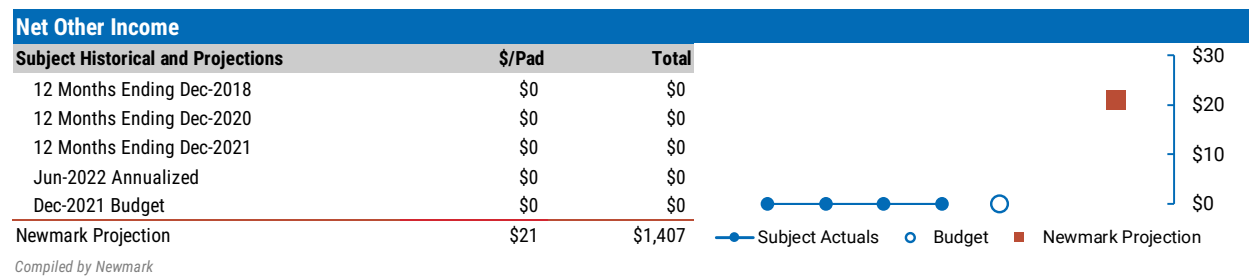
— Subject Actuals ■ Newmark Projection

Net Expense Recoveries (RUBS)



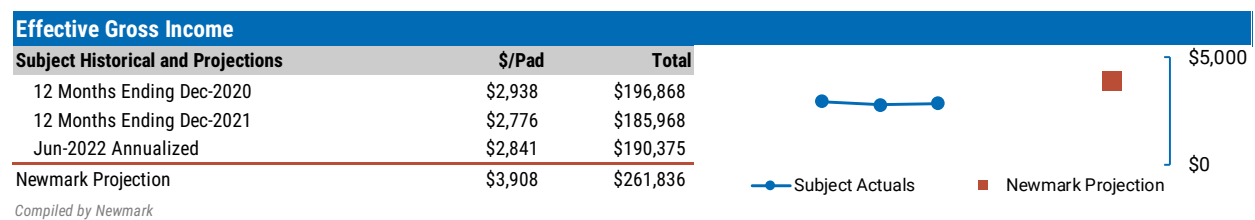
- The buyer reported that the tenants pay for a pro rata of water/sewer collection, but specific details were not made available. We will be placing reliance on the historical financials.

Net Other Income



- Historical other income does not include the garage rent. \$125 per month is generated by the garage rent and assuming a 95% occupancy rate would equate to \$1,407 per year of net other income.

Effective Gross Income



Our pro forma estimate is higher due to our projection of a revenue increase due to an increase in market rent.

OPERATING EXPENSE ANALYSIS

Expense data for the subject and comparable properties are summarized in the following table.

Expense Analysis Per Pad										
	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject Historical and Projections				
Year Built	1950	N/A	N/A	N/A	N/A	1955				
MHP Pads	34	46	42	60	55	67				
Operating Data Type	Actual	N/A	N/A	N/A	N/A	Actual	Actual	Partial Year	Annualized	Newmark
Year	2021	N/A	N/A	N/A	N/A	2020	2021	2022	2022	Projection
Effective Gross Manufactured Housing Income Per Pad	\$2,263	\$5,763	\$3,895	\$3,853	\$4,194	\$2,938	\$2,776	\$1,421	\$2,841	\$3,908
Operating Expenses Per Pad										
Real Estate Taxes	\$407	\$510	\$438	\$201	\$176	\$122	\$117	\$117	\$234	\$406
Insurance	\$27	\$44	\$189	\$90	\$36	\$47	\$42	\$16	\$32	\$45
Utilities	\$518	\$788	\$271	\$481	\$651	\$607	\$635	\$356	\$711	\$675
Repairs and Maintenance	\$338	\$415	\$61	\$166	\$103	\$188	\$203	\$126	\$251	\$225
Payroll and Benefits		\$120	\$392	\$117	\$202	\$221	\$462	\$38	\$77	\$350
General and Administrative Management	\$485	\$23	\$191	\$3	\$38	\$32	\$27	\$20	\$41	\$50
Replacement Reserves		\$192	\$159		\$146					\$156
					\$55					\$115
Total Operating Expenses Per Pad	\$1,775	\$2,092	\$1,701	\$1,058	\$1,407	\$1,217	\$1,485	\$673	\$1,346	\$2,022
Net Operating Income Per Pad	\$488	\$3,671	\$2,194	\$2,795	\$2,787	\$1,721	\$1,291	\$748	\$1,495	\$1,886
Operating Expense KPIs (% of EGI)										
Management		3.33%	4.08%		3.48%					4.00%
Operating Expense Ratio (% of EGI)	78.44%	36.30%	43.67%	27.46%	33.55%	41.43%	53.50%	47.37%	47.37%	51.74%
Net Operating Income (% of EGI)	21.56%	63.70%	56.33%	72.54%	66.45%	58.57%	46.50%	52.63%	52.63%	48.26%

Compiled by Newmark

Real Estate Taxes

Real Estate Taxes					
Source	% of EGI	\$/Pad	Total		
Comparables Low	4.2%	\$176			
Comparables High	18.0%	\$510			
Comparables Average	9.5%	\$346			
Subject Historical and Projections					
2020 (Actual Operations)	4.2%	\$122	\$8,176		
2021 (Actual Operations)	4.2%	\$117	\$7,856		
2022 (Annualized Operations)	8.2%	\$234	\$15,656		
Newmark Projection	10.4%	\$406	\$27,178		

Compiled by Newmark

This expense category includes all local, county, and state property tax levies. Our projection is based on the property assessment and tax rate for the subject, as discussed previously in the Real Estate Tax Analysis.

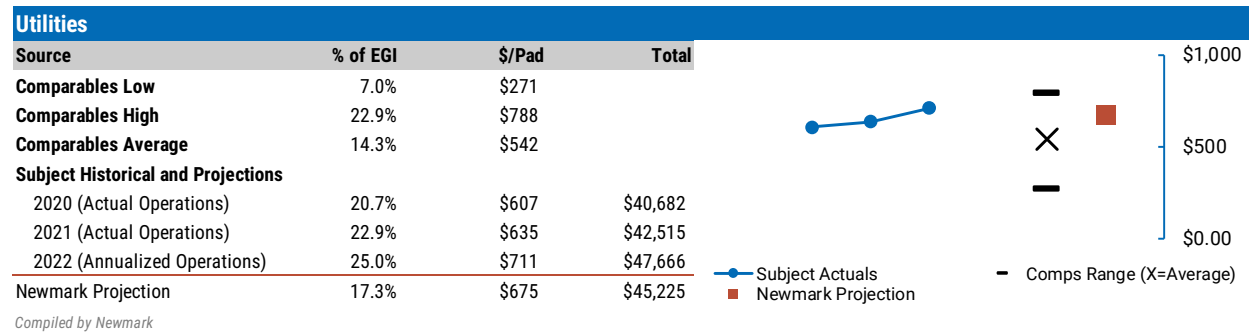
Insurance

Insurance					
Source	% of EGI	\$/Pad	Total		
Comparables Low	0.8%	\$27			
Comparables High	4.9%	\$189			
Comparables Average	2.0%	\$77			
Subject Historical and Projections					
2020 (Actual Operations)	1.6%	\$47	\$3,127		
2021 (Actual Operations)	1.5%	\$42	\$2,787		
2022 (Annualized Operations)	1.1%	\$32	\$2,140		
Newmark Projection	1.2%	\$45	\$3,015		

Compiled by Newmark

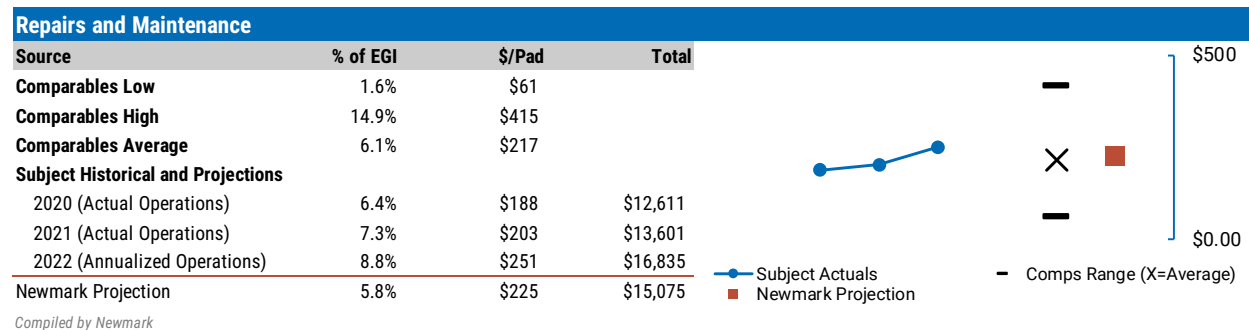
Insurance expense includes property and casualty insurance for the subject.

Utilities



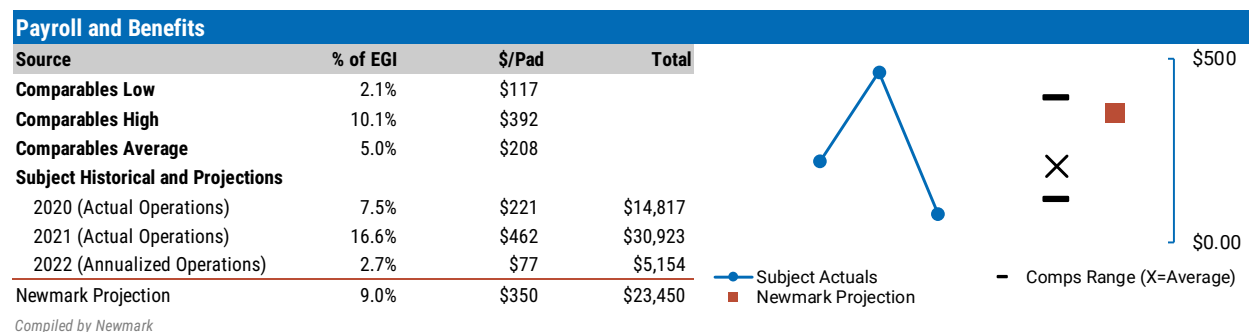
Utility charges include water, sewer, gas, and electricity expenses, all of which are centrally metered and billed to the owner. The owner recovers a large portion of water/sewer expenses recovered that are addressed on the income side.

Repairs and Maintenance



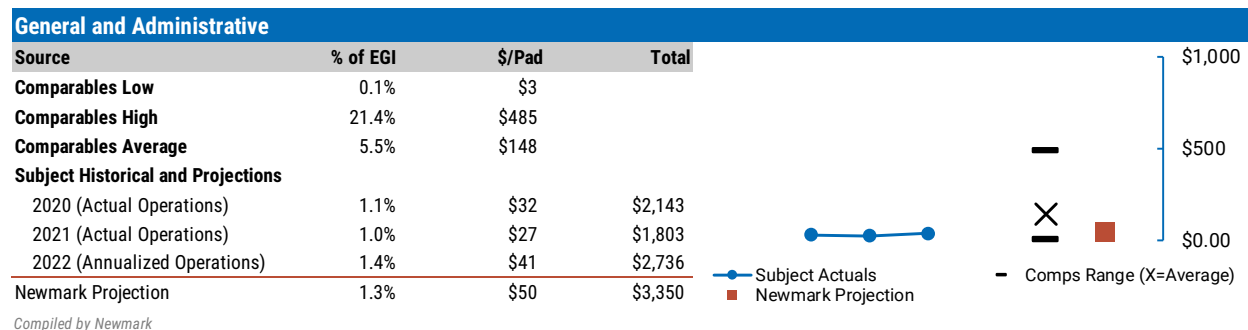
Repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components, encompassing payroll and contract costs, as appropriate. Excluded are alterations and major replacements, which are considered capital costs rather than periodic expenses.

Payroll and Benefits



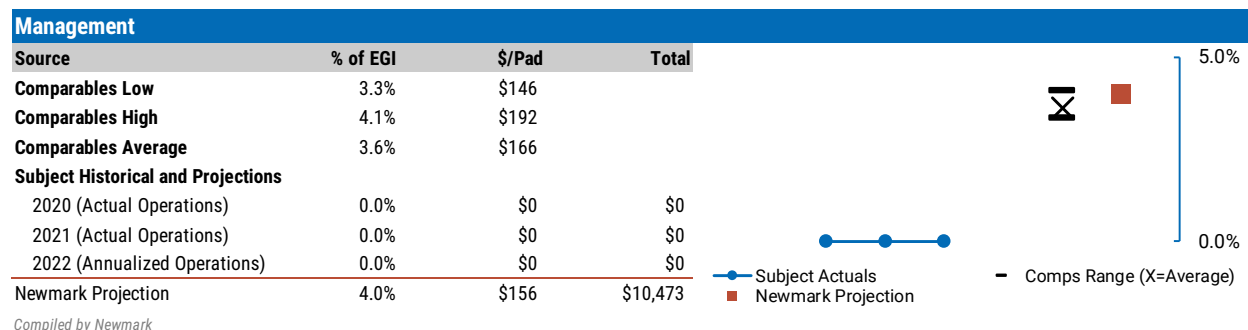
Payroll and benefits includes all employees such as the manager, leasing agents, maintenance personnel, and grounds crew.

General/Administrative



General and administrative expenses consist of office expenses as well as legal, accounting and other professional fees, license fees, and business taxes, if any.

Management



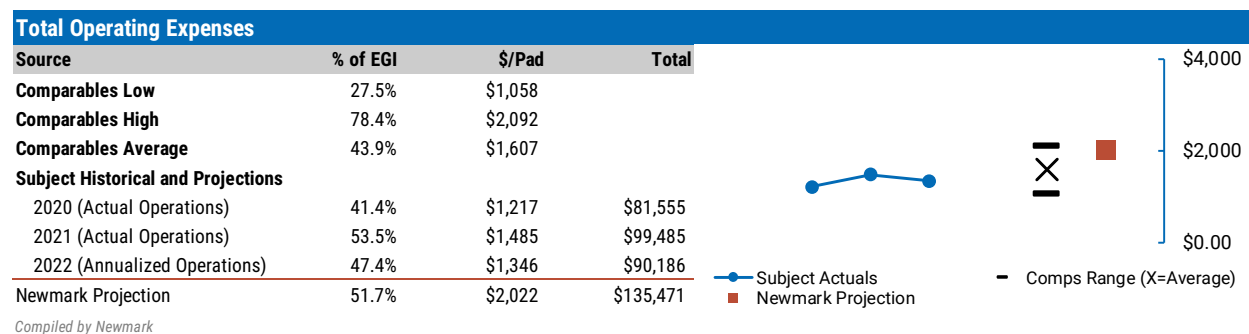
Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner. Typical management fees for properties of this type range from 3.00% to 5.00%. Considering that the subject is a better quality property in the middle of the range, or 4.00%.

Replacement Reserves

For the subject property type and local market, it is customary to include replacement reserves as an expense line item in developing an estimate of net operating income. Replacement reserves are estimated to account for replacement costs of certain capital items, such as the utility system and amenities.

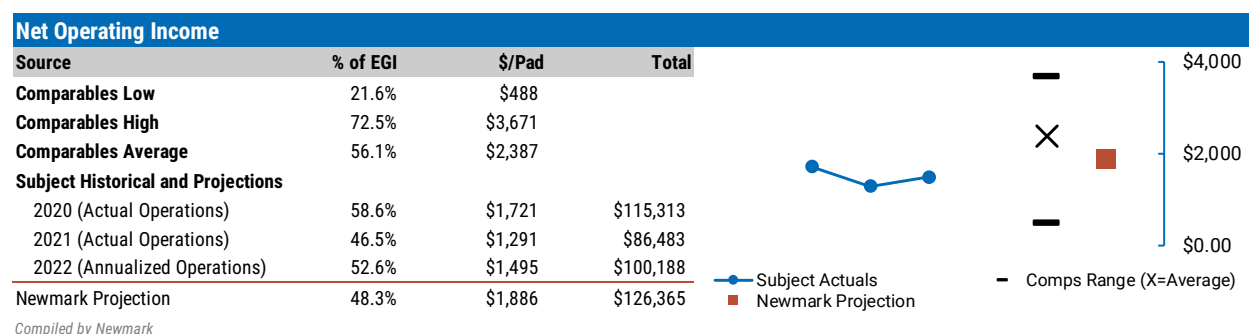
We will be including a \$115 per pad replacement reserve.

Total Operating Expenses



- Our projected operating expenses are towards the higher end of the comparables and above the historicals due to our projection of an increase in real estate taxes.

NET OPERATING INCOME



- Our estimate is higher than the historicals due to a projected increase in revenue

DIRECT CAPITALIZATION

In an effort to tame a rapidly escalating rate of inflation this year, the U.S. Fed has implemented its most aggressive actions since 2005 with plans to continue to increase rates. The impacts to both the residential and commercial real estate markets have been material as borrowing costs have increased significantly. It is expected that “rescue equity” will be needed to replace the capital shortfalls as values decline and cost of debt rises. Further, negative leverage is occurring as mortgage rates trend above capitalization rates which is unsustainable. Transactions have slowed, deals have stalled and there has been a lack of current data points which has reduced clarity with respect to price discovery and valuations. The majority of investors surveyed by PwC expect capitalization rates to increase over the next six months.

In updated projections, the Fed signaled plans to lift rates by another 0.50 - 0.75 percentage points before the year is over, bringing the federal funds rate to 4.25-4.5 percent before 2022 ends. Considering the Fed only has one meeting left, that could mean another 50-75 basis point hike in December. Looking even farther into the future, the Fed is bracing to lift rates to 4.5-4.75

percent by next year. This will lead to higher loan rates which in turn, will make real estate investments less affordable, decreasing demand, and pricing to fall lower.

2022 Federal Funds Rate History

FOMC Meeting Date	Rate Change (bps)	Cumulative	Federal Funds Rate
12/13/2022	+50 (P)	+4.25%	4.25% - 4.50%
11/2/2022	+75	+3.75%	3.75% - 4.00%
9/21/2022	+75	+3.00%	3.00% - 3.25%
7/27/2022	+75	+2.25%	2.25% - 2.50%
6/16/2022	+75	+1.50%	1.50% - 1.75%
5/5/2022	+50	+75%	0.75% - 1.00%
3/17/2022	+25	+25%	0.25% - 0.50%

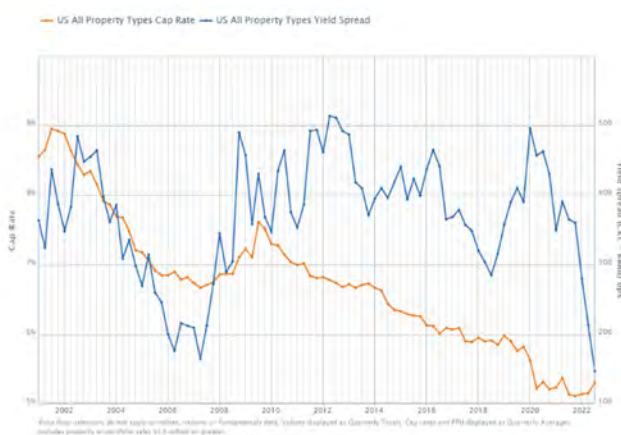
Compiled by Newmark

Cost of Capital

The increase in base interest rates directly affects financing rates. Various debt sources are quoting and achieving mortgage interest rates 6% and above. This is creating a situation where debt coverage ratios are too low at the typical 75-80% loan-to-value ratios and, in turn, this is forcing lower leverage and greater equity positions. Where stress testing is employed, the higher stressed rates also tend to force lower leverage. Equity funds generally carry higher rates of return than debt and this translates to higher capitalization rates as well.

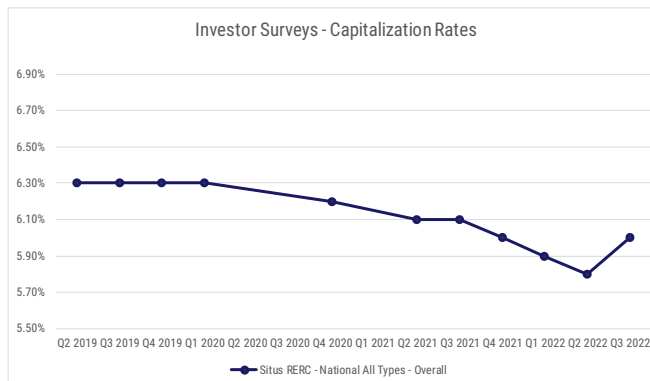
Capitalization Rates

In the 3Q2022 PwC Real Estate Investor Survey, it was noted that “The current rising-interest-rate environment has many investors in the commercial real estate (CRE) industry using the words selective, tentative, and cautious to describe their approach to acquisitions today.” This translates to slowing transaction volume but also directly impacts pricing expectations.



There tends to be a noticeable lag between changes in capitalization rates and underlying financing rates. The graph to the left from Real Capital Analytics depicts the spread between capitalization rates and underlying interest rate yields (bond rates in this case). As interest rates began to climb into 2007, while capitalization rates continued a slow downtrend, the spread fell to below 200 basis points. In 2009, capitalization rates hit a peak while the spread widened to the 350 to 500 basis point range. Very recently (Second Quarter 2022), the spread has again fallen to below 200 basis points.

The question is when will cap rates react? In fact, this move has already begun as evidenced first by the uptick in the graph above. Situs RERC has the most current investor survey data at the moment meaning that the metric data they have published is most recent out of the various survey providers. For 3Q 2022, Situs RERC reflected an average going-in



capitalization rate of 6.0% for all property types. From 3Q 2021, the same metric was 6.1% - effectively no change. But, a closer look at the data shows a significant increase in the recent past. The graph above shows the trend line of this RERC data – note that the indicated capitalization rate continued to decline into Q2 2022 but ticked up in the most recent quarter – a 20 basis point increase.

Green Street tracks capitalization rates in six property types in the top 50 MSA's. Their October 2022 Cap Rate Observer reflects even more dramatic indicated changes in capitalization rates. The following summarizes the overall 3 month weighted averages for various property types in these 50 top MSA's.

Green Street – Cap Rate Observer – October 2022

Property Type Sector	Current Cap Rate	3 mo. ▲ (bps)
Apartment	4.9%	+55
Industrial	4.6%	+25
Office	7.6%	+85
Strip Center	6.5%	+30
Self-Storage	4.8%	+20
Single-Family Rental	4.9%	+25

Compiled by Newmark

Investors expect, and the data is showing, that capitalization rates are increasing. We have also heard of specific transaction examples including repricing of deals and simply offers at lower levels owing to the increased cost of capital – not to mention other economic factors.

Property Values

The next question is whether these capitalization rate increases are translating to property value declines. Green Street published their most recent Commercial Property Price Index on November 4, 2022 reflecting the index for October, 2022. The lead-in to this report stated the following:

Property Prices Down 13% This Year: The Green Street Commercial Property Price Index® decreased by 7% in October. Rising interest rates have caused property prices to decline by 13% this year.

All property sectors have now turned since the recent peak and all but self-storage are down over the trailing 12 months. The largest downturn is in Mall properties but even the apartment and industrial sectors are down 17% from the recent peak. Self-storage and hotels are the least impacted at this time but still down from their recent peaks.

Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	Recent Peak
All Property	135.0	-7%	-8%	-13%
Core Sector	134.4	-8%	-10%	-16%
Apartment	157.8	-12%	-14%	-17%
Industrial	211.6	-8%	-10%	-17%
Mall	75.7	-6%	-10%	-23%
Office	98.2	-8%	-12%	-14%
Strip Retail	114.1	-5%	-4%	-13%
Health Care	134.6	-9%	-10%	-11%
Lodging	106.6	-5%	2%	-6%
Manufactured Home Park	296.4	-6%	-7%	-8%
Net Lease	105.0	0%	-9%	-9%
Self-Storage	295.1	-3%	13%	-6%

Deal volume has been falling. Real Capital Analytics reports a 21% decline in volume year over year. Demand is clearly falling – which means that pricing will fall as well just from a simple economics supply and demand model.

The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

Comparable Mobile Home Park Sales Summary

No.	Property Location	Yr. Built	Sale Date	Number of MHP Pads	Occ. %	Price per Pad	OAR
1	5729 Joleda Drive Southwest, Canton, OH	1970	Dec-2022	321	77%	\$59,502	3.28%
2	4086 Boston Road, Brunswick, OH	1950	Sep-2022	34	67%	\$21,265	9.75%
3	3834 Dayton Springfield Road, Springfield, OH	1950	Jul-2021	56	95%	\$19,339	12.13%
4	3402 OH-109, Delta, OH	1970	Jul-2021	50	80%	\$30,700	5.70%
5	35157 Center Ridge Road, North Ridgeville, OH	1950	Nov-2020	76	96%	\$35,526	6.26%
Average (Mean) Cap Rate:							7.42%

Compiled by Newmark

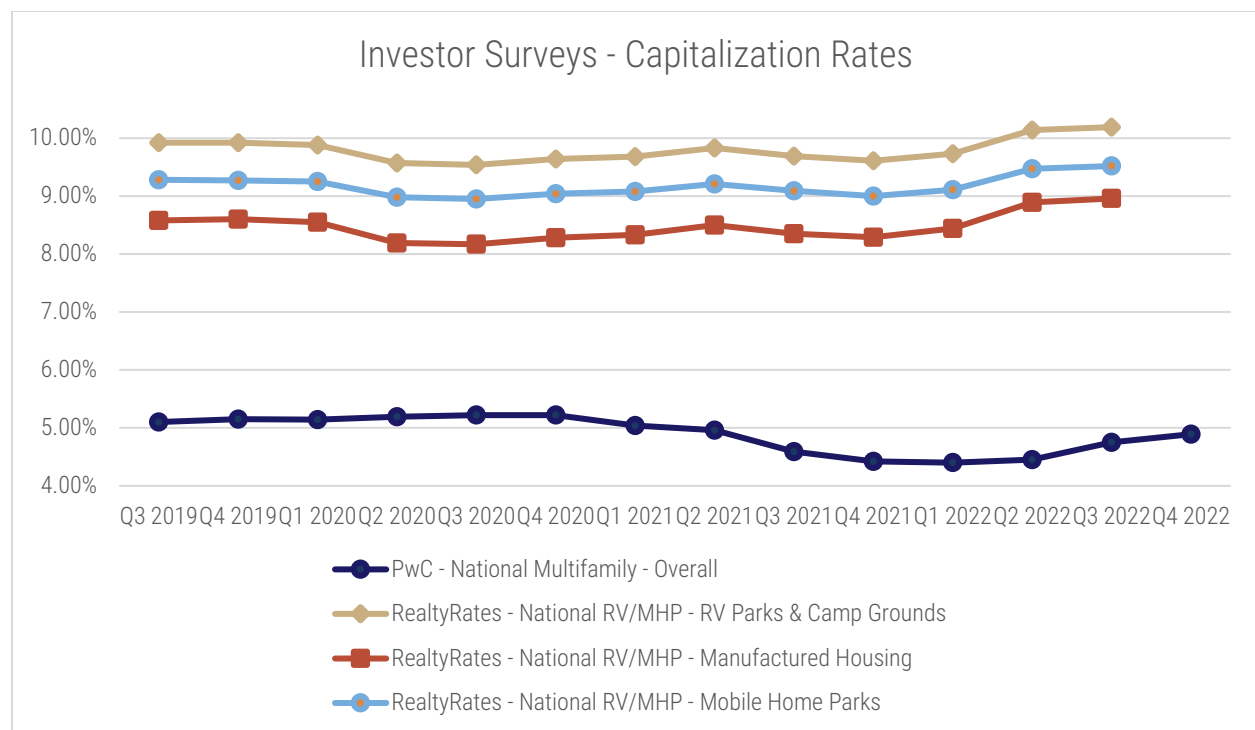
- Comparable One sets the low end of the range, but was below stabilized, was larger (superior) and contract rent was below market. Overall, this comparable should be adjusted upward.
- Comparable Two should be adjusted slightly for being below stabilized.
- Comparable Three should be adjusted downward slightly as market conditions have improved from 2021.
- Comparable Four should be adjusted upward slightly for being below stabilized.
- Comparable Five should be adjusted upward for its inferior location.
- Based on this information, a capitalization rate within a range of 7.00% to 8.00% could be expected for the subject.

Investor Surveys

Investor Surveys - Capitalization Rates

Source	Period	Low	High	Average
PwC - National Multifamily - Overall	Q4 2022	3.25%	8.00%	4.89%
RealtyRates - National RV/MHP - RV Parks & Camp Grounds	Q3 2022	5.91%	14.83%	10.19%
RealtyRates - National RV/MHP - Manufactured Housing	Q3 2022	5.21%	13.19%	8.96%
RealtyRates - National RV/MHP - Mobile Home Parks	Q3 2022	5.76%	13.36%	9.52%

Compiled by Newmark



- The most current national survey data indicates that the average going-in capitalization rates range from 3.25% to 14.83 and average around 8.24%.
- The rate appropriate to the subject is similar to the average rate in the survey data.
- Accordingly, based on the survey data, a capitalization rate within a range of 7.00% to 8.00% could be expected for the subject.

Market Participants

Market Participant Survey - Capitalization Rates

Respondent	Cap Rate	Comments
Ian Hilpl – Capstone Apartment Partners	6.00% - 8.00%	Assuming taxes to 100% of the sales price
Subject Indication	6.00% - 8.00%	

Compiled by Newmark

Band of Investment

Band of Investment					
Mortgage/Equity Assumptions					
Loan to Value Ratio	75%				
Interest Rate	6.50%				
Amortization (Years)	25				
Mortgage Constant	0.0810				
Equity Ratio	25%				
Equity Dividend Rate	8.00%				
Weighted Average Of Mortgage/Equity Requirements					
Mortgage Requirement	75%	x	8.10%	=	6.08%
Equity Requirement	25%	x	8.00%	=	2.00%
Indicated Capitalization Rate (Rounded)					8.00%

Compiled by Newmark

Capitalization Rate Conclusion

Investors expect, and the data is showing, that capitalization rates are increasing. We have also heard of specific transaction examples including repricing of deals and simply offers at lower levels owing to the increased cost of capital – not to mention other economic factors such as recession, supply chain, COVID-19, and global crises, etc.

It is important to acknowledge that there is a dearth of transactions in the marketplace making it more difficult to determine the impact on cap rates. Brokers and capital markets professionals are reporting significant disconnects between buyers and sellers – as much as 30% - and this is reducing the transaction activity. In addition, various investor surveys and aggregate reporting data may not necessarily reflect investor attitudes today since data could be 2-3 months old or more. We have given significant reliance to our interviews with market participants. We have also taken the following into consideration in the selection of our concluded capitalization rate.

- Investors have become selective, cautious, and tentative as cost of capital has increased.
- Volatility in the market has led to the disconnect between buyers and sellers thus reducing transaction volume – both in number of sales and overall price volume.
- Although the number of transactions has dropped precipitously, market participants are saying that price discovery is demonstrating that values are trending lower.
- Negative leverage is present in the market and this cannot be sustained which is putting downward pressure on values.
- Brokers report re-trades are occurring at lower pricing and higher indicated capitalization rates.

Positive Attributes	Negative Attributes
<ul style="list-style-type: none"> – Upward trending rent and occupancy rates in the market. – Upside potential in terms of rent and occupancy. 	<ul style="list-style-type: none"> – Small community. – Upward trending interest rates.

We have concluded an OAR of 7.00% to be reasonable, which is in the middle of the range of the comparable sales and the market participants.

Capitalization Rate Conclusion

Source	Indication
Comparable Sales	3.28% - 12.13%
Investor Surveys	7.00% - 8.00%
Market Participants	6.00% - 8.00%
Band of Investment	8.00%
Concluded Going-In Capitalization Rate	7.00%

Compiled by Newmark

Adjustments to Value

Capitalization of the projected stabilized net operating income results in an As Stabilized value indication. The As Is value indication is derived by making additional deductions for a stabilization discount.

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$/Pad	Total \$
Manufactured Housing Income		67	
Rental Income		\$3,600	\$241,200
Vacancy	-7.00%	(\$252)	(\$16,884)
Collection Loss	-1.00%	(\$36)	(\$2,412)
Effective Rental Income		\$3,312	\$221,904
Net Expense Reimbursements		\$575	\$38,525
Net Other Income		\$21	\$1,407
Effective Gross Income		\$3,908	\$261,836
Operating Expenses		67	
Real Estate Taxes		\$406	\$27,178
Insurance		\$45	\$3,015
Utilities		\$675	\$45,225
Repairs and Maintenance		\$225	\$15,075
Payroll and Benefits		\$350	\$23,450
General and Administrative		\$50	\$3,350
Management	4.00%	\$156	\$10,473
Replacement Reserves		\$115	\$7,705
Total Operating Expenses	51.74%	\$2,022	\$135,471
Net Operating Income		\$1,886	\$126,365
Direct Capitalization Method			
Value Indication		\$/Pad	Total \$
As Stabilized			
Stabilized Net Operating Income		\$1,886	\$126,365
Overall Capitalization Rate			7.00%
Prospective As Stabilized Value	Effective Date: 12/12/2023		\$1,805,208
Rounded		\$26,866	\$1,800,000
		Valuation Matrix	
		OAR	Value
		6.50%	\$1,944,070
		6.75%	\$1,872,067
		7.00%	\$1,805,208
		7.25%	\$1,742,959
		7.50%	\$1,684,861
Escalated Prospective Stabilized Value Indications			
			Value Indication
Escalation Factor			2.00%
As Stabilized Value as of Current Date	Effective Date: 12/12/2022		\$1,805,208
Prospective As Stabilized Value as of Date of Stabilization	Effective Date: 12/12/2023		\$1,841,312
As Stabilized			
Prospective As Stabilized Value as of Date of Stabilization	Effective Date: 12/12/2023		\$1,841,312
Rounded		\$27,612	\$1,850,000
As Is			
As Stabilized Value as of Current Date	Effective Date: 12/12/2022		\$1,805,208
Stabilization Discount			(\$50,000)
As Is Value	Effective Date: 12/12/2022		\$1,755,208
Rounded		\$26,119	\$1,750,000

Compiled by Newmark

Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications		
Market Value Premise As of Date:	As Is December 12, 2022	Prospective Upon Stabilization December 12, 2023
Cost Approach:	Not Used	Not Used
Sales Comparison Approach:	\$1,750,000	\$1,850,000
Income Capitalization Approach:	\$1,750,000	\$1,850,000
Market Value Conclusion	\$1,750,000	\$1,850,000

Compiled by Newmark

Cost Approach

In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

Income Capitalization Approach

The subject property is a mobile home community property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Market rent was well established by reasonably similar lease data. The property has a stable history and both income and expense estimates track with historical trends. Capitalization rates were developed from a number of sources including the sales used in the sales comparison approach. This approach is given greatest weight for that reason.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	12/12/2022	\$1,750,000
Prospective Market Value "Upon Stabilization"	Leased Fee	12/12/2023	\$1,850,000

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP 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. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as 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. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by Newmark

EXPOSURE TIME

Exposure time is the estimated length of time the subject property 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. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

The following is national investor survey data which is one source for the underlying data to this conclusion.

Investor Surveys - Marketing Times

Source	Period	Low	High	Average
PwC - National Multifamily - Overall	Q4 2022	1.0	12.0	4.6
Situs RERC - National Multifamily - Overall	Q3 2022	N/A	N/A	4.3

Compiled by Newmark



Recent sales transaction data for similar properties, supply and demand characteristics for the local multifamily market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 5 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 5 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

-
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms

ADDENDA

The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **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.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **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 to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US 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.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.

- ◆ **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. See also **surplus land**.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **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.
- ◆ **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.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **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.

- ◆ **Gross Building Area (GBA):** 1) 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. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) 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. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)
- ◆ **Investment Value:** 1) 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. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **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.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **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 US 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.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified 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 duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. ²

² The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease; modified gross lease.**
- ◆ **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.
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied.
2) The ratio of occupied space to total rentable space in a building.
- ◆ **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 breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **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 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.

- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **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."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **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. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.
- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) 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.
- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.

- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B

Engagement Letter



MountainSeed Appraisal Management, LLC
2100 Powers Ferry Road SE, Suite 410
Atlanta, GA 30339
404-973-2568

APPRAISAL REQUEST FORM
COMPANY: Presidential Bank- Bethesda, MD

State Registration Number: AMC.2019001165

File Information

File ID: 221122085 **Due Date:** 12/21/2022
Loan Number: TBD New Philadelphia

Appraiser Information

Loan Type: Acquisition/Purchase **Appraiser:** Griffith, Paul
Form: Appraisal Report (Narrative format)
Service Fee: \$3750.00 **Interest Valued:** Leased Fee
Real Estate Valued: Land and Improvements **Effective Date of Value As Is**
Valuation: Prospective Value Upon Occupancy Stabilization
Other Intended Users:
USDA: No
SBA: No

Client Information

Client: Presidential Bank- Bethesda, MD **Borrower:**
Address: 4600 East-West Highway **Co-Borrower:**
Bethesda, MD 20814 **Company Name:** BoaVida Group

Subject Property

Address: 701 Willow St SE **Intended Use:** Sale / Purchase
New Philadelphia, OH 44663 **Appraisal Category:** Origination
County: Tuscarawas **Map:** [Map Link](#)
Sales Price: 2,500,000
Property Type: Other (Please Specify): Mobile Home Park (land/lot rent and value only)
Property Tax ID: See Contract

Per Bank: I've uploaded the purchase contract so that should advise of which parcels we need.

Description: BID IN CONJUNCTION: 221122084 & 221122085

APPRAISERS: THIS IS A RUSH ORDER. REQUESTING TURN TIME OF 10 BUSINESS DAYS OR BEST TIMING. THANK YOU.

****This order is for ONE report only. Multiple reports for this order are not permitted. Contact MountainSeed immediately if you determine multiple reports are needed.****

67 lot Mobile Home Park with one rental garage known as Pines Mobile Home Park

Please provide a combined value for the parcels.

Please also provide a land-only value in the reports.

*Per bank:

- 1) This MHP (at 701 Willow St SE) is one of two parks being purchased for the total stated price of \$2.5MM (the other being 300 11th Street NW – a separate appraisal request)
- 2) Value request is for the land/park only (not trailer values or income from trailers) and the permanent structures (Garage for rent)

In addition to the value, the customer is asking for a land value only as well (meaning without any structure).

Prior Experience: The property being bid is a mobile home park. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the bank is attempting to ensure that have an appraiser that is qualified to perform the appraisal.

Are there issues that the financial institution knows about that could impact value? No

Property Contact Information

Contact Person: Terry Everett

Work Phone: 330-243-5168

Cell Phone:

Home Phone:

Contact Email
Address: pentonmotorcycles@yahoo.com

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact MountainSeed AMC at 404-973-2568. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser MountainSeed AMC will not be liable for any appraisal related service fee.



Date: 12/7/2022

Appraisal Company: Newmark Knight Frank Valuation & Advisory (PA)
Appraisal Co Address: 2591 Wexford–Bayne Road
Sewickley, PA 15143

Regarding: 701 Willow St SE New Philadelphia, OH 44663

Dear: Paul Griffith

This letter (this "**Engagement Letter**") confirms your engagement to prepare an appraisal of the property described below in compliance with the terms and conditions set forth below.

Basic Information

Property to Be Appraised: 701 Willow St SE New Philadelphia, OH 44663

Property Description: BID IN CONJUNCTION: 221122084 & 221122085

APPRAISERS: THIS IS A RUSH ORDER. REQUESTING TURN TIME OF 10 BUSINESS DAYS OR BEST TIMING. THANK YOU.

****This order is for ONE report only. Multiple reports for this order are not permitted. Contact MountainSeed immediately if you determine multiple reports are needed.****

67 lot Mobile Home Park with one rental garage known as Pines Mobile Home Park

Please provide a combined value for the parcels.

Please also provide a land-only value in the reports.

*Per bank:

- 1) This MHP (at 701 Willow St SE) is one of two parks being purchased for the total stated price of \$2.5MM (the other being 300 11th Street NW – a separate appraisal request)
- 2) Value request is for the land/park only (not trailer values or income from trailers) and the permanent structures (Garage for rent)

In addition to the value, the customer is asking for a land value only as well (meaning without any structure).

Prior Experience: The property being bid is a mobile home park. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the bank is attempting to ensure that have an appraiser that is qualified to perform the appraisal.

Interest in the
Property to be
Appraised: Leased Fee

Client: Presidential Bank– Bethesda, MD

Intended User: Financial Institution

Borrower (if
Applicable):

Property Owner
Contact Name: Terry Everett

Property Owner
Phone: 330–243–5168

Appraisal
Management
Company: MountainSeed Appraisal Management, LLC

Valuation
Methodology to Be
Used: **Value As Is**
 Prospective Value Upon Occupancy Stabilization

Appraisal Form to
Be Used: Appraisal Report (Narrative format)

Fee: \$3750.00

Due Date: 12/21/2022

Addressee: Your Appraisal Report should be addressed to the Financial Institution.

I. INSTRUCTIONS

a. Purpose of the Assignment

The purpose of the assignment is to develop and report an informed and independent opinion of the Market Value of the Subject Property.

b. Intended Use

The report you prepare is intended to be used by the Financial Institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally–related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending–related activities.

c. Acceptance of the Assignment

You must accept or decline this assignment ***within one (1) business day.***

d. Web Portal

The Financial Institution has engaged MountainSeed to provide certain appraisal management company services to the Financial Institution. The Financial Institution has appointed MountainSeed as the Financial Institutions agent for purposes of engaging you on behalf of the Financial Institution in accordance with this Engagement Letter. Accordingly, you must direct communications about this appraisal assignment to MountainSeed through the web-based software system with which you registered prior to receiving this assignment (the **Web Portal**). If you have an issue with the Web Portal, please contact MountainSeed by phone (404) 973-2568 or email (info@mountainseed.com).

You agree to consistently monitor the Web Portal for updates and correspondence from MountainSeed.

You agree to respond to all communications from MountainSeed within one (1) business day, and you agree to comply with the other timing and delivery requirements set forth below. Failure to respond to communications from MountainSeed regarding this appraisal assignment, or failure to meet any of the other timing and delivery requirements, may result in the work being reassigned to another appraiser. You understand that the Financial Institution reserves the right to withhold payment in the event the assignment is reassigned due to your failure to meet timing and delivery requirements.

e. Requirement to Decline the Assignment or Stop Work

You must decline this assignment if you are not geographically competent, the assignment falls outside of your scope of practice restrictions, or you know of any reason you would not be able to provide an unbiased and independent professional judgment as to the Market Value of the Subject Property. Furthermore, you must stop work and immediately notify MountainSeed if you later determine that you are not qualified to complete the assignment. You acknowledge that you have received a copy of MountainSeeds Appraiser Independence Policy (AP0001) (the **Appraiser Independence Policy**), which is incorporated into this Engagement Letter by this reference. **If you believe that a violation of the Appraiser Independence Policy has occurred, or any applicable conflict of interest or independence requirements (such as attempts by others to influence or coerce) have been compromised in any way, you will immediately stop work and contact MountainSeeds compliance hotline at 1-877-848-4914.**

f. Requirements for Completion of the Assignment

i. *Inspection*

Immediately, but in no event less than **two (2) business days**, following your acceptance of this assignment, you should contact the property contact to schedule an inspection. If you are unable to reach the property contact, please notify MountainSeed immediately. As soon as the inspection date has been set, you should change the order status in the Web Portal to **"Appt. Set"** and add the date and time of the appointment in the appropriate section of the order.

ii. *Property Information*

The description of the Subject Property and any other information provided to you by MountainSeed or Financial Institution is provided on an **As-Is, Where-Is** basis with no representation or warranty whatsoever.

If at any time you discover a material discrepancy or insufficiency in the description of the Subject Property or other information provided to you that necessitates a change in the scope of the work, your fee or the Due Date, you must notify MountainSeed within **one (1) business day** of such discovery (and in any event prior to the Due Date and your delivery of the Appraisal) and the parties will work together to agree upon a mutually satisfactory amendment to this Engagement Letter to memorialize any such necessary changes.

iii. *Uniform Standard*

In performing the assignment, you and your work product must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (**USPAP**) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

iv. Additional Requirements

You and your work product must comply with the regulations, guidelines, and standards specified in the MountainSeed General Guidelines for Financial Institutions, Commercial Appraisal Services (herein referred to as the **Additional Requirements**). You can access these guidelines via the following link: <https://mountainseed.com/valuationguidelines-commercial/>

By signing this engagement letter, you acknowledge that you have received a copy of these Guidelines.

While you must comply, and must ensure that your work product complies, with those provisions in the respective federal laws and regulations that are applicable to you and your performance of this assignment, this Engagement Letter does not require you to guaranty compliance with portions of those federal laws and regulations that do not apply to your performance of this assignment or over which you have no control whatsoever. However, you must be knowledgeable about and comply with any provisions of the laws, regulations, and guidelines discussed above that apply to your work. For example, you must comply with the requirement to provide an As Is Market Value for assignments involving federally related transactions. This requirement applies to all assignments, including those involving new construction or for properties undergoing renovation. Please remember that under USPAPs Scope of Work Rule, assignment conditions include laws and regulations. You may also wish to refer to USPAP Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

v. Special Requirements

Your Appraisal must comply with USPAP, the Additional Requirements stated above, and all the terms and conditions and any Special Requirements set forth in this Engagement Letter.

vi. State-Specific Requirements

1. AMC Registration/License Number & Fee Disclosure

Appraisals are expected to comply with any state-specific requirements regarding the disclosure of: (a) MountainSeed's AMC registration or license number, as applicable; and/or (b) the fee paid for your services. Pursuant to state law, MountainSeed cannot prohibit the appraiser from disclosing the appraisal fee within the appraisal report. Furthermore, MountainSeed does not require the appraiser to disclose the AMC registration/license number or appraisal fee within the appraisal report, however in the following states, you should disclose the AMC registration and/or your fee within the body of the appraisal report. (Note: This list is provided for informational purposes only. It is your responsibility to verify disclosure requirements with the licensing board in the state where the subject property is located.)

State	Appraiser to Disclose in Report (AMC #, Fee, or Both)	Special Instructions
Alabama	AMC #	Appraiser shall state fee paid to appraiser in certification of report.
Arizona	Fee	Appraiser shall state their fee in scope of work section of report.
Colorado	Fee	None
Georgia	Both	None
Illinois	Both	1) An independent appraiser by employment or contract for a specific assignment, the appraiser shall prominently display

the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."

2) An employee appraiser for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."

3) An employee appraiser who receives a salary and does not receive a fee for the assignment, the employee appraiser shall prominently display the following language: "The appraiser is a salaried employee and received no appraisal fee for the assignment."

4) An appraiser for a specific assignment, the appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal

		management company's Illinois registration number is _____ and it expires on (month/day/year)."
Kentucky	Both	Appraiser to place AMC name, registration number and fee paid to appraiser in report.
Louisiana	Fee	None
Montana	AMC #	None
Nevada	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
New Jersey	Both	None
New Mexico	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Ohio	Both	Appraiser to state actual fees paid to the appraiser within the body of the appraisal report.
Utah	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Vermont	Fee	Appraiser to state fee paid to appraiser in report.

2. *Assignments Involving Illinois Property*

For appraisal assignments involving property located in the state of Illinois, you must comply with the requirements of Illinois law and the Illinois Administrative Code. Illinois has established state law governing appraisal assignments in which an AMC is involved. You must comply with Illinois law, including the provisions of Illinois Administrative Code Section 1455.250.

a. Client(s) & Intended User(s)

MountainSeed is an appraisal management company (AMC) and is engaging you on the Financial Institutions behalf, acting as the Financial Institutions agent. As the Financial Institution is engaging you through MountainSeed (an agent), the Financial Institution is also a client. Accordingly, notwithstanding any provision to the contrary contained in this Engagement Letter, ***you must identify MountainSeed as the client and the Financial Institution as the intended user in the appraisal report.***

b. AMC Illinois Registration Number

The appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is 558.000010 and it expires on (month/day/year)."

Verify current expiration date at: <https://ilesonline.idfpr.illinois.gov/DFPR/Lookup/LicenseLookup.aspx>

vii. Form-Specific Requirements

1. FHLMC Form 71A

If Form 71A is used, the appraiser must conspicuously state in an addendum that the pre-printed definition of market value, contingent & limiting conditions, certification, and FHLMC Form 461 (lease analysis) referenced on Form 71A are outdated and are not incorporated in the report. (See 71A Addendum Example below).

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71A Addendum Example:

FORM 71A CONTAINS THE FOLLOWING PRE-PRINTED ELEMENTS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE PRE-PRINTED ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

- 1. Definition of Market Value Not current (c.1975) as printed on Form 71A and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)*
- 2. Contingent & Limiting Conditions Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]*
- 3. Certification Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)*
- 4. FHLMC Form 461 (Lease Analysis) Inadequate to meet current standards and requirements for development and reporting.*

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

2. FHLMC Form 71B

If a 71B is ordered, the appraiser must conspicuously state in an addendum that FHLMC 239 (certification and statement of limiting conditions, including definition of market value) and FHLMC Form 461 (lease analysis) referenced on form 71B are outdated and are not incorporated in the report. (See 71B Addendum Example below)

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71B Addendum Example:

FORM 71B CONTAINS PRE-PRINTED REFERENCES TO THE FOLLOWING FORMS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

1. *FHLMC 239* Outdated due to:

a. *Definition of Market Value*) Not current (c. 1975) and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)

b. *Contingent & Limiting Conditions* Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]

c. *Certification* Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)

2. *FHMLC Form 461 (Lease Analysis)* Inadequate to meet current standards and requirements for development and reporting.

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

g. Requirements for Delivery of the Appraisal

i. *Delivery to MountainSeed*

You must upload the Appraisal, including all exhibits and addendums, in a color PDF format to the Web Portal. You must upload a separate PDF of your invoice for the report in accordance with the Invoicing and Payment section below. The invoice should comply with the requirements of Section II(b) of this Engagement Letter.

ii. *Due Date*

You must deliver all work product required under the terms of this Engagement Letter by 5pm (local time of the subject property) on the Due Date. You must promptly notify MountainSeed in writing, and in no event less than two (2) business days prior to the Due Date, in the event that you anticipate any delay in meeting the Due Date. MountainSeed shall be under no obligation to extend the Due Date.

iii. *Effective Date of the Appraisal*

The effective date of your valuation opinion must be within thirty (30) days of the date of your delivery of the Appraisal, unless instructed otherwise.

II. **POST-DELIVERY**

a. Review of the Appraisal and Response to Related Inquiries

You acknowledge that MountainSeed may, for the benefit of MountainSeed and the Financial Institution, conduct or cause to be conducted a review of your completed appraisal. In connection with that review, MountainSeed may contact you to discuss your appraisal, to ask questions, or to request revisions in connection with MountainSeeds Appraisal Independence Policy. You agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within two (2) business days** to address any requests for revisions or additional information. You acknowledge that the resolution of such requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

Furthermore, you acknowledge that MountainSeed may use the results of any reviews or other quality control processes to establish an appraiser scorecard or other methodology or process for determining the quality of your work product (a **Scorecard**), and you agree that MountainSeed may share the results of any

such Scorecard with the Financial Institution and other Financial Institution clients and third parties. You have the right to request a copy of your Scorecard and to dispute any information contained in it.

MountainSeed agrees to use good faith efforts to cooperate with you in resolving any such disputes regarding information contained on your Scorecard.

b. Invoicing and Payment

i. Generally

You must address your invoice to the Financial Institution at its address and submit it with your completed Appraisal. ***The fee for this engagement set forth above includes all expenses, including travel and any technical assistance that you feel is necessary or appropriate.*** Your invoice at a minimum should include your contact information, the property address and MountainSeed File ID Number, the fee, an invoice date and payment terms, and shall be accompanied by a completed IRS W-9 Form (unless you have already provided a copy of your W-9 to MountainSeed).

Provided you have delivered the appraisal and otherwise fully satisfied your obligations hereunder, the Financial Institution will pay your fee as set forth above within thirty (30) days following the later to occur of (1) the Financial Institutions receipt of your invoice and all required supplemental information (e.g., W-9) or (2) the Financial Institutions receipt of completed report or work product meeting all requirements of this Engagement Letter. You acknowledge and agree that the Financial Institution may withhold payment of your fee in the event your work product, in the Financial Institutions reasonable discretion, does not comply with any requirement of this Engagement Letter.

Please note that MountainSeed does not charge the Financial Institution an all-inclusive flat fee (your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with the Financial Institution requires you to invoice the Financial Institution directly for your agreed-upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the Financial Institution directly for your appraisal fee eliminates delay.

While it is our belief that this is the best payment model, we also understand that it is possible that from time to time a Financial Institution may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the Financial Institution on the status of your payment, please feel free to place a message in the Web Portal and request the contact information for the accounts payable department at the Financial Institution.

PLEASE NOTE THAT, EXCEPT AS SPECIFICALLY PROVIDED ELSEWHERE IN THIS AGREEMENT, MOUNTAINSEED DOES NOT ASSUME LIABILITY FOR YOUR FEE IN THE EVENT THE FINANCIAL INSTITUTION FAILS TO PAY OR IS DELINQUENT IN PAYING YOUR INVOICE.

ii. Payment Requests

If you believe that the Financial Institution has failed to pay your fee for an appraisal within 25 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, in addition to placing a message in the Web Portal please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase **PAYMENT REQUEST** in all caps in the subject line of your email.

c. Disputes

MountainSeed has established a policy and a process for handling dispute requests from the Financial Institution following the Financial Institutions receipt of the completed appraisal, in accordance with the Appraisal Independence Policy. If you receive a completed dispute request form through the Web Portal,

you agree to respond: (i) ***within one (1) business day*** to acknowledge your receipt of any such communication, and (ii) ***within three (3) business days*** to address any requests for revisions or additional information utilizing the Web Portal. You acknowledge that the resolution of such Financial Institution dispute requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

III. REPRESENTATIONS AND WARRANTIES

a. Licensure/Certification

You represent and warrant that you hold the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

b. Appraisal Standards and Competency

By executing this Engagement Letter you acknowledge, declare, represent and warrant that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;
- (vii) Are familiar with the laws, rules, regulations, guidelines and other materials described in USPAP and the Additional Requirements;
- (viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;
- (ix) Have specific experience with the Subject Property type;
- (x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;
- (xi) Have not performed any prior services regarding the Subject Property, as an appraiser, or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;
- (xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi-governmental entity;
- (xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and
- (xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

c. Compliance with Applicable Law

You represent and warrant that you perform services as covered by this Engagement Letter in compliance with all applicable federal and state laws, regulations, and guidance, including, but not limited to, the laws, regulations, and guidance identified in the Additional Requirements section of this Engagement Letter.

d. Errors & Omissions Insurance

You represent and warrant that you maintain, and covenant that you shall continue to maintain (either by

continuation of similar coverage with the same or a different insurance carrier or by the purchase of extended reporting period coverage or tail coverage) for a period of three years after the date of completion of this assignment, professional liability insurance (**E&O Insurance**) covering damages arising from the professional appraisal services delivered by you under this Engagement Letter. Your E&O Insurance shall: (i) have a minimum liability limit of \$500,000 per claim and \$1,000,000 in aggregate for all claims, (ii) be issued by an insurance carrier having a Bests Financial Strength rating of A- or better and Financial Size Category of at least Class IX, and (iii) be issued on an insurance policy form and by an insurance program acceptable to MountainSeed and Financial Institution. The policy shall not contain an exclusion for defense or damages relating to claims arising out of failed financial institutions or claims made by the FDIC or any other state or federal regulator or insurer of Financial Institutions, mortgage lenders, or other financial institutions.

You represent and warrant that you have provided MountainSeed (or other persons or entities as directed by MountainSeed) with true, correct and complete insurance declarations page or certificate of coverage evidencing your current E&O Insurance together with any other insurance documentation relating to such coverage requested by MountainSeed.

You agree to supply evidence of E&O Insurance whenever your E&O Insurance is renewed or replaced and shall immediately inform MountainSeed (or other persons or entities as directed by MountainSeed) of any nonrenewal, cancellation, termination or change of prior acts date/retroactive date of Appraisers E&O Insurance. During the period that you are required to carry E&O Insurance under this Engagement Letter, you shall not make any change or alteration to your E&O Insurance which results in the loss of prior acts or retroactive date coverage covering the date on which the assignment was performed under this Agreement. You consent to MountainSeed confirming E&O Insurance coverage directly with the insurance carriers or insurance program administrators.

IV. INTELLECTUAL PROPERTY

As between you and the Financial Institution, the Financial Institution will be deemed to own your appraisal and any reports or other information provided by you to Financial Institution in connection with this Engagement Letter, and neither Financial Institution nor MountainSeed will be restricted in any way with respect to redistribution of such information. You shall not claim any copyrights or other ownership interests in that work product. You, however, shall have the right to retain copies of reports, documents or other information produced or utilized by you for the purpose of your work file under USPAP or as may be required under any law or regulation.

Notwithstanding the foregoing, you acknowledge and agree that, in connection with its review of your Appraisal or otherwise, MountainSeed may extract and compile market data, including without limitation, information relating to comparable sales, rents, operating expenses, income, leases, and leasing activity; neighborhood descriptions; economic trends; and similar information, including, without limitation, for purposes of populating databases to be used by MountainSeed and its affiliates in future performance of services for, and product offerings to Financial Institution and other clients. Any such databases or other compilation of data extracted and compiled by MountainSeed shall be owned solely by MountainSeed, and you specifically disclaim, transfer, and assign to MountainSeed any right, title or interest in and to such databases and compilations and the information contained in them; provided, however, that this sentence shall not limit the Financial Institutions rights to use the appraisal in accordance with the terms of this Engagement Letter. For the absence of doubt, any such information extracted from your Appraisal and compiled by MountainSeed solely in accordance with the rights granted to MountainSeed under this paragraph shall not include your opinion of the value of the Subject Property as stated in the Appraisal, or any other confidential information relating to the Subject Property or the loan or transaction underlying the appraisal (including the identity of the lender and the identity of the borrower), or any confidential information with respect to the Financial Institution, the borrower, or the Financial Institutions or borrowers business operations, to the extent not already publicly available.

V. OTHER PROVISIONS

a. Relationship between the Parties

In the performance of services under the terms of this Engagement Letter, you shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed so as to create the relationship of employer and employee, master and servant, partner, principal and agent or joint venture partner between you and Financial Institution or MountainSeed. Specifically, you acknowledge and agree that (i) neither Financial Institution nor MountainSeed will withhold any taxes, income or otherwise, from payments to you and that you will be required to file corporate, partnership, and/or individual tax returns and to pay taxes in accordance with applicable federal, state and local laws, (ii) this Engagement Letter is not an employment agreement, (iii) you are not an employee of MountainSeed or Financial Institution for any purpose, including, but not limited to, application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, state and federal income tax withholding requirements, workers compensation insurance, and third-party liability claims, (iv) neither MountainSeed nor Financial Institution shall be liable for any obligations incurred by you unless specifically authorized in writing, (v) you shall not act as an agent of MountainSeed or Financial Institution, nor bind MountainSeed or Financial Institution in any manner, (vi) you shall not represent or communicate to any party that you are an employee or an agent of MountainSeed or Financial Institution, and (vii) you are free to perform services for any and all other clients or management companies and you are free to set your own hours with respect to the performance of the assignment under this Engagement Letter.

b. Subcontracting Performance of Services

i. *Generally*

No subcontracting or outsourcing is permitted under this Engagement Letter. You, as the person signing this Engagement Letter, shall be the person who performs and signs the Appraisal requested herein. In general, the Financial Institution expects that you shall be the person that personally inspects the Property in connection with your Appraisal. Requests to have another employee in your firm inspect the Property must be approved and accepted by MountainSeed prior to engagement. Unless specifically instructed otherwise by MountainSeed or the Financial Institution, you may receive assistance in completing the Appraisal, so long as: (1) you at all times comply with USPAP, the Additional Requirements and the other provisions of this Engagement Letter, including without limitation in documenting the assistance you received, (2) the person providing the assistance is employed directly by you or by your appraisal firm and is characterized as an employee (and not an independent contractor) for federal income tax purposes; (3) the person providing the assistance is competent and qualified to provide the assistance and holds all necessary state, federal or local licenses, certificates or other authorizations required by any applicable authority; (4) you continuously supervise the person providing the assistance at all times in any work related to this Appraisal assignment, and (5) you sign the Appraisal and certification and accept full responsibility for the work. Specifically, and without limitation, you acknowledge and agree that you are familiar with applicable state laws, rules and appraisal board regulations, if any, regarding receiving professional assistance in connection with an appraisal assignment and that you shall at all times comply with those laws, rules and regulations in receiving any assistance in performing the Appraisal. You shall not assign this Engagement Letter to any other party, and any attempt by you to assign shall be void.

ii. *State-Specific Requirements*

For appraisal assignments involving property located in the state of Montana, subject to being permissible under the policies of the Financial Institution, Subsection V(b)(i), above, does not preclude you from: (i) utilizing the assistance of a licensed real estate trainee (under your supervision) or (ii) transferring the assignment to your employee who is Montana-licensed or -certified real estate appraiser who is a member of the Financial Institutions panel, provided that such individual can complete the work in accordance with USPAP and pursuant to the requirements of the Montana Board of Real Estate Appraisers.

c. No Disclaimers

The Financial Institution reserves the right not to accept the report and neither Financial Institution nor MountainSeed will be responsible for any fees or expenses incurred hereunder if your report includes disclaimers limiting your professional liability for services typically performed by an appraiser. This section shall not prohibit you from including standard disclaimers that may limit your liability for services typically

performed by a third-party and that an appraiser is not qualified to perform, such as environmental site assessments.

d. No Third-Party Beneficiaries

All requirements and standards for you and your work product are imposed solely and exclusively for the benefit of MountainSeed and Financial Institution and their respective successors and assigns, and no other person shall be deemed a third-party beneficiary of this Engagement Letter. You are solely responsible for ensuring that you and your work product comply with all such requirements and standards. Specifically, you are not entitled to rely on any review that MountainSeed may perform to evaluate your work products compliance with any such requirements and standards. You should not assume that MountainSeed will refuse to accept your work product in absence of strict compliance with any or all such requirements and standards.

e. No Promise of Future Assignments

You acknowledge that neither MountainSeed nor Financial Institution has made any guarantee of future assignments. Neither Financial Institution nor MountainSeed makes any promise or guarantee as to any minimum number of assignments or minimum level of revenue.

f. Indemnity

You agree to indemnify MountainSeed for any and all loss, damage, liability, claim or expense incurred by an Indemnified Party arising out of or related to (i) any death, bodily injury or damage to property resulting from your acts or omissions, (ii) your negligence, gross negligence or willful misconduct in performing this assignment; or (iii) any breach of your representations, warranties and covenants contained in this Engagement Letter. Notwithstanding the foregoing, nothing in subpart (iii) above will be deemed to require you to defend, indemnify or hold harmless MountainSeed or any MountainSeed-related Indemnified Party with respect to any liability, damage, loss, claim or expense that arises out of the services performed by MountainSeed, its agents, employees, or independent contractors, and not the services you performed. Furthermore, this indemnification provision in this paragraph shall not apply to appraisals performed in Vermont; for other states, in the event that the indemnification provision in this paragraph is broader than permitted by any applicable law or regulation, this section shall be limited to the extent of the indemnification permitted by such law or regulation in that state.

g. Termination

Notwithstanding anything contained herein to the contrary, either Financial Institution or MountainSeed may, at its option and for any reason, terminate this agreement without responsibility for payment of the appraiser's fees or costs, except for any actual staff time and out-of-pocket costs only, not to exceed the fee amount stated above, incurred by the appraiser in connection with the appraiser's performance of this agreement as of the date of termination.

h. Amendment

This Engagement Letter may only be amended in writing, signed by the parties hereto.

i. Confidentiality

You will take all reasonable steps to ensure that neither you nor any organization with which you are affiliated (including any employees, agents, appraisers, or officers of any such organization) will divulge any Confidential Information concerning your Appraisal to any person other than Financial Institution or MountainSeed. For purposes of this engagement letter, the term **Confidential Information** shall mean all non-public data or information that is submitted directly or indirectly to you by MountainSeed or Financial Institution or obtained or learned by you as a result of the engagement described in this Letter, including without limitation, information related to Financial Institutions or MountainSeeds customers, technology, operations facilities, consumer markets, products, capabilities, systems procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information. All Confidential Information shall remain the property of Financial Institution or MountainSeed, as applicable, and shall be protected as described below.

Except may be required by applicable law or lawful order or requirement of a court or other governmental authority having jurisdiction over you, you shall take reasonable means to hold all Confidential Information in confidence, and you shall not use (except for purposes set forth herein and authorized by Financial Institution or MountainSeed), disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use and benefit of, any person or entity without the express written consent of MountainSeed. You represent and warrant to Financial Institution and MountainSeed that you have established commercially reasonable controls to ensure the confidentiality of Confidential Information and to insure that Confidential Information is not disclosed in violation of the provisions of this Engagement Letter or the Gramm–Leach–Bliley Act of 1999 (15 U.S.C. § 6801, et seq.), as it may be amended, supplemented or replaced from time to time (the **GLB Act**) and the regulations promulgated thereunder. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality, such standard shall prevail over the standard set forth in this Engagement Letter.

You also agree that you will at any time during your engagement, at MountainSeeds or Financial Institutions request, and in any event, at the termination of this engagement, regardless of the reason, surrender to MountainSeed and/or Financial Institution (as is appropriate) all Confidential Information and any copies or abstracts thereof, to the extent surrendering the information is not prohibited under USPAP or other applicable federal, state and local laws, ordinances, rules, regulations and guidelines that may require you to maintain certain records.

You have caused this Engagement Letter to be executed as of the date set forth below.

Newmark Valuation & Advisory

(COMPANY)

By:_____



Name:_____

Paul D. Griffith MAI CRE FRICS

Title:_____

Senior Managing Director

Addendum C

Financials and Property Information

Brian Menhold

16 pages / Tom

**J.B.T.P. Mobile Home Parks LLC
Pines & Quaker Mobile Park
New Phila. Ohio 44663**

Full Year 2020 Both Parks Combined

Rent Income: \$244,670.00 Water Income: \$60,915.54
Total Income: \$305,585.54

Expenses: \$330,923.40
\$194,278.32 Payment (\$96,202.07 Interest)
\$58,434.03 Water bill
\$2322.72 Electric bill
\$4853.25 Insurance
\$4693.15 Plumbing
\$23304,000.00 Bonuses
\$1200.00 Sewer work
\$4085.00 Mowing
\$1190.92 Gas bill
\$4700.00 Tree work
\$175.00 Work on trailer we own (115 Mulberry)
\$710.00 Fix health dept. violations (Skirting)
\$1778.38 Pest control
\$504.40 Postage
\$729.30 New license fee
\$747.00 Work on modular we own (236 11th. St.)
\$200.00 Work on trailer we own (Lot 14)
\$250.00 Donation to city trash workers (Christmas)
\$300.00 Work on trailer we own (Lot 13)
\$3416.11 Electrical work
\$350.00 Work on trailer we own (108 Dogwood)
\$162.30 Title fees
\$100.00 Work on trailer we own (125 Holly)
\$143.21 Office supplies
\$708.05 Work on trailer we own (Lot 24)
\$600.00 Bought trailer (Lot 31)
\$300.00 Work on trailer we own (Lot 31)
\$372.82 Work on trailer we own (100 Holly)
\$12,690.92 Real estate taxes

\$1136.72 Trailer taxes
\$191.98 Snow plowing
\$1500.00 Bought trailer (Lot 26)
\$1067.00 Work on trailer we own (Lot 31)
\$400.00 Tax returns
\$600.00 Bought trailer (106 Dogwood)
\$2032.82 Work on trailer we own (106 Dogwood)

4th. Quarter Both Parks Combined : (\$25,337.86) Loss
Checkbook Balance 12-31-20 \$192,180.86

(Bonuses) \$23,000.00

**J.B.T.P. Mobile Home Parks LLC
Pines & Quaker Mobile Park
New Phila. Ohio 44663**

Full Year 2021 Both Parks Combined

**Rent Income: \$226,960.00 Water Income: \$61,706.16
Total Income: \$288,666.16**

Expenses: \$264,339.43
\$97,139.16 Payment (\$44,457.32 Interest)
\$63,782.89 Water bill
\$2089.08 Electric bill
\$4325.49 Insurance
\$5649.95 Plumbing
\$48,000.00 Bonuses
\$1400.00 Sewer work
\$12,194.18 Real estate taxes
\$878.85 Trailer taxes
\$3385.88 Mowing
\$2550.00 Tree work
\$739.00 Fix health dept violations
\$630.00 Work on trailer we own (Lot 14)
\$121.55 Gas bill
\$450.00 Work on trailer we own (100 Holly)
\$1080.30 Park license fees
\$306.00 Office supplies
\$180.50 Postage
\$146.00 P. O. Box fee for mail
\$134.04 Title fees
\$3011.70 Electrical work
\$205.00 Work on modular we own (236 11th. St.)
\$100.00 Work on garage we own
\$367.50 Gravel back to garage
\$8794.00 Work on trailer we own (111 Dogwood)
\$420.00 Work on trailer we own (125 Holly)
\$1437.88 Clean out Al Dietrichs trailer
\$1262.17 Snow plowing
\$1023.31 Work on house we own (338 11th. St.)

\$100.00 Hauling tires
\$1475.00 Fix pot holes
\$275.00 Work on trailer we own (115 Mulberry)
\$600.00 Tax returns
\$85.00 City tax

Full Year Both Parks Combined. \$24,326.73 Profit Both Parks
Combined. \$48,000.00 Went For Bonuses

Cup Took
\$48,000.
Bonuses

**J.B.T.P. Mobile Home Parks LLC
Pines & Quaker Mobile Park
New Phila. Ohio 44663**

1st. Half 2022 Both Parks

**Rent Income: \$118,800.00 Water Income: \$28,953.51
Total Income: \$147,753.51**

**Expenses: \$167,415.42
\$97,139.16 Payment (\$42,232.12)
\$65.88 Title fees
\$34,608.42 Water bill
\$1586.22 Electric bill
\$7524.00 Plumbing
\$1551.02 Insurance
\$1830.00 Mowing
\$1211.62 Snow plowing
\$863.54 Trailer taxes
\$12,150.86 Real estate taxes
\$500.00 Legal fees
\$320.00 Fix billboards
\$1380.00 Fix pot holes
\$800.00 Sewer work
\$250.00 Work on house we own (338 11th.)
\$100.00 Work on modular we own (236 11th.)
\$4000.00 Bonuses
\$600.00 Tax returns
\$120.00 Work on trailer we own (Lot 31)
\$59.70 Postage
\$755.00 Work on trailer we own (115 Mulberry)**

(\$19,661.091 Loss) 2nd. Quarter Both Parks

*(Real Estate Taxes Paid For the year
In The First Half). And some Bonuses
taken.*

Rent Roll Oct-22

BOTH PARKS Riverview Drive SE, New Philadelphia, OH

PARK	Unit	Street	Type	Status	Amount	POH Rent
pinos park		100 Mulberry	TOH		\$200.00	
pinos park		101 Mulberry	TOH		\$200.00	
pinos park		102 Mulberry	TOH		\$200.00	
pinos park		103 Mulberry	TOH		\$200.00	
pinos park		104 Mulberry	TOH		\$200.00	
pinos park		105 Mulberry	TOH		\$200.00	
pinos park		106 Mulberry	TOH		\$200.00	
pinos park		107 Mulberry	TOH		\$200.00	
pinos park		108 Mulberry	TOH		\$200.00	
pinos park		109 Mulberry	TOH		\$200.00	
pinos park		111 Mulberry	TOH		\$200.00	
pinos park		113 Mulberry	TOH		\$200.00	
pinos park		114 Mulberry	TOH		\$200.00	
pinos park		115 Mulberry	POH		\$200.00	\$300.00
pinos park		117 Mulberry	TOH		\$200.00	
pinos park		119 Mulberry	TOH		\$200.00	
pinos park		121 Mulberry	TOH		\$200.00	
pinos park		100 Juniper	TOH		\$200.00	
pinos park		114 Juniper	TOH		\$200.00	
pinos park		119 Juniper	TOH		\$200.00	
pinos park		123 Juniper	TOH		\$200.00	
pinos park		125 Juniper	POH		\$200.00	\$125.00
pinos park		701 Willow	TOH		\$200.00	
pinos park		703 Willow	TOH		\$200.00	
pinos park		705 Willow	TOH		\$200.00	
pinos park		707 Willow	TOH		\$200.00	
pinos park		715 Willow	TOH		\$200.00	
pinos park		717 Willow	TOH		\$200.00	
pinos park		719 Willow	TOH		\$200.00	
pinos park		100 Holly	POH		\$200.00	\$150.00
pinos park		102 Holly	TOH		\$200.00	
pinos park		104 Holly	TOH		\$200.00	
pinos park		112 Holly	TOH		\$200.00	
pinos park		114 Holly	TOH		\$200.00	
pinos park		116 Holly	TOH		\$200.00	
pinos park		117 Holly	TOH		\$200.00	
pinos park		119 Holly	TOH		\$200.00	
pinos park		121 Holly	TOH		\$200.00	
pinos park		125 Holly	TOH		\$200.00	
pinos park		127 Holly	POH		\$200.00	\$100.00
pinos park		100 Dogwood	TOH		\$200.00	

pinos park	101 Dogwood	TOH	\$200.00	
pinos park	103 Dogwood	TOH	\$200.00	
pinos park	104 Dogwood	TOH	\$200.00	
pinos park	106 Dogwood	TOH	\$200.00	\$150.00
pinos park	108 Dogwood	POH	\$200.00	\$175.00
pinos park	109 Dogwood	TOH	\$200.00	
pinos park	113 Dogwood	TOH	\$200.00	
pinos park	115 Dogwood	TOH	\$200.00	
pinos park	115 1/2 Dogwood	TOH	\$200.00	
pinos park	119 Dogwood	TOH	\$200.00	
pinos park	121 Dogwood	TOH	\$200.00	
pinos park	123 Dogwood	TOH	\$200.00	
pinos park	124 Dogwood	TOH	\$200.00	
pinos park	125 Dogwood	TOH	\$200.00	
pinos park	126 Dogwood	TOH	\$200.00	
pinos park	709 Willow	Vacant Lot		
pinos park	108 Holly	Vacant Lot		
pinos park	110 Holly	Vacant Lot		
pinos park	711 Willow	POH	Vacant	
pinos park	713 Willow	POH	Vacant	
pinos park	117 Dogwood	Vacant Lot		
pinos park	123 Holly	Vacant Lot		
pinos park	107 Dogwood	POH	Vacant	
pinos park	111 Dogwood	POH	Vacant	
pinos park	105 Dogwood	Vacant Lot		
pinos park	102 Dogwood	Vacant Lot		
pinos park	Garage Holly	Garage	\$125.00	
quaker park	1	TOH	\$ 200.00	
quaker park	2	TOH	\$ 200.00	
quaker park	3	TOH	\$ 200.00	
quaker park	4	TOH	\$ 200.00	
quaker park	5	TOH	\$ 200.00	
quaker park	6	TOH	\$ 200.00	
quaker park	7	TOH	\$ 200.00	
quaker park	8	TOH	\$ 200.00	
quaker park	9	TOH	\$ 200.00	
quaker park	10	TOH	\$ 200.00	
quaker park	11	TOH	\$ 200.00	
quaker park	12	TOH	\$ 200.00	
quaker park	13	POH	\$ 200.00	\$ 100.00
quaker park	14	POH	\$ 200.00	\$ 75.00
quaker park	15	TOH	\$ 200.00	
quaker park	16	TOH	\$ 200.00	

quaker park	17	POH	\$ 200.00	\$ 150.00
quaker park	18	TOH	\$ 200.00	
quaker park	19	TOH	\$ 200.00	
quaker park	20	TOH	\$ 200.00	
quaker park	21	POH	\$ 200.00	
quaker park	22	TOH	\$ 200.00	\$ 100.00
quaker park	23	TOH	\$ 200.00	
quaker park	24	POH	\$ 200.00	\$ 75.00
quaker park	26	POH	\$ 200.00	\$ 75.00
quaker park	27	TOH	\$ 200.00	
quaker park	28	TOH	\$ 200.00	
quaker park	29	TOH	\$ 200.00	
quaker park	30	TOH	\$ 200.00	
quaker park	31	POH	\$ 200.00	\$ 150.00
quaker park	33	TOH	\$ 200.00	
quaker park	34	TOH	\$ 200.00	
quaker park	35	TOH	\$ 200.00	
quaker park	236 11th St.	House	\$ 200.00	300
quaker park	338 11th St.	House	\$ 200.00	300
quaker park	32	Vacant Lot		
quaker park	25	POH Vacant		

Addendum D

Comparable Data

Improved Sales

ADDENDA

Multifamily Sale Comparable 1

Fohl Village MHP

Location Information

Location	5729 Joleda Drive Southwest Canton, OH
Market	OH - Cleveland
Submarket	Cleveland
County	Stark
APN	13-00835, 49-00853



Physical Property Summary

Property Type	Multifamily (Mobile Home Park)
Gross Building Area	0 SF
Rentable Area	0 SF
Land Acres	170.00 Acres
Land SF	7,405,200 SF
Number of Units	321
Density (Units per Acre)	1.9
Average Unit Size	0 SF
No. of Stories	
Year Built (Renovated)	1970
Construction	
Condition	Average
Parking	
Investment Class	Class C
Elevators	

Financial Data

Source	Actuals
Occupancy	77.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

NOI	\$859,500
Derived Cap Rate	4.50%
Reported Cap Rate	N/A

Sale Data

Transaction Type	Recorded
Interest Conveyed	Leased Fee
Date	December 15, 2022
Marketing Time	1 month
Grantor	OH Fohl Village LLC
Grantee	UMH Properties, Inc.
Document No.	202215335
Price	\$19,100,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$19,100,000
Price Per Unit	\$59,502

Pro Forma Stabilized Operations

NOI	\$626,843
Derived Cap Rate	3.28%
Verification	Confirmed-Seller Broker

Comments

This comparable was listed for one month prior to going under contract. The property has only one park owned mobile home and amenities include a pool and clubhouse. There is approximately 170 acres of land that includes the potential expansion of 80 acres of undeveloped land that could allow for 100 additional PADs. Lot rent includes water/sewer and current lot rents are reportedly below market. The property sold for \$19,100,000 and the exact actual cap rate was not available, but was reported in the 4's. The current taxable value is \$3,619,800 and the property is significantly underassessed based on the purchase price. Assuming an OAR of around 4.5% on in place income, Assuming a reassessment of 80% of the purchase price, the implied OAR would be 3.28%.

ADDENDA

Multifamily Sale Comparable 2

Clover Leaf Mobile Home Park

Location Information

Location	4086 Boston Road Brunswick, OH
Market	OH - Cleveland
Submarket	Cleveland
County	Medina
APN	001-02B-01-003; 001-02B-01-004; 001-02B-01-005; 001-02B-01-006;

Physical Property Summary

Property Type	Multifamily (Mobile Home Park)
Gross Building Area	6,021 SF
Rentable Area	5,084 SF
Land Acres	4.81 Acres
Land SF	209,524 SF
Number of Units	34
Density (Units per Acre)	7.1
Average Unit Size	150 SF
No. of Stories	2
Year Built (Renovated)	1950
Construction	Concrete
Condition	Fair
Parking	driveway
Investment Class	Class C
Elevators	

Financial Data

Occupancy	67.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

Effective Gross Income	\$76,915
EGIM	9.40
Operating Expense Ratio	78.5%
NOI	\$16,566
Derived Cap Rate	2.29%
Reported Cap Rate	N/A



Sale Data

Transaction Type	Recorded
Interest Conveyed	Leased Fee
Date	September 13, 2022
Marketing Time	N/A
Grantor	McGuire's Property Management of Ohio LLC
Grantee	Dominic Bologna
Document No.	0
Price	\$540,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$183,000
Adjusted Price	\$723,000
Price Per Unit	\$21,265

Pro Forma Stabilized Operations

Effective Gross Income	\$127,289
EGIM	5.68
Operating Expense Ratio	44.6%
NOI	\$70,493
Derived Cap Rate	9.75%
Verification	Confirmed-Buyer

Comments

This comparable is called Clove Leaf Mobile Home Park. It included 33 pad sites and one single-family home. As of the date of sale, the property was 68% occupied and had \$183,000 of deferred maintenance. Based on the actual 2021 financials, the implied OAR was 2.29%; however the property was below stabilized, had deferred maintenance and was generating below market rent. Based on the buyer's 2023 projected financials, the OAR would be 9.75%.

ADDENDA

Multifamily Sale Comparable 3

Edgewood

Location Information

Location	3834 Dayton Springfield Road Springfield, OH
Market	OH - Dayton
Submarket	Outside Metro Area
County	Clark
APN	1800600021000030 (+ 2 additional parcels)



Physical Property Summary

Property Type	Multifamily (Mobile Home Park)
Gross Building Area	4,822 SF
Rentable Area	920 SF
Land Acres	24.42 Acres
Land SF	1,063,735 SF
Number of Units	56
Density (Units per Acre)	6.5
Average Unit Size	16 SF
No. of Stories	1
Year Built (Renovated)	1950 (1992)
Construction	Wood
Condition	Average
Parking	Off-Street
Investment Class	Class C
Elevators	

Financial Data

Occupancy	95.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	\$131,334
Derived Cap Rate	12.13%
Reported Cap Rate	12.13%

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	July 2, 2021
Marketing Time	N/A
Grantor	SSA Edgewood MHP, LLC
Grantee	Multiple Park Holdings, LLC
Document No.	0
Price	\$1,083,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$1,083,000
Price Per Unit	\$19,339

Comments

This property is a 55-pad manufactured housing community located along the northwest side of Dayton Springfield Road just east of the intersection of Cold Spring Road and Dayton Springfield Road. In addition to the 55-pads on-site there is a single family home that is also rented. The park is located on a site totaling 24.420 acres, or 1,063,735 square feet, and was built in 1950 and was most recently renovated in 1992. The park is in average condition based on our observation and is 94.6% occupied. The property has no common area amenities. A two-car parking pad is also provided for each homesite. The property is currently in-contract along with 5-other properties for a combined portfolio price of \$9,000,000. The entire portfolio contains about 342-units which makes for an average purchase price of \$26,316 per unit. When the property contact was asked to provide allocated purchase prices for the assets in the portfolio, they stated that an allocation methodology was not utilized in the development of the purchase price. They did provide an estimated allocation for purchase price of this asset at \$1,083,000. This allocated purchase price indicates a capitalization rate of 12.13% on the t-12 NOI. The sale has not been recorded, but a mortgage statement record was filed and was utilized to confirm the closing of the transaction.

ADDENDA

Multifamily Sale Comparable 4

Camelot South MHP

Location Information

Location	3402 OH-109
	Delta, OH
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Fulton
APN	29-057124-00.000



Physical Property Summary

Property Type	Multifamily (Mobile Home Park)
Gross Building Area	525 SF
Rentable Area	0 SF
Land Acres	19.72 Acres
Land SF	859,003 SF
Number of Units	50
Density (Units per Acre)	2.5
Average Unit Size	0 SF
No. of Stories	1
Year Built (Renovated)	1970
Construction	Wood frame
Condition	Average
Parking	driveway
Investment Class	Class C
Elevators	

Financial Data

Occupancy	80.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

NOI	\$87,504
Derived Cap Rate	5.70%
Reported Cap Rate	N/A

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	July 2, 2021
Marketing Time	N/A
Grantor	PMN Camelot South MHC LLC
Grantee	Multiple Park Holdings, LLC
Document No.	0
Price	\$1,535,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$1,535,000
Price Per Unit	\$30,700

Comments

This property is a 50-pad manufactured housing community located along the east side of OH-109 between Highways C and D a little more than three and a half miles south of the Delta, Ohio town center. One of the 50-homesites is not located on the community's neighborhood roads and is located on a private lot on the southwest side of the property. The park is located on a site totaling 19.72 acres, or 859,003 square feet, and was built in 1970. The park is in average condition based on our observation and is 80% occupied. The property has no common area amenities. A two-car driveway is also provided for each homesite. The property sold along with 5-other properties for a combined portfolio price of \$9,000,000. The entire portfolio contains about 342-units which makes for an average purchase price of \$26,316 per unit. When the property contact was asked to provide allocated purchase prices for the assets in the portfolio, they stated that an allocation methodology was not utilized in the development of the purchase price. They did provide an estimated allocation for purchase price of this asset at \$1,535,000. With this allocated sale price the indicated capitalization rate based on the t-12 is 5.70%. The sale was not recorded but a mortgage statement was filed and thus used to determine whether the sale closed.

ADDENDA

Multifamily Sale Comparable 5

Ridgewood Estates MHC

Location Information

Location	35157 Center Ridge Road
	North Ridgeville, OH
Market	OH - Cleveland
Submarket	Cleveland
County	Lorain
APN	0700021119149



Physical Property Summary

Property Type	Multifamily (Mobile Home Park)
Gross Building Area	0 SF
Rentable Area	0 SF
Land Acres	10.60 Acres
Land SF	461,736 SF
Number of Units	76
Density (Units per Acre)	7.2
Average Unit Size	0 SF
No. of Stories	
Year Built (Renovated)	1950
Construction	
Condition	Average
Parking	Off-Street
Investment Class	Class C
Elevators	

Financial Data

Occupancy	96.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	6.26%

Comments

Ridgewood Estates MHC is located on the south side of Center Ridge Road just west of the Aldi at Ranger Way and Center Ridge Road. The 95-homesite community shares and entrance with the shopping center it is adjacent to and is setback behind other retail development fronting the main road. Homesites are fully occupied with homes and each homesite has a paved driveway that can fit two cars. Most homes are single section homes but there are a handful of multi-section homes. French Creek splits the north and south side of the property. There is a clubhouse/office at the entrance of the community where mailboxes are found on the side of the building. The broker on this transaction confirms this property sold for a reported \$2,700,000 in November of 2020. A capitalization rate of 6.26% was reported, though no details on what was included in this capitalization rate was made clear. As such, there may have been downward pressure on the capitalization rate if risk for reassessment and other factors are exempt.

Sale Data

Transaction Type	Recorded
Interest Conveyed	Leased Fee
Date	November 1, 2020
Marketing Time	N/A
Grantor	Ridgewood Estates LLC
Grantee	Jones Estates Ridgewood LLC
Document No.	2021001538
Price	\$2,700,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$2,700,000
Price Per Unit	\$35,526

Pro Forma Stabilized Operations

NOI	\$169,020
Derived Cap Rate	6.26%
Verification	Confirmed-Buyer Broker

Lease Comparables

ADDENDA

Multifamily Rental Survey Comparable 1

Shel Mar Estates

Location Information

Location 100 Ali Cir SE
New Philadelphia, OH

County Tuscarawas
APN 4304488000



Physical Property Summary

Property Type Multifamily (Mobile Home Park)
Gross Building Area 2,612 SF
Rentable Area 2,612 SF
Number of Units 370
Average Unit Size 7 SF
No. of Stories 1
Max Ceiling Height (Feet) N/A
Year Built (Renovated) 2003

Condition Average
Parking 0

Lease Availability Details

Survey Date Dec-2022
Overall Occupancy at Survey 91.9%

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
370	340	OBR/OBA - PAD Site	0	\$388		
370			0	\$388		

Comments

This property was reported to be about 91.89% occupied at the time of the survey. This community is located at 100 Ali Cir SE, New Philadelphia, OH 44663. The property contains 370 Pad site. Property amenities includes workout facility, community centre. Water/sewer trash are Included in the rent.

ADDENDA

Multifamily Rental Survey Comparable 2

Superior Mobile Home Park

Location Information

Location 535 West 3rd Street
Dover, OH

County Tuscarawas
APN 1505167000

Physical Property Summary

Property Type Multifamily (Mobile Home Park)
Gross Building Area 4,348 SF
Rentable Area 4,348 SF
Number of Units 160
Average Unit Size 27 SF
No. of Stories 1
Max Ceiling Height (Feet) N/A
Year Built (Renovated) 1960

Condition Average



Lease Availability Details

Survey Date Dec-2022
Overall Occupancy at Survey 100.00%

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
160	160	0BR/0BA - PAD Site	0	\$250		
160			0	\$250		

Comments

This property was reported to be about 100% occupied at the time of the survey. This community is located at 535 West 3rd Street, Dover, OH 44622. The property contains 160 Pad site. Sewer Included in the rent and tenant pays for water and trash.

ADDENDA

Multifamily Rental Survey Comparable 3

Beth Mobile Home Park

Location Information

Location 6000 Beth Avenue Southwest
Canton, OH

County Stark
APN 98001100

Physical Property Summary

Property Type Multifamily (Mobile Home Park)



Number of Units 94
Average Unit Size 0 SF
No. of Stories 1
Max Ceiling Height (Feet) N/A
Year Built (Renovated) 2017

Condition Average

Lease Availability Details

Survey Date Dec-2022
Overall Occupancy at Survey 98.93%

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
94	93	0BR/0BA - PAD Site	0	\$450		
94			0	\$450		

Comments

This property was reported to be about 98.93% occupied at the time of the survey. This community is located at 6000 Beth Avenue Southwest, Canton, OH 44706. The property contains 94 Pad site. Cable and internet included in the rent. Landlord pays for own trash at surcharge of \$21. Tenants pays for own water and sewer.

ADDENDA

Multifamily Rental Survey Comparable 4

Lake Sherman Village

Location Information

Location 7227 Beth Avenue Southwest
Navarre, OH

County Stark
APN 01000042



Physical Property Summary

Property Type Multifamily (Mobile Home Park)
Gross Building Area 190,000 SF
Rentable Area 190,000 SF
Number of Units 250
Average Unit Size 760 SF
No. of Stories 1
Max Ceiling Height (Feet) N/A
Year Built (Renovated) 1971
Construction Wood
Condition Average

Lease Availability Details

Survey Date Dec-2022
Overall Occupancy at Survey 99.70%

Investment Class

Class C

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
250	250	0BR/0BA - PAD Site	0	\$545		
250			0	\$545		

Comments

This community is located at 7227 Beth Avenue Southwest, Navarre, OH 44662. The property contains 250 Pad site. Landlord pays for water, sewer and trash.

ADDENDA

Multifamily Rental Survey Comparable 5

South Haven Mobile Home Park

Location Information

Location 2812 Cleveland Ave S
Canton, OH

County Stark
APN 98001456

Physical Property Summary

Property Type Multifamily (Mobile Home Park)
Gross Building Area 70,000 SF
Rentable Area 70,000 SF
Number of Units 73
Average Unit Size 959 SF
No. of Stories 1
Max Ceiling Height (Feet) N/A

Construction Metal
Condition Average

Investment Class Class B



Lease Availability Details

Survey Date Dec-2022
Overall Occupancy at Survey 93.33%

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
73	70	0BR/0BA - PAD Site	0	\$325		
73			0	\$325		

Comments

This property was reported to be about 93.33% occupied at the time of the survey. This community is located at 2812 Cleveland Ave S, Canton, OH 44707. The property contains 73 Pad site. Tenant pays for water and sewer, trash included in rent

Addendum E

Précis Metro Report - Economy.Com, Inc.

Dec 11, 2022

Canton-Massillon, OH

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Classifications



Snapshot

Business Cycle Status	At Risk
Avg. Emp. Growth 2yr	1.0%
Avg. Emp. Growth 5yr	0.6%
Risk Exposure	237 out of 403
Moody's Rating	Aa2

Strengths and Weaknesses

Dec 05, 2022

Strengths

- Below-average business and living costs; high housing affordability.
- Significant presence of steel industry.

Weaknesses

- Population decline constrains long-term potential.
- Low educational attainment and average earnings of workforce.
- Lack of high-paying jobs outside of healthcare.

Forecast Risks

Short Term:  Long Term: 

Upsides

- Steel industry gains faster than expected.
- Wages rise faster than expected, bolstering consumer demand.

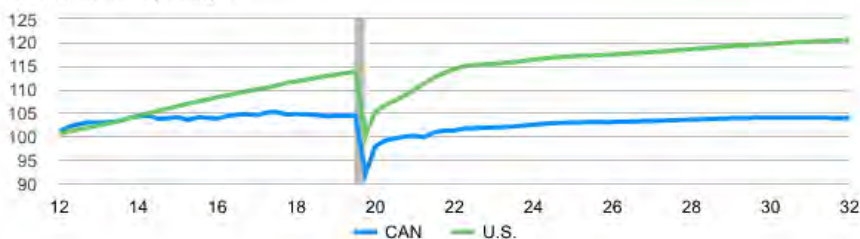
Downsides

- Historically high input prices for food processors persist, limiting job gains.
- Population loss persists for longer, and consumer services and housing suffer.
- Labor shortages worsen, holding up the recovery.

Relative Employment Outlook*

2012Q1=100, SA

Sources: BLS, Moody's Analytics



Analysis

Published on Nov 10, 2022 by Justin Begley of Moody's Analytics

Recent Performance. Canton-Massillon's economy is turning in the wrong direction. Payrolls have slid over the past few months even as the nation has pressed upward. CAN is faring even worse than the not-yet-recovered state. The key manufacturing and healthcare industries are responsible for much of the recovery holdup. Retail has been somewhat of a bright spot, having fully recovered lost jobs, but payrolls have contracted more recently. CAN's weakness is partly because of its sputtering labor force. The number of available workers is well below the pre-pandemic level, making the fully recovered unemployment rate less impressive. The housing market is similarly discouraging. House price appreciation is underwhelming compared with the nation but is slightly outpacing that in the state.

Food fails. Manufacturing in CAN will face a tough road ahead because of its outsize reliance on the weakening food processing industry. Food manufacturing, which employs one-fifth of local factory workers, took a substantial hit in 2021 as supply-chain disruptions rattled the industry. Strong domestic and international demand coupled with supply-chain bottlenecks has caused a spike in the prices of key commodities such as pork and wheat. These are essential inputs for two of CAN's larger employers, Freshmark and Alfred Nickles Bakery. The price of pork is about 60% higher than the five-year average per swine and wheat prices are at a decade high. As a result, input costs have been pushed to record levels, pinching margins for producers, implying that CAN's food processing industry will not recover its pandemic-induced losses any time soon. Some upside could come from continued elevated demand, which has been fueled by higher incomes and food stamp expansions. But this will not be enough to overcome cost pressures.

Hurdles. Retail will outperform that in the region near term but fall below average thereafter as demographics disappoint. Average hourly wages in the metro area are sputtering and lower than across the state and nation. Despite this, wages are at a historic high, which will boost consumer spending near term, fueling the expansion in retail jobs. But a weak labor market will put a cap on growth. Further, lackluster demographics will pose a major headwind long term. An unfavorable industrial mix and the lack of high-paying jobs outside of healthcare are causing workers to seek greener economic pastures elsewhere. As a result, the share of the working-age population will slide, crushing consumer demand.

More hurdles. CAN has faced serious population losses over the past decade and the situation will not improve soon because of a lack of strong economic drivers. In some ways, the metro area's population woes will be reflective of broader state trends, but CAN will shrink even faster. The dwindling working-age population will continue to contract as workers seek out higher wages and more stable jobs elsewhere. Net migration of the working-age cohort has been negative over the past decade, putting CAN in the bottom tier of Ohio metro areas for population losses, according to data from Equifax. This has ramifications that will carry into the already-underperforming housing market. House prices will fall faster than nationally as demand from the increasingly shaky population weakens.

Canton-Massillon's economy will slowly climb toward a full recovery near term but at a below-average clip. Manufacturing will struggle near term, but retail will give the metro area some support. Demographic headwinds brought on by below-average earnings and the lack of strong drivers will ensure CAN remains an underperformer longer term.

Current Employment Trends

% CHANGE YR AGO, 3-MO MA

	Jan 22	May 22	Sep 22
Total	0.9	1.3	1.1
Construction	1.7	5.3	5.2
Manufacturing	-1.1	-0.7	-0.0
Trade	1.7	0.8	-0.2
Trans/Utilities	0.4	1.7	-0.9
Information	-0.3	5.3	-0.2
Financial Activities	-0.7	-1.5	-0.6
Prof & Business Svcs.	5.8	6.1	3.8
Edu & Health Svcs.	-4.2	-3.6	-0.5
Leisure & Hospitality	7.6	6.4	0.7
Other Services	3.2	2.0	0.3
Government	-0.3	0.1	-0.3

Sources: BLS, Moody's Analytics

Comparative Employment and Income

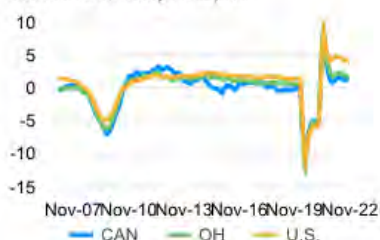
Sector	% of Total Employment			Average Annual Earnings		
	CAN	OH	U.S.	CAN	OH	U.S.
Mining	0.2	0.2	0.4	nd	\$30,739	\$140,972
Construction	4.4	4.2	5.1	\$65,405	\$74,247	\$74,543
Manufacturing	15.1	12.4	8.5	\$78,853	\$85,495	\$95,006
Durable	60.7	66.1	62.2	nd	\$84,023	\$98,900
Nondurable	39.3	33.9	37.8	nd	\$88,342	\$88,725
Transportation/Utilities	2.9	4.9	4.5	\$47,639	\$63,297	\$62,962
Wholesale Trade	4.1	4.2	3.9	nd	\$95,479	\$104,126
Retail Trade	11.7	10.1	10.5	\$36,491	\$40,424	\$43,812
Information	0.8	1.2	1.9	\$56,523	\$95,902	\$167,037
Financial Activities	4.6	5.7	6.0	\$37,549	\$49,403	\$65,977
Prof. and Bus. Services	9.9	13.4	14.5	\$40,144	\$77,396	\$86,343
Educ. and Health Services	18.8	16.7	16.2	nd	\$63,211	\$66,256
Leisure and Hosp. Services	10.6	9.4	9.6	\$24,155	\$30,505	\$36,373
Other Services	4.8	3.7	3.7	\$38,136	\$43,118	\$42,808
Government	11.7	14.0	15.1	\$70,023	\$82,184	\$90,556

Sources: % of total employment-BLS, Moody's Analytics, 2021; Avg. annual earnings-BEA, Moody's Analytics, 2021

Payroll Employment

% change yr ago

Sources: BLS, Moody's Analytics



Economic Health Check

	2022May	2022Jun	2022Jul	2022Aug	2022Sep	2022Oct
Employment, change, ths	-0.0	0.2	0.2	0.1	-0.2	0.1
Unemployment rate, %	3.7	3.7	3.9	4.1	4.1	4.2
Labor force participation rate, %	60.6	60.9	60.9	60.6	60.3	59.9
Employment-to-population ratio, %	58.4	58.7	58.5	58.1	57.8	57.4
Average weekly hours, #	35.2	34.0	34.3	34.6	35.0	34.7
Industrial production, 2012=100	101.3	100.3	100.6	100.5	100.9	100.5
Residential permits, single-family, #	369	373	383	358	1,206	357
Residential permits, multifamily, #	209	164	582	111	157	1,347

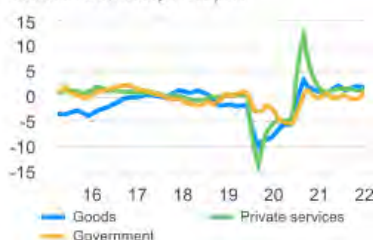
Better than prior 3-mo MA Unchanged from prior 3-mo MA Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics

Sector Employment

% change yr ago, 3-mo MA

Sources: BLS, Moody's Analytics



Leading Industries by Wage Tier

NAICS	Industry	Location Quotient	Employees (ths)
6211	Offices of physicians, (Ths. #, SA)	1.1	3.5
3329	Other fabricated metal product manufacturing, (Ths. #, SA)	3.8	1.2
GVF	Federal Government, (Ths. #, SA)	0.3	1.0
3327	Machine shops, turned product, and screw, nut, and bolt manufacturing, (Ths. #, SA)	2.4	0.9
GVL	Local Government, (Ths. #, SA)	1.1	17.5
6221	General medical and surgical hospitals, (Ths. #, SA)	1.3	7.1
2382	Building equipment contractors, (Ths. #, SA)	0.9	2.3
5511	Management of companies and enterprises, (Ths. #, SA)	0.7	1.9
7225	Restaurants and other eating places, (Ths. #, SA)	1.3	14.9
6231	Nursing care facilities, (Ths. #, SA)	2.2	3.4
4451	Grocery stores, (Ths. #, SA)	1.1	3.2
4523	General Merchandise Stores, including Warehouse Clubs and Supercenters, (Ths. #, SA)	1.2	3.0
High		Mid	Low

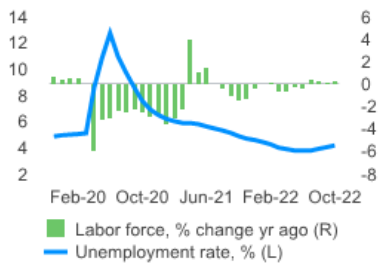
Source: Moody's Analytics, 2017

Key Indicators

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Gross Metro Product, C\$B	17.9	17.8	17.6	17.8	17.1	18.0	18.0	17.9	18.2	18.6	19.0	19.5
% Change	-1.7	-0.1	-1.2	1.1	-4.3	5.7	-0.2	-0.7	1.6	2.3	2.5	2.3
Total Employment (000)	172.6	173.8	173.9	173.2	163.1	165.7	168.0	169.0	169.9	170.7	171.0	171.3
% Change	0.2	0.7	0.1	-0.4	-5.8	1.6	1.4	0.6	0.5	0.5	0.1	0.2
Unemployment Rate	5.6	5.2	4.9	4.6	8.2	5.3	3.9	4.3	4.4	4.2	4.6	4.7
Personal Income Growth	-0.1	3.1	3.1	3.7	6.9	6.5	-0.3	4.1	3.9	3.5	3.9	3.7
Population (000)	401.1	399.3	398.3	397.5	396.6	395.6	395.2	394.8	394.0	393.0	392.0	390.9
Net Migration (000)	-1.4	-1.3	-0.6	-0.6	-0.4	0.0	0.0	0.0	-0.2	-0.3	-0.3	-0.3
Single-Family Permits	458.0	445.0	413.0	478.0	518.0	538.0	549.8	630.9	687.0	702.8	717.7	719.7
Multifamily Permits	96.0	80.0	115.0	146.0	172.0	415.0	233.6	223.5	181.2	163.2	149.5	140.3
Mortgage Originations (\$Mil)	1,078.6	1,003.7	1,111.4	1,202.5	2,103.7	2,816.1	1,569.2	1,041.3	1,146.7	1,199.2	1,227.5	1,379.1
Personal Bankruptcies	1,498	1,664	1,416	1,483	1,051	933	761	949	1,080	1,274	1,764	2,170

Unemployment

Sources: BLS, Moody's Analytics



Employment Diffusion Index

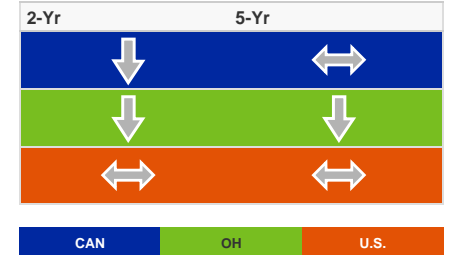
3-digit NAICs level, 6-mo MA

Sources: BLS, Moody's Analytics



Employment Performance

Forecast vs. 6mo Prior

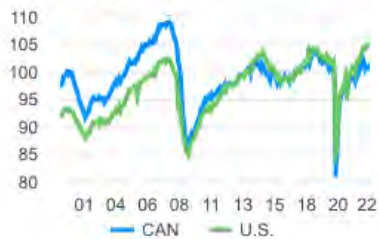


Sources: BLS, Moody's Analytics

Industrial Production

Industrial Production, 2012=100, SA

Source: Moody's Analytics



Industry Performance

Employment, % change

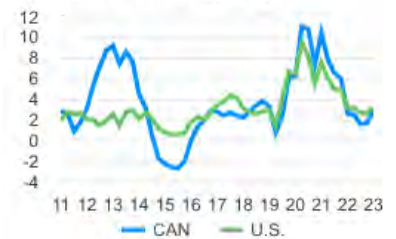
Sources: BLS, Moody's Analytics



Productivity

Output per worker, % change yr ago

Sources: BEA, BLS, Moody's Analytics



Business Cycle Indicator

Jan 2012=100, SA

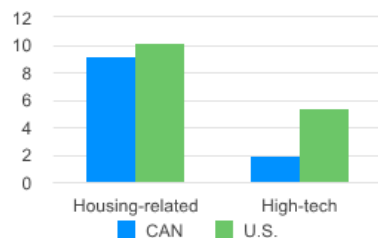
Source: Moody's Analytics



Industry Concentrations

Employment, % of total, 2021

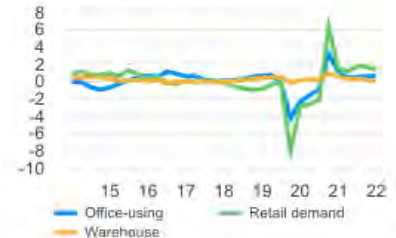
Sources: BLS, Moody's Analytics



Commercial Real Estate

Employment, difference yr ago, ths, SA

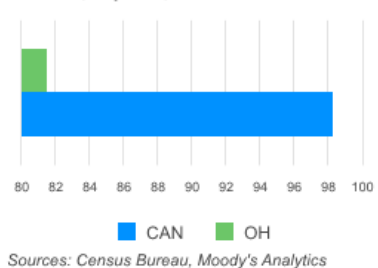
Sources: BLS, Moody's Analytics



Entrepreneurship

Broad-Based Start-Up Rate

U.S.=100, 4-qtr MA, 2020

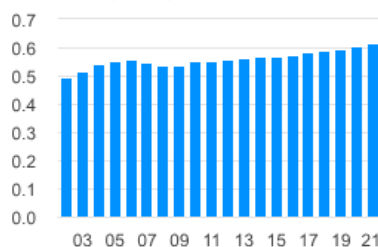


Sources: Census Bureau, Moody's Analytics

Diversity

U.S.=1.0

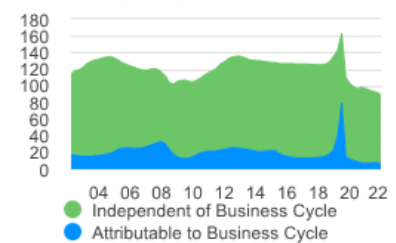
Source: Moody's Analytics



Historical Volatility

Volatility, U.S.=100

Source: Moody's Analytics



Top Employers

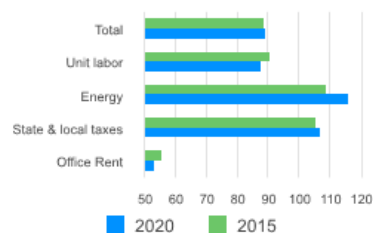
Aultman Hospital	6,900
TimkenSteel	2,775
Mercy Medical Ctr Redding	2,655
Freshmark Inc.	1,846
Diebold Inc.	1,700
Walmart Inc.	1,209
Alliance Community Hospital	1,082
The Timken Co.	1,049
Stark State College of Technology	987
Giant Eagle	956
GE Money	835
Republic Engineered Products	816
Nationwide	780
Affinity Hospital	738
Fisher Foods Marketing Inc.	700
Alliance Castings	633
Workshops Inc.	624
Coastal Pet Products	610
Alfred Nickles Bakery	600
A.R.E. Accessories	600

Source: Combined List

Cost of Doing Business

U.S.=100

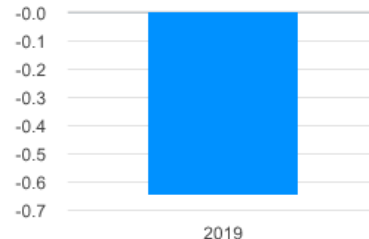
Source: Moody's Analytics



Vitality

U.S.=0

Source: Moody's Analytics



Economic Disenfranchisement

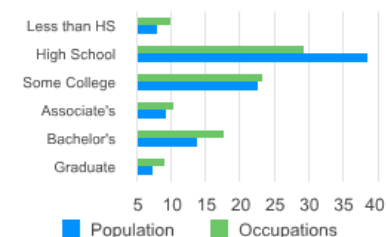
Index	Value	Rank*
Gini coefficient	0.44	295
Palma ratio	2.9	277
Poverty rate	12.8	194

*Most unequal=1, Most equal=403
ACS, Moody's Analytics, 2019

Skills Mismatch

% of total, 2018

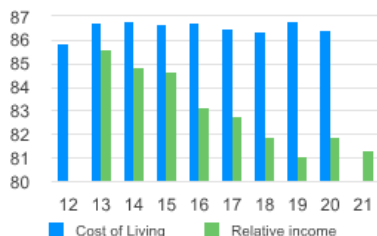
Sources: ACS, Census Bureau, Moody's Analytics



Cost of Living

U.S.=100

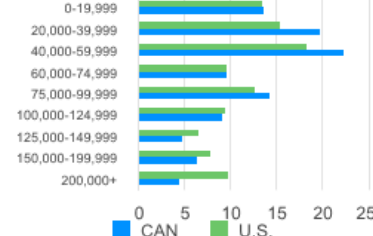
Source: Moody's Analytics



Households by Income

%, 2019

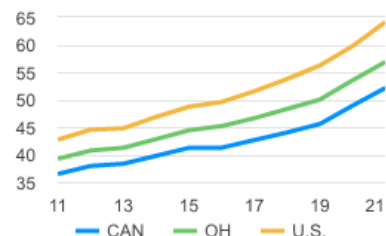
Sources: ACS, Census Bureau, Moody's Analytics



Per Capita Income

\$ ths, SA

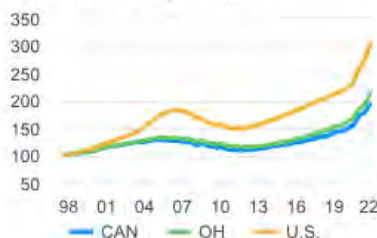
Sources: BEA, Moody's Analytics



House Prices

New and Existing, 1998Q1=100

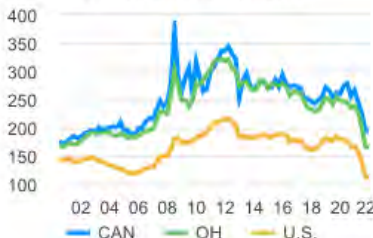
Sources: FHFA, Moody's Analytics



House Affordability

Housing affordability index, SA

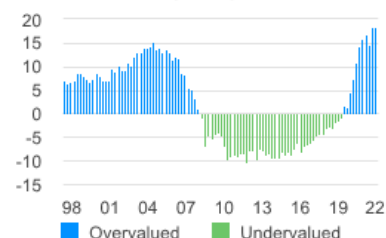
Sources: NAR, Census Bureau, Moody's Analytics



House Price Trends

%

Sources: FHFA, Moody's Analytics



Commuter Flows

Top Five Outside Sources of Jobs

Canton OH	Share
Akron OH	14.8
Cleveland OH	2.3
Youngstown OH	0.9
Weirton WV	0.2
Columbus OH	0.2

Top Five Outside Sources of Workers

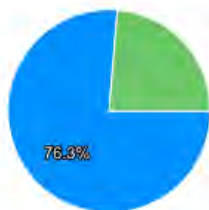
Canton OH	Share
Akron OH	7.2
Youngstown OH	1.5
Cleveland OH	1.1
Weirton WV	0.2
Columbus OH	0.1

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

Residents Who Work in CBSA

Avg 2011-2015

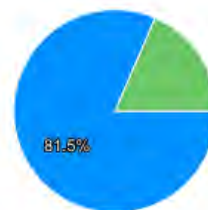
Sources: Census Bureau, Moody's Analytics



Workers Who Live in CBSA

Avg 2011-2015

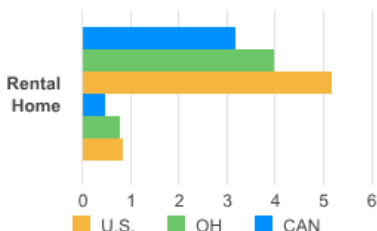
Sources: Census Bureau, Moody's Analytics



Rental and Housing Vacancy

Vacancy Rate, %, 2019

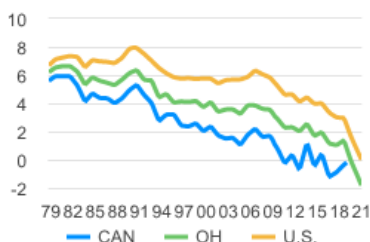
Sources: Census Bureau, Moody's Analytics



Natural Population

Births - deaths, # per 1,000 residents

Sources: Census Bureau, Moody's Analytics



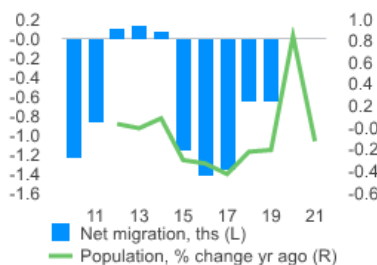
Migration Flows

Into CAN	Number of Migrants
Akron OH	3,077
Cleveland OH	723
Youngstown OH	472
Columbus OH	338
Phoenix AZ	61
Mansfield OH	53
Pittsburgh PA	51
Cape Coral FL	48
Tampa FL	44
Toledo OH	44
Total In-Migration	10,900
From CAN	Number of Migrants
Akron OH	2,811
Cleveland OH	706
Columbus OH	453
Youngstown OH	432
Tampa FL	109
Phoenix AZ	93
Dayton OH	56
Cincinnati OH	52
Pittsburgh PA	50
Cape Coral FL	50
Total Out-Migration	10,895
Net Migration	5

Source: IRS, 2019

Population

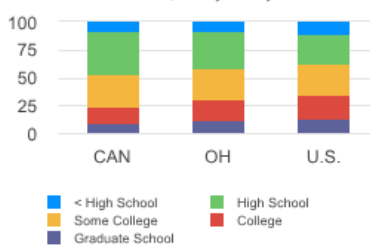
Sources: Census Bureau, Moody's Analytics



Educational Attainment

% of population 25 and older, 2019

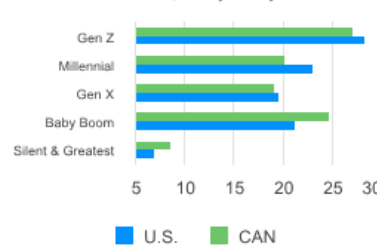
Sources: Census Bureau, Moody's Analytics



Population by Generation

%, 2020

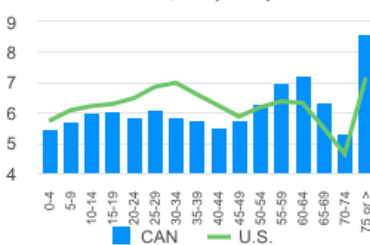
Sources: Census Bureau, Moody's Analytics



Population by Age

%, 2020

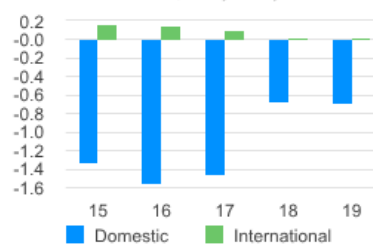
Sources: Census Bureau, Moody's Analytics

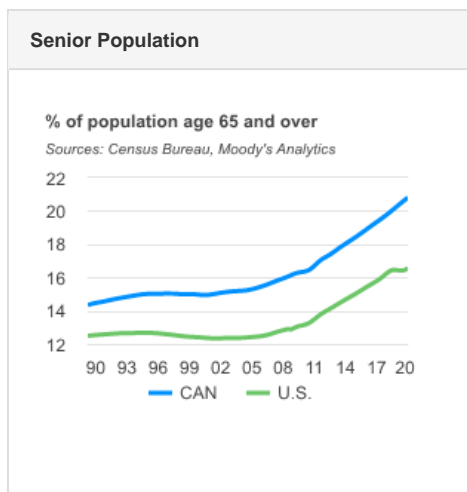


Net Migration

Ths

Sources: Census Bureau, Moody's Analytics





Glossary & Notes

Business Cycle Indicator: The Moody's Analytics business cycle index is a measure meant to gauge the current trend of underlying economic activity. The indicator is designed to pick up distinct shifts in the economy through its four underlying components: employment, housing starts, industrial production, and house prices. These variables are chosen for their timeliness, frequency and availability. Employment is provided monthly by the Bureau of Labor Statistics and house prices are provided quarterly by the Federal Housing Finance Agency. Housing starts are estimated by applying several adjustment factors to the Census Bureau's monthly permits data and industrial production is created by combining detailed in-house employment estimates with the Federal Reserve's monthly U.S. industrial production data.

When constructing the index, employment, housing starts, and industrial production are smoothed using a three-month moving average in order to better grasp the underlying trends, while house prices are quarterly data that are converted into a monthly frequency and led by six months. Economic data— particularly at the metro area level—can often be volatile even when smoothed, and to control for sporadic movements in the data, the weights assigned to each component in the final index are inversely proportional to their volatility.

Commercial Real Estate: Office-using Employment

Office using employment is the sum of employment in the following industries:

5112 Software Publishers
 512 Motion Picture and Sound Recording Industries
 515 Broadcasting (except Internet)
 5171 Wired Telecommunications Carriers
 5172 Wireless Telecommunications Carriers (except Satellite)
 5179 Other Telecommunications
 518 Internet Service Providers, Web Search Portals, and Data Processing Services
 5411 Legal Services
 5412 Accounting, Tax Preparation, Bookkeeping, and Payroll Services
 5413 Architectural, Engineering, and Related Services
 5415 Computer Systems Design and Related Services
 5416 Management, Scientific, and Technical Consulting Services
 5418 Advertising and Related Services
 55 Management of Companies and Enterprises
 5611 Office Administrative Services
 5613 Employment Services
 5614 Business Support Services
 5615 Travel Arrangement and Reservation Services
 6211 Offices of Physicians
 6212 Offices of Dentists
 6213 Offices of Other Health Practitioners
 8131 Religious Organizations
 8133 Social Advocacy Organizations
 8134 Civic and Social Organizations
 8139 Business, Professional, Labor, Political, and Similar Organizations
 FI Financial Activities
 GVF Federal Government
 Sources: BLS, Moody's Analytics

Warehouse Employment.

Warehouse employment is the sum of employment in the following industries:

4821 Rail Transportation
 4882 Support Activities for Rail Transportation
 4851 Urban Transit Systems
 5621 Waste Collection
 4841 General Freight Trucking

4842 Specialized Freight Trucking
4884 Support Activities for Road Transportation
4921 Couriers
4922 Local Messengers and Local Delivery
4931 Warehousing and Storage
4831 Deep Sea, Coastal, and Great Lakes Water Transportation
4832 Inland Water Transportation
4883 Support Activities for Water Transportation
42 Wholesale Trade
4541 Electronic Shopping and Mail-Order Houses
4542 Vending Machine Operators
Sources: BLS, Moody's Analytics

Retail Employment.

Retail employment is the sum of employment in the following industries:

RT Retail Trade

722 Food Services and Drinking Places

Sources: BLS, Moody's Analytics

Commuter Flows: Metro area commuter flows are derived from county-level figures reported in the 2009-2013 American Community Survey (ACS) Journey to Work data. The ACS creates estimates based on where surveyed individuals worked in a given week and matched that against their place of residence. Moody's Analytics aggregated these counties to metro areas and examined flows at this higher-level geography.

The data are split into two sections. The first represents the commuting patterns of residents of an area; the second shows the commuting patterns of workers in an area. While these are correlated, there can be noticeable differences; for example, a large urban metro area likely attracts a material share of workers from elsewhere, with a smaller share of its residents commuting outside of the area.

The pie charts reflect the share of residents or workers whose commute does not extend beyond a metro area's borders. Not surprisingly, each figure averages higher than 80%, as metro areas are defined in large part by commuting patterns to begin with. The rank indicates how self-sufficient an area is. The tables below each chart show where residents work and where workers reside. This provides a glimpse of which places are most closely linked economically to the area.

Comparative Employment and Income: Comparative employment provides the proportion of nonfarm payroll employment in every supersector, as defined in the NAICS classification of industries. The BLS does not report employment for every supersector for every metro area. Moody's Analytics estimates the supersector employment using a combination of state-level data, data from the Quarterly Census of Employment and Wages, and data from County Business Patterns. Comparative income is the average annual earnings by supersector calculated as the ratio of sector income from the BEA divided by employment in the sector, also from the BEA.

Cost of Living: The cost of living index measures the relative cost to the average household in the nation to maintain its standard of living in each metropolitan area. The index is created by summing expenditures on various components of consumption in each metro area relative to average U.S. expenditures on the components. The components that vary across metro areas include housing, food and apparel, utilities, transportation and auto insurance.

Current Employment Trends: Employment is organized into three sectors: government, goods producing industries, and private service producing industries. Goods producing industries include natural resources and mining, construction and manufacturing. Private service producing industries include trade, transportation and utilities, information, financial activities, professional and business services, education and health services, leisure and hospitality and other services.

The year-over-year growth of payroll employment for the most recent month compared with six and 12 months prior enables the users to track how employment trends have changed over the preceding two years, and whether the pace of job creation has held steady, decelerated or accelerated. In addition to total payroll employment, data are available for all of the Bureau of Labor Statistics defined "super sectors" listed above. In some smaller metro areas, some of the super sector data are estimated by Moody's Analytics because they are not released by the BLS.

Diversity: Industrial diversity is defined as the extent to which a metro area's industrial structure approximates the U.S. industrial structure.

Diversity is derived using the following formula:

$$\text{Diversity} = 1 / \sum ((\text{EMP}_{ij} / \text{EMP}_{USj}) * \text{EMP}_{ij})$$

Where EMP = share of employment in four-digit NAICS industry j during the past three years; i = metro area; US = U.S. The Diversity measure is bounded between 0 and 1. 1 means the metro area has the same industrial structure as the U.S.; 0 means it has a totally different industrial structure than the U.S.

Formula derived from Hachman index, Bureau of Business and Economic Research, Univ. of Utah, December 1994.

Economic Disenfranchisement: Economic disenfranchisement indicators measure the degree to which income inequality plagues certain economies. To capture this, three measures are used. The Gini coefficient and poverty rates are published by the American Community Survey (ACS), produced by the Census Bureau. The Gini coefficient measures income concentration, with 0 representing perfect equality and 1 representing an economy in which all the wealth is held by one individual.

The Palma ratio is a newer measure of income inequality that examines the total income held by earners in the top 10% of households and divides that by aggregate income held by the bottom 40%. This typically requires household-level financial information, but Moody's Analytics uses a broader distribution of income by

household from ACS data to approximate both the numerator and denominator. A higher Palma ratio indicates that a larger share of wealth is concentrated in the wealthiest households in an economy. An advantage of this measure is that it is more sensitive to movements at the tails of the distribution, which typically better represent income inequality given that the middle 50% is typically more stable across history and geographies (for more information, refer to Jose Gabriel Palma's paper, "Why is inequality so unequal across the world?").

Economic Health Check: A heat map made up of high-frequency indicators provides insight into the factors that explain a state's recent performance. The indicators considered are all produced in monthly frequency. In order to smooth out month-to-month fluctuations, the three-month moving average is calculated and compared with the three-month moving average in the prior month. If the change is positive, the cell is shaded green; if no change took place, the cell is shaded yellow; and if the change is negative, the cell is shaded orange. The high-frequency indicators include the change in payroll employment; change in the unemployment rate, where a lower rate connotes improvement; initial unemployment insurance claims; the labor force participation rate, defined as the share of the working-age noninstitutional population older than 16 either looking for work or employed; merchandise exports in \$ billions; average weekly hours; industrial production; and residential permits. The state industrial production index is estimated using national-level industrial production and state-level industry employment.

Educational Attainment: The Census Bureau provides data on the educational attainment of residents older than 25 years of age of metro areas and their component counties, states, and the U.S. Educational attainment reflects the industrial composition of an area as well as the prospects that an area has in expanding its industries.

Employment Diffusion Index: A diffusion index measures the breadth of private sector job creation in an area. A low diffusion index indicates that an area relies on just a few industries for growth. A high diffusion index indicates more balanced growth. The diffusion index is constructed by summing the share of three-digit NAICS industries that have added to payrolls in a given month and half of the share of those industries that have neither added to nor subtracted from payrolls, where 50% indicates an equal balance between industries with increasing and decreasing employment. Because of volatility in month-to-month movements, a six-month moving average is used. Detailed industry employment data, for 274 industries as specified by the BLS, are used to compile the industry diffusion indexes for states and metro areas. The BLS does not publish payroll numbers for all three-digit industries for metro areas every month. Moody's Analytics estimates the data for any missing NAICS industries.

The following calculation is then used to compute the diffusion index, where the denominator is the total number industries in which employment data are available at the three-digit NAICS level.

$$((\text{positive}/\text{denominator}) + (.5 * (\text{unchanged}/\text{denominator}))) * 100$$

Entrepreneurship: The entrepreneurship index looks at the share of workers who were employed in firms that are less than 1 year old. This is based on annual data produced by the Census Bureau as part of the Business Dynamics Statistics (BDS). Because of underlying volatility in the data, especially during changes in the business cycle, a five-year rolling average is used. Areas with a large share of workers employed at relatively new firms are classified as having a favorable entrepreneurial environment.

It is worth noting that the data are available using only 2000 Core Based Statistical Area (CBSA) definitions.

Therefore, the county footprint associated with an area may not match the definition used for other metrics. Additionally, for CBSAs that were created in 2010 and for which there is not a clear corresponding discontinued metro area that can be mapped to, this box is left blank.

Forecast Risks: Risk exposure represents the extent to which a metro area economy's employment growth forecast will be vulnerable to upside or downside fluctuations in the upcoming five-year period. The ranking reflects the expected employment volatility associated with a specific metro area, with a higher ranking—and higher quintile—denoting greater risk. It is important to keep in mind that the ranking represents the relative potential for variation from the forecast; this can be to the upside or downside. A metro area in the first quintile, for example, faces a much wider range of potential outcomes than one in the fifth quintile, which is unlikely to deviate significantly from the forecast.

There are seven determinants of metro area risk exposure: (1) investment income dependence, (2) metro area size, (3) the prior year's change in population, (4) education and healthcare share of output, (5) government share of output, (6) finance share of output, and (7) house price volatility, based on the change in the ratio of median house price to per capita income.

Risk exposure should be considered in combination with a metro area's expected growth rate in order to ascertain the level of certainty associated with an employment growth forecast. Metro areas with high growth rates and low volatility rankings represent those that are the safest in terms of expected growth, while those with low growth rates and high volatility are most exposed to highly negative results.

See Regional Financial Review, "Measuring Regional Uncertainty: An Update of Risk-Adjusted Return," March 2013, for more details.

Historical Volatility: Employment volatility is defined as the standard deviation in a metro area's monthly year-over-year percentage nonagricultural employment growth relative to the standard deviation in U.S. year-over-year percentage nonagricultural employment growth over the past 10 years. Volatility of 100 means that employment volatility in a metro area is equal to employment volatility in the nation. Metro areas tend to be inherently more volatile than states.

Volatility due to U.S. fluctuations (also known as "systematic volatility") is defined as:

$$\text{SYSVOL} = (R_i^2)^{1/2}$$

where SYSVOL = systematic volatility; R_i^2 = is the proportion of total variance in metro area i 's growth rate that is associated with contemporaneous fluctuations in national growth.

Volatility not due to U.S. fluctuations (also known as “nonsystematic volatility”) is defined as:

$$\text{NONSYS} = 1 - (R_i^2)^{1/2}$$

where NONSYS = nonsystematic volatility in metro area i ; R_i^2 is the proportion of total variance in metro area i 's growth rate that is associated with contemporaneous fluctuations in national growth.

Formulas modified from “Assessing Regional Economic Stability: A Portfolio Approach,” Economic Review (Federal Reserve Bank of San Francisco), Winter 1990.

House Price Trends: This chart compares the observed value of the FHFA purchase only index (for states) or FHFA all transactions index (for metro areas and divisions) with the value Moody's Analytics projects if supply and demand in the housing market were in long-run equilibrium. When the observed value of house price index is greater than the equilibrium value, the average house price is overvalued; when the observed value is less than the equilibrium value, the average house price is undervalued. The primary factors that determine equilibrium include per capita disposable income, a measure of long-run demand, and construction costs, a gauge of long-run supply. These measures are updated monthly.

House Prices: FHFA Conventional and Conforming Home Price Index. The Federal Housing Finance Agency (FHFA) estimates and publishes quarterly house price indexes for single-family detached properties using data on conventional conforming mortgage transactions obtained from the Federal Home Loan Mortgage Corp. (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae). These indexes use a repeat- purchase method, which is not affected by the mix of homes sold. For example, using traditional house price measures, a rise in the number of low-priced homes sold relative to higher-priced homes will bias house prices downward even though relative prices may not have changed. Because repeat-purchase house price indexes keep track of successive selling prices for the same property, they avoid this bias. Freddie Mac and Fannie Mae are private corporations with federal charters whose mandate is to provide liquidity to the nation's residential mortgage market. The FHFA was created by the Housing and Economic Recovery Act of 2008. The FHFA is the regulator of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. This law combined the staffs of the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB), and the GSE mission office at the Department of Housing and Urban Development (HUD).

The House Price Index is based on transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. Only mortgage transactions on single-family properties are included. A conforming mortgage is one that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and that does not exceed the conforming loan limit. The conforming limit for single-family homes is \$417,000 as of January 2014, with higher limits for high-cost metro areas. Conventional means that the mortgages are neither insured nor guaranteed by the FHA, VA, or other federal government entity. Because of the conforming limit, the FHFA repeat-purchase index is less reliable in those states, such as California, Connecticut and New Jersey, where many homes are typically priced above the purchase limits.

Industrial Production: Industrial production is calculated using the Federal Reserve Board's detailed industrial production data and the Moody's Analytics detailed employment estimates. The Federal Reserve publishes industrial production at the 3-digit (and some 4-digit) level NAICS industry detail. Weights are calculated for each of the available industries for each metro area, where the weight equals a given industry's share of manufacturing employment. Weights are then applied to the detailed industrial production series and aggregated to create a metro-specific estimated industrial production series. The same process is also applied to the U.S. since IP series report by the Fed includes mining and electric and gas utilities whereas our estimated series do not.

Industry Concentrations: High-Tech Employment

Moody's Analytics defines high-tech employment as the sum of employment in the following industries:

NAICS Industry

3254 Pharm. & Medicine Manuf.
3341 Computer and Peripheral Equip. Manuf.
3342 Communications Equipment Manuf.
3344 Semi. & Other Elec. Comp. Manuf.
3345 Nav., Meas., Elec. and Control Instr. Manuf.
3391 Medical Equip. and Supplies Manuf.
5112 Software Publishers
5171 Wired Telecommunications Carriers
5172 Wireless Telecom. Carriers (except Sat.)
5174 Satellite Telecommunications
5179 Other Telecommunications
5182 Data Proc., Hosting, & Related Services
5191 Other Information Services
5415 Computer Sys. Design & Related Services
5417 Scientific Research and Dev. Services
5419 Other Prof., Scientific and Tech. Services
6215 Medical & Diagnostic Laboratories

Housing-Related Employment

Moody's Analytics defines housing-related employment as the sum of employment in the following industries:

NAICS Industry

2361 Residential Building Construction
238 Specialty Trade Contractors
444 Building Material and Garden Equipment and Supplies Dealers
5617 Services to Buildings and Dwellings
5413 Architectural, Engineering and Related Services
522 Credit Intermediation and Related Activities
5312 Offices of Real Estate Agents and Brokers

Industry Performance: Moody's Analytics payroll employment forecasts are based on establishment employment data from the Bureau of Labor Statistics' (BLS) 790 survey. Metro area models incorporate separate equations for the thirteen NAICS employment super sectors as defined by the BLS, with additional forecast detail in the manufacturing and government sectors. These separate forecasts are aggregated to arrive at the total employment forecast. The employment equations are specified differently depending on whether the sectors are export or locally-oriented activities.

Export-Oriented Industries. The export-oriented industries include those businesses that primarily sell goods and/or services outside the state. Those businesses considered to be export based are more closely linked to national or state level variables such as aggregate demand. All natural resource and manufacturing industries are considered export industries in our models. The income generated from these businesses provides an important source of demand for the state's locally-oriented sectors.

We forecast employment in six broad manufacturing categories using the relative importance of the industry in the national economy, and sum these up to obtain manufacturing employment. Natural resource employment is also closely linked to state and national industrial employment forecasts, and is broadly independent of local area economic conditions.

Locally-Oriented Industries. Most service and trade industries are considered locally-oriented industries. Locally-oriented industries include construction, wholesale and retail trade, business and financial activities, education and health services, leisure and hospitality industries, state and local government, and utilities. These are often times support services, providing the necessary infrastructure for the export-oriented sectors and the local population. These equations are modeled as a function of a demand proxy (typically personal income), and sometimes demographics and state-wide industry trends.

Personal income is the most commonly used proxy, either alone or in combination with population, for the level of demand for local goods and services. Personal income is one of the best measures of aggregate economic activity at the state level, reflecting wages and salaries, transfer payments, as well as non-wage income. Since employment in the local economy is an important determinant of wages and salaries in a region, this introduces an important source of feedback into the models. In other words, personal income is a function of employment, and certain employment categories such as personal services are a function of income. Where deemed necessary, variables besides personal income and population are also used in forecasting service industries. For instance, employment in the construction industry is linked to recent permit issuance, while retail trade employment is linked to recent retail sales.

Source: Moody's Analytics

Leading Industries by Wage Tier: To determine the high-, middle- and low-wage industries for a given geography, the average U.S. wage is calculated first by dividing total salary disbursements by total employment. Average wages by industry are calculated using U.S. level wage and employment data for all four-digit NAICS codes. Next, the standard deviation of the average wages across industries is calculated. One standard deviation centered at the mean defines the upper and lower bounds separating the high, middle and low tiers. The average wage in the given geography for each four-digit NAICS industry is calculated next. The industry is categorized as high, middle or low wage by comparing it with the national high and low cutoffs. The industries are then ranked by size.

For each industry, the location quotient is calculated. Location quotients are used to indicate whether the industry serves a market larger than that of the metro area or is an "export" industry. A location quotient greater than 1 likely indicates an export industry. Location quotients are calculated according to the formula:

$$LC_{im} = (E_{im}/E_{tm}) / (E_{ius}/E_{tus})$$

where LC = location quotient in metro area m for industry i;

E = employment in industry i for metro area m or the U.S.;

and t = total employment for metro area m or the U.S.

Migration Flows: IRS data. When a taxpayer notifies the IRS of a change in address, the IRS records the household's current county of residence, the county to which the household is moving, and the number of household members. Moody's Analytics aggregates these data by metro area into gross migration. The data are then sorted to show the 10 metro areas providing the largest number of new residents and the 10 metro areas to where the largest number of current residents moves. Subtracting the gross out-migration flows from the gross in-migration flows gives net out-migration. The IRS migration data cover only households that file returns and thus do not provide a complete tally of domestic migration flows.

Net Migration: Census data. The Census measure of net migration attempts to capture all migration to and from counties. Unlike the IRS data, Census data cover all migrants, including international migrants. Moody's Analytics aggregates county net migration data to metro areas and to states. Domestic and international net migration were re-estimated for years 2001-2010, because the Census has no plans to do this. Pre-existing net migration estimates (derived from new census population estimates combined with constant birth and death rates) were used. The "weights" for domestic and international migration are the same as those that existed before.

Per Capita Income: Per capita income is defined as personal income divided by population. It is not adjusted for inflation.

Population by Age: The Census Bureau provides data on population by age for metro areas and their component counties, states, and the U.S. A distribution that differs significantly from the national distribution has implications for the labor, housing and consumer markets in an area. For example, a distribution skewed toward older cohorts implies higher than average demand for healthcare services and lower than average demand for single-family housing.

Population by Generation: The distribution of an area's population into generations employs definitions from the Pew Research Center. Generations are defined by the following birth years:

The Greatest Generation — 1901 to 1927

The Silent Generation — 1928 to 1945
The Baby Boom Generation — 1946 to 1964
Generation X — 1965 to 1980
The Millennial Generation — 1981 to 1998
Generation Z — 1999 to present

Productivity: Productivity is measured as real output per worker in a state. High productivity incorporates the efficient use of labor, machines, and technological improvements. Generally, more productive areas will also have higher wages. However, higher wages do not necessarily reduce an area's competitiveness because the higher productivity may more than offset the higher wages. High productivity may also reflect the industry composition in a state, as a concentration of more productive industries will boost overall productivity.

Relative Employment Outlook*: In order to compare the performance of a metro area's labor market with that of the U.S. and state, an index is calculated in which the value of the Bureau of Labor Statistics payroll employment in the first quarter of 10 years prior to the current year is set at 100. Forecast data for the next five years are also provided. The shaded gray bar represents the period of the 2008-2009 national recession.

In addition, we track how the two- and five-year employment forecasts for the metro area, state and U.S. have changed compared with six months prior. A dash indicates no change, an upward arrow indicates a more optimistic outlook and a downward arrow indicates a more pessimistic outlook. For the two year forecast, a difference in average annual growth larger than 0.1 percentage point indicates a change. For the five-year forecast, a difference larger than 0.25 percentage point indicates a change.

Rental and Housing Vacancy: The homeowner vacancy rate is the proportion of the homeowner housing inventory that is vacant for sale. It is computed by dividing the number of vacant units for sale by the sum of owner-occupied units, vacant units that are sold but awaiting occupancy, and vacant units for sale and then multiplying by 100.

The rental vacancy rate is the proportion of the rental inventory that is vacant for rent. It is computed by dividing the number of vacant units for rent by the sum of renter-occupied units, vacant units that are rented but awaiting occupancy, and vacant units for rent and then multiplying by 100.

Skills Mismatch: Skills mismatch is determined based on two components: the distribution of educational attainment of a population and the educational characters associated with jobs in an area. The two are compared along six dimensions, with each showing how closely aligned the educational attainment of the general population is with the requirements of an area's jobs. Although educational attainment is not a perfect proxy for skills, it can be quantified in a way that specific skills, such as trade, cannot, making it a useful window into whether an economy faces struggles to find qualified workers or if skilled workers may struggle to find opportunities locally and be forced to migrate elsewhere. Educational attainment for residents is obtained directly from the American Community Survey. The skill requirements side is based on local occupational employment data from the BLS. This was used to construct a matrix of occupations by educational attainment in each place being examined; this is calculated by applying the national educational share for each occupation to the total number employed in each occupation in a specific economy. The total for each educational level across all occupations was then summed to determine educational requirements for an area.

Snapshot: Business Cycle Status

The business cycle status identifies the stage of the business cycle that characterizes an area's recent performance. There are five categories: in recession, early expansion, mid-expansion, late expansion, and at risk. The evaluation of an area's status is based on a six-month test of either contraction or expansion. The six-month test compares the six-month moving average of the business cycle index in the current period with the six-month moving average in the period six months earlier. An area is "in recession" if the six-month test shows contraction. If a trough has been reached, the economy shifts from recession to "early expansion." Once the business cycle indicator reaches a peak, the area is in "mid-expansion" or "late expansion." If it appears that a local peak may have been reached and the business cycle indicator is increasing but at a decreasing rate, then the economy is placed "at risk." At risk indicates that the economy could slip from expansion or recovery to recession if the index has fallen but for less than six months. The distinction between mid-expansion and late expansion is based on the short-term trend observed in the economy. This is calculated using a K-means clustering approach, in which changes in job growth, the unemployment rate, and the housing market are normalized using standard deviations and benchmarked against national trends at various points in the business cycle. For those areas that have been classified as being in mid- or late-cycle expansion, this index is used to differentiate between the two.

Employment Growth

These numbers represent two-year and five-year average annual payroll employment growth. The forecasts are generated using Moody's Analytics metro modeling system. Moody's Analytics employment forecasts are based on establishment employment data from the Bureau of Labor Statistics' (BLS) 790 survey. Metro area models incorporate separate equations for the thirteen NAICS employment super sectors as defined by the BLS, with additional forecast detail in the manufacturing and government sectors. These separate forecasts are aggregated to arrive at the total employment forecast. The employment equations are specified differently depending on whether the sectors are export or locally-oriented activities.

Export-Oriented Industries. The export-oriented industries include those businesses that primarily sell goods and/or services outside the state. Those businesses considered to be export based are more closely linked to national or state level variables such as aggregate demand. All natural resource and manufacturing industries are considered export industries in our models. The income generated from these businesses provides an important source of demand for the state's locally-oriented sectors.

We forecast employment in six broad manufacturing categories using the relative importance of the industry in the national economy, and sum these up to obtain manufacturing employment. Natural resource employment is also closely linked to state and national industrial employment forecasts, and is broadly independent of local area economic conditions.

Locally-Oriented Industries. Most service and trade industries are considered locally-oriented industries. Locally-oriented industries include construction, wholesale and retail trade, business and financial activities, education and health services, leisure and hospitality industries, state and local government, and utilities. These are often times support services, providing the necessary infrastructure for the export-oriented sectors and the local population. These equations are modeled as a function of a demand proxy (typically personal income), and sometimes demographics and state-wide industry trends.

Personal income is the most commonly used proxy, either alone or in combination with population, for the level of demand for local goods and services. Personal income is one of the best measures of aggregate economic activity at the state level, reflecting wages and salaries, transfer payments, as well as non-wage income. Since employment in the local economy is an important determinant of wages and salaries in a region, this introduces an important source of feedback into the models. In other words, personal income is a function of employment, and certain employment categories such as personal services are a function of income. Where deemed necessary, variables besides personal income and population are also used in forecasting service industries. For instance, employment in the construction industry is linked to recent permit issuance, while retail trade employment is linked to recent retail sales.

Source: Moody's Analytics

Life-Cycle Phase

A metro area's life cycle is calculated using a weighted index based on the factors that determine long-term economic performance. High-tech share of GDP (5% weight) is measured as the share of GDP contributed by high-technology industries. Educational attainment (21% weight) is the share of the population 25 and older that has earned a bachelor's degree or higher. Climate (3% weight) measures the absolute average temperature deviation from 65 degrees. Geographic factors (6% weight) measures location-specific factors such as mountains and coasts that are conducive to development. Export share of employment (8% weight) is the percentage of employment in export-oriented industries relative to the national average. Relative business costs (30% weight) are measured by the Moody's Analytics Cost of Doing Business Index. Migration contribution (15% weight) measures the annual ratio of net migration to population. Construction activity (12% weight) is the 10-year average share of employment in construction industries relative to total employment.

Source: Moody's Analytics

Moody's Ratings

This is the bond rating for general obligation bonds issued by a principal city or county government. Not all city and county governments issue GO bonds and thus some metro areas will have an "NA" here. The interpretation of the bond rating is as follows:

Aaa Best quality, smallest degree of investment risk

Aa High quality, margins of protection not as large as in Aaa

A Upper medium grade obligations, adequately secured

Baa Medium grade obligations, neither highly protected nor poorly secured

Ba Speculative, future cannot be considered as well assured

B Lacking characteristics of desired investment

The modifier 1 indicates that the issue ranks in the higher end of its generic category; the modifier 2 indicates a midrange ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic category.

Source: Moody's Investor Services

Risk Exposure

Risk exposure represents the extent to which a metro area economy's employment growth forecast will be vulnerable to upside or downside fluctuations in the upcoming five-year period. The ranking reflects the expected employment volatility associated with a specific metro area, with a higher ranking—and higher quintile—denoting greater risk. It is important to keep in mind that the ranking represents the relative potential for variation from the forecast; this can be to the upside or downside. A metro area in the first quintile, for example, faces a much wider range of potential outcomes than one in the fifth quintile, which is unlikely to deviate significantly from the forecast.

There are seven determinants of metro area risk exposure:

(1) investment income dependence

(2) metro area size

(3) the prior year's change in population

(4) education and healthcare share of output

(5) government share of output

(6) finance share of output

(7) house price volatility, based on the change in the ratio of median house price to per capita income.

Risk exposure should be considered in combination with a metro area's expected growth rate in order to ascertain the level of certainty associated with an employment growth forecast. Metro areas with high growth rates and low volatility rankings represent those that are the safest in terms of expected growth, while those with low growth rates and high volatility are most exposed to highly negative results.

See Regional Financial Review, "Measuring Regional Uncertainty: An Update of Risk-Adjusted Return," March 2013, for more details.

Source: Moody's Analytics

Top Employers: Moody's Analytics compiles top employers lists for every region for the most recent year available. Public sector employment, which is generally proportional to a metro area's population, is provided separately. However, the lists do include public establishments that are not found in every metro area such as military bases or specific federal agencies.

Vitality: The Moody's Analytics vitality index can be used to assess a metropolitan area's long-term economic potential. The index abstracts from business cycle fluctuations and near-term economic events. Only persistent forces of economic strength or weakness are considered. To maintain a long-term focus, the vitality index was created with the purpose of predicting the average annual growth rate in an area's gross domestic product over the next 10 years. The following four factors make up the vitality index: (1) industrial structure, (2) excess labor supply, (3) labor force quality, and (4) labor force growth. An index was generated for each of these components. A value of 100 indicates that the component in the metro area's economy matches the component's value nationally; values above 100 indicate that the component in the metro area's economy is above average, and those below 100 indicate the component is below average. The index for industrial structure is called the industrial vitality index. The three labor inputs are reconciled into a single labor force vitality index in which values of 100 also correspond to the national average. The labor force vitality index is then combined with the industrial vitality index to produce the metro area's vitality index. Industrial vitality was assigned a 55% weight, and labor force vitality is assigned a 45% weight. These were assigned to achieve maximum correlation between predicted GDP growth and actual GDP growth as determined by regression analysis. A vitality index value of 100 is consistent with the nation. Values above 100 suggest there is potential for faster growth, and those below 100 suggest the possibility for slower growth. The rank of the 384 U.S. metropolitan areas and metro divisions is also provided.

See Regional Financial Review, "U.S. Regional Diversity, Volatility and Vitality," August 2009 for a detailed explanation.

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Addendum F

Appraiser Qualifications and Licenses



Christopher Orlando

MAI

Senior Vice President

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YEARS OF EXPERIENCE

15

AREAS OF SPECIALTY

Industrial
Office
Multifamily
Mobile Home Parks
Self-Storage
Property Tax Appeals
Landfills

Christopher Orlando, MAI, serves as a Senior Vice President with Newmark Valuation & Advisory for the Northeast Ohio region. In this role, Christopher is responsible for business development, continuing to provide outstanding service to clients, overseeing the region's appraisal team, and preparing and reviewing appraisal reports for a diverse spectrum of property types.

Since beginning his career in valuation in 2005, Christopher has worked with clients on a wide variety of property types including office, retail, industrial, multifamily, special-use assets, medical facilities and complex mixed-use developments. He has also provided valuation analyses on federal and state historic tax credits, tax increment financing (TIF) arrangements and a variety of tax abatements.

Christopher joined Newmark in 2017 from CBRE, where he most recently served as vice president for the Northeast Ohio region. He was promoted to this position in 2016 after serving for three years as a senior appraiser, preceded by four years as a staff appraiser.

Licenses and Designations

- MAI designation, Appraisal Institute
- Certified general real estate appraiser in the state of Ohio

Education

Christopher earned a Bachelor of Business Administration degree from Cleveland State University. He has also completed the requirements of the Appraisal Institute's continuing education program.

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Christopher Michael Orlando

UC/CERT NUMBER:
20120000524

UC LEVEL:
Certified General Real Estate Appraiser

CURRENT ISSUE DATE:
05/18/2022

Department
of Commerce
EXPIRATION DATE:
06/06/2023

USPAP DUE DATE:
06/06/2024
Division of Real Estate
& Professional Licensing

Ohio

Commonwealth of Kentucky
Kentucky Real Estate Appraisers Board

2022 - 23

Hereby grants a

Certified General Real Property Appraiser

To Christopher Orlando
3066 Fairview Dr.
Avon, OH 44011

License No 5902

*who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN
WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year
shown above.*



John G. Kenkel, Jr., Chair

John Brewer, Vice Chair

Justin W. Noble

William Jeffrey Fultz

John Dexter Outlaw

This certificate expires 6/30/2023



Robert J. Vodinelic

MAI, MRICS

*Senior Managing Director
Specialty Practice Leader –
Industrial & Logistics
Market Leader – OH, IN, KY*

t 614-883-1242
m 614-288-6809
rob.vodinelic@nmrk.com

YEARS OF EXPERIENCE

20+

AREAS OF SPECIALTY

Industrial
Office
Multifamily
Complex Mixed-Use Assets
Property Tax Appeals
Expert Witness Testimony
Appraisal Review Services

Rob Vodinelic, MAI, MRICS, joined Newmark Valuation & Advisory in 2017 and currently serves as a senior managing director and market leader for Ohio, Indiana and Kentucky. In this role, Rob is responsible for business development; aggressively recruiting top appraisal professionals; continuing to provide outstanding service to clients; third party appraisal review services; and overseeing a team of appraisers within the Ohio, Kentucky and Indiana offices of Newmark.

Rob is also the national practice leader for the Valuation & Advisory's Industrial & Logistics specialty practice. He oversees a team of experts whose innovative, consulting-driven approach provides best-in-class valuation and consulting services for all properties belonging to the industrial/logistics asset class.

Additionally, Rob is involved with the preparation and review of appraisal reports on a broad range of property types and provides expert witness testimony throughout the states of Ohio, Indiana and Kentucky, and, based on his expertise with complicated industrial assets, has also provided expert witness testimony in Canada.

Since beginning his career in valuation in 1998, Rob has worked with clients on a wide variety of property types and has provided valuation analyses on federal and state historic tax credits, tax increment financing (TIF) arrangements and a variety of tax abatements. Rob also has significant experience in litigation assignments, including the preparation of appraisals and providing expert witness testimony for property tax appeals and federal bankruptcy proceedings.

Rob joined Newmark from Cushman & Wakefield, where he most recently served as a senior managing director and the regional director for Ohio. In 2002, Rob relocated to Ohio from C&W's New York world headquarters.

Professional Affiliations

- Third Director - Region V, Appraisal Institute
- President, Ohio Chapter of the Appraisal Institute, 2016
- Chairperson of the Ohio Chapter of the Appraisal Institute's Scholarship Committee

Licenses and Designations

- MAI designation, Appraisal Institute
- Member, Royal Institute of Chartered Surveyors (MRICS)
- Certified general real estate appraiser, states of Georgia, Indiana, Kentucky, Michigan, North Carolina, Ohio and Tennessee

Education

Rob earned a Master of Science degree in real estate with a focus on valuation from New York University. He previously earned a Bachelor of Business Administration degree from Hofstra University.



IN.gov

State of Indiana

DEMOGRAPHIC INFORMATION

Name: Robert J. Vodinelic

ADDRESS INFORMATION

Organization: Columbus OH 43215
City: OH

LICENSE INFORMATION

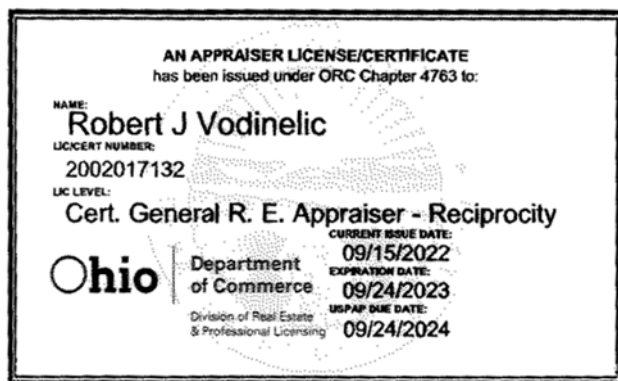
LIC # 43360204
Status: Active
Minimum Reciprocity

Appraiser Board
Issue: 11/20/2017

Type: Certified General Appraiser
Expiration: 6/30/2024

DISCIPLINE INFORMATION

RELATED LICENSES



ROBERT J VODINELIC

402075
Status INACTIVE

END OF RENEWAL 10/31/2023

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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

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

LYNN DEMPSEY
Real Estate Commissioner

2026112622451527





Paul D. Griffith

MAI, CRE, FRICS

*Senior Managing Director
Market Leader – Pennsylvania*

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f 724-742-3390
paul.griffith@nrmk.com

YEARS OF EXPERIENCE

40+

AREAS OF SPECIALTY

Special Purpose Properties
Complex Valuation
Eminent Domain
Litigation
Market Studies
Feasibility Studies
Corporate Assets

Paul Griffith MAI, CRE, FRICS, serves as a Senior Managing Director in the Pittsburgh, Pennsylvania, office of Newmark Valuation and Advisory. Paul leads an office of valuation and consulting professionals that have a combined experience of over 125 years in Western Pennsylvania and West Virginia. Actively engaged in real estate valuation and consulting since 1979, he has successfully completed assignments for acquisition and disposition analyses, market and feasibility studies, litigation, including eminent domain and assessment appeals and corporate asset valuation. In addition, Paul has managed portfolios involving hundreds of properties across the United States.

Paul joined Newmark in 2018, when the firm acquired several affiliate offices of Integra Realty Resources. At the time of the acquisition, he was serving as senior managing director in IRR's Pittsburgh office.

Professional Affiliations

- National Association for Industrial and Office Parks (NAIOP)
- Member, Urban Land Institute (ULI)
- Additionally, Paul has qualified as an expert witness in United States District Court, United States Bankruptcy Court, over a dozen Pennsylvania Courts of Common Pleas and numerous county assessment appeal boards.
- Paul is recognized as an expert in valuation methodology and has been an instructor for the Appraisal Institute. Courses taught include Income Approach and Highest and Best Use. He was previously an adjunct professor at Duquesne University. He regularly provides commentary to local media on real estate topics

Licenses and Designations

- MAI designation, Appraisal Institute, November 1984
- Fellow, Royal Institution of Chartered Surveyors (FRICS)
- Member, The Counselors of Real Estate (CRE)
- Certified general real estate appraiser, Commonwealth of Pennsylvania and states of West Virginia, Ohio, Maryland, and New York

Education

Paul earned a Bachelor of Science degree in business management from the Pennsylvania State University. He has also successfully completed numerous real estate-related courses and seminars sponsored by the Appraisal Institute and accredited universities.

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:

Paul D Griffith

LIC/CERT NUMBER:

2007001203

LIC LEVEL:

Cert. General R. E. Appraiser - Reciprocity



**Department
of Commerce**

**Division of Real Estate
& Professional Licensing**

CURRENT ISSUE DATE:

03/16/2022

EXPIRATION DATE:

03/12/2023

USPAP DUE DATE:

03/12/2024