



FLYING A MOBILE HOME PARK

165 South Main Street
Red Bluff, California 96080

APPRAISAL REPORT

Date of Report: May 22, 2019
Colliers File #: SMF190254



PREPARED FOR
Amanda Hair
Savings Bank of Mendocino County
200 North School Street
Ukiah, CA 95482

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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May 22, 2019

Amanda Hair
Savings Bank of Mendocino County
200 North School Street
Ukiah, CA 95482

RE: Flying A Mobile Home Park
165 South Main Street
Red Bluff, California 96080

Colliers File #: SMF190254

Ms. Hair:

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

The date of this report is May 22, 2019. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and a land value. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Leased Fee	May 21, 2019	\$1,610,000
OTHER CONCLUSIONS			AS OF MAY 21, 2019
Land Value			\$360,000
Insurable Replacement Cost			\$30,000

The subject is a Manufactured Housing Community (All Age) totaling 66 homesites, consisting of 61 mobile home sites and 5 RV sites. It is noted that all of the spaces at the subject property are rented on a long-term basis, similar to a mobile home park, which is dissimilar to conventional RV parks that rent on a daily/weekly basis. Therefore, the five RV sites are analyzed as a long-term residency spaces more similar to a mobile home space and not as a transient RV space. The subject is located on a 7.11 acre site at 165 South Main Street in Red Bluff, California. The improvements were built in 1970, are in fair/average condition and have a remaining economic

life of 30 years based on our estimate. The subject's common amenities include: restroom/showers, playground, and laundry facilities. The subject is considered to be fair/average quality and condition. Based on our interview with the property manager and the onsite inspection by the field appraiser, there are no significant observable deferred maintenance items.

The subject property has a current occupancy level of 81.8%, which is slightly below the stabilized occupancy level estimate of 82% that was developed in this appraisal. The property was recently purchased from a long-time owner and was historically mismanaged. Typical mobile home park investors analyze the property as-is and adjust for any potential upside in occupancy in the capitalization rate they apply. Therefore, for this analysis, in efforts to most equally mirror the sentiment of investors in the marketplace, the subject will be analyzed as-is and any potential upside in occupancy will be addressed in the selection of an appropriate capitalization rate.

The residents have been notified that rents will be \$287 effective August 1, 2019. This represents approximately a \$49 increase. A typical buyer would give credit for these rent increases as the residents have already been notified. Even after this relatively large increase, the rents still fall well below the rent comparable range. Therefore, it is highly unlikely that this increase will result in turnover. Considering the subject's current quality and condition, a rent at or near the low end of the market comparable range would be expected. Therefore, even after the increase, there is still considered potential rental upside. For the purposes of this analysis, the subject's increased rent levels are considered to be at market and utilized for this analysis and any additional potential upside will be addressed in the capitalization rate selection.

The subject property previously sold for \$1,600,000 on March 14, 2019. Based on discussions with the current owner and a review of public records and private data services, the prior sale appears to have been an arm's-length transaction. However, the property was owned by a long-term operator of 40+ years. The property had historically been mismanaged. The current owner paid aggressively for potential upside in rent levels and occupancy, some of which has already been able to be achieved. Overall, the most recent sales price is generally in line with the conclusions of this report.

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

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

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

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

EXTRAORDINARY ASSUMPTIONS

No Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

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

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

Sincerely,

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES



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Insurable Replacement Cost

Engagement Letter

Preliminary Title Report

P&L Statements

Rent Roll

Subject Data

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Flying A Mobile Home Park
Property Type	Manufactured Housing Community - All Age
Address	165 South Main Street
City	Red Bluff
State	California
Zip Code	96080
County	Tehama
Longitude	-122.231202
Latitude	40.170622
Number Of Parcels	1
Assessor Parcel	033-120-039-000
Total Taxable Value	\$339,296
Census Tract Number	0007.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	7.11	309,711
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	7.11	309,711
Topography	Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Fair/Average	
Appeal	Fair/Average	
Current Zoning	General Commercial District (C-3)	
Flood Zone	Zone AE	
Seismic Zone	High Risk	

IMPROVEMENT INFORMATION

Number Of Homesites	66
Development Density	9.3 Units/Acre (66 Units / 7.11 Acres)
Total Number Of Common Area Bldgs	2
Number Of Stories	1
Year Built	1970
Property Class	C
Quality	Fair/Average
Condition	Fair/Average
Marketability	Average
Parking Type	Driveway
Number Of Parking Spaces	132
Parking Spaces/Homesite	2.0
Project Amenities	The subject's common amenities include: restroom/showers, playground,

HIGHEST & BEST USE

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

EXPOSURE TIME & MARKETING PERIOD

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

VALUATION SUMMARY

Current Occupancy	81.8%
Stabilized Occupancy	82.0%
Current Average Rent/Homesite	\$238/Homesite
Concluded Average Rent/Homesite	\$287/Homesite
Potential Gross Income (PGI)	\$284,692
Vacancy & Credit Loss	18.0%
Effective Gross Income (EGI)	\$243,778
Total Expenses	\$147,353
Net Operating Income (NOI)	\$96,424
Capitalization Rate (OAR)	6.00%

VALUATION SUMMARY

VALUATION INDICES	MARKET VALUE AS-IS
INTEREST APPRAISED	LEASED FEE
DATE OF VALUE	MAY 21, 2019

INCOME CAPITALIZATION APPROACH

Direct Capitalization	\$1,610,000
Direct Capitalization \$/Homesite	\$24,394/Homesite
Net Operating Income	\$96,424
NOI \$/Homesite	\$1,461/Homesite
Capitalization Rate	6.00%
Effective Gross Income Multiplier	\$1,580,000
EGIM \$/Homesite	\$23,939/Homesite
INCOME CONCLUSION	\$1,610,000
Income Conclusion \$/Homesite	\$24,394/Homesite

SALES COMPARISON APPROACH

SALES CONCLUSION	\$1,650,000
Sales Conclusion \$/Homesite	\$25,000/Homesite

FINAL VALUE CONCLUSION

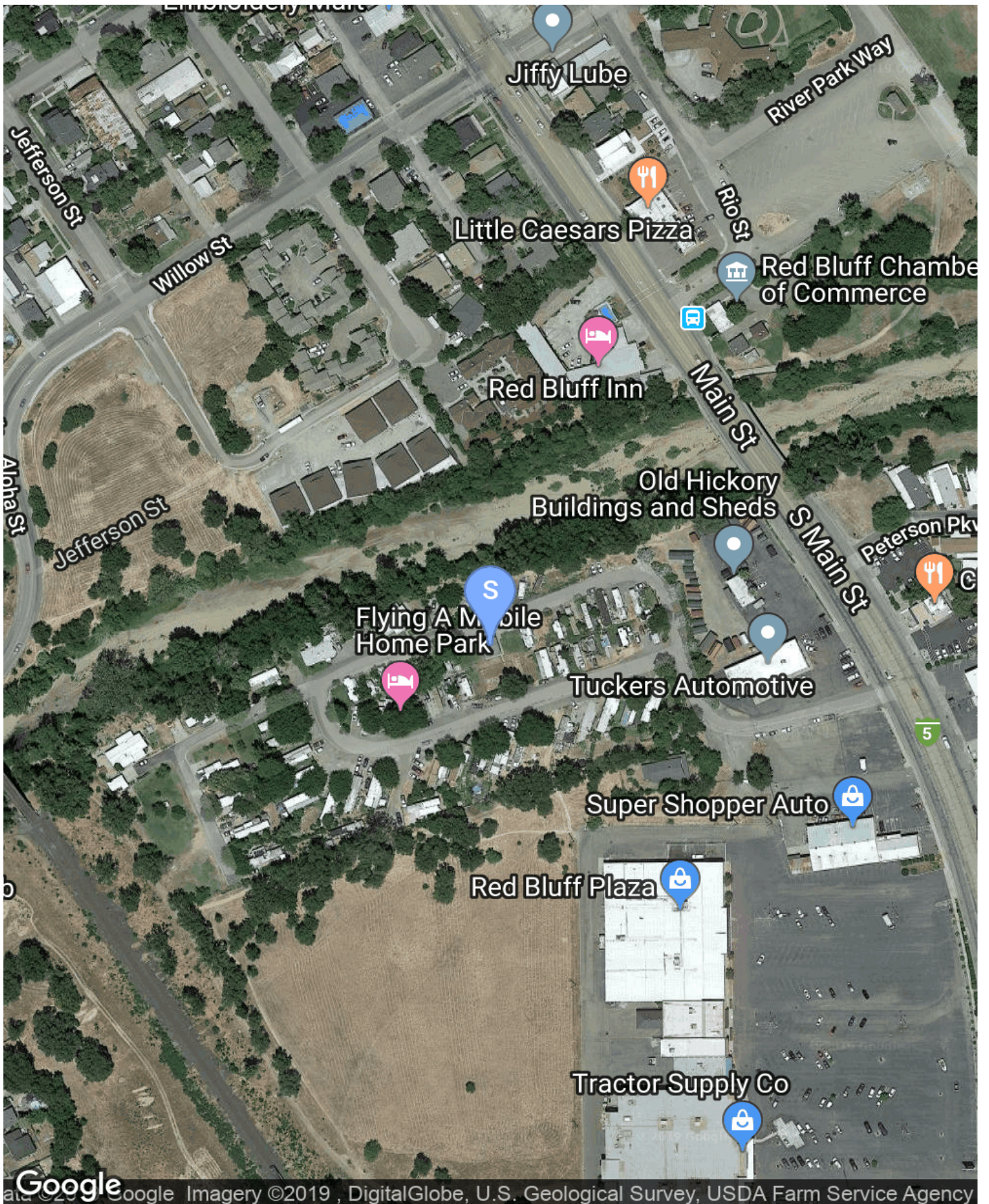
FINAL VALUE	\$1,610,000
Final \$/Homesite	\$24,394/Homesite

LAND VALUATION

LAND VALUE	\$360,000
Value/Acre	\$50,000

OTHER CONCLUSIONS

Insurable Replacement Cost	\$30,000
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SUBJECT ENTRANCE



SUBJECT ENTRY FACING MAIN STREET



STREET SCENE



STREET SCENE



STREET SCENE



STREET SCENE



STREET SCENE



STREET SCENE



STREET SCENE



STREET SCENE

PROPERTY IDENTIFICATION

The subject is a Manufactured Housing Community (All Age) property totaling 66 homesites. It is located on a 7.11 acre site at 165 South Main Street in Red Bluff, Tehama County, California. The assessor's parcel number is: 033-120-039-000.

The legal description of the subject property is as follows:

PARCEL 1 OF SECTION 29, TOWNSHIP 27 NORTH, RANGE 3 WEST, MOUNT DIABLO BASE AND MERIDIAN, AS THE SAME IS SHOWN ON PARCEL MAP NO. 840 FILED IN THE TEHAMA COUNTY RECORDER'S OFFICE NOVEMBER 5, 1976 IN BOOK 3 OF PARCEL MAPS AT PAGE 110.

TOGETHER WITH AN EASEMENT FOR UNDERGROUND WATER LINE FOR FIRE PROTECTION PURPOSES OVER, UNDER AND ACROSS A STRIP OF LAND 10 FEET IN WIDTH LYING WITHIN PARCEL 2 OF PARCEL MAP NO. 840 FILED IN THE TEHAMA COUNTY RECORDER'S OFFICE, NOVEMBER 5, 1976 IN BOOK 3 OF PARCEL MAPS, AT PAGE 110, BEING A PORTION OF SECTION 29, TOWNSHIP 27 NORTH, RANGE 3 WEST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, THE CENTERLINE OF WHICH RUNS FROM THE NORTHWEST CORNER OF PARCEL 1 OF PARCEL MAP NO. 367 FILED IN THE TEHAMA COUNTY RECORDER'S OFFICE, JUNE 7, 1973, IN BOOK 1 OF PARCEL MAPS, AT PAGE 130; THENCE IN A NORTHWESTERLY DIRECTION ACROSS SAID PARCEL 2 OF SAID PARCEL MAP NO. 840, 89 FEET, MORE OR LESS, TO A POINT IN THE SOUTHEASTERLY LINE OF PARCEL 1 OF SAID PARCEL MAP NO. 840, SAID POINT BEING NORTH 69° 30' 02" EAST, 619.62 FEET FROM THE MOST SOUTHERLY CORNER OF SAID PARCEL 1 OF SAID PARCEL MAP NO. 840. THE SIDE LINES OF SAID STRIP SHALL BE SHORTENED OR LENGTHENED TO EXTEND FULLY ACROSS SAID PARCEL 2 OF SAID PARCEL MAP NO. 840.

SAID STRIP OF LAND SHALL BE APPURTENANT TO PARCEL 1 OF SAID PARCEL MAP NO. 840. SAID UNDERGROUND WATER LINE SHALL BE CONSTRUCTED AT LEAST 4 FEET BELOW THE SURFACE OF THE LAND. GRANTOR FURTHER RESERVES UNTO THEMSELVES AND THEIR SUCCESSORS IN INTEREST THE RIGHT, POWER AND PRIVILEGE OF CONSTRUCTING PERMANENT BUILDINGS AND FIXTURES OVER, ABOVE AND ALONG SAID EASEMENT.

APN: 033-120-039-000

CLIENT IDENTIFICATION

The client of this specific assignment is Savings Bank of Mendocino County.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and a land value.

INTENDED USE

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

INTENDED USERS

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

ASSIGNMENT DATES

Date of Report	May 22, 2019
Date of Inspection	May 21, 2019
Valuation Date - As-Is	May 21, 2019

PERSONAL INTANGIBLE PROPERTY

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

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

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of Flying A MHP, LLC, who acquired title to the property on March 14, 2019 as improved for \$1,600,000, as recorded in document number 2019002896 of the Tehama County Deed Records.

Three-Year Sales History

The subject property previously sold for \$1,600,000 on March 14, 2019. Based on discussions with the current owner and a review of public records and private data services, the prior sale appears to have been an arm's-length transaction. However, the property was owned by a long-term operator of 40+ years. The property had historically been mismanaged. The current owner paid aggressively for potential upside in rent levels and occupancy, some of which has already been able to be achieved. Overall, the most recent sales price is generally in line with the conclusions of this report.

Subject Sale Status

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

DEFINITIONS

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

DEFINITIONS OF VALUE

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

Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee interest.

Fee Simple Estate

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

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.³

VALUE SCENARIOS

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.⁴

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

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

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

⁴ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

INTRODUCTION

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

- › The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraisers completed a manufactured housing market analysis that included national and market overviews. The market and sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraisers confirmed and analyzed financial features of the subject property including historical and budgeted income/expense data, rent roll, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops an opinion of the As-Is Market Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and land value. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › Marc Perry provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering regional, neighborhood, zoning, and tax information, confirming some of the comparable data. Additionally, Mr. Perry assisted in the valuation analysis, under the supervision of Robert Steed.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

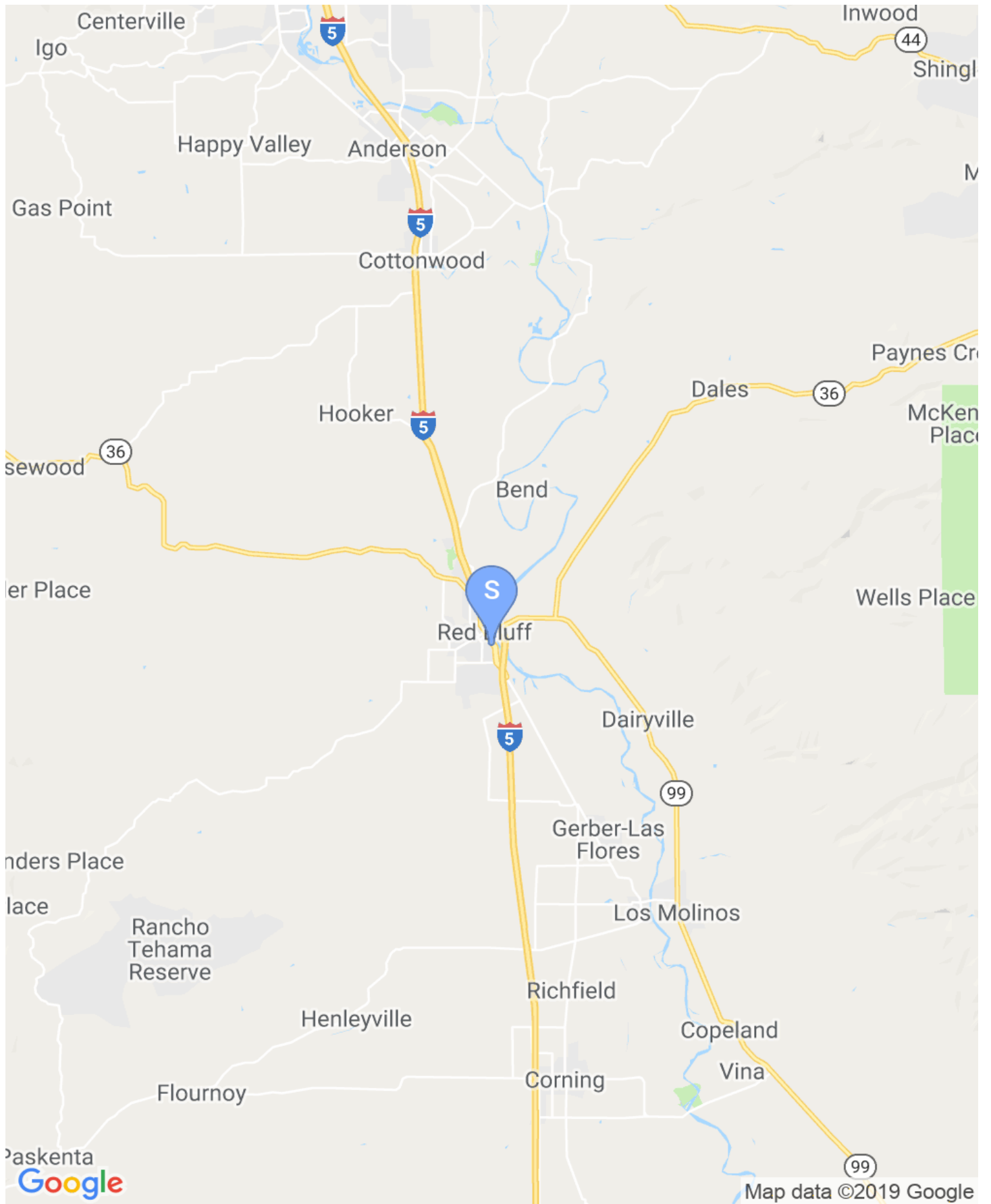
SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Tehama County Tax Assessor
Zoning Information	City of Red Bluff Zoning Code
Site Size Information	Tehama County Tax Assessor
Building Size Information	Tehama County Tax Assessor
New Construction	City of Red Bluff / Tehama County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	Colliers Survey
Legal Description	Grant Deed from Tehama County Clerk and Recorder
Other Property Data	Tehama County Property Records
Rent Roll (Dated May 2019)	Kris Parkes, Boa Vida, Owner
Income/Expense Statements	Kris Parkes, Boa Vida, Owner

SUBJECT PROPERTY INSPECTION

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

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Robert Steed	Yes	Interior/Exterior	May 21, 2019
Jeffrey Shouse, MAI, CRE	No	-	-

The on-site inspection included driving all of the streets in the park. The inspection conducted for this analysis is sufficient to develop a reliable opinion of value.



INTRODUCTION

Tehama County, California comprises the Red Bluff Micropolitan Statistical Area. According to the 2016 census the population was 63,463. The county is in the northern portion of the state, approximately 131 miles north of Sacramento and 130 miles south of the California-Oregon border. The area comprises sixteen census-designated places and three main cities, Red Bluff, which is the county seat, Corning and Tehama. Tehama County is bordered by the counties of Shasta to the north, Lassen to the east, Butte and Glenn to the south, and Trinity to the west. Main highways serving the area include Interstate 5, and State Routes 32, 36 and 99. Two general aviation airports serve the area, Corning Municipal Airport, approximately one mile northeast of Corning and Red Bluff Municipal Airport approximately two miles south of Red Bluff. The area is intersected by the Sacramento River and is home to several national protected areas, including the Sacramento River Wildlife Refuge and part of the Lassen National Forest. Tehama County is a recreational tourist destination, with 300 miles of hiking trails, and open space activities such as camping, scenic tours, golfing, boating, hunting and fishing.



DEMOGRAPHIC ANALYSIS

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

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, Tehama County had a 2018 total population of 63,956 and experienced an annual growth rate of 0.1%, which was lower than the California annual growth rate of 0.8%. The county accounted for 0.2% of the total California population (39,857,821). Within the county the population density was 22 people per square mile compared to the higher California population density of 252 people per square mile and the higher United States population density of 91 people per square mile.

POPULATION			
YEAR	US	CA	COUNTY
2010 Total Population	308,745,538	37,253,956	63,463
2018 Total Population	328,062,672	39,857,821	63,956
2023 Total Population	339,788,898	41,463,447	64,114
2010 - 2018 CAGR	0.8%	0.8%	0.1%
2018 - 2023 CAGR	0.7%	0.8%	0.0%

Source: Pitney Bow es/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	CA	COUNTY
2018 Per Square Mile	91	252	22
2023 Per Square Mile	94	262	22

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2018 median age for the county was 38.95, which was 4.12% older than the United States median age of 37.35 for 2018. The median age in the county is anticipated to grow by 0.54% annually, increasing the median age to 40.01 by 2023.

MEDIAN AGE			
YEAR	US	CA	COUNTY
2018	37.35	35.40	38.95
2023	38.09	36.21	40.01
CAGR	0.39%	0.46%	0.54%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

Tehama County does not have institutions of higher education.

Household Trends

The 2018 number of households in the county was 24,165. The number of households in the county is projected to grow by 0.2% annually, increasing the number of households to 24,410 by 2023. The 2018 average household size for the county was 2.61, which was 0.34% larger than the United States average household size of 2.6 for 2018. The average household size in the county is anticipated to decrease by 0.15% annually, reducing the average household size to 2.59 by 2023.

NUMBER OF HOUSEHOLDS			
YEAR	US	CA	COUNTY
2018	122,929,625	13,049,105	24,165
2023	126,604,011	13,333,173	24,410
CAGR	0.6%	0.4%	0.2%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	CA	COUNTY
2018	2.60	2.99	2.61
2023	2.62	3.05	2.59
CAGR	0.13%	0.38%	(0.15%)

Source: Pitney Bowes/Gadberry Group - GroundView®

Tehama County had 35.08% renter occupied units, compared to the higher 44.13% in California and the lower 34.89% in the United States.

HOUSING UNITS			
	US	CA	COUNTY
Owner Occupied	65.11%	55.87%	64.92%
Renter Occupied	34.89%	44.13%	35.08%

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2018 median household income for the county was \$42,562, which was 27.7% lower than the United States median household income of \$58,828. The median household income for the county is projected to grow by 3.6% annually, increasing the median household income to \$50,917 by 2023.

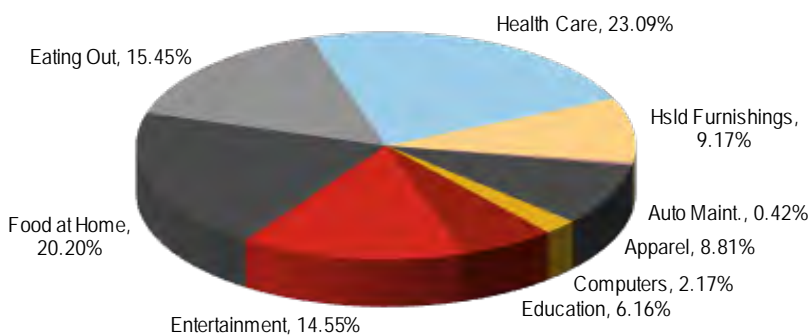
According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the county's cost of living is 118.4 compared to the national average score of 100. The ACCRA Cost of Living Index

compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

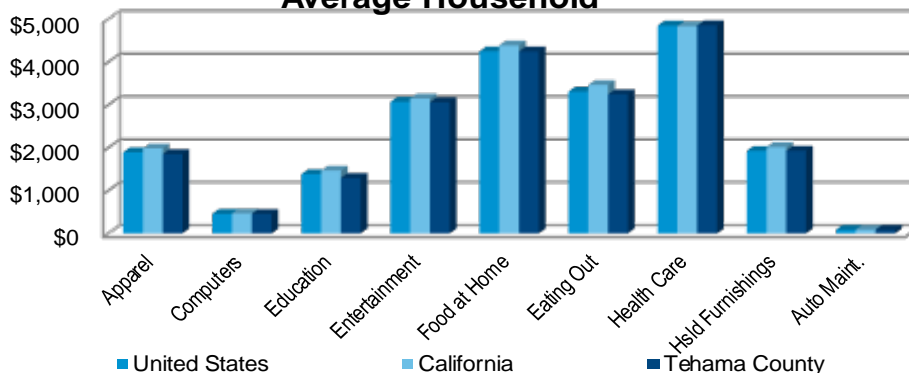
MEDIAN HOUSEHOLD INCOME			
YEAR	US	CA	COUNTY
2018	\$58,828	\$68,209	\$42,562
2023	\$70,600	\$81,780	\$50,917
CAGR	3.7%	3.7%	3.6%

Source: Pitney Bowes/Gadberry Group - GroundView®

Consumer Spending Tehama County



Consumer Spending Comparison Average Household



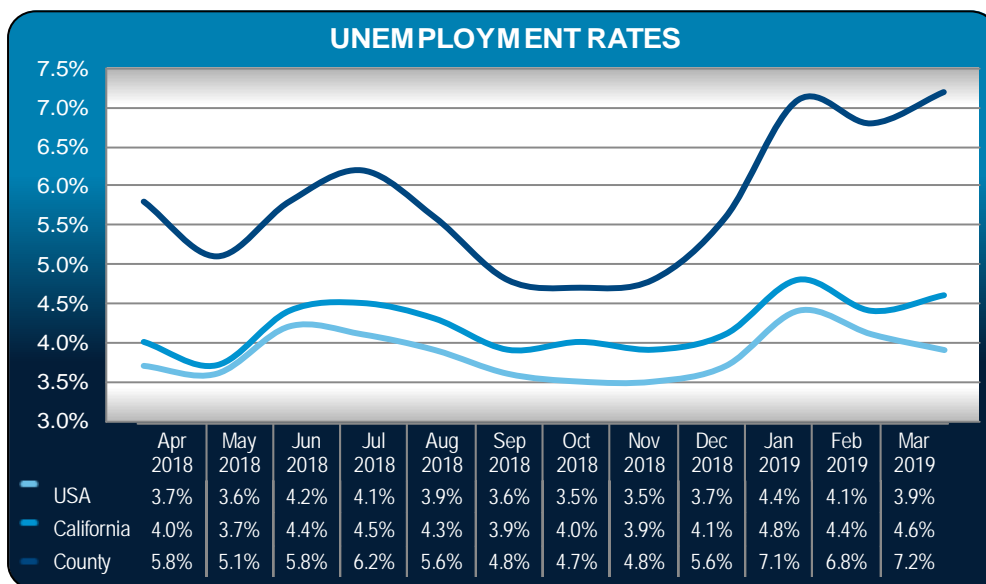
EMPLOYMENT

Total employment has increased annually over the past decade in the state of California by 1.5% and increased annually by 1.1% in the county. From 2017 to 2018 unemployment decreased in California by 0.6% and decreased by 0.7% in the county. In the state of California unemployment has increased over the previous month by 0.2% and increased by 0.4% in the county.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2009 - 2018

Year	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	California		Tehama County, CA		United States*	California	Tehama County, CA
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2009	16,182,572	(4.0%)	21,887	(4.1%)	9.3%	11.2%	13.6%
2010	16,091,945	(0.6%)	21,754	(0.6%)	9.6%	12.2%	15.4%
2011	16,258,133	1.0%	21,744	(0.0%)	8.9%	11.7%	15.0%
2012	16,602,672	2.1%	21,780	0.2%	8.1%	10.4%	13.7%
2013	16,958,403	2.1%	22,171	1.8%	7.4%	8.9%	11.6%
2014	17,310,937	2.1%	22,673	2.3%	6.2%	7.5%	9.6%
2015	17,681,849	2.1%	23,057	1.7%	5.3%	6.2%	7.9%
2016	18,002,773	1.8%	23,302	1.1%	4.9%	5.5%	7.1%
2017	18,285,492	1.6%	23,943	2.8%	4.4%	4.8%	6.4%
2018	18,582,802	1.6%	24,176	1.0%	3.9%	4.2%	5.7%
CAGR	1.5%	-	1.1%	-	-	-	-

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



The preceding chart depicts unemployment trends in the region, California and the U.S. Overall levels of unemployment in the region experienced minor fluctuations throughout 2018 and the first months of 2019. By the end of March 2019, unemployment in the region was 2.6% higher than California's and 3.3% higher than the national average.

TOP EMPLOYERS

EMPLOYER NAME	EMPLOYEES	INDUSTRY
Walmart Distribution Center	1,000 - 4,999	Transportation/Warehousing
Sierra Pacific Industries	500-999	Manufacturing
Rolling Hills Casino	500-999	Accommodation/Food Services
Tehama County School District	250-499	Education
Saint Elizabeth Community Hospital	250-499	Healthcare/Social Assistance
Sierra Pacific Windows	250-499	Wholesale/Retail Trade
Bell-Carter Olive Company	250-499	Manufacturing
Tehama County Social Service Department	100-249	Public Administration
Tehama County Mental Health	100-249	Healthcare/Social Assistance
California Fire Department	100-249	Public Administration

Source: <http://www.labormarketinfo.edd.ca.gov>

The preceding chart depicts the top employers in Tehama County. Principal employers in the region are spread throughout diverse sectors including transportation/warehousing, manufacturing and accommodation/food services. The top employer in the county is Walmart Distribution Center. The retail corporation has a large distribution center in Red Bluff, employing approximately 1,000 people. The second largest employer in the area is Sierra Pacific Industries, a large lumber producer in the United States. Headquartered in Shasta County, Sierra Pacific has three manufacturing locations in Tehama County, one in Corning and two in Red Bluff. Rolling Hills Casino is the third largest employer. The casino is in Corning, just off Interstate 5. Rolling Hills Casino is also home to an equestrian center and employs a workforce of approximately 500 people.

AIRPORT STATISTICS

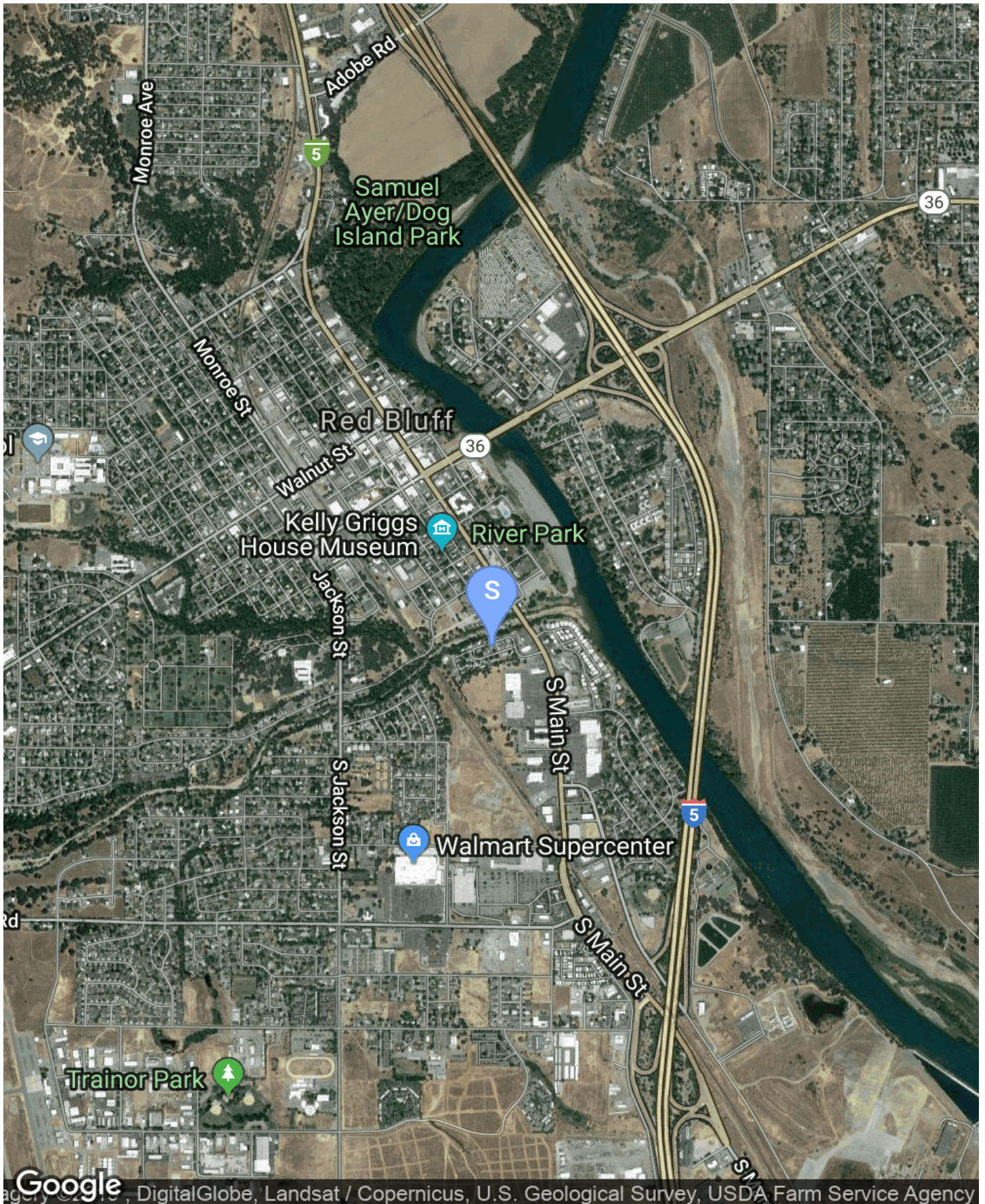
The following chart summarizes the local airport statistics.

SACRAMENTO INTERNATIONAL AIRPORT (SMF)		
YEAR	ENPLANED PASSENGERS	% CHG
2007	5,382,463	-
2008	4,986,771	(7.4%)
2009	4,460,600	(10.6%)
2010	4,424,279	(0.8%)
2011	4,370,895	(1.2%)
2012	4,357,899	(0.3%)
2013	4,255,145	(2.4%)
2014	4,384,616	3.0%
2015	4,714,723	7.5%
2016	4,969,366	5.4%
2017	5,341,595	7.5%

Source: U.S. Department of Transportation

SUMMARY

Tehama County benefits from its strategic location between Sacramento and the Oregon border. The region is home to a diverse economy that has strong influences in retail, agricultural, and entertainment fields. The county's well-positioned economic base, and its attractive location should have a positive impact and will benefit the growth in the regional economy for years to come.



Google, DigitalGlobe, Landsat / Copernicus, U.S. Geological Survey, USDA Farm Service Agency

INTRODUCTION

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

LOCAL AREA PROFILE

The subject property is in Red Bluff, California, within Tehama County. According to the 2010 census the population was 14,076, making it the most populous city in Tehama County. The city is on the northern portion of the Sacramento Valley, 30 miles south of Redding, 40 miles northwest of Chico and approximately 125 miles north of Sacramento. The Sacramento River flows along the eastern portion of the city. Red Bluff is served by Interstate 5 and State Route 36. Air transportation is served by the Red Bluff Municipal Airport. The city serves as a gateway to the Lassen Volcanic National Park and is home to the Tehama County Fairgrounds. The Fairground facility is on the eastern portion of the city and it offers year round activities in its outdoor and indoor arenas and race tracks.

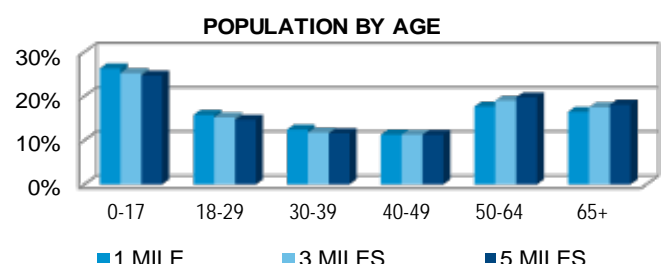
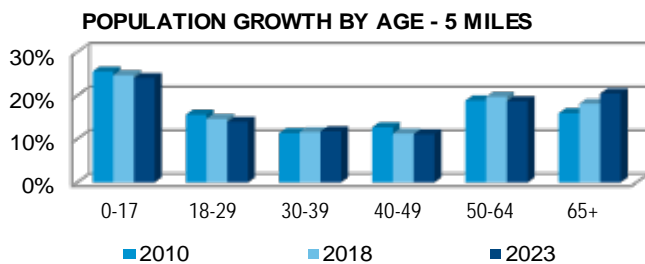
DEMOGRAPHIC PROFILE

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

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	7,570	18,877	21,996	2018	\$41,006	\$49,332	\$53,417
2010 Population	7,999	20,470	24,012	2023	\$49,783	\$59,595	\$64,718
2018 Population	8,207	20,999	24,563	Change 2018-2023	21.40%	20.80%	21.16%
2023 Population	8,325	21,240	24,803	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	5.67%	8.44%	9.17%	2018	\$26,603	\$34,332	\$36,750
Change 2010-2018	2.60%	2.58%	2.29%	2023	\$30,638	\$39,613	\$43,673
Change 2018-2023	1.44%	1.15%	0.98%	Change 2018-2023	15.17%	15.38%	18.84%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,089	3,121	3,830	2018	\$16,749	\$19,630	\$21,216
2018 Population	1,351	3,674	4,446	2023	\$20,484	\$23,893	\$25,903
2023 Population	1,549	4,203	5,072	Change 2018-2023	22.30%	21.72%	22.09%
Change 2010-2018	24.06%	17.72%	16.08%	2018 HOUSEHOLDS BY INCOME			
Change 2018-2023	14.66%	14.40%	14.08%	<\$15,000	25.5%	19.4%	18.1%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	21.8%	16.9%	15.8%
2000 Households	3,104	7,446	8,623	\$25,000-\$34,999	15.3%	14.8%	13.8%
2010 Households	3,221	7,907	9,253	\$35,000-\$49,999	13.6%	13.8%	13.9%
2018 Households	3,342	8,145	9,508	\$50,000-\$74,999	10.9%	17.1%	17.1%
2023 Households	3,418	8,304	9,678	\$75,000-\$99,999	7.3%	8.3%	9.6%
Change 2000-2010	3.77%	6.19%	7.31%	\$100,000-\$149,999	3.4%	6.9%	7.7%
Change 2010-2018	3.76%	3.01%	2.76%	\$150,000-\$199,999	0.3%	1.3%	1.9%
Change 2018-2023	2.27%	1.95%	1.79%	\$200,000 or greater	1.8%	1.6%	2.0%
HOUSING UNITS (2018)				MEDIAN HOME VALUE			
Owner Occupied	1,367	4,265	5,331	\$147,885	\$160,731	\$169,919	
Renter Occupied	2,044	3,867	4,151	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT				\$173,758			
Built 2010 or later	19	60	68	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	396	1,024	1,347	1, detached	1,838	5,215	6,266
Built 1990 to 1999	239	621	797	1, attached	57	133	142
Built 1980 to 1989	725	1,546	1,771	2	71	136	136
Built 1970 to 1979	560	1,401	1,719	3 or 4	362	541	541
Built 1960 to 1969	476	1,204	1,315	5 to 9	418	790	792
Built 1950 to 1959	475	1,276	1,404	10 to 19	150	170	179
Built 1940 to 1949	182	512	546	20 to 49	69	111	111
Built 1939 or earlier	270	502	541	50 or more	159	192	192
				Mobile home	282	826	1,073
				Boat, RV, van, etc.	3	18	51

Source: Pitney Bowes/Gadberry Group - GroundView®



Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Interstate 5	north-south	Interstate Highway	This is within one mile of the subject property.
State Route 36	east-west	Local Highway	This is within one mile of the subject property.
State Route 99	north-south	Local Highway	This is within four miles of the subject property.
South Main Street	north-south	Local Highway	The subject property fronts this street.

Public transportation is available near the subject property. The immediate area is served by the Tehama Rural Area eXpress with bus stops on South Main Street.

Economic Factors

Red Bluff’s local economy is well supported by the retail, manufacturing and tourism industry. A large amount of the employment in the area is driven by the hospitality industry. Lodging facilities in Red Bluff include 13 inns and motels and five recreational vehicle parks. Additionally to the Tehama County Fairground, which draws a large number of visitors year round, the area has several museums, and outdoor recreational areas. A commercial corridor is along Main Street, with assorted retail establishments and eateries.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The subject property is located in the Red Bluff Union Elementary School District. GreatSchools.org is an on-line tool that rates every school district on a scale of one to ten based on test scores. The chart details the subject’s school district’s rating, test scores, and graduation rate. It also compares the subject’s rating to other area schools and the subject’s graduation rate to state and national averages.

SCHOOL DISTRICTS						
SCHOOL DISTRICT	NUMBER OF SCHOOLS					
	ELEMENTARY	MIDDLE	HIGH	PUBLIC	CHARTER	TOTAL
Red Bluff Union Elementary School District	4	2	0	5	0	5

HIGH SCHOOLS							
HIGH SCHOOLS	GREATSCHOOLS RATING	PARENT RATING	SCHOOL TYPE	GRADES SERVED	DISTANCE FROM SBJ.	CITY LOCATION	TOTAL ENROLLMENT
Tehama County Rop School	-	-	public	10-12	0.90 miles	Red Bluff	-
Red Bluff High School	4	3	public	9-12	0.92 miles	Red Bluff	1,483
Adult Education	-	-	public	n/a	1.00 miles	Red Bluff	-
Salisbury High (Continuation) School	-	4	public	9-12	1.00 miles	Red Bluff	114
Tehama County Special Education School	-	-	public	PK-12	1.22 miles	Red Bluff	36
Los Molinos Community Day School	-	-	public	7-12	12.41 miles	Los Molinos	5
Los Molinos High School	3	3	public	9-12	12.62 miles	Los Molinos	173

Source: GreatSchools.org

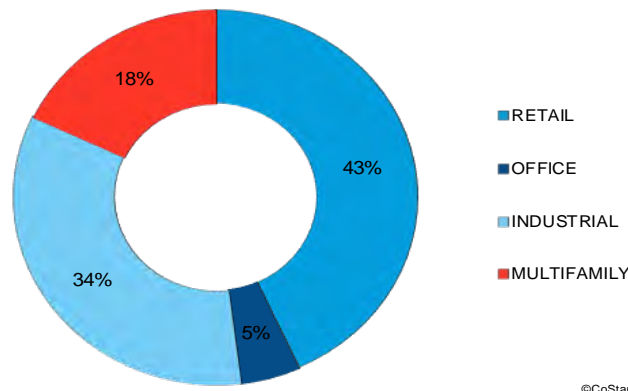
IMMEDIATE AREA PROFILE

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

Predominant Land Uses

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

COMMERCIAL AREA COMPOSITION



©CoStar

Multi-Family Development

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

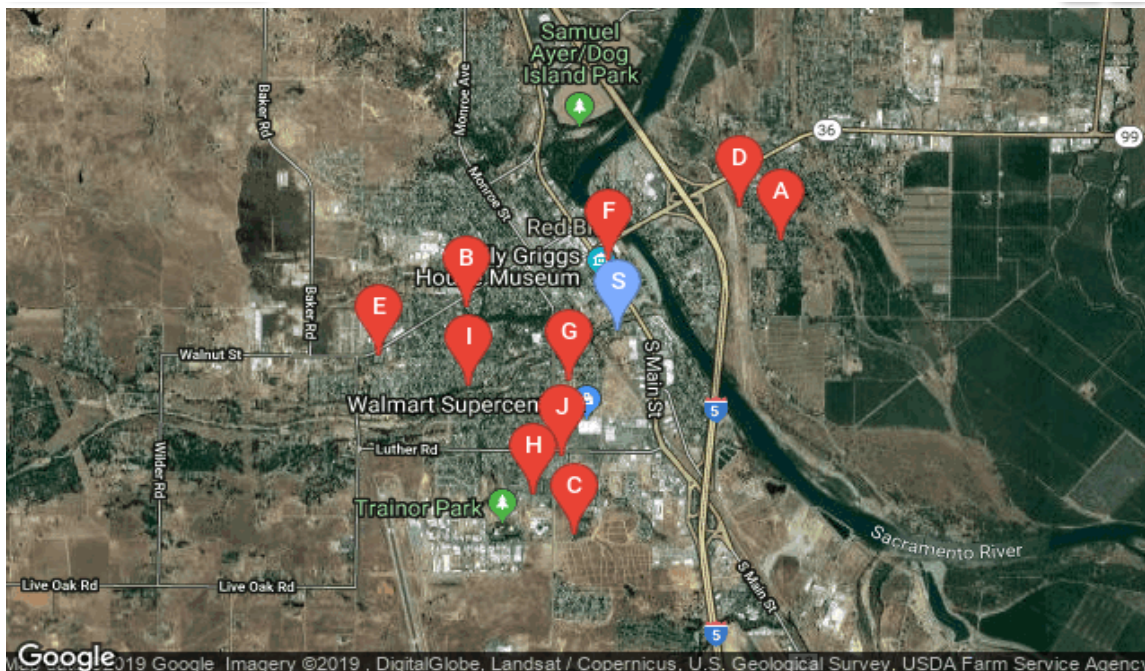
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
B	9	711,895	1985
C	19	265,679	1971
TOTAL	28	977,574	1975

Source: CoStar

The three largest multi-family properties are at 15 Cabernet Court, 1275 Walnut Street, and 710 Vista Way with an NRA of 258,602 SF, 102,914 SF, and 90,000 SF that were built in 1985, 1974, and 2001, respectively. The largest multi-family property in proximity to the subject is the third property which is detailed above. The majority of properties were constructed before 2000. The following chart and map show the subject property and the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Cabernet Apartments	1.4 Miles	A	B	258,602	2	1985
Brickyard Creek Apartments	1.5 Miles	B	B	102,914	2	1974
Meadow Vista	0.7 Miles	C	B	90,000	2	2001
Red Bluff Apartments	1.5 Miles	D	C	58,112	2	1978
Bayless Garden Apartments	1.7 Miles	E	B	52,000	2	1992
Villa Columba Apartments	1.3 Miles	F	B	49,632	3	1983
Creekside Village	0.8 Miles	G	B	49,600	2	-
Red Bluff Meadows	0.8 Miles	H	B	47,147	2	1976
The Phoenix Apartments	1.2 Miles	I	B	46,000	2	1980
Jackson Manor Apartments	0.7 Miles	J	C	35,200	2	1980

Source: CoStar



Retail Development

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

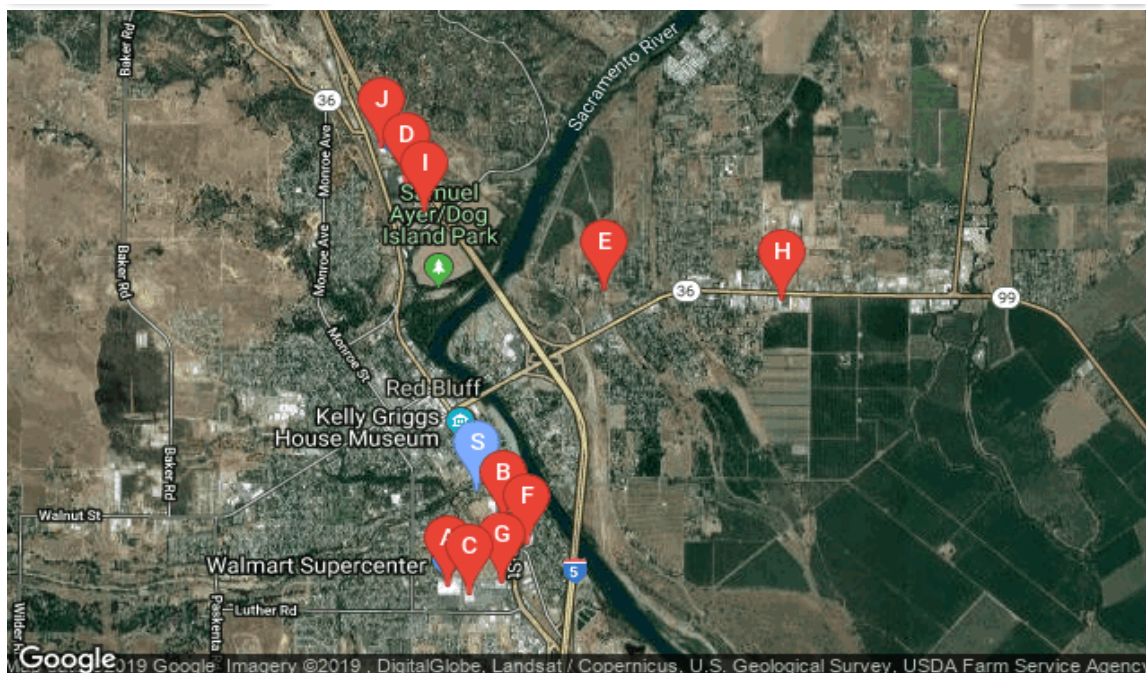
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Strip Center	4	30,445	2005	87.6	-
Community Center	9	501,558	1990	72.6	\$14.34
Neighborhood Center	7	257,577	1976	96.7	\$11.71
General Retail	138	1,564,059	1969	97.7	\$12.05
TOTAL	158	2,353,639	1971	96.0	\$11.86

Source: CoStar

The three largest retail properties are at 608 Luther Road, 259 South Main Street, and 1025 South Main Street with an NRA of 200,000 SF, 104,130 SF, and 103,237 SF that were built in 2016, 1978, and 1991, respectively. The largest retail property in proximity to the subject is at 725 South Main Street with an NRA of 60,849 SF that was built in 1991. The majority of properties were constructed before 2000. The following chart and map show the subject property and the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Red Bluff Shopping Center	0.6 Miles	A	General Retail	200,000	100.0	2016	N/Av
Retail Building	0.7 Miles	B	General Retail	104,130	86.6	1978	\$14.41
Retail Building	0.5 Miles	C	General Retail	103,237	44.1	1991	\$10.67
Retail Building	2.6 Miles	D	General Retail	98,910	100.0	-	N/Av
Belle Mill Landing	1.9 Miles	E	General Retail	92,935	88.6	1982	N/Av
Riverside Plaza	0.5 Miles	F	General Retail	68,979	90.5	1965	N/Av
Retail Building	0.4 Miles	G	General Retail	60,849	100.0	1991	N/Av
Frontier Village	2.2 Miles	H	General Retail	54,118	100.0	-	\$9.00
Retail Building	2.4 Miles	I	General Retail	37,000	100.0	2005	N/Av
Retail Building	2.8 Miles	J	General Retail	29,799	100.0	2002	N/Av

Source: CoStar



Office Development

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

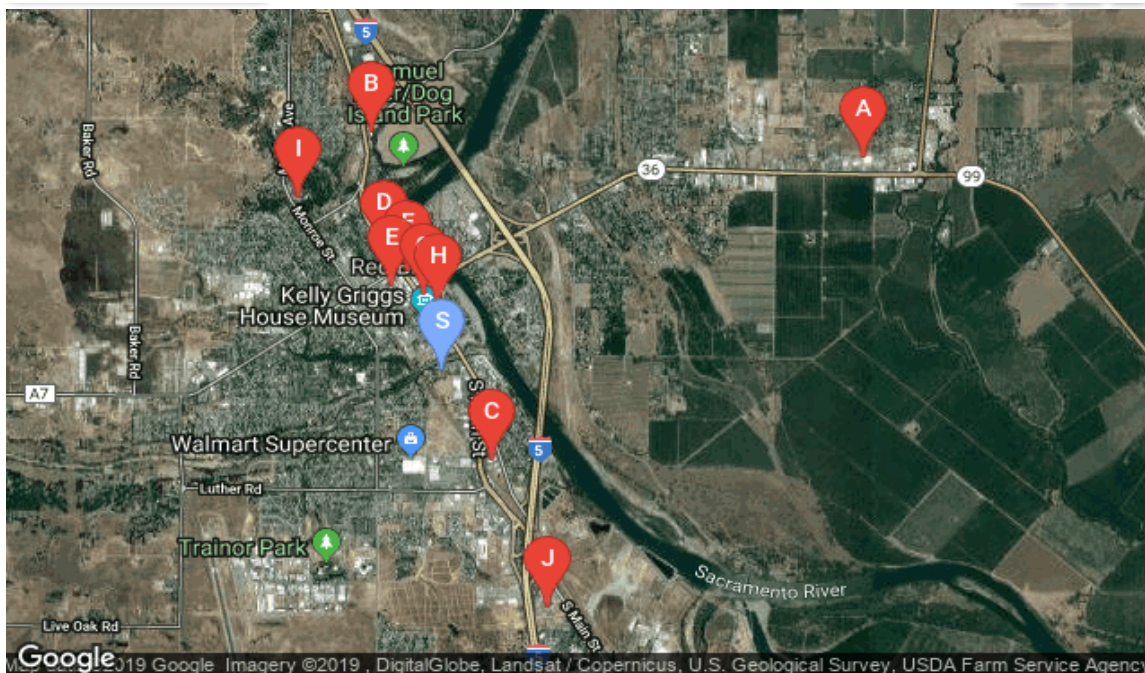
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
B	16	102,907	1964	100.0	-
C	26	159,781	1956	92.3	\$12.12
TOTAL	42	262,688	1959	95.2	\$7.50

Source: CoStar

The three largest office properties are at 13545 Street Mary's Avenue, 2150 Main Street, and 545 Diamond Avenue with an NRA of 40,216 SF, 21,838 SF, and 18,500 SF, respectively. The largest office property in proximity to the subject is the third property which is detailed above. The majority of properties were constructed before 2000. The following chart and map show the subject property and the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Office Building	2.6 Miles	A	C	40,216	0.0	1990	N/Av
Office Building	2.2 Miles	B	C	21,838	100.0	1980	N/Av
Red Bluff Daily News	0.3 Miles	C	B	18,500	100.0	-	N/Av
Office Building	1.6 Miles	D	B	18,105	100.0	1982	N/Av
Office Building	1.4 Miles	E	C	13,473	100.0	1910	N/Av
Office Building	1.5 Miles	F	C	11,400	100.0	-	N/Av
Office Building	1.3 Miles	G	C	10,000	100.0	1986	N/Av
Office Building	1.2 Miles	H	C	10,000	100.0	1986	N/Av
Office Building	2.1 Miles	I	C	7,500	100.0	-	N/Av
Office Building	0.5 Miles	J	B	7,376	100.0	2005	N/Av

Source: CoStar



Industrial Development

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

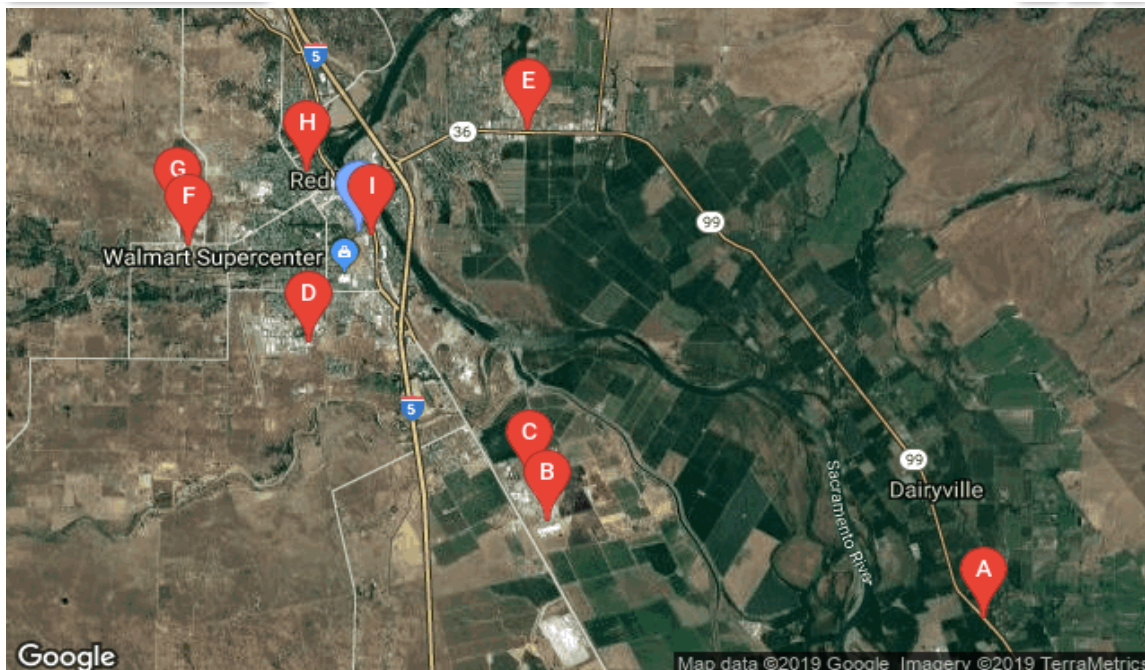
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	36	1,855,420	1970	97.2	-
TOTAL	36	1,855,420	1970	97.2	\$0.00

Source: CoStar

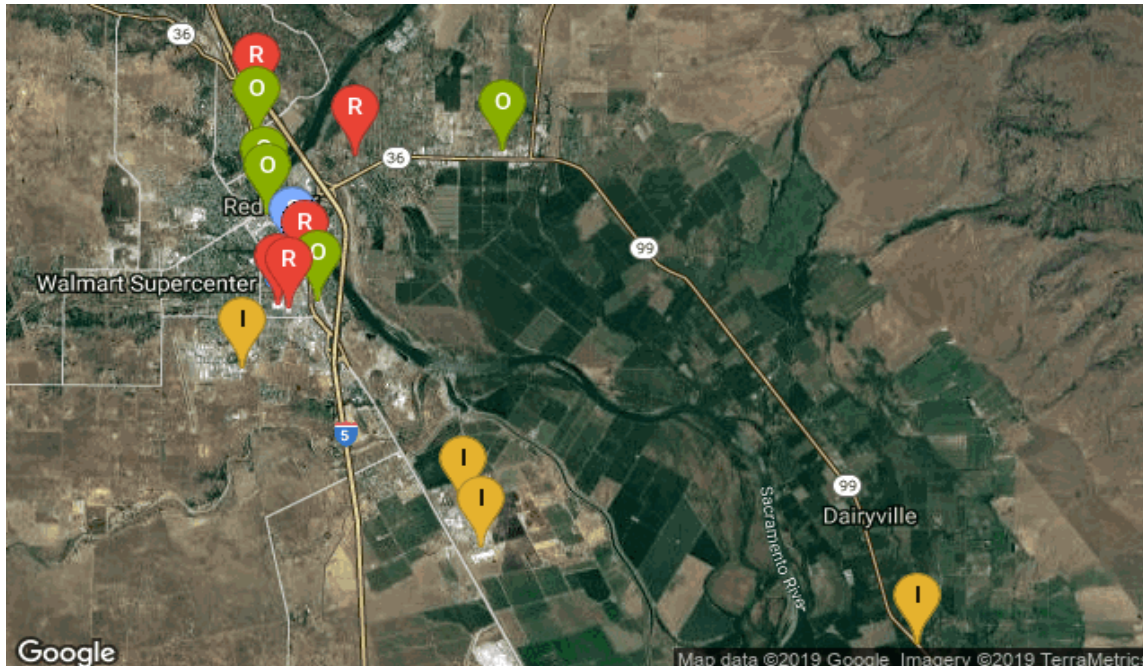
The three largest industrial properties are at 10815 State 99 Highway West, 11500 Reading Road, and 11622 Reading Road with an NRA of 1,072,598 SF, 372,477 SF, and 116,130 SF, respectively. The largest industrial property in proximity to the subject is at 215 South Main Street with an NRA of 10,500 SF that was built in 1959. All of the properties were constructed before 2000. The following chart and map show the subject property and the nine largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	6.8 Miles	A	Industrial	1,072,598	100.0	1994	N/Av
Industrial Building	2.8 Miles	B	Industrial	372,477	100.0	-	N/Av
Industrial Building	2.3 Miles	C	Industrial	116,130	100.0	1997	N/Av
Industrial Building	1.0 Miles	D	Industrial	75,000	100.0	1983	N/Av
Industrial Building	2.3 Miles	E	Industrial	15,035	100.0	-	N/Av
Industrial Building	2.2 Miles	F	Industrial	15,000	100.0	1973	N/Av
Industrial Building	2.4 Miles	G	Industrial	14,400	100.0	1988	N/Av
Industrial Building	1.7 Miles	H	Industrial	10,815	100.0	1946	N/Av
Industrial Building	0.8 Miles	I	Industrial	10,500	100.0	1959	N/Av

Source: CoStar



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



SUBJECT PROPERTY ANALYSIS

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

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Vacant Land, Multi-Family Residential: 2737 Oak Way
- › **South** - Vacant Land, Agricultural Land, Retail: Red Bluff Plaza
- › **East** - Retail: Tuckers Automotive, Old Hickory Buildings and Sheds
- › **West** - Railroad, Vacant Land, Single-Family Residential

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have an average position in context of competing properties. The condition and appeal of the market area is good. Its proximity to Sacramento, paired with important tourist attractions has provided a solid industrial and business base. New projects will be accomplished by redevelopment of under-improved properties. As demand continues to increase for underdeveloped properties, property values are expected to appreciate in the subject's immediate market area. Red Bluff's economic indicators remain strong.

General Description The subject site consists of 1 parcel. As noted below, the subject site has 309,711 SF (7.11 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcel 033-120-039-000

Number Of Parcels 1

Land Area	Acres	Square Feet
Primary Parcel	7.11	309,711
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	7.11	309,711

Shape Irregular - See Plat Map For Exact Shape

Topography Level at street grade

Zoning General Commercial District (C-3)

Drainage Assumed Adequate

Utilities All available to the site

Water	City of Red Bluff
Sewer	Red Bluff Wastewater
Electricity	PG&E
Gas	PG&E / Propane
Trash	Green Waste
Telecommunications	Various
Cable	Various

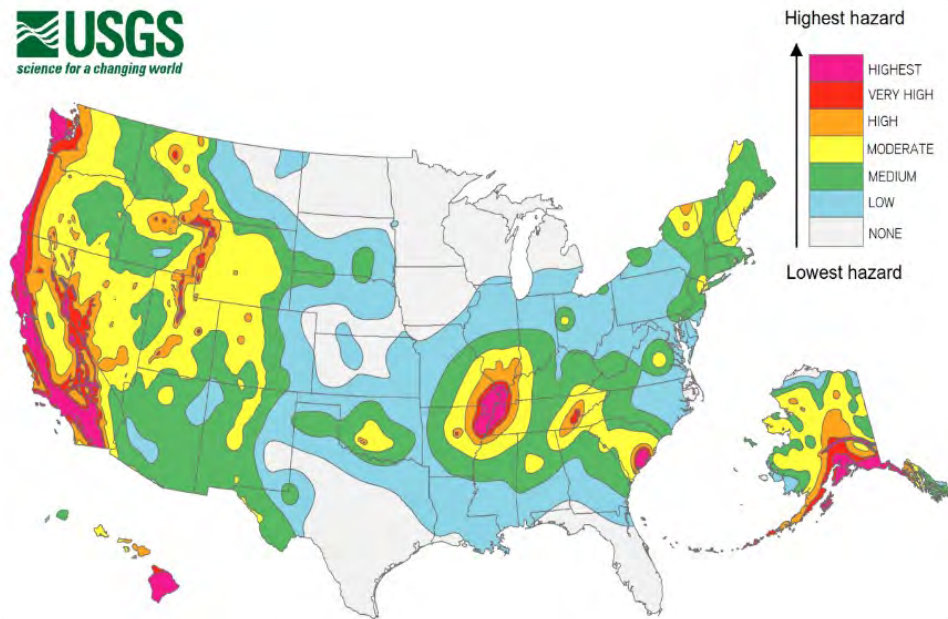
Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetslights	Center Lane	Gutters
South Main Street	Primary Street	two-way	four-lane	major arterial	✓	✓	✓	✓	✓

Frontage The subject has limited frontage on South Main Street.

Accessibility **Average** - The subject is located within one mile of Interstate 5 and within one mile of State Route 36. Access to the subject is offered through an unnamed road.

Exposure **Fair/Average** - The subject has fair/average exposure as it is set back off of a major arterial.

Seismic The subject is in a high risk zone.



Flood Zone

Zone AE. This is referenced by Community Number 065053, Panel Number 06103C0786H, dated September 29, 2011. Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.)

Easements

Based on the provided preliminary title report, and an on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

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

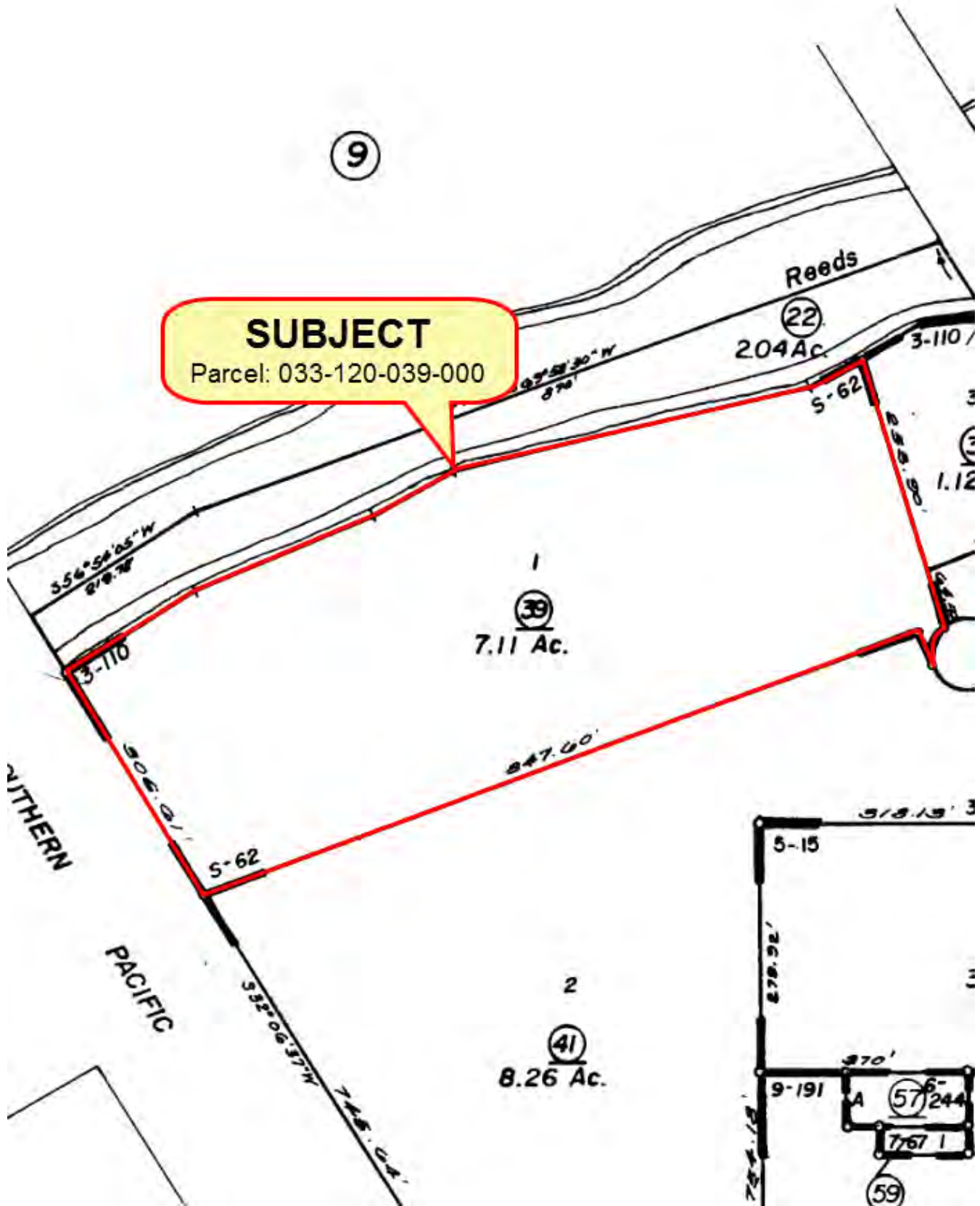
Hazardous Waste

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

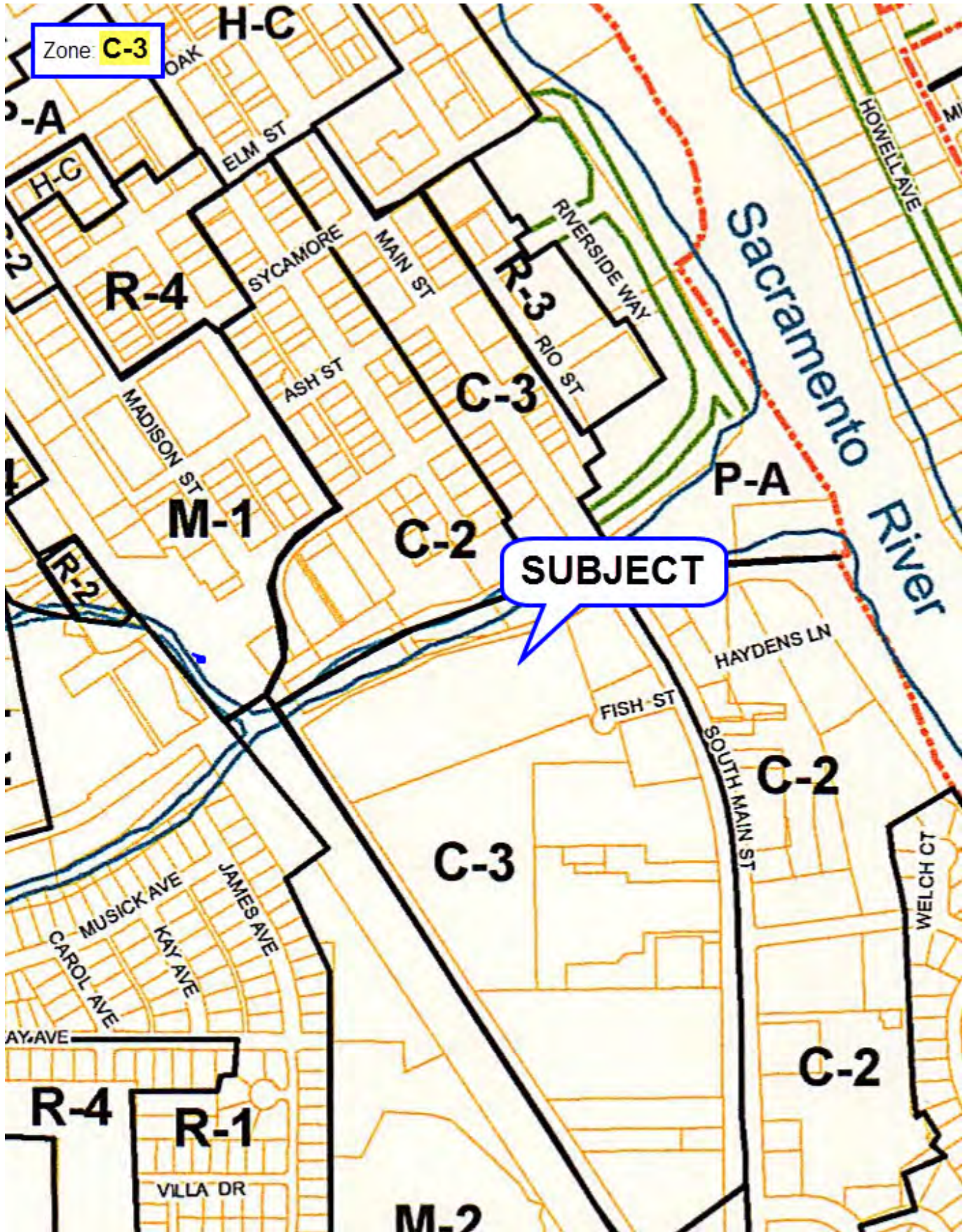
Conclusion

Overall, the subject site is considered a fair/average residential site in terms of its location, exposure, and access to employment, education and shopping centers.

PLAT MAP



ZONING MAP



FLOOD MAP



SITE PLAN



S. Main Street

Introduction

The information presented below is a basic description of the existing improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

Property Type	Manufactured Housing Community - All Age
Number of Homesites	66
Number Of Common Area Buildings	2
Year Built	1970
Age/Life Analysis	
Actual Age	49 Years
Effective Age	30 Years
Economic Life	60 Years
Remaining Life	30 Years - Assuming regular maintenance and periodic capital improvements
Quality	Fair/Average
Condition	Fair/Average
Appeal	Fair/Average
Marketability	Average
Density	9.3 Sites/Acre (66 Sites / 7.11 Acres)
Parking Total	132
Homesite Parking Spaces	132 - Asphalt
On Street Parking Spaces	-
Visitor Parking Spaces	-
Parking Spaces/Homesite	2.0
Parking Comment	Parking is adequate and is consistent with the other communities in the market

Homesite Mix

The chart below details the homesite mix at the subject property.

HOMESITE MIX		
HOMESITE TYPES	NO. HOMESITES	% OF TOTAL
Single Section Homesites	56	84.8%
Multi Section Homesites	5	7.6%
RV Homesites	5	7.6%
TOTAL	66	100%

Common Area Buildings

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

MULTIPLE BUILDING DESCRIPTION GRID

BUILDING	GBA	CONSTRUCTION	QUALITY	CONDITION
Laundry/ Restroom	400	Wood Frame/ Stucco Exterior/ Pitched Composition Asphalt Roof	Fair/Average	Average
Office/Storage	200	Wood Frame/ Stucco Exterior/ Pitched Composition Asphalt Roof	Fair/Average	Average
TOTAL	600			

Project Amenities

The subject's common amenities include: restroom/showers, playground, and laundry facilities.

Clubhouses

The subject property does not have a clubhouse.

Laundry

The project offers common area laundry. However, there are currently no machines in the laundry room.



Pools

The subject property does not have a pool.

Site Improvements

Asphalt streets and streetlights

Landscaping

The subject has a typical amount of landscaping. There are mature plantings surrounding the property. Plantings throughout the property include trees, flowers, mowed lawn, shrubs and hedges.

Deferred Maintenance

Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. The subject is considered to be fair/average quality and condition. Based on our interview with the property manager and the onsite inspection by the field appraiser, there are no significant observable deferred maintenance items.

Hazardous Materials

This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

ADA Compliance

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

Conclusion

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

INTRODUCTION

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

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

ASSESSMENT & TAXES						
Tax Year	2018-2019			Tax Rate	1.026100%	
Tax Rate Area	002001			Taxes Current	Yes	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
033-120-039-000	\$81,192	\$265,104	\$346,296	\$7,000	\$339,296	\$3,482
Totals	\$81,192	\$265,104	\$346,296	\$7,000	\$339,296	\$3,482
Total/Homesite	\$1,230	\$4,017	\$5,247	\$106	\$5,141	\$53
ADDITIONAL TAX CHARGES						
Mosquito Vector District						\$135
Total Additional Tax Charges						\$135
Total Additional Tax Charges Per Homesite						\$2
Total Base Tax & Additional Tax Charges						\$3,617
Total Base Tax & Additional Tax Charges Per Homesite						\$55

Source: Tehama County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

The total assessment for the subject property is \$346,296 or \$5,247/Homesite. The subject property benefits from a Homeowners Exemption in the amount of \$7,000, reducing the taxable assessment to \$339,296 or \$5,141/Homesite. The exemption started back in 2016 and it would remain until the owner mover on from the property. Total taxes for the property are \$3,617 or \$55/Homesite.

In California, reassessments of property values occur upon the sale of a property due to the passage of Proposition 13 in July of 1978. If this has not occurred during the tax year, properties are limited to a maximum increase in assessed value of 2% per year. Taxes are based upon 1% of full cash value plus any amounts necessary to satisfy general obligation bonds or other indebtedness. In the valuation section, property taxes for the subject are estimated by applying the current tax rate to the concluded value since the stabilized property taxes are calculated by assuming a sale at market value per Proposition 13. According to the staff representative at the Tehama County treasurer-tax collector's office, real estate taxes for the subject property are current as of the date of this report.

The concluded taxes are based on California's Proposition 13. As such, the concluded taxes represent 100% of the concluded stabilized value indicated by the Direct Capitalization Method multiplied by the current ad valorem tax rate.

TAX COMPARABLES

Property taxes in California are set based on market value at the time of sale rather than market value as of the current date. With real estate values generally increasing since Proposition 13 was originated in 1978, it is common for California properties that have been owned for a significant period of time to have lower real estate tax burden than a property that was recently sold. Therefore, tax comparables are not commonly used in the state of California.

INTRODUCTION

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

ZONING SUMMARY	
Municipality Governing Zoning	City of Red Bluff Planning & Zoning Department
Current Zoning	General Commercial District (C-3)
Permitted Uses	Transit facilities, convenience stores, sales, drive through; sales, manufactured homes; cemeteries, medical clinics, fuel dispensers, hospitals, hotels, and lodging houses.
Prohibited Uses	Any other use not listed above
Current Use	Manufactured Housing Community
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

ZONING REQUIREMENTS	
Conforming Use	The existing improvements represent a pre-existing non-conforming use within this zone
Minimum Lot Area (SF)	7,000
Minimum Yard Setbacks (Homesites)	
Front (Feet)	5
Rear (Feet)	5
Street Side (Feet)	5
Subject Density (Homesites/Acre)	9.28
Maximum Density (Acre)	20
Maximum Surfaced Area	85%
Maximum Building Coverage	60%

SUBJECT PARKING REQUIREMENT			
Homesite Type	Homesites	Required Spaces/Site	Required Spaces
Standard	66	2.00	132
Required Parking Spaces			132
Parking Spaces Provided			132

Source: City of Red Bluff Planning & Zoning Department

ZONING CONCLUSIONS

Based on the interpretation of the zoning ordinance, the current use is permitted for ongoing use, but is subject for review upon proposed major renovation and/or full redevelopment of the site. Based on the zoning code, the subject could be rebuilt if destroyed, as long as the foundation is still intact, and construction commences within 12 months. After that timeframe all new construction would need to conform to the current zoning.

Based on CA state law, CAL. GOV. CODE § 65852.25, cities cannot prohibit reconstruction of non-conforming multi-family properties (2 units or greater):

1. No local agency shall enact or enforce any ordinance, regulation, or resolution that would prohibit the reconstruction, restoration, or rebuilding of a multifamily dwelling that is involuntarily damaged or destroyed by fire, other catastrophic event, or the public enemy.
2. Notwithstanding subdivision (a), a local agency may prohibit the reconstruction, restoration, or rebuilding of a multifamily dwelling that is involuntarily damaged or destroyed by fire, other catastrophic event, or the public enemy, if the local agency determines that:

- a. The reconstruction, restoration, or rebuilding will be detrimental or injurious to the health, safety, or general welfare of persons residing or working in the neighborhood or will be detrimental or injurious to property and improvements in the neighborhood.
- b. The existing nonconforming use of the building or structure would be more appropriately moved to a zone in which the use is permitted, or that there no longer exists a zone in which the existing nonconforming use is permitted.

The law also imposes various requirements/limitations for the reconstruction. As appraisers are not licensed attorneys, further legal counsel on these matters should be sought if further questions arise.

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

DEFINITIONS

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

Factory Built

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

Mobile Home

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

Manufactured Home

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

Modular Home

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

Manufactured Housing Community (MHC)

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

Single Section

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



Multi-Section

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



INTRODUCTION

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

Manufactured Housing History

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

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

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

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

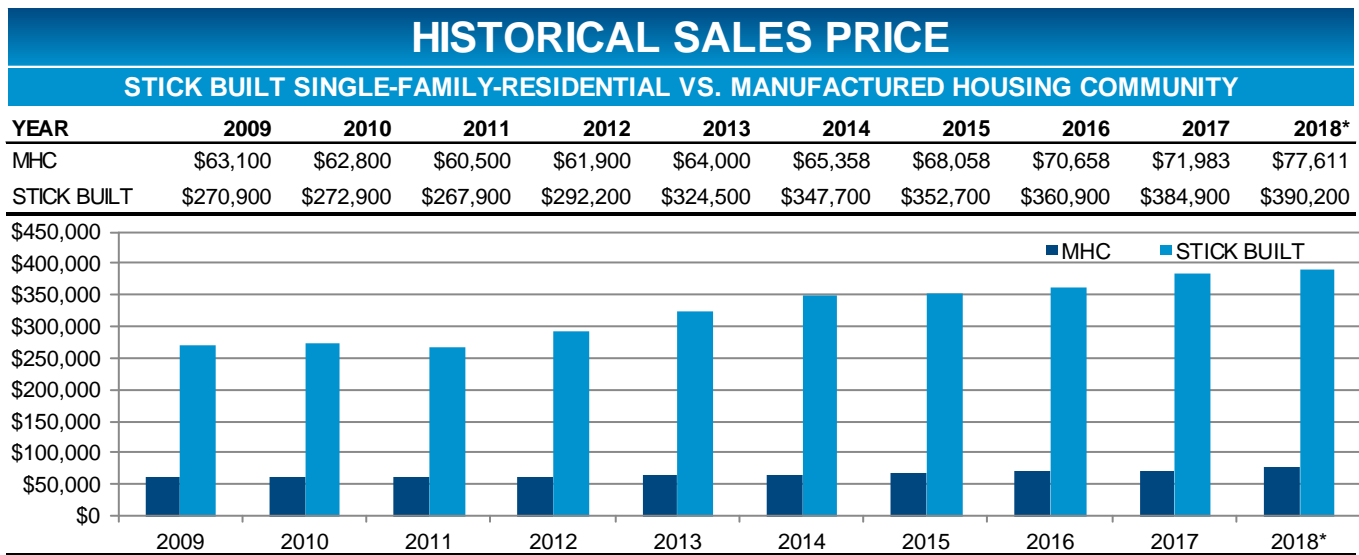
Regarding the “wind factor,” most homes are built to withstand winds of up to 70 miles per hour. Tornadoes usually have winds ranging from 112 to 200 miles per hour. Neither site built homes nor manufactured homes are designed to withstand these excessive winds. Manufactured homes have also had the perception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

KEY FACTORS

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

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

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



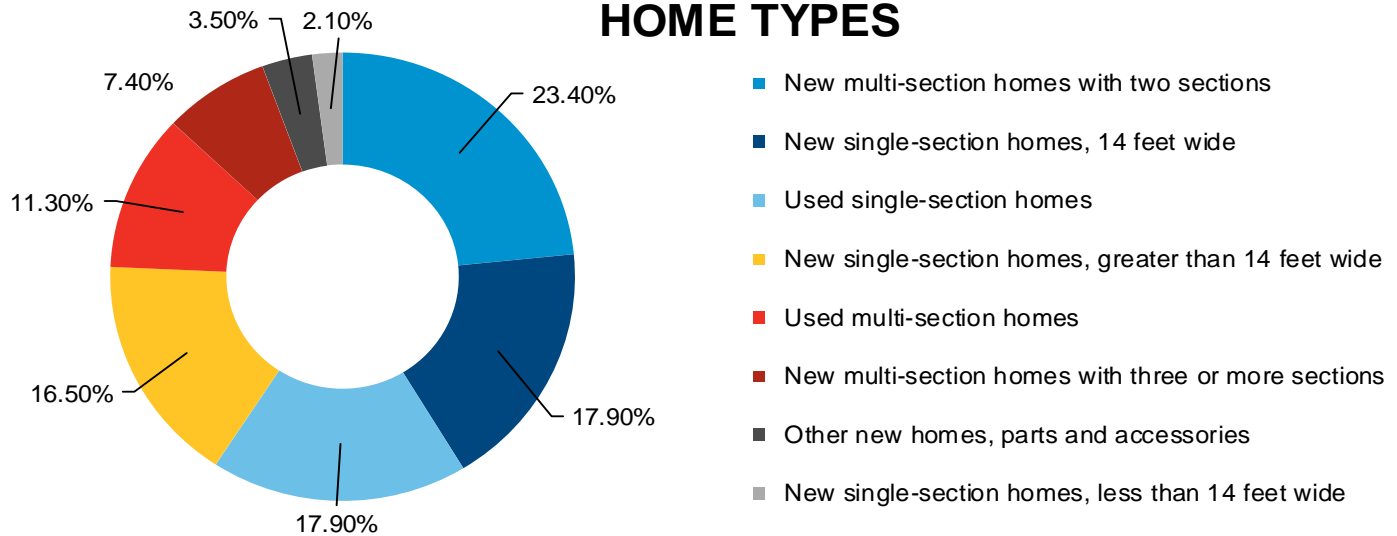
*Through September

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

MARKET SEGMENTS

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

HOME TYPES



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

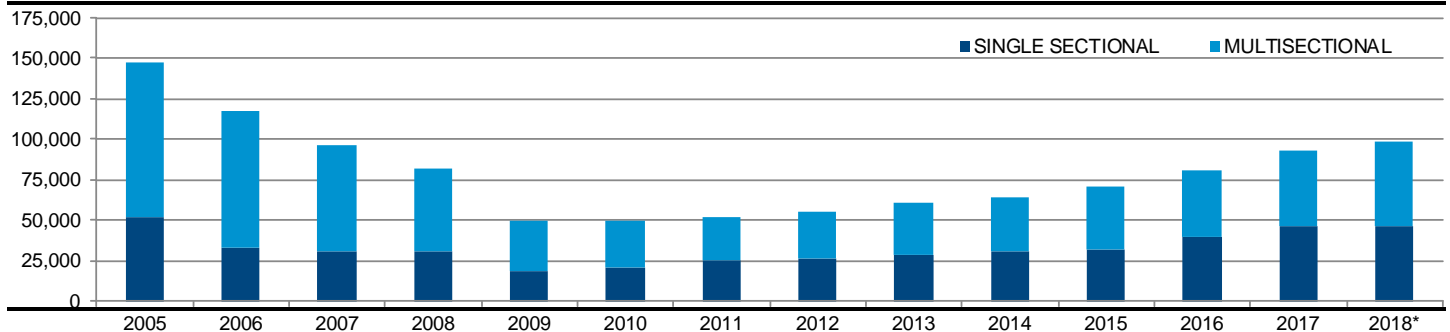
NEW HOME MIX

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

MANUFACTURED HOUSING COMMUNITY SHIPMENTS

SINGLE VS MULTISECTIONAL

YEAR	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
SINGLE SECTIONAL	52,027	33,033	30,737	30,384	18,568	20,373	25,291	25,629	28,239	30,218	32,210	38,944	46,305	46,533
	35%	28%	32%	37%	37%	41%	49%	47%	47%	47%	46%	48%	50%	47%
MULTISECTIONAL	94,854	84,340	65,015	51,523	31,149	29,673	26,237	29,252	31,989	34,113	38,334	42,192	46,597	52,400
	65%	72%	68%	63%	63%	59%	51%	53%	53%	53%	54%	52%	50%	53%



*Annualized through September

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

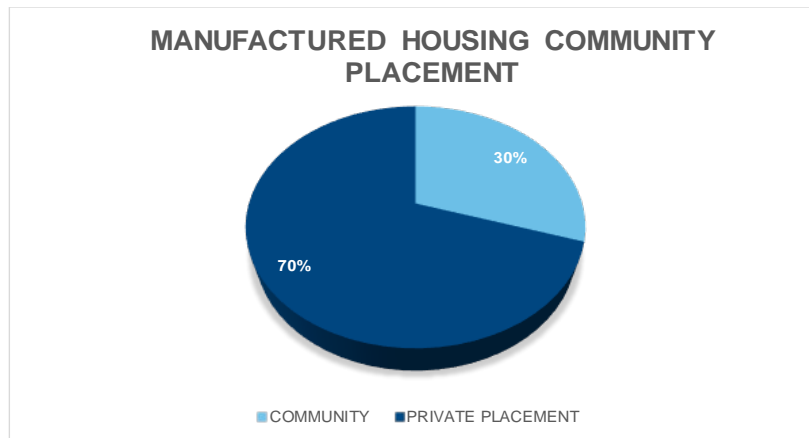
**MANUFACTURED HOUSING COMMUNITY OWNERSHIP
(ALSO KNOWN AS LAND LEASE COMMUNITIES)**

Investors

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

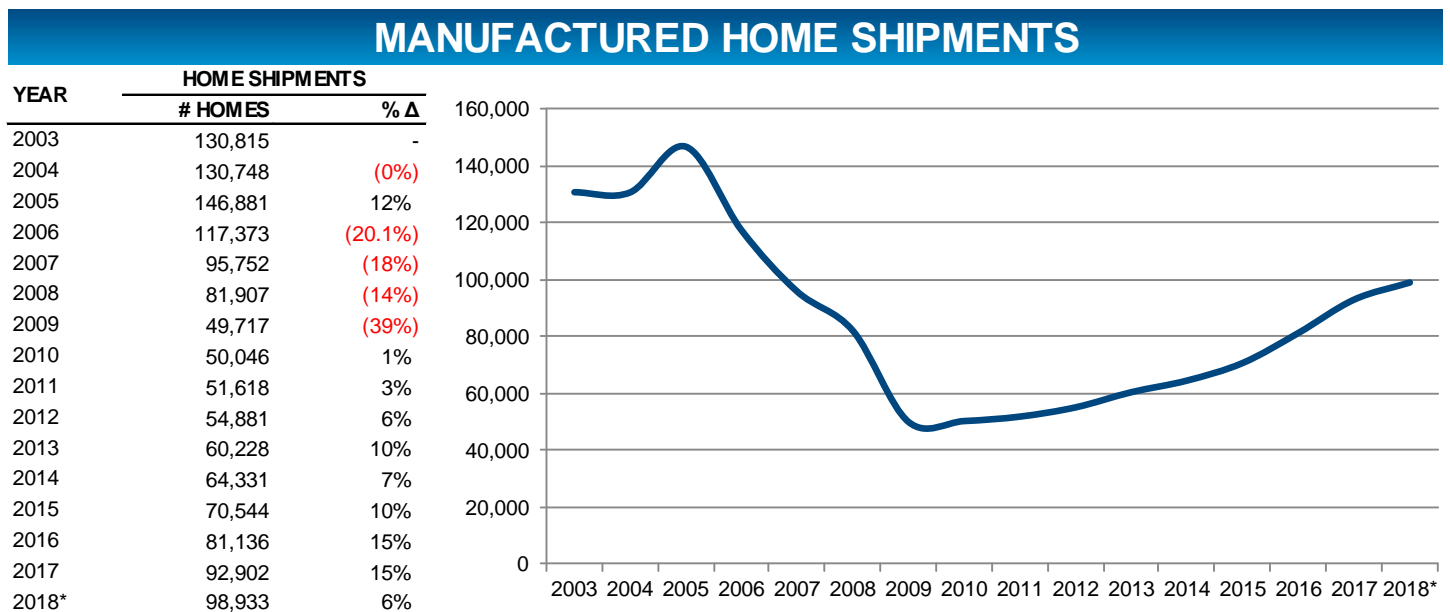
Barriers To Entry

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



MANUFACTURED HOME SHIPMENTS

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



*Annualized through September

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

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

In 2007, the large supply of available, moderately priced, site-built homes continued to suppress revenue growth in the industry. Average Monthly Manufactured Housing Shipments per year are estimated to have declined by 18.5% in 2007. This trend of declining shipments continued through 2009, but have returned to pre-recession levels as of the most recent 2018 data.

CLASSIFICATIONS/QUALITY RATINGS

Types of Communities

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

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

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

Rating System

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

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

MANUFACTURED HOUSING COMMUNITIES RATING GUIDE

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

DEMAND FACTORS

Demographics

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

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

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

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

The Economy

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

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

Homeownership rates have steadily declined from a historical high of 69.2% in 4Q 2004 to 65.0% in 2Q 2013. For each one percentage point decline in homeownership, there is a shift of approximately 1.1 million households to the rental market. While still considered low, interest rates began slowly climbing this year and coupled with some recent news from Case-Shiller about rising home prices, there may be a short-term jump in single-family sales as fence-sitters move in to the market. Single-family home prices rose 12.2% from last year as builders are unable to put homes up fast enough to keep up with the slowly returning residential demand. Part of the current uptick in home sales has come from investors snapping up foreclosures or other distressed properties to put on the rental market.

These trends have also resulted in a shift in manufactured housing communities renting rather than selling and financing homes.

Financing

Financing of homes and the availability of credit has had a major impact on trends in the industry over the past couple of decades. The following paragraphs provide an overview of MHC finance since the early 2000s.

- › **Early 2000s** - As noted above, the lending environment for this industry has changed. As early as 1999, consumer lenders began to tighten underwriting standards and limit the credit availability for manufactured home loans. This was due to the increasing rate of loan defaults in the industry and the significant losses that dealers experienced upon the repossession and resale of homes. Consequently lenders began to exit the market. For example, In October 2002, Conseco discontinued providing home-only financing for the industry, filing for Chapter 11 bankruptcy protection in December 2002. The Conseco situation affected the asset backed securitization market; a significant source of long-term capital for originators of manufactured housing home-only loans. Following this, remaining lenders have tightened their credit standards and terms, and increased interest rates which have reduced lending volumes.
- › **The Availability and Cost of Consumer Financing** – One third of all manufactured home purchases are financed through credit. There is a higher risk in financing manufactured homes compared to financing conventional dwellings and as a result finance is not as readily available as it is for conventional dwellings. Higher interest rates make borrowing more costly, causing demand for manufactured housing to decline.
- › **Dodd-Frank Impact** – New rules mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) took effect on January 14th and are expected to have a significant impact on residential mortgage markets.

Three rules should be the most challenging for the manufactured housing industry, and are primarily meant to protect the buyer. First is the ability to repay (ATR) rule, which requires lenders to verify that borrowers can actually make the mortgage payments. This rule defines a “qualified mortgage” (QM) and explains how that designation relates to the lender’s level of liability stemming from the origination process.

Then there is the high-cost mortgage loan/home ownership and equity protections act (HOEPA) rule. A non-QM loan will be classified as “high-cost” or “predatory” based on tripping one of two triggers, either an annual percentage rate (APR) cap or a points and fees cap.

Finally, the loan originator compensation (LO Comp) rule mandates who can be classified as a loan originator based on their activities or actions. Any compensation paid to any individual defined as a loan originator must be included in the calculation of points and fees. That means this rule can potentially influence every other rule, limit and increased liability that comes with exceeding points and fees thresholds.

There are several possibilities for the way these rules will play out. One is that the caps are too low for lenders, so high-cost loans do not originate and potential borrowers are turned away. Another possibility is that retailers and factories cut their profit margins just to keep the lights on and try to survive until the rule can be changed, which involves a great amount of risk. A third possibility is an interest rate “buy-down” to induce lenders to make the loan. In many cases, the MH retailer will be the source of the buy-down through seller points. If this occurs, the entire MH market will adjust by increasing the cost of manufactured homes.

This will likely adversely impact both buyers and sellers as some consumers will be priced out of homes. That will negatively impact retailers and manufacturers. For those consumers who can still afford the home, they will be paying more for less simply because of the limits placed on lenders through this “consumer protection” rule.

COMPETITION

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

Direct

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

- › **Homes** - As with single family residential residents want the quality of the homes in their community to be as good if not better than their own. The quality of manufactured homes has improved significantly in recent years. So communities with a higher percentage of newer homes are more attractive.
- › **Amenities** - Most manufactured home communities offer a wide range of community facilities, such as swimming pools, clubhouses, cable television services, golf courses and others. Particularly for retirees or those who intend to utilize the facilities provided, the quality and condition of amenities can be very important.
- › **Quality** - Factors that go into the quality of a community include the streets, homes, lighting, amenities, and parking. These all contribute to the overall “feel” of the community. The previous discussion on lifestyle versus affordable housing bears repeating here. Lifestyle communities tend to be higher quality communities. However, simply because a community is an affordable housing option does not necessarily mean it is a low quality community. A well located affordable housing community may well be better maintained and have a higher occupancy than a competing lifestyle community.
- › **Management/Reputation** - If a manufactured home community, or the operating company, has a poor reputation for quality of facilities, resident noise, or lack of service, this can result in lost revenues and residents. Well maintained, friendly, and clean communities are more likely to be preferable to potential and existing residents. The impact of management is hard to overlook. A competent manager, with experience in selling and financing homes or with renting in a primarily rental home community, is invaluable. They can be the difference between maintaining or increasing occupancy and losing

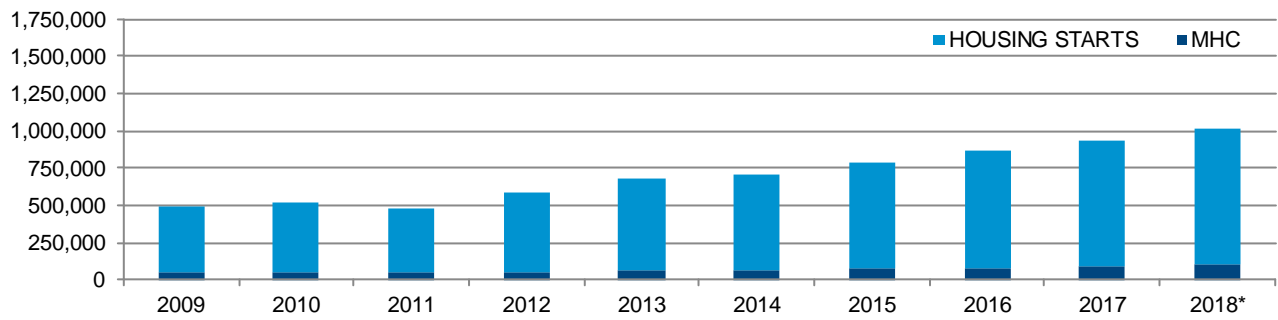
residents. Likewise the ability of a management company to provide homes for sales and financing is equally important. This is one reason for recent consolidation that has taken place in the industry. Smaller owner/operators are increasingly having difficulty in this area.

- › **Costs** - Costs include the purchase and finance of a home, rents, and utilities. This again has been an issue for smaller owner/operators. A community located in an area with high utility costs may have to offer much lower rent to attract residents from the lower utility cost areas in the market.
- › **Location** - For people looking to live within a particular region, or close to family, relatives or friends, the location of a manufactured home community may be the most important consideration. For an established manufactured home community with a high occupancy rate, a lack of good quality lots in a good position can deter new residents. Similarly, if a site is located near an undesirable feature, such as electricity towers or a freeway, this may be difficult to lease out.

Indirect

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

HOUSING STARTS VS. SHIPMENTS										
YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
MHC	49,717	50,046	51,618	54,881	60,228	64,331	70,544	81,136	92,902	98,933
HOUSING STARTS	445,100	471,000	431,000	535,000	618,000	648,000	715,000	782,000	849,000	920,000
TOTAL	494,817	521,046	482,618	589,881	678,228	712,331	785,544	863,136	941,902	1,018,933
MHC (% of Total)	10%	10%	11%	9%	9%	9%	9%	9%	10%	10%



*Annualized through September

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

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

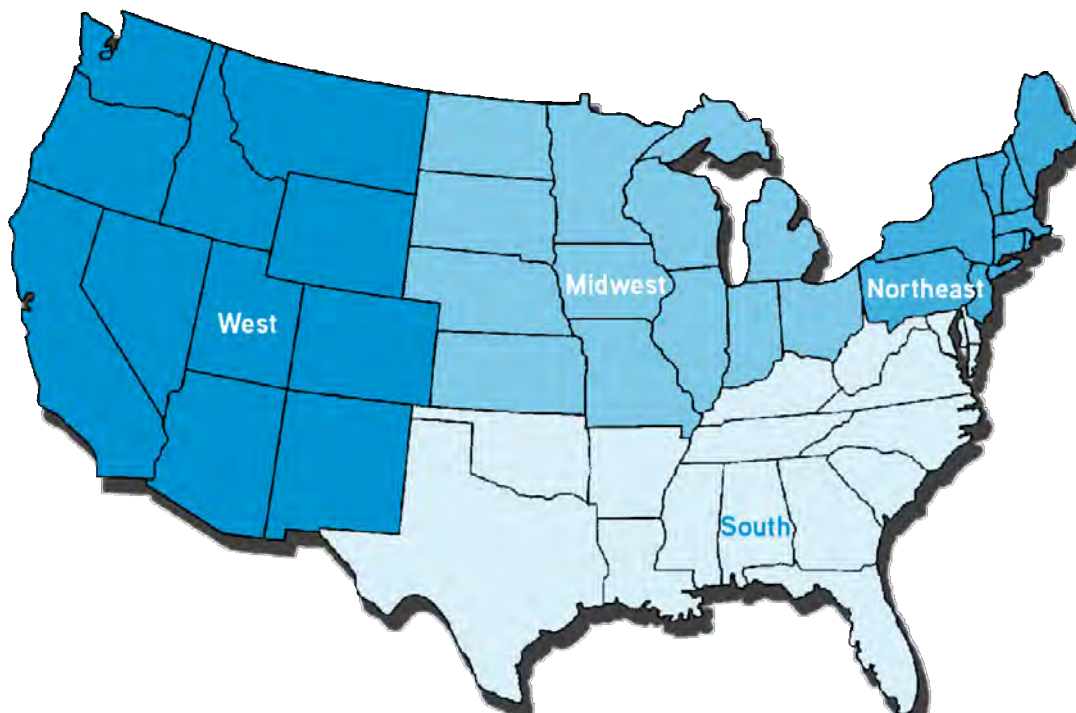
- › **The total price of a manufactured home and lot rent.** The purchase of a manufactured home and rent of a community lot is generally considerably more affordable than a traditional home and land package. For this reason, manufactured home communities are popular with the over 55 years of age group, first home buyers, families, and low income groups. Community owners generally try to get the cost of the home and the lot rent to equal less than the average rent of a comparable 2 to 3 bedroom apartment in the property's area.

- › **The level of interest rates and mortgage defaults.** During periods of low mortgage interest rates, demand for manufactured home sites decreases as people feel they can afford a traditional home and land, apartment or condominium. However, as interest rates increase, mortgage defaults can result in stronger demand for more affordable alternatives.
- › **Attractiveness of manufactured homes.** Newer homes are more comparable to single family or site built homes.
- › **The social status of living in a manufactured home community.** The lower costs are often offset by a perceived lower level of social status. This has been reduced somewhat by improvements in the public perception of manufactured homes. In the past, manufactured home communities had a negative image of poor, unkempt housing, with dilapidated cars parked in the yards, creating an eyesore for neighboring property owners. Fortunately, for the manufactured home industry, the “trailer park” image is giving way to a newer concept; well designed and groomed communities which closely resemble conventional subdivisions.

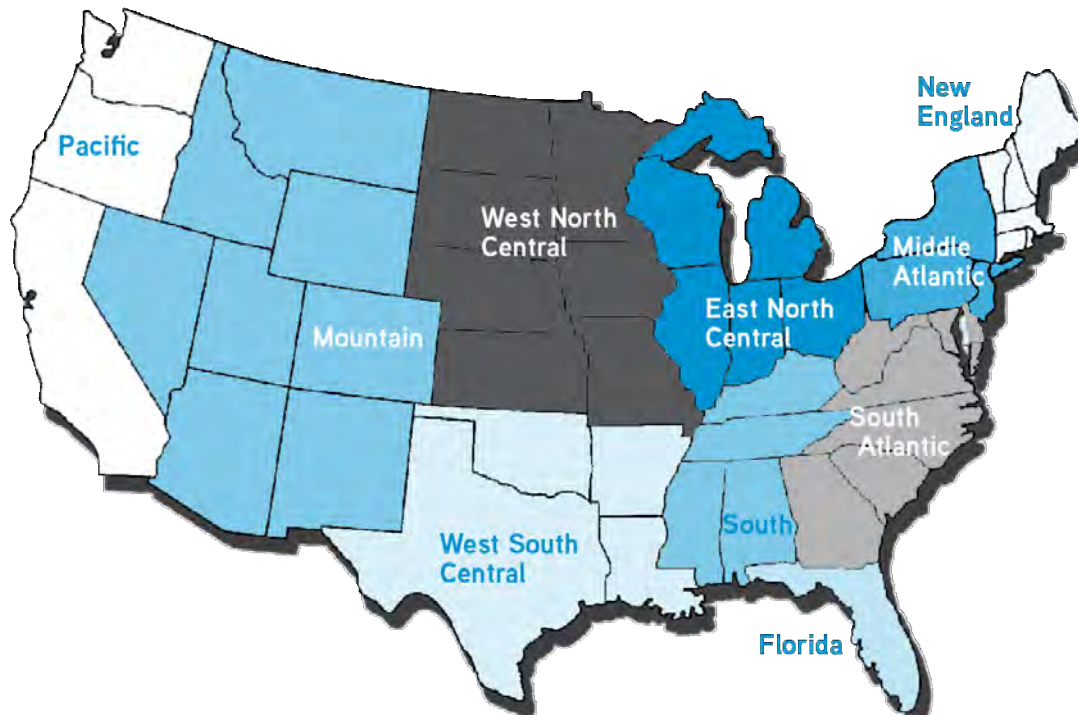
REGIONAL ANALYSIS

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

Regions



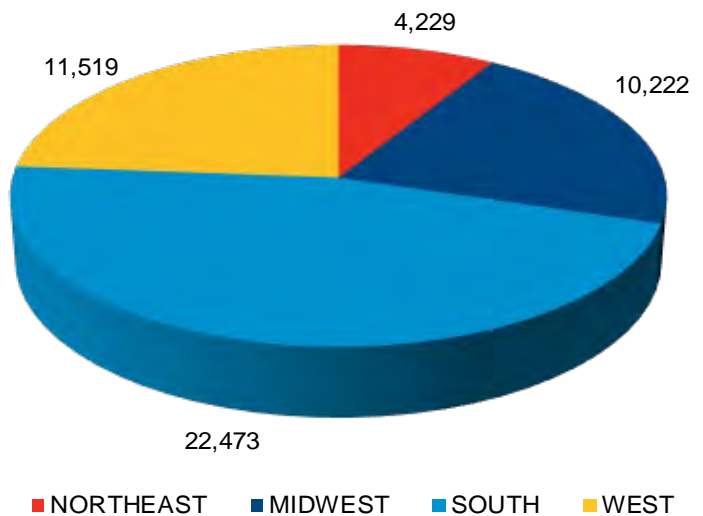
Sub-Regions



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

AVERAGE NUMBER OF HOMESITES

REGION/SUB-REGION	COMMUNITIES	SITES*	SITES/COMMUNITY
NORTHEAST	4,229	285,000	67
New England	1,106	63,000	57
Middle Atlantic	3,123	222,000	71
MIDWEST	10,222	783,000	77
East North Central	5,903	514,000	87
West North Central	4,319	269,000	62
SOUTH	22,473	1,846,000	82
South Atlantic	9,466	394,000	42
East South Central	4,177	637,000	153
West South Central	5,109	340,000	67
Florida	3,721	475,000	128
WEST	11,519	1,143,000	99
Mountain	3,971	365,000	92
Pacific	7,548	778,000	103
UNITED STATES	48,443	4,057,000	84



*Estimate

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

Northeast

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

Midwest

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

South

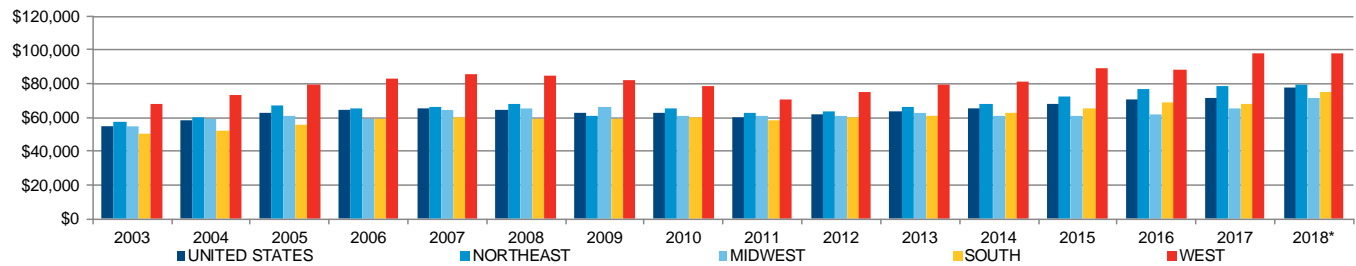
Florida has more homesites than any other state by a significant margin with over 400,000 homesites. North Carolina has ±4,100 communities but they have an average size of just 30 homesites per community.

West

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

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

AVERAGE SALES PRICE OF NEW MANUFACTURED HOMES BY REGION & SIZE OF HOME																
YEAR	UNITED STATES			NORTHEAST			MIDWEST			SOUTH			WEST			
	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	
2003	\$54,900	\$31,900	\$59,700	\$57,300	\$36,800	\$66,000	\$55,100	\$32,800	\$59,400	\$50,500	\$30,400	\$56,700	\$67,700	\$37,000	\$65,900	
2004	\$58,200	\$32,900	\$63,400	\$60,200	\$38,100	\$67,600	\$58,800	\$34,500	\$63,100	\$52,300	\$31,200	\$59,600	\$73,200	\$38,600	\$71,100	
2005	\$62,600	\$34,100	\$68,700	\$67,000	\$40,400	\$75,700	\$60,600	\$35,800	\$66,500	\$55,700	\$32,700	\$64,700	\$79,900	\$38,900	\$76,400	
2006	\$64,300	\$36,100	\$71,300	\$65,300	\$40,500	\$73,100	\$59,100	\$35,900	\$67,400	\$58,900	\$35,400	\$68,700	\$83,400	\$41,200	\$79,600	
2007	\$65,400	\$37,300	\$74,200	\$66,100	\$43,300	\$75,200	\$64,900	\$39,200	\$72,700	\$59,900	\$36,100	\$71,100	\$85,500	\$41,300	\$84,800	
2008	\$64,700	\$38,000	\$75,800	\$68,400	\$46,100	\$77,700	\$65,700	\$39,400	\$74,500	\$59,600	\$36,900	\$72,700	\$84,900	\$42,700	\$87,100	
2009	\$63,100	\$39,600	\$74,500	\$61,400	\$44,200	\$69,300	\$66,200	\$41,100	\$75,700	\$59,400	\$38,700	\$72,800	\$82,100	\$44,500	\$83,300	
2010	\$62,800	\$39,500	\$74,500	\$65,700	\$44,000	\$76,900	\$60,600	\$41,400	\$74,500	\$60,100	\$38,600	\$72,700	\$78,600	\$42,100	\$82,000	
2011	\$60,500	\$40,600	\$73,900	\$62,700	\$41,600	\$75,800	\$60,800	\$42,800	\$76,500	\$58,400	\$40,000	\$71,900	\$70,600	\$41,800	\$80,200	
2012	\$62,200	\$41,100	\$75,700	\$63,400	\$41,300	\$76,400	\$60,900	\$43,300	\$77,300	\$60,100	\$40,700	\$73,600	\$75,300	\$41,500	\$84,200	
2013	\$64,000	\$42,200	\$78,600	\$66,500	\$44,300	\$79,600	\$62,900	\$43,300	\$80,000	\$61,200	\$41,700	\$76,500	\$79,100	\$44,600	\$86,600	
2014	\$65,358	\$45,050	\$82,058	\$68,258	\$47,483	\$84,900	\$61,100	\$46,425	\$80,742	\$63,000	\$44,175	\$79,617	\$81,017	\$48,308	\$91,050	
2015	\$68,058	\$45,550	\$86,700	\$72,533	\$50,125	\$91,158	\$60,708	\$46,433	\$83,808	\$65,133	\$44,575	\$82,642	\$88,800	\$47,108	\$102,158	
2016	\$70,658	\$46,850	\$89,458	\$76,900	\$48,925	\$99,508	\$61,700	\$46,383	\$86,417	\$68,625	\$45,667	\$86,392	\$88,225	\$55,058	\$100,242	
2017	\$71,983	\$48,283	\$92,808	\$78,608	\$52,442	\$97,775	\$65,108	\$47,733	\$87,142	\$68,300	\$47,883	\$88,592	\$97,900	\$50,658	\$111,333	
2018*	\$77,611	\$52,122	\$98,000	\$79,722	\$52,633	\$102,600	\$71,800	\$53,022	\$96,733	\$74,833	\$51,189	\$94,667	\$98,200	\$58,144	\$110,978	



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

NATIONAL RENT & OCCUPANCY TRENDS

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

Rent Trends

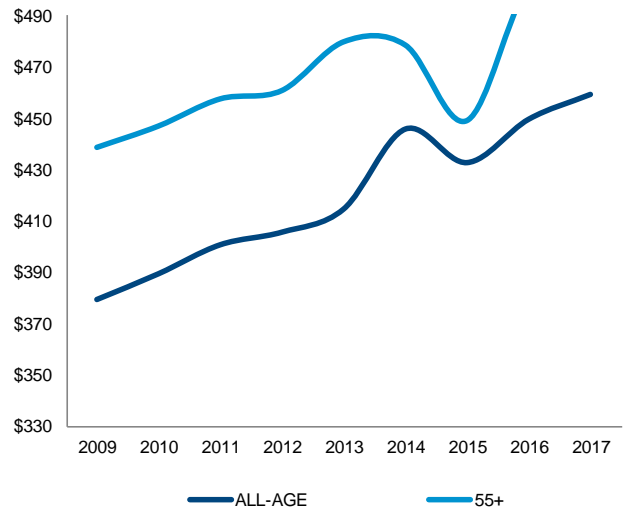
The following chart details rent trends in the different regions and nationally. The rents are also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities command higher rents. Rents have been increasing steadily over the past several years. An initial surge in 2009 was followed by more moderate rent increases in recent years.

NATIONAL RENT TRENDS

ALL-AGE										
	UNITED STATES		NORTHEAST		MIDWEST		SOUTH		WEST	
YEAR	RENT	% Δ	RENT	% Δ	RENT	% Δ	RENT	% Δ	RENT	% Δ
2009	\$380	9.9%	\$411	15.4%	\$362	10.3%	\$372	10.0%	\$437	8.1%
2010	\$390	2.6%	\$421	2.4%	\$367	1.3%	\$390	4.9%	\$448	2.6%
2011	\$401	2.9%	\$429	1.9%	\$366	(0.17%)	\$422	8.3%	\$457	2.1%
2012	\$406	1.2%	\$442	3.0%	\$377	3%	\$414	(1.98%)	\$467	2.2%
2013	\$415	2.2%	\$543	22.9%	\$384	1.9%	\$425	3%	\$480	2.8%
2014	\$446	7.5%	\$419	(22.87%)	\$366	(4.77%)	\$401	(5.65%)	\$597	24.4%
2015	\$433	(2.93%)	\$399	(4.76%)	\$361	(1.37%)	\$394	(1.79%)	\$610	2.1%
2016	\$450	3.9%	\$380	(4.67%)	\$361	0.1%	\$394	0.0%	\$654	7.2%
2017	\$460	2.1%	\$397	4.4%	\$371	2.8%	\$404	2.6%	\$649	(0.82%)

55+										
	UNITED STATES		NORTHEAST		MIDWEST		SOUTH		WEST	
YEAR	RENT	% Δ	RENT	% Δ	RENT	% Δ	RENT	% Δ	RENT	% Δ
2009	\$439	4.5%	\$509	4.3%	\$384	2.5%	\$431	4.9%	\$463	3.8%
2010	\$447	1.9%	\$522	2.6%	\$388	1.1%	\$438	1.6%	\$476	2.6%
2011	\$458	2.4%	\$522	0.0%	\$396	2.1%	\$449	2.5%	\$486	2.2%
2012	\$461	0.7%	\$546	4.6%	\$400	1.0%	\$449	0.0%	\$497	2.2%
2013	\$480	4.1%	\$571	4.6%	\$406	1.5%	\$472	5.1%	\$507	2.0%
2014	\$479	(0.26%)	\$450	(21.16%)	\$383	(5.61%)	\$436	(7.54%)	\$586	15.6%
2015	\$449	(6.15%)	\$401	(10.85%)	\$347	(9.50%)	\$440	0.8%	\$574	(2.04%)
2016	\$503	11.9%	\$398	(0.78%)	\$350	0.9%	\$447	1.5%	\$706	22.9%
2017	\$515	2.5%	\$427	7.2%	\$348	(0.57%)	\$463	3.7%	\$695	(1.50%)

Source: JLT & Associates



*Based on Year End Data

Occupancy Trends

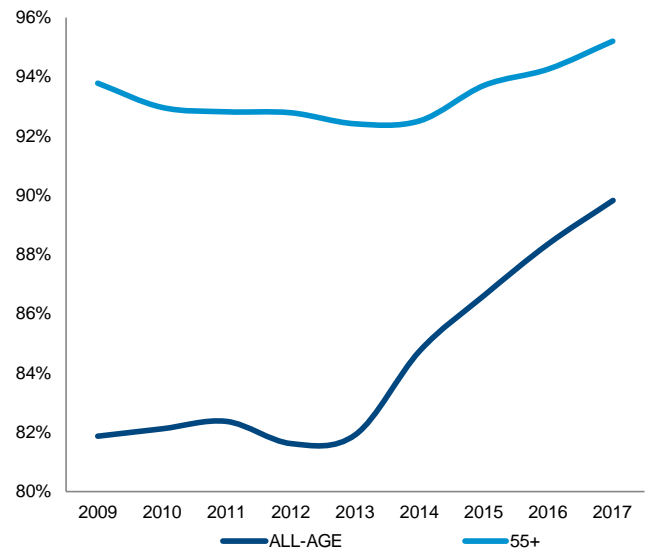
The following chart details occupancy trends over the past couple of years both regionally and nationally. The rents are also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities are better occupied. Occupancy declined in 2009 almost universally. This has leveled off and several areas have seen occupancy growth since 2012-2013.

NATIONAL OCCUPANCY TRENDS

ALL-AGE										
	UNITED STATES		NORTHEAST		MIDWEST		SOUTH		WEST	
YEAR	Occ.	% Δ	Occ.	% Δ	Occ.	% Δ	Occ.	% Δ	Occ.	% Δ
2009	81.8%	(0.97%)	88.0%	0.0%	77.8%	(2.15%)	83.7%	0.6%	89.1%	(0.64%)
2010	82.1%	0%	88.0%	0.0%	78.5%	1%	84.0%	0%	88.1%	(1.1%)
2011	82.4%	0.3%	89.0%	1.1%	76.3%	(2.80%)	88.3%	5.1%	88.1%	0.1%
2012	81.6%	(0.91%)	89.0%	0.0%	76.1%	(0.22%)	85.0%	(3.70%)	89.6%	1.6%
2013	81.9%	0%	90.0%	1.1%	76.1%	0%	85.8%	1%	89.9%	0%
2014	84.7%	3.5%	90.3%	0.3%	78.0%	2.5%	87.2%	1.6%	93.3%	3.8%
2015	86.6%	2%	92.0%	1.9%	79.4%	2%	90.7%	4%	93.3%	0%
2016	88.4%	2%	92.2%	0.2%	81.2%	2%	91.0%	0%	95.4%	2%
2017	89.8%	2%	92.2%	0.0%	83.1%	2%	92.0%	1%	96.0%	1%

55+										
	UNITED STATES		NORTHEAST		MIDWEST		SOUTH		WEST	
YEAR	Occ.	% Δ	Occ.	% Δ	Occ.	% Δ	Occ.	% Δ	Occ.	% Δ
2009	93.8%	-	96.0%	-	88.8%	-	94.0%	-	93.7%	-
2010	93.0%	(0.9%)	96.0%	0.0%	88.5%	(0.3%)	93.0%	(1.1%)	93.3%	(0.5%)
2011	92.8%	(0.2%)	96.0%	0.0%	87.8%	(0.9%)	93.0%	0.0%	92.8%	(0.5%)
2012	92.8%	(0.0%)	96.0%	0.0%	85.5%	(2.6%)	92.9%	(0.1%)	93.0%	0.2%
2013	92.4%	(0.4%)	95.0%	(1.0%)	84.9%	(0.8%)	93.0%	0.1%	91.7%	(1.4%)
2014	92.5%	0.1%	95.0%	0.0%	84.3%	(0.6%)	93.0%	0%	92.3%	0.6%
2015	93.7%	1.3%	96.6%	1.6%	90.3%	7.1%	93.5%	0.6%	94.8%	2.7%
2016	94.3%	0.6%	95.7%	(0.86%)	88.2%	(2.32%)	93.5%	0.0%	96.2%	1.5%
2017	95.2%	1.0%	96.8%	1.1%	89.3%	1.2%	94.6%	1.1%	96.5%	0.4%

Source: JLT & Associates



*Based on Year End Data

TRANSACTION TRENDS

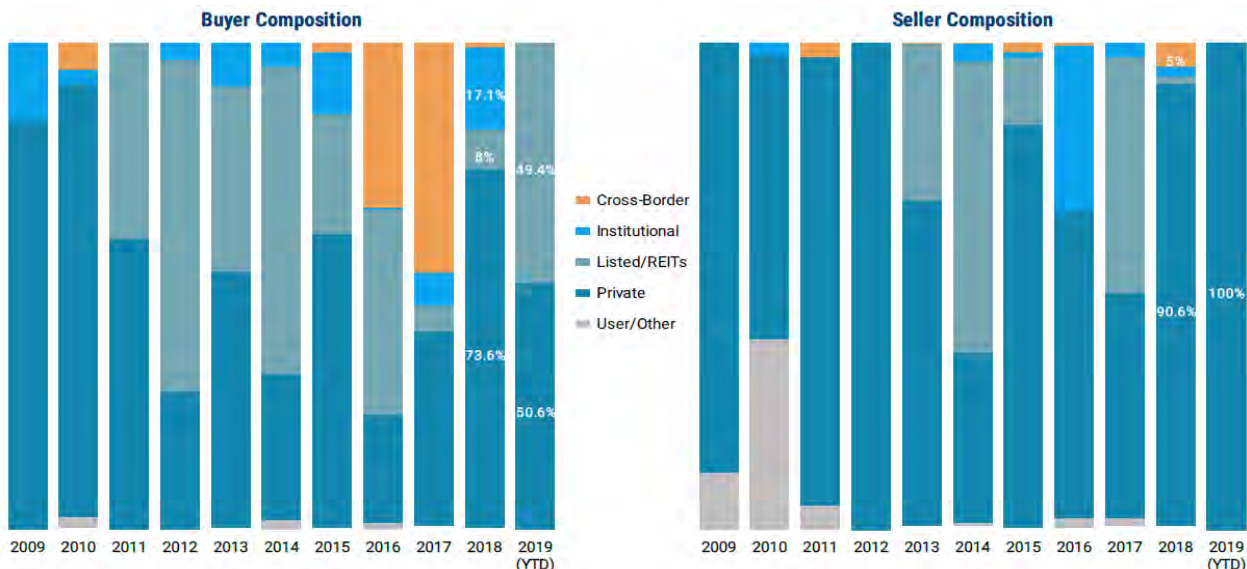
Most Probable Buyer Profile/Activity

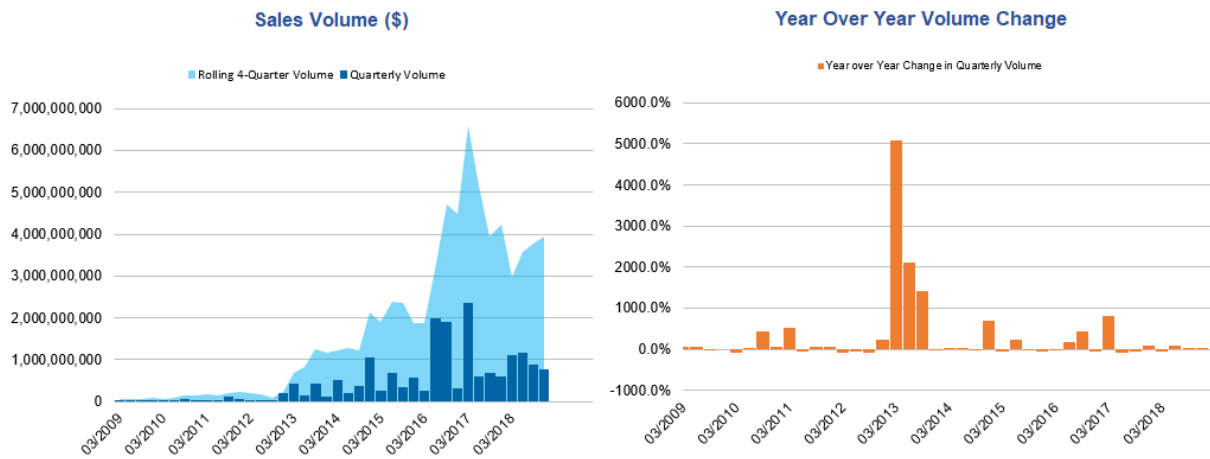
The following data is taken from the most recent Real Capital Analytics report on the top buyers and sellers in the country along with national sales volume trends.

Top Players

Rank	Buyer	Location	Past 24 Months			All Time	
			Acq (\$)	# Props	Avg Price (\$)	Total Global Acq (\$)	# Props
1	Brookfield AM	Toronto, ON, CAN	1,990,663,972	134	14,855,701	97,557,135,126	1,719
2	TPG Capital	Fort Worth, TX, USA	386,630,292	78	4,956,799	11,055,999,389	1,402
3	Yes! Communities (NT REIT)	Denver, CO, USA	295,073,000	26	11,348,962	1,750,573,000	204
4	Equity Lifestyle Props	Chicago, IL, USA	266,978,000	10	26,697,800	669,903,898	39
5	BREIT	New York, NY, USA	222,040,498	21	10,573,357	7,703,163,278	275
6	Sun Communities Inc	Southfield, MI, USA	203,502,048	13	15,654,004	3,348,745,001	157
7	Carlyle Group	Washington, DC, USA	199,497,000	8	24,937,125	24,779,860,687	1,085
8	RHP Properties	Farmington, MI, USA	170,710,000	7	24,387,143	1,432,789,416	105
9	Cove Communities	Phoenix, AZ, USA	165,000,000	1	165,000,000	165,000,000	1
10	Stonetown Capital	Denver, CO, USA	146,425,000	12	12,202,083	223,343,500	17
11	Northwestern Mutual	Milwaukee, WI, USA	143,708,000	4	35,927,000	3,051,891,266	67
12	Meritus Communities	Bloomfield Hills, MI, USA	143,390,930	13	11,030,072	325,508,204	35
13	Investment Property Group MHC	Irvine, CA, USA	128,400,000	9	14,266,667	333,883,881	20
14	Kort & Scott Financial	Anaheim, CA, USA	108,470,000	5	21,694,000	508,832,640	19
15	Lakeshore Communities	Skokie, IL, USA	88,191,695	10	8,819,169	217,806,604	29
16	Hometown AM	Chicago, IL, USA	79,614,657	4	19,903,664	963,972,600	50
17	Cal-Am Properties	Costa Mesa, CA, USA	78,300,000	3	26,100,000	213,231,821	14
18	PGIM Real Estate	Madison, NJ, USA	75,397,000	4	18,849,250	59,369,991,065	1,515
19	Bedrock Communities	New York, NY, USA	62,650,427	9	6,961,159	64,837,927	10
20	MHP Funds	Cedaredge, CO, USA	60,738,971	11	5,521,725	141,463,167	31

Rank	Seller	Location	Disp (\$)			Total Global Disp (\$)	
			# Props	Avg Price (\$)	Total Global Disp (\$)	# Props	
1	Colony Capital (REIT)	Los Angeles, CA, USA	1,990,663,972	134	14,855,701	8,169,305,009	922
2	RHP Properties	Farmington, MI, USA	1,990,663,972	134	14,855,701	2,073,914,172	143
3	MHP Funds	Cedaredge, CO, USA	417,478,792	80	5,218,485	456,184,108	87
4	Cobblestone Real Estate	Oak Brook, IL, USA	243,872,500	17	14,345,441	243,872,500	17
5	Meritus Communities	Bloomfield Hills, MI, USA	227,253,000	12	18,937,750	227,253,000	12
6	Tricon	Toronto, ON, CAN	172,497,500	14	12,321,250	180,092,500	15
7	Ivy Foundation	Scottsdale, AZ, USA	165,000,000	1	165,000,000	165,000,000	1
8	Carlyle Group	Washington, DC, USA	125,083,000	5	25,016,600	38,408,506,349	890
9	Quality RV Resorts	Houston, TX, USA	102,600,000	8	12,825,000	102,600,000	8
10	Four Leaf Properties	Oak Brook, IL, USA	98,023,000	11	8,911,182	98,023,000	11
11	FollettUSA	Sacramento, CA, USA	97,637,000	8	12,204,625	166,159,415	15
12	Market Street Capital	Beaufort-Port Royal, SC, USA	83,385,427	7	11,912,204	87,710,427	8
13	Verdeam, LLC	Littleton, CO, USA	78,413,000	4	19,603,250	78,413,000	4
14	Ladder Capital	New York, NY, USA	72,500,000	1	72,500,000	348,543,613	18
15	Shopoff Props Trust	Irvine, CA, USA	72,500,000	1	72,500,000	238,433,206	14
16	Franklin Homes	Belleville, MI, USA	67,746,083	6	11,291,014	67,746,083	6
17	Donald J Dougher	San Diego, CA, USA	57,220,000	1	57,220,000	57,220,000	1
18	Uniprop	Birmingham, MI, USA	55,929,356	2	27,964,678	269,055,452	14
19	Lautrec	Farmington, MI, USA	54,869,995	5	10,973,999	76,099,995	10
20	Shamrock Holdings	Paradise Valley, AZ, USA	48,700,000	2	24,350,000	48,700,000	2





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

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

SUBJECT’S MARKET AREA

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

SUPPLY

Existing Supply

The majority of existing supply in the subject’s immediate neighborhood has been constructed between the 1950s and 1970s. The market vacancy survey includes manufactured home communities within the subject’s market area. The communities included in the vacancy survey range in size from 51 sites to 74 sites. The following chart presents manufactured home community developments that are considered to compete with the subject.

VACANCY SURVEY AS OF MAY 2019				
PROJECT	YEAR BUILT	HOMESITES	VACANT HOMESITES	VACANCY
Flying A Mobile Home Park	1970	66	12	18.2%
Red Bluff RV Park	1991	70	5	7.1%
River View MHP	1963	54	1	1.9%
Rivers Edge MHP	1951	51	6	11.8%
O’Nite RV Park	1973	74	7	9.5%
Golden Crest MHP	1950	60	3	5.0%
TOTAL/AVG	1966	375	34	9.1%

Source: Colliers International Valuation & Advisory Services

Proposed & Potential Supply

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

Governmental Considerations

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

Rent Levels

Property managers in the subject's market area indicate that rents have increased annually over the past few years. Typical rent increases are between \$10 and \$35. The rents at the subject were recently increased \$25 January 1, 2019. This was the first time in a couple years that the rents were increased. The residents have been notified that rents will be \$287 effective August 1, 2019. This represents approximately a \$49 increase. A typical buyer would give credit for these rent increases as the residents have already been notified. Even after this relatively large increase, the rents still fall well below the rent comparable range. Therefore, it is highly unlikely that this increase will result in turnover. Considering the subject's current quality and condition, a rent at or near the low end of the range would be expected. Therefore, even after the increase, there is still considered potential rental upside. Therefore, for the purposes of this analysis, the subject's increased rent levels are considered to be at market and utilized for this analysis and any additional potential upside will be addressed in the capitalization rate selection.

According to our recent survey, no concessions are currently offered in the market and have been historically rare throughout the area. Overall, rent levels are anticipated to increase at modest rates for the next few years.

DEMAND

The projects listed in the supply section (including the subject) indicate 9.1% overall vacancy in the subject's market area at the current time. According to the majority of managers who participated in our market survey, occupancy is typically above 90%. Overall vacancy rates have historically remained stable, in spite of changing economic conditions over the past few years. This is in part due to a stable resident base. Generally, when a resident wants to move out of the community, the manufactured home is sold in place with nominal rent loss or vacancy occurring in the community. In addition, the resident sometimes has a significant financial commitment in site improvements. The historically low vacancy rates for established communities continue to stimulate investment demand.

SUBJECT MARKETABILITY

The subject is an fair/average quality park in fair/average condition and has below average appeal compared to the typical market supply. Even after the increases as discussed, the potential upside in rent levels and occupancy enhances the subject's marketability. Overall, the subject has average marketability. In the open market, the subject property type would command most interest from regional and local buyers that are actively pursuing similar small investment properties. There is currently strong buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a regional and local investor.

TRANSACTION TRENDS

Most Probable Buyer Profile/Activity

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

General Vacancy Conclusion

Based on the subject's size, location and appeal, the competitive set analysis warrants primary consideration. The competitive set analysis indicated a current vacancy rate for directly competitive properties of 9.1%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 18.2%. The reader is reminded that the property was recently purchased from a long-time owner and was historically mismanaged. Typical mobile home park investors analyze the property as-is and adjust for any potential upside in occupancy in the capitalization rate they apply. Therefore, the subject is analyzed as-is with a general vacancy rate of 18.0%, and any potential upside in occupancy is considered in the capitalization rate selection.

Absorption

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

SUMMARY OF MARKET ANALYSIS

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

The subject is an fair/average quality park in fair/average condition and has below average appeal compared to the typical market supply. Even after the increases as discussed, the potential upside in rent levels and occupancy enhances the subject's marketability. In the open market, the subject property type would command most interest from regional and local buyers that are actively pursuing similar small investment properties. There is currently strong buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a regional and local investor.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2010). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based on the recent history of marketing periods for comparable sales, discussions with market participants and information from

published surveys. Below is a table displaying average exposure times from California for 2018 and prior year averages.

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

EXPOSURE TIMES		Time on Market
Average Exposure Time for 2018 Transactions		1.2 Months
Average Exposure Time for 2017 Transactions		2.8 Months
Average Exposure Time for 2016 Transactions		2.9 Months
Average Exposure Time for 2015 Transactions		3.1 Months
Average Exposure Time for 2014 Transactions		2.8 Months
Average Exposure Time for 2013 Transactions		3.7 Months
Average Exposure Time for 2012 Transactions		4.5 Months
Average Exposure Time for 2011 Transactions		6.5 Months
Chris Busby, Broker	Park Place Advisors Overall Market Opinion	3 Months
Andrew Whinery, Broker	Marcus & Milichap Overall Market Opinion	3 Months

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

Exposure Time Conclusion

The parks listed in the table above indicate exposure times ranging from immediately (not on the market) to seven months with an average of about three months. Based upon the previous information and considering the physical characteristics (quality, condition, and appeal), and location of the subject property, as well as current economic conditions, a reasonable estimate of exposure time for the subject property is six months or less.

Marketing Period Conclusion

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

INTRODUCTION

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

AS-VACANT ANALYSIS

Permitted uses of the subject's General Commercial District (C-3) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is irregular in shape and has level topography with average access and fair/average exposure. The uses adjacent to the property are noted below:

- › **North** - Vacant Land, Multi-Family Residential: 2737 Oak Way
- › **South** - Vacant Land, Agricultural Land, Retail: Red Bluff Plaza
- › **East** - Retail: Tuckers Automotive, Old Hickory Buildings and Sheds
- › **West** - Railroad, Vacant Land, Single-Family Residential

Given the subject's location and surrounding uses, physical and locational features best support development of a commercial use as market conditions warrant for the site's highest and best use as-vacant. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. Financial feasibility factors generally support near-term to a long term hold prior to development of the subject site. Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a commercial use as market conditions warrant.

AS-IMPROVED ANALYSIS

The subject's improvements were constructed in 1970 and have a remaining economic life of 30 years based on our estimate. The project is of fair/average quality construction and in fair/average condition, with adequate service amenities. The subject improvements as-improved are sufficiently supported by site features including its irregular shape, level topography, average access, and fair/average exposure. Physical and location factors influencing the highest and best use of the property support the subject's use as-improved. The subject property comprises approximately 7.11 acres (309,711 SF) and is improved with a Manufactured Housing Community (All Age). The subject site does not contain additional site area for expansion; therefore, expansion of the subject is not considered a viable option. The subject property is approximately 49 years old and is in fair/average condition. Among the five alternative uses, the subject's use as-improved is supported to be its Highest and Best Use.

Marketability Factors

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

As-Improved Conclusion

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

INTRODUCTION

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

INCOME APPROACH

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

SALES COMPARISON APPROACH

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

LAND VALUATION

Development of the subject site value is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that a site value is developed. Within the Site Valuation section, the subject is valued as one marketable economic site.

COST APPROACH

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

RECONCILIATION OF VALUE CONCLUSIONS

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

INTRODUCTION

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

Subject Income History

There are a total of 66 manufactured home sites at the subject with a current occupancy of 81.8%. The property was recently purchased from a long-time owner and was historically mismanaged. Typical mobile home park investors analyze the property as-is and adjust for any potential upside in occupancy in the capitalization rate they apply. Therefore, for this analysis, in efforts to most equally mirror the sentiment of investors in the marketplace, the subject will be analyzed as-is and any potential upside in occupancy will be addressed in the selection of an appropriate capitalization rate.

The rents range from \$229/site to \$262/site per month with an average rent of \$238/site. The rents at the subject were recently increased \$25 January 1, 2019. This was the first time in a couple years that the rents were increased. The residents have been notified that rents will be \$287 effective August 1, 2019. This represents approximately a \$49 increase. A typical buyer would give credit for these rent increases as the residents have already been notified. Even after this relatively large increase, the rents still fall well below the rent comparable range. Therefore, it is highly unlikely that this increase will result in turnover. Considering the subject's current quality and condition, a rent at or near the low end of the range would be expected. Therefore, even after the increase, there is still considered potential rental upside. Therefore, for the purposes of this analysis, the subject's increased rent levels are considered to be at market and utilized for this analysis and any additional potential upside will be addressed in the capitalization rate selection. The chart below summarizes the rents at the subject property.

SUBJECT LEASING INFORMATION						AS OF MAY 2019	
HOMESITE TYPE	HOMESITE SUMMARY			HOMESITE PERCENT OF TOTAL	% OCC- UPIED	ACTUAL RENT	
	OCC	VAC	TOT			PER SITE AVERAGE	TOTAL \$/MO
Standard	54	12	66	100.0%	81.8%	\$238	\$15,686
TOTAL/AVG	54	12	66	100.0%	81.8%	\$238	\$15,686

The residents have been notified of a water pass through beginning July 1, 2019. Additionally, the residents will be notified of a trash removal pass through. These pass throughs are included in this analysis.

Subject Utility Structure

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

ANALYSIS OF RENT COMPARABLES

Unit of Comparison

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

Selection of Comparables

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

Concessions

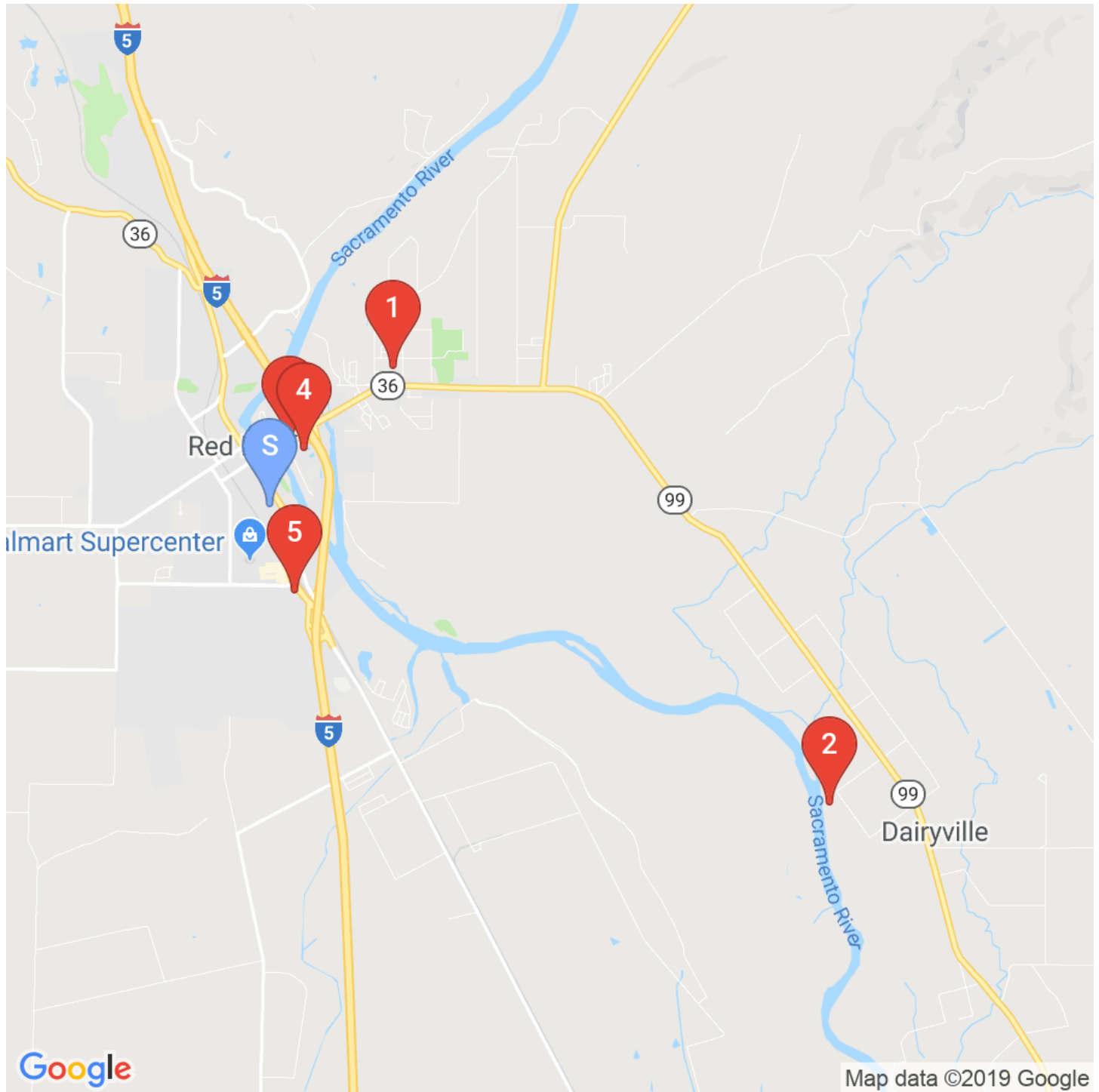
None of the comparables were offering concessions at the time of survey.

Presentation

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

RENT SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Flying A Mobile Home Park	Red Bluff RV Park	River View MHP	Rivers Edge MHP	O'Nite RV Park	Golden Crest MHP
Address	165 South Main Street	80 Chestnut Avenue	11705 Parey Ave	25 Gilmore Rd	130 Gilmore Road	1245 Montgomery St
City	Red Bluff	Red Bluff	Red Bluff	Red Bluff	Red Bluff	Red Bluff
State	CA	CA	CA	CA	CA	CA
PHYSICAL INFORMATION						
Resident Type	All Age	All Age	Senior	All Age	All Age	All Age
Homesites	66	70	54	51	74	60
Year Built	1970	1991	1963	1951	1973	1950
Location	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average
Appeal	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average	Average
Quality	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average	Average
Condition	Fair/Average	Average	Average	Average	Fair/Average	Average
RENT INFORMATION						
Occupancy	81.8%	92.9%	98.2%	87.3%	91.0%	95.0%
\$/Homesite Avg	\$238	\$493	\$402	\$425	\$388	\$445

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	\$/SITE AVG
SUBJECT	-	Flying A Mobile Home Parl	165 South Main Street, Red Bluff, CA	81.8%	\$238
No. 1	1.6 Miles	Red Bluff RV Park	80 Chestnut Avenue, Red Bluff, CA	92.9%	\$493
No. 2	5.6 Miles	River View MHP	11705 Parey Ave, Red Bluff, CA	98.2%	\$402
No. 3	0.6 Miles	Rivers Edge MHP	25 Gilmore Rd, Red Bluff, CA	87.3%	\$425
No. 4	0.6 Miles	O'Nite RV Park	130 Gilmore Road, Red Bluff, CA	91.0%	\$388
No. 5	0.8 Miles	Golden Crest MHP	1245 Montgomery St, Red Bluff, CA	95.0%	\$445

RENT COMPARABLE PHOTOGRAPHS



RENT COMPARABLE 1



RENT COMPARABLE 2



RENT COMPARABLE 3



RENT COMPARABLE 4



RENT COMPARABLE 5

DISCUSSION OF RENTAL ADJUSTMENTS

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

Adjustments

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

RENT COMPARABLE ADJUSTMENT TABLE												
	\$ ADJ.	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5					
PHYSICAL PROJECT FEATURES												
Location	-	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average
Appeal	-	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Average	Average
Condition	-	Fair/Average	Average	Average	Average	Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Average	Average
Physical Subtotal Adjustment			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROJECT AMENITIES												
Clubhouse	\$5	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Pool	\$5	No	Yes	(\$5)	No	\$0	No	\$0	Yes	(\$5)	Yes	(\$5)
Project Amenities Subtotal Adjustment			(\$10)	(\$5)	(\$5)	(\$5)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
UTILITIES INCLUDED IN RENT												
Electricity	\$40	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Water	\$25	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Sewer	\$20	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Garbage	\$20	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Gas	\$20	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Cable	\$30	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Utilities Subtotal Adjustment			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ADJUSTMENTS			(\$10)	(\$5)	(\$5)	(\$5)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)

RENT COMPARABLE ADJUSTMENT GRID

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

RENT COMPARABLE ADJUSTMENT SUMMARY								
	NO.	EFF. RENT	ADJUSTMENTS				TOTAL	ADJUSTED
COMPARABLE 1	HOMESITES	\$/HOMESITE	PHYSICAL	PROJECT	PARKING	UTILITES	ADJ	\$/HOMESITE
RV	69	\$483	\$0	(\$10)	\$0	\$0	(\$10)	\$473
COMPARABLE 2								
Double-Wide	22	\$402	\$0	(\$5)	\$0	\$0	(\$5)	\$397
RV Space	7	\$402	\$0	(\$5)	\$0	\$0	(\$5)	\$397
Single-Wide	25	\$402	\$0	(\$5)	\$0	\$0	(\$5)	\$397
COMPARABLE 3								
RV Space	48	\$425	\$0	(\$5)	\$0	\$0	(\$5)	\$420
Single-Wide	3	\$425	\$0	(\$5)	\$0	\$0	(\$5)	\$420
COMPARABLE 4								
RV	74	\$388	\$0	(\$10)	\$0	\$0	(\$10)	\$378
COMPARABLE 5								
Double-Wide	10	\$445	\$0	(\$10)	\$0	\$0	(\$10)	\$435
Single-Wide	50	\$445	\$0	(\$10)	\$0	\$0	(\$10)	\$435

MARKET RENT ANALYSIS

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

STANDARD HOMESITE CONCLUSION				
COMP	HOMESITE TYPE	RENT/MONTH	ADJUSTED RENT/MONTH	NET
		\$/HOMESITE	\$/HOMESITE	ADJUSTMENT %
4	RV	\$388	\$378	-2.6%
2	Double-Wide	\$402	\$397	-1.3%
2	RV Space	\$402	\$397	-1.3%
2	Single-Wide	\$402	\$397	-1.3%
3	RV Space	\$425	\$420	-1.2%
3	Single-Wide	\$425	\$420	-1.2%
5	Double-Wide	\$445	\$435	-2.3%
5	Single-Wide	\$445	\$435	-2.3%
1	RV	\$483	\$473	-2.1%
LOW		\$388	\$378	-2.6%
HIGH		\$483	\$473	-1.2%
AVERAGE		\$424	\$417	-1.7%
MEDIAN		\$425	\$420	-1.3%
SUBJECT ANALYSIS & CONCLUSIONS				
HOME		ASKING RENT	ACTUAL RENT	CONCLUDED RENT
SITES	HOMESITE TYPE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE
66	Standard	\$325	\$238	\$287

The rent comparables unadjusted rent per month ranges from \$388 to \$483 with an average rent of \$424. The rent comparables adjusted rent per month ranges from \$378 to \$473 with an average rent of \$417. There are 66 subject units for this unit type. The residents have been notified that rents will be \$287 effective August 1, 2019. This represents approximately a \$49 increase. A typical buyer would give credit for these rent increases as the residents have already been notified. Even after this relatively large increase, the rents still fall well below the rent comparable range. Therefore, it is highly unlikely that this increase will result in turnover. Considering the subject's current quality and condition, a rent at or near the low end of the range would be expected. Therefore, even after the increase, there is still considered potential rental upside. Therefore, for the purposes of this analysis, the subject's increased rent levels are considered to be at market and utilized for this analysis and any additional potential upside will be addressed in the capitalization rate selection.

POTENTIAL RENTAL INCOME

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

POTENTIAL GROSS INCOME							
HOMESITE TYPE	HOMESITES	ACTUAL RENT			CONCLUDED MARKET RENT		
		\$/SITE (MO.)	MONTH	ANNUAL	\$/SITE (MO.)	MONTH	ANNUAL
Standard	66	\$238	\$15,686	\$188,227	\$287	\$18,942	\$227,304
TOTAL	66	\$238	\$15,686	\$188,227	\$287	\$18,942	\$227,304

INCOME & EXPENSE ANALYSIS

The preceding section addressed potential risks associated with the cash flow of the subject property. Having addressed potential risks, it is appropriate to analyze historical revenues and operating expenses. Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded.

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

The concluded EGI and NOI are higher than the budgeted EGI and NOI as it includes a notified rental increase as previously discussed. The concluded EGI is based on rents and vacancy supported by comparables in the market. The concluded NOI is based on the current operation of the subject property and is supported by income and expense comparable information.

SUBJECT OPERATING HISTORICALS												
YEAR	2016			2017			BUDGET 2019			COLLIERS FORECAST		
	TOTAL	\$/SITE	%EGI	TOTAL	\$/SITE	%EGI	TOTAL	\$/SITE	%EGI	TOTAL	\$/SITE	%EGI
Potential Rental Income	\$123,410	\$1,870	100.0%	\$140,072	\$2,122	100.0%	\$181,740	\$2,754	83.1%	\$227,304	\$3,444	93.2%
TOTAL RENTAL INCOME	\$123,410	\$1,870	100.0%	\$140,072	\$2,122	100.0%	\$181,740	\$2,754	83.1%	\$227,304	\$3,444	93.2%
OTHER INCOME												
Electricity Income	<i>Incl. in Potential Rental Income</i>			<i>Incl. in Potential Rental Income</i>			\$28,092	\$426	12.8%	\$28,092	\$426	11.5%
Water Income	\$0	-	0.0%	\$0	-	0.0%	\$6,864	\$104	3.1%	\$5,345	\$81	2.2%
Sewer Income	<i>Incl. in Potential Rental Income</i>			<i>Incl. in Potential Rental Income</i>			\$16,740	\$254	7.6%	\$14,385	\$218	5.9%
Trash Removal Income	\$0	-	0.0%	\$0	-	0.0%	\$11,669	\$177	5.3%	\$9,566	\$145	3.9%
	\$0	-	0.0%	\$0	-	0.0%	\$0	-	0.0%	\$0	-	0.0%
TOTAL OTHER INCOME	\$0	-	0.0%	\$0	-	0.0%	\$63,365	\$960	29.0%	\$57,388	\$870	23.5%
POTENTIAL GROSS INCOME (PGI)	\$123,410	\$1,870	100.0%	\$140,072	\$2,122	100.0%	\$245,105	\$3,714	112.0%	\$284,692	\$4,314	116.8%
Vacancy	\$0	-	0.0%	\$0	-	0.0%	(\$26,280)	(\$398)	(12.0%)	(\$40,915)	(\$620)	(16.8%)
EFFECTIVE GROSS INCOME (EGI)	\$123,410	\$1,870	100.0%	\$140,072	\$2,122	100.0%	\$218,825	\$3,316	100.0%	\$243,778	\$3,694	100.0%
EXPENSE ITEMS												
Real Estate Taxes	(\$3,423)	(\$52)	(2.8%)	(\$3,562)	(\$54)	(2.5%)	(\$16,553)	(\$251)	(7.6%)	(\$16,490)	(\$250)	(6.8%)
Additional Tax Charges	\$0	-	0.0%	\$0	-	0.0%	\$0	-	0.0%	(\$135)	(\$2)	(0.1%)
Property Insurance	(\$1,721)	(\$26)	(1.4%)	(\$2,699)	(\$41)	(1.9%)	(\$3,000)	(\$45)	(1.4%)	(\$3,000)	(\$45)	(1.2%)
Gas & Electricity	(\$24,576)	(\$372)	(19.9%)	(\$28,993)	(\$439)	(20.7%)	(\$29,573)	(\$448)	(13.5%)	(\$29,573)	(\$448)	(12.1%)
Water & Sewer	(\$27,305)	(\$414)	(22.1%)	(\$24,362)	(\$369)	(17.4%)	(\$24,849)	(\$377)	(11.4%)	(\$24,849)	(\$377)	(10.2%)
Trash Removal	(\$10,714)	(\$162)	(8.7%)	(\$12,042)	(\$182)	(8.6%)	(\$12,283)	(\$186)	(5.6%)	(\$12,283)	(\$186)	(5.0%)
Repairs & Maintenance	(\$6,230)	(\$94)	(5.0%)	(\$17,822)	(\$270)	(12.7%)	(\$17,200)	(\$261)	(7.9%)	(\$16,500)	(\$250)	(6.8%)
Off-Site Management	\$0	-	0.0%	\$0	-	0.0%	(\$12,000)	(\$182)	(5.5%)	(\$12,189)	(\$185)	(5.0%)
On-Site Management	\$0	-	0.0%	\$0	-	0.0%	(\$23,400)	(\$355)	(10.7%)	(\$18,000)	(\$273)	(7.4%)
Employee Homesite	\$0	-	0.0%	\$0	-	0.0%	(\$4,644)	(\$70)	(2.1%)	(\$3,444)	(\$52)	(1.4%)
General & Administrative	(\$7,888)	(\$120)	(6.4%)	(\$7,442)	(\$113)	(5.3%)	(\$8,787)	(\$133)	(4.0%)	(\$8,250)	(\$125)	(3.4%)
Reserves	\$0	-	0.0%	\$0	-	0.0%	\$0	-	0.0%	(\$2,640)	(\$40)	(1.1%)
TOTAL EXPENSES	(\$81,857)	(\$1,240)	(66.3%)	(\$96,922)	(\$1,469)	(69.2%)	(\$152,289)	(\$2,307)	(69.6%)	(\$147,353)	(\$2,233)	(60.4%)
NET OPERATING INCOME (NOI)	\$41,553	\$630	33.7%	\$43,150	\$654	30.8%	\$66,536	\$1,008	30.4%	\$96,424	\$1,461	39.6%

OTHER INCOME

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

OTHER INCOME ANALYSIS & CONCLUSIONS

ELECTRICITY INCOME

YEAR	SUBJECT		%EGI
	TOTAL \$/HOMESITE		
2016	<i>Incl. in Potential Rental Income</i>		
2017	<i>Incl. in Potential Rental Income</i>		
BUDGET 2019	\$28,092	\$426	12.8%
CONCLUSION	\$28,092	\$426	11.5%

ANALYSIS

The concluded amount is all inclusive of income associated with electricity income. Historical income for this category was not provided as it is rolled up in to the potential rental income figure. The conclusion is based on the budget 2019 pro forma income.

WATER INCOME

YEAR	SUBJECT		%EGI
	TOTAL \$/HOMESITE		
2016	\$0	-	0.0%
2017	\$0	-	0.0%
BUDGET 2019	\$6,864	\$104	3.1%
CONCLUSION	\$5,345	\$81	2.2%

ANALYSIS

The residents have been notified of a water pass through beginning July 1st 2019. Therefore, for this analysis, the conclusion is based on this reimbursement (\$8.23 x 66 spaces x 12 months x 82% occupancy = \$5,345).

SEWER INCOME

YEAR	SUBJECT		%EGI
	TOTAL \$/HOMESITE		
2016	<i>Incl. in Potential Rental Income</i>		
2017	<i>Incl. in Potential Rental Income</i>		
BUDGET 2019	\$16,740	\$254	7.6%
CONCLUSION	\$14,385	\$218	5.9%

ANALYSIS

The residents reimburse the owner for sewer expenses at a flat rate of \$22.15/month. Therefore, the conclusion is based on this reimbursement (\$22.15 x 66 spaces x 12 months x 82% occupancy = \$14,385).

TRASH REMOVAL INCOME

YEAR	SUBJECT		%EGI
	TOTAL \$/HOMESITE		
2016	\$0	-	0.0%
2017	\$0	-	0.0%
BUDGET 2019	\$11,669	\$177	5.3%
CONCLUSION	\$9,566	\$145	3.9%

ANALYSIS

The residents will be notified of a trash removal pass through. Therefore, for this analysis, the conclusion is based on this reimbursement (\$14.73 x 66 spaces x 12 months x 82% occupancy = \$9,566).

Vacancy and Credit Loss

This category was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Based on the subject's size, location and appeal, the competitive set analysis warrants primary consideration. The competitive set analysis indicated a current vacancy rate for directly competitive properties of 9.1%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 18.2%. The reader is reminded that the property was recently purchased from a long-time owner and was historically mismanaged. Typical mobile home park investors analyze the property as-is and adjust for any potential upside in occupancy in the capitalization rate they apply. Therefore, the subject is analyzed as-is with a general vacancy rate of 18.0%, and any potential upside in occupancy is considered in the capitalization rate selection.

Effective Gross Income (EGI) Conclusion

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

EFFECTIVE GROSS INCOME (EGI)

YEAR	TOTAL \$/HOMESITE	%EGI	Δ CHG	ANALYSIS
2016	\$123,410	\$1,870	100.0%	-
2017	\$140,072	\$2,122	100.0%	13.5%
BUDGET 2019	\$218,825	\$3,316	100.0%	56.2%
PROFORMA	\$243,778	\$3,694	100.0%	11.4%

The concluded EGI is higher than the budgeted EGI as it includes a notified rental increase as previously discussed. The concluded EGI is based on rents and vacancy supported by comparables in the market. The concluded EGI is considered supported and utilized for this analysis.

Analysis of Operating Expenses

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

EXPENSE COMPARABLES									
COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	LOW	HIGH	AVG
Expense Year	2017	2017	TTM 2018	2017	T-12 2018	T-12 2018	2017	2018	-
Homesites	68	42	62	50	50	112	42	112	64
Year Built	1960	1965	1960	1965	1974	1963	1960	1974	1965
EGI (\$/HOMESITE)	\$6,042	\$4,422	\$4,713	\$6,375	\$5,290	\$4,641	\$4,422	\$6,375	\$5,247
EXPENSE ITEMS	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	LOW	HIGH	AVG
Real Estate Taxes	\$258	\$230	\$195	\$277	\$391	\$213	\$195	\$391	\$261
Additional Tax Charges	Incl. Above	Incl. Above	Incl. Above	Incl. Above	Incl. Above	Incl. Above	\$0	\$0	-
Property Insurance	\$63	\$90	\$58	\$66	\$46	\$94	\$46	\$94	\$70
Gas & Electricity	\$904	\$77	\$43	\$1,067	\$17	\$319	\$17	\$1,067	\$405
Water & Sewer	\$791	\$307	\$617	\$581	\$289	\$302	\$289	\$791	\$481
Trash Removal	\$38	\$149	\$246	\$411	\$270	\$465	\$38	\$465	\$263
Repairs & Maintenance	\$277	\$237	\$52	\$270	\$95	\$276	\$52	\$277	\$201
Off-Site Management	\$242	\$263	\$362	\$192	\$141	\$232	\$141	\$362	\$239
%EGI	4.0%	5.9%	7.7%	3.0%	2.7%	5.0%	2.7%	7.7%	4.7%
On-Site Management	\$271	\$154	\$197	\$263	\$129	\$593	\$129	\$593	\$268
Employee Homesite	\$105	\$170	\$83	\$118	-	\$31	\$31	\$170	\$101
General & Administrative	\$183	\$193	\$85	\$250	\$63	\$388	\$63	\$388	\$194
Reserves	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
TOTAL EXPENSES (\$/HOMESIT	\$3,172	\$1,910	\$1,978	\$3,535	\$1,481	\$2,953	\$1,481	\$3,535	\$2,505

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

Conclusion of Operating Expenses

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

EXPENSE ANALYSIS & CONCLUSIONS**REAL ESTATE TAXES**

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$3,423	\$52	2.8%	1	\$258	4.3%
2017	\$3,562	\$54	2.5%	2	\$230	5.2%
BUDGET 2019	\$16,553	\$251	7.6%	3	\$195	4.1%
				4	\$277	4.3%
				5	\$391	7.4%
				6	\$213	4.6%
				CONCLUSION	\$16,490	\$250

ANALYSIS

The concluded taxes are based on California's Proposition 13. As such, the concluded taxes represent 100% of the concluded stabilized value indicated by the Direct Capitalization Method multiplied by the current ad valorem tax rate. Please refer to the Assessments and Taxes section for additional details.

ADDITIONAL TAX CHARGES

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$0		0.0%	1	-	-
2017	\$0		0.0%	2	-	-
BUDGET 2019	\$0		0.0%	3	-	-
				4	-	-
				5	-	-
				6	-	-
				CONCLUSION	\$135	\$2

ANALYSIS

The concluded additional tax charges are based on the subject's current taxes. Please refer to the Assessments and Taxes section for additional details.

PROPERTY INSURANCE

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$1,721	\$26	1.4%	1	\$63	1.0%
2017	\$2,699	\$41	1.9%	2	\$90	2.0%
BUDGET 2019	\$3,000	\$45	1.4%	3	\$58	1.2%
				4	\$66	1.0%
				5	\$46	0.9%
				6	\$94	2.0%
				CONCLUSION	\$3,000	\$45

ANALYSIS

This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. Due to the limited common area buildings at the subject, an expense near the low end would be expected. Therefore, the conclusion is based on the budgeted expense which is also supported by the low end of the expense comparable range.

GAS & ELECTRICITY

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$24,576	\$372	19.9%	1	\$904	15.0%
2017	\$28,993	\$439	20.7%	2	\$77	1.7%
BUDGET 2019	\$29,573	\$448	13.5%	3	\$43	0.9%
				4	\$1,067	16.7%
				5	\$17	0.3%
				6	\$319	6.9%
				CONCLUSION	\$29,573	\$448

ANALYSIS

This expense includes all gas and electricity costs for the common areas of the subject. The reader is reminded that the residents reimburse the owner for these utilities. The historicals have shown an increasing trend. The comparables reflect varying utility structures. As this expense item is property-specific, the conclusion is based on the budgeted expense which grosses up the 2017 historical expense. The conclusion is also supported by the expense comparable range.

WATER & SEWER

YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$27,305	\$414	22.1%	1	\$791	13.1%
2017	\$24,362	\$369	17.4%	2	\$307	6.9%
BUDGET 2019	\$24,849	\$377	11.4%	3	\$617	13.1%
				4	\$581	9.1%
				5	\$289	5.5%
				6	\$302	6.5%
				CONCLUSION	\$24,849	\$377

ANALYSIS

This category includes water and sewer expenses for the subject. The reader is reminded that the residents now reimburse the owner for these utilities. The historicals have shown an increasing trend. The comparables reflect varying utility structures. As this expense item is property-specific, the conclusion is based on the budgeted expense which grosses up the 2017 historical expense. The conclusion is also supported by the expense comparable range.

TRASH REMOVAL						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$10,714	\$162	8.7%	1	\$38	0.6%
2017	\$12,042	\$182	8.6%	2	\$149	3.4%
BUDGET 2019	\$12,283	\$186	5.6%	3	\$246	5.2%
				4	\$411	6.4%
				5	\$270	5.1%
				6	\$465	10.0%
CONCLUSION	\$12,283	\$186	5.0%	AVG	\$263	5.1%

ANALYSIS
 This category includes trash removal expenses for the subject. The reader is reminded that the residents now reimburse the owner for this expense. The historicals have shown an increasing trend. The comparables reflect varying utility structures. As this expense item is property-specific, the conclusion is based on the budgeted expense which grosses up the 2017 historical expense. The conclusion is also supported by the expense comparable range.

REPAIRS & MAINTENANCE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$6,230	\$94	5.0%	1	\$277	4.6%
2017	\$17,822	\$270	12.7%	2	\$237	5.4%
BUDGET 2019	\$17,200	\$261	7.9%	3	\$52	1.1%
				4	\$270	4.2%
				5	\$95	1.8%
				6	\$276	5.9%
CONCLUSION	\$16,500	\$250	6.8%	AVG	\$201	3.8%

ANALYSIS
 This expense covers the cost of all routine maintenance and repairs. Typical expenses for this category range from \$150 to \$350/homesite. Although consistent, the historical expenses fall within this range and the range of the expense comparables. Therefore, the conclusion is based on the historical range with support from the low end of the expense comparable range considering the age and condition of the subject.

OFF-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$0		0.0%	1	\$242	4.0%
2017	\$0		0.0%	2	\$263	5.9%
BUDGET 2019	\$12,000	\$182	5.5%	3	\$362	7.7%
				4	\$192	3.0%
				5	\$141	2.7%
				6	\$232	5.0%
CONCLUSION	\$12,189	\$185	5.0%	AVG	\$239	4.7%

ANALYSIS
 This expense reflects the professional management service for the subject. Management services in the market typically range from 3% to 5% of EGI. The budgeted expense reflects the owner paying themselves for off-site management functions which falls slightly above the expense comparable range and range indicated. This expense considers the size of the subject property and the comparable ranges.

ON-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$0		0.0%	1	\$271	4.5%
2017	\$0		0.0%	2	\$154	3.5%
BUDGET 2019	\$23,400	\$355	10.7%	3	\$197	4.2%
				4	\$263	4.1%
				5	\$129	2.4%
				6	\$593	12.8%
CONCLUSION	\$18,000	\$273	7.4%	AVG	\$268	5.2%

ANALYSIS
 There is no historical expense for this category. The budgeted expense falls near the high end of the expense comparable range. Therefore, the conclusion is based on \$18,000 (rounded) for on-site personnel which includes all associated fees, benefits, and taxes. This is generally similar to the historical expenses. It is noted that when adding the on-site management conclusion and the employee homesite conclusion they fall within the expense comparable range on a per space basis.

EMPLOYEE HOMESITE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$0		0.0%	1	\$105	1.7%
2017	\$0		0.0%	2	\$170	3.8%
BUDGET 2019	\$4,644	\$70	2.1%	3	\$83	1.8%
				4	\$118	1.9%
				5	-	0.0%
				6	\$31	0.7%
CONCLUSION	\$3,444	\$52	1.4%	AVG	\$101	1.6%

ANALYSIS
 This expense represents any free space rent given to on-site personnel. Typically communities will offer one to three free space rents depending on the size of the community and amount of personnel needed. The subject currently gives one free space rent for on-site personnel. Therefore the conclusion is based on one free space rent for on-site personnel which is typical for parks this size.

GENERAL & ADMINISTRATIVE						ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$7,888	\$120	6.4%	1	\$183	3.0%
2017	\$7,442	\$113	5.3%	2	\$193	4.4%
BUDGET 2019	\$8,787	\$133	4.0%	3	\$85	1.8%
				4	\$250	3.9%
				5	\$63	1.2%
				6	\$388	8.4%
CONCLUSION	\$8,250	\$125	3.4%	AVG	\$194	3.8%

This expense includes office supplies, accounting, legal fees, other professional fees, advertising, and all other administrative costs. Typical expenses for this category range from \$100/homesite to \$300/homesite. The historical expenses fall within the indicated range and the expense comparable range. This is in part due to a stable tenant base. Therefore, the conclusion is based on the historical range and low end of the expense comparable range.

RESERVES						ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL \$/HOMESITE	%EGI		COMP \$/HOMESITE	%EGI	
2016	\$0		0.0%	1	\$40	0.7%
2017	\$0		0.0%	2	\$40	0.9%
BUDGET 2019	\$0		0.0%	3	\$40	0.8%
				4	\$40	0.6%
				5	\$40	0.8%
				6	\$40	0.9%
CONCLUSION	\$2,640	\$40	1.1%	AVG	\$40	0.8%

Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. Typical expenses range from \$20 - \$60/site. For this analysis, an amount of \$40/site is concluded considering the lack of common area improvements and overall age of the subject.

TOTAL EXPENSES	LOW	HIGH	CONCLUSION
SUBJECT HISTORICAL \$/HOMESITE	\$1,240	\$2,307	The subject's concluded expenses fall within the range of the comparables on a per space and percentage basis. They are, therefore, appropriate for the subject property and they are used in this analysis.
EXPENSE COMPARABLES \$/HOME	\$1,481	\$3,535	
SALE COMPARABLE \$/HOMESITE	\$2,389	\$3,526	
SUBJECT HISTORICAL %EGI	66.3%	69.6%	
EXPENSE COMPARABLES %EGI	28.0%	63.6%	
SALE COMPARABLES %EGI	45.0%	58.8%	
TOTAL EXPENSES \$/HOMESITE	\$2,233		
TOTAL EXPENSES %EGI	60.4%		
TOTAL EXPENSES	\$147,353		

Net Operating Income (NOI) Conclusion

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

NET OPERATING INCOME (NOI)					
YEAR	TOTAL \$/HOMESITE	%EGI	Δ	CHG	ANALYSIS
2016	\$41,553	\$630	33.7%	-	The concluded NOI is higher than the budgeted NOI as it includes a notified rental increase as previously discussed. The concluded NOI is based on the current operation of the subject property and is supported by income and expense comparable information. Overall, the concluded NOI is supported and utilized in this analysis.
2017	\$43,150	\$654	30.8%	3.8%	
BUDGET 2019	\$66,536	\$1,008	30.4%	54.2%	
PROFORMA	\$96,424	\$1,461	39.6%	44.9%	

INVESTMENT MARKET ANALYSIS

Development of Capitalization Rate

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

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

Comparable Sales

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

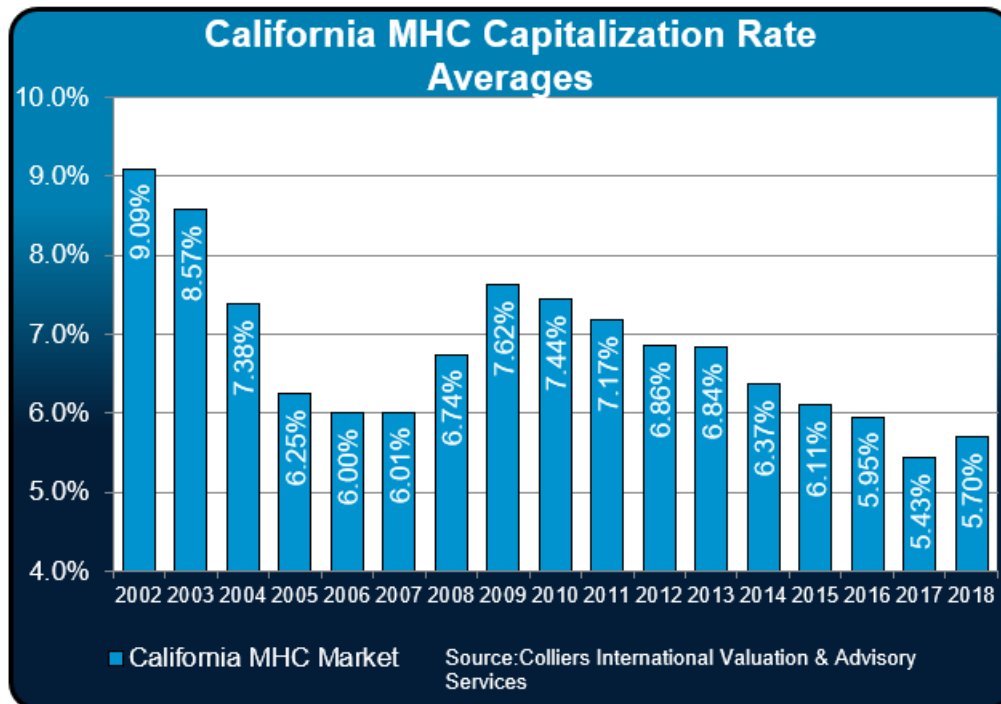
CAPITALIZATION RATE COMPARABLES (OAR)

NAME	CITY	ST	SALE DATE	YR BLT	HOMESITES	\$/HOMESITE	SALE PRICE	NOI/SITE	CAP RATE
1 Bakersfield MHP	Bakersfield	CA	February 15, 2019	1955	60	\$27,000	\$1,620,000	\$1,710.90	6.34%
2 Four Seasons MH & RV Park	Hanford	CA	January 18, 2019	1965	88	\$42,614	\$3,750,000	\$2,460.72	5.77%
3 Friendly Acres MHP	Red Bluff	CA	July 9, 2018	1961	50	\$19,000	\$950,000	\$1,235.00	6.50%
4 Chico Trailer Haven	Chico	CA	June 8, 2018	1965	41	\$42,780	\$1,754,000	\$2,916.23	6.82%
5 All Star Mobile Home Park	Sacramento	CA	June 8, 2018	1950	69	\$36,232	\$2,500,000	\$2,510.88	6.93%
6 Riverwood MHP	Dunsmuir	CA	May 9, 2018	1985	52	\$32,404	\$1,685,000	\$2,410.60	7.44%
LOW			May 2018						5.77%
HIGH			February 2019						7.44%
AVERAGE			August 2018						6.63%
MEDIAN			June 2018						6.66%
INDICATED CAPITALIZATION RATE (OAR)									<6.50%

Capitalization rates range from 5.77% to 7.44% and average 6.63%. **Comparable 1** was purchased by a buyer who viewed potential upside in rent levels, utility pass throughs and occupancy over the next couple years. **Comparable 2** has superior location to the subject. The buyer who viewed potential upside in rent levels over the next couple years. It is serviced by an on-site septic system. Overall it is a low indicator. **Comparable 3** was not openly marketed and limited information was available regarding this transaction. The broker indicated that there was upside rent levels. **Comparable 4** was purchased by a buyer who viewed potential upside in rent levels over the next couple years. It is serviced by an on-site septic system. It has full time RV tenancy. Overall it is a high indicator for the subject. **Comparable 5** was purchased by a buyer who viewed potential upside in rent levels over the next couple years. It has a superior location to the subject and superior occupancy. **Comparable 6** was not openly marketed which had significant upward pressure on the capitalization rate. Overall it is a high indicator.

The subject property overall quality and condition would put upward pressure on the capitalization rate; however, this is more than off-set by the subject's potential upside in rent levels and occupancy. In light of these factors; a rate below the middle of the range is considered reasonable.

Below is a chart presenting the California MHC Capitalization Rate Averages since 2002:



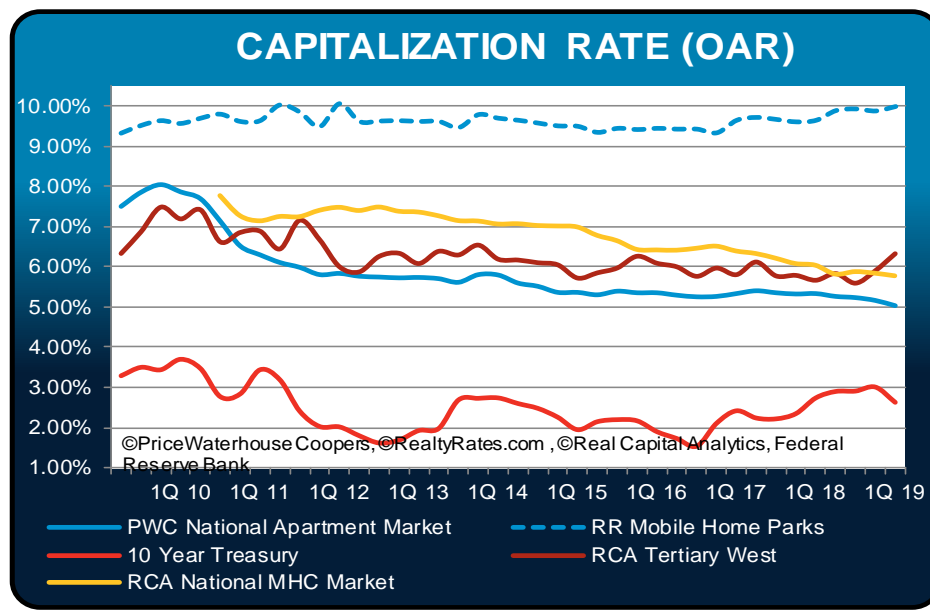
*Excludes non-market transactions or distressed sales

As illustrated above, MHC capitalization rates were the lowest between 2005 and 2007 and jumped up significantly during the recession. During 2009-10 very few parks with good income potential were sold. Demand for higher performing parks has increased in recent years especially over the last six months. This is due to favorable financing and an influx of capital in the market. Due to the subject's overall location, quality, condition, size, and overall appeal a capitalization rate higher than the California average is appropriate.

Investor Surveys

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

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



Capitalization rates have stayed relatively stable over the last few years. There was a peak in capitalization rates in the years of 2009 and 2010. PwC Apartment rate data is primarily based on Class A and higher quality Class B properties. As such, the capitalization rate data indicated would be expected to be lower than what would be appropriate for the subject. Realty Rates manufactured housing capitalization rate data in this study is largely based on low quality properties in non-primary investment markets throughout the U.S. As such, the capitalization rate data indicated would be expected to be somewhat higher than what would be appropriate for the subject, a fair/average quality property in Northern California.

Band of Investment Technique

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

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

BAND OF INVESTMENT ASSUMPTIONS

Loan Amortization Period	30 Years
Interest Rate	4.50%
Loan-to-Value (LTV) Ratio	65%
Mortgage Constant	6.08%

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

BAND OF INVESTMENT CALCULATION

Mortgage Component	65%	x	6.08%	=	3.952%
Equity Component	35%	x	6.00%	=	2.100%
Indicated Capitalization Rate					6.052%
INDICATED CAPITALIZATION RATE					6.05%

Capitalization Rate Conclusion

Based on our conversations with the brokers listed above and market participants, overall manufactured housing community capitalization rates have begun to flatten out over the last six months. Based on the data available for this analysis, a cap rate between **6.00% and 6.50%** is best supported for the subject property. However, the following items are noted:

- The subject property is not subject to rent control. This is more appealing to MHC investors.
- The subject's increased rent levels still fall well below the adjusted market comparable range, which indicates future potential rent upside. This would be appealing to MHC investors.
- There may be some potential upside in occupancy with more active management. This would be appealing to MHC investors.
- The subject is serviced by city services. This is more appealing to MHC investors

Overall a capitalization rate near the low end of the range, or **6.00%**, is concluded for this analysis.

CAPITALIZATION RATE CONCLUSION (OAR)

SOURCE	QUARTER	RANGE	AVG
Comparable Sales		5.77% to 7.44%	6.63%
2018 CA MHC Average			5.70%
Investor Surveys	1Q 19	4.40% to 10.15%	7.52%
Band of Investment Technique			6.05%
AVERAGE		5.09% to 8.80%	6.48%
CAPITALIZATION CONCLUSION			6.00%

AS-IS DIRECT CAPITALIZATION

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

The following table summarizes our opinion of market value via direct capitalization for the subject property's As-Is Value as of May 21, 2019.

DIRECT CAPITALIZATION SUMMATION TABLE				
HOMESITE TYPE		HOMESITES	\$/HOMESITE	TOTAL
Standard		66	\$3,444	\$227,304
TOTAL		66	\$3,444	\$227,304
INCOME ITEMS	%PGI	%EGI	\$/HOMESITE	TOTAL
Potential Rental Income			\$3,444	\$227,304
TOTAL RENTAL INCOME			\$3,444	\$227,304
OTHER INCOME				
Electricity Income			\$426	\$28,092
Water Income			\$81	\$5,345
Sewer Income			\$218	\$14,385
Trash Removal Income			\$145	\$9,566
TOTAL OTHER INCOME			\$870	\$57,388
POTENTIAL GROSS INCOME (PGI)			\$4,314	\$284,692
INCOME LOSS				
Vacancy	(18.0%)		(\$620)	(\$40,915)
Other Income Vac & Credit Loss	0.0%		-	\$0
TOTAL INCOME LOSS	(14.4%)		(\$620)	(\$40,915)
EFFECTIVE GROSS INCOME (EGI)			\$3,694	\$243,778
EXPENSE ITEMS				
Real Estate Taxes	(5.8%)	(6.8%)	(\$250)	(\$16,490)
Additional Tax Charges	(0.0%)	(0.1%)	(\$2)	(\$135)
Property Insurance	(1.1%)	(1.2%)	(\$45)	(\$3,000)
Gas & Electricity	(10.4%)	(12.1%)	(\$448)	(\$29,573)
Water & Sewer	(8.7%)	(10.2%)	(\$377)	(\$24,849)
Trash Removal	(4.3%)	(5.0%)	(\$186)	(\$12,283)
Repairs & Maintenance	(5.8%)	(6.8%)	(\$250)	(\$16,500)
Off-Site Management	(4.3%)	(5.0%)	(\$185)	(\$12,189)
On-Site Management	(6.3%)	(7.4%)	(\$273)	(\$18,000)
Employee Homesite	(1.2%)	(1.4%)	(\$52)	(\$3,444)
General & Administrative	(2.9%)	(3.4%)	(\$125)	(\$8,250)
Reserves	(0.9%)	(1.1%)	(\$40)	(\$2,640)
TOTAL EXPENSES	(51.8%)	(60.4%)	(\$2,233)	(\$147,353)
NET OPERATING INCOME (NOI)			\$1,461	\$96,424
Capitalization Rate				6.00%
Capitalized Value				\$1,607,069
INDICATED VALUE			\$24,394	\$1,610,000

Rounded to nearest \$10,000

EFFECTIVE GROSS INCOME MULTIPLIER METHOD

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

EGIM ANALYSIS				
SALE	TOTAL EXPENSE	EXPENSES/HOMESITE EXPENSE	% (EGI)	EGIM
4	\$97,967	\$2,389	45%	8.06
6	\$129,359	\$2,488	51%	6.62
2	\$249,514	\$2,835	54%	8.05
5	\$243,286	\$3,526	58%	6.00
1	\$146,496	\$2,442	59%	6.50
Subject	\$147,353	\$2,233	60%	-
LOW	\$97,967	\$2,389	45%	6.00
HIGH	\$249,514	\$3,526	59%	8.06
AVERAGE	\$173,324	\$2,736	53%	7.05
MEDIAN	\$146,496	\$2,488	54%	6.62

The comparables do not generally indicate the expected trend of increasing expense ratios with decreasing EGI Multipliers. Based on the subject's expense ratio, which falls above the range of the comparables, a multiplier below the range is considered most appropriate for the subject. However, this does not recognize the potential upside in rent levels and occupancy. Therefore, a subjective multiplier of 6.5 is concluded which falls between the low end of the range and the middle of the range. The concluded EGIM, the EGIM value calculation, and the indicated value based on the EGIM Method are displayed in the following table.

EGIM INDICATED VALUE				
CONCLUDED EGIM	X	CONCLUDED EGI	=	VALUE
6.5	X	\$243,778	=	\$1,580,000

Rounded to nearest \$10,000

RECONCILIATION OF INCOME APPROACH VALUES

The following table summarizes the opinions for market value that were developed by the Direct Capitalization and Effective Gross Income Multiplier methods of the income approach. Of the two approaches, the Direct Capitalization analysis is considered most reliable because it is most often utilized by participants in this asset class. Therefore, the reconciled values below place primary emphasis on the Direct Capitalization method, with supporting weight on the Effective Gross Income Multiplier method.

VALUATION INDICES	MARKET VALUE AS-IS
INTEREST APPRAISED	LEASED FEE
DATE OF VALUE	MAY 21, 2019
INCOME CAPITALIZATION APPROACH	
Direct Capitalization	\$1,610,000
Direct Capitalization \$/Homesite	\$24,394/Homesite
Net Operating Income	\$96,424
NOI \$/Homesite	\$1,461/Homesite
Capitalization Rate	6.00%
Effective Gross Income Multiplier	\$1,580,000
EGIM \$/Homesite	\$23,939/Homesite
INCOME CONCLUSION	\$1,610,000
Income Conclusion \$/Homesite	\$24,394/Homesite

INTRODUCTION

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

UNIT OF COMPARISON

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

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. Regional influences do not impact MHCs near the same degree as other property types (i.e. apartments). In addition, there are far fewer sales of MHCs than other property types (i.e. apartments), resulting in a much smaller dataset from which to choose. The buyer profile for this property was stated as a regional or local buyer. Due to the size of the property and the comparatively small number of MHC sales, it is appropriate to utilize sales that are the most similar in size (number of spaces), occupancy, and overall rent levels. Therefore, our search was expanded to include all of Central and Northern California.

The comparables selected are considered the most directly comparable to the subject property. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

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

Transactional Adjustments

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

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

MARKET CONDITIONS ADJUSTMENT

Per Year As Of May 2019 (As-Is) 3%

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

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as quality, condition, age, number of homesites, and density as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It is noted that a large adjustment was needed to reflect the differences in location. Adjustments to location is based on the ability to achieve higher rents based on location. This is most easily illustrated in the differences in NOI per space. This is further supported by the differences in Median Home Values. Overall a conservative adjustment of 30% was utilized for comparison purposes which recognizes these differences. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

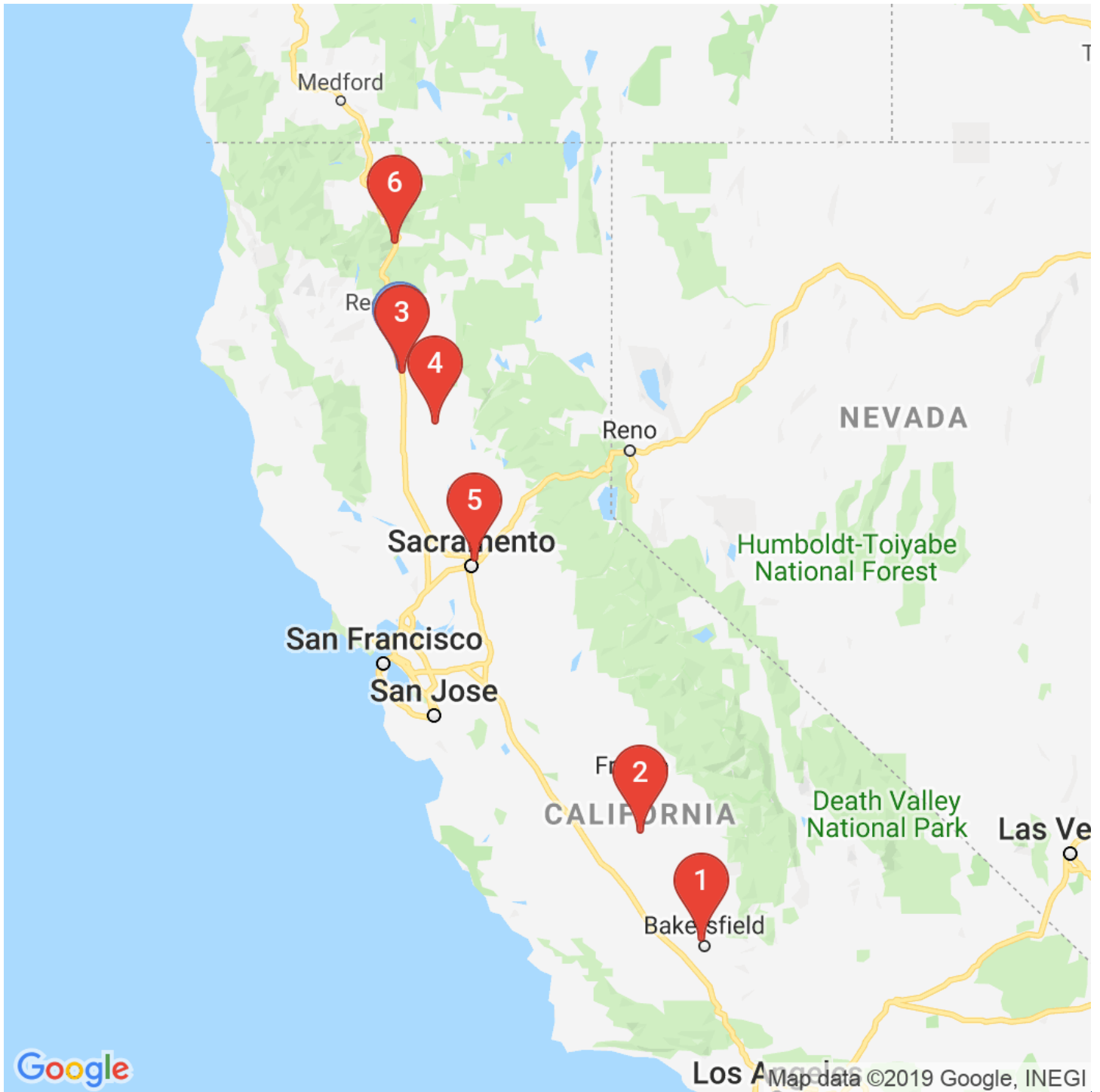
PRESENTATION

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

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Flying A Mobile Home Park	Bakersfield MHP	Four Seasons MH & RV Park	Friendly Acres MHP	Chico Trailer Haven	All Star Mobile Home Park	Riverwood MHP
Address	165 South Main Street	3219 Gulf St	12846 Lacey Boulevard	12055 Hwy 99 W	1412 Nord Avenue	1200 El Camino Avenue	841 S First St
City	Red Bluff	Bakersfield	Hanford	Red Bluff	Chico	Sacramento	Dunsmuir
State	CA	CA	CA	CA	CA	CA	CA
County	Tehama	Kern	Kings	Tehama	Butte	Sacramento	Siskiyou
PHYSICAL INFORMATION							
Homesites	66	60	88	50	41	69	52
Density	9.3	17.6	10.0	16.1	14.6	18.9	5.4
Land Area (AC)	7.1	3.4	10.5	3.1	2.8	3.7	9.5
Land Area (SF)	309,711	150,282	456,944	135,036	121,968	159,430	412,949
Year Built	1970	1955	1965	1961	1965	1950	1985
Location	Fair/Average	Fair/Average	Average	Fair/Average	Average	Average	Fair/Average
Quality	Fair/Average	Average	Average	Fair/Average	Fair/Average	Fair/Average	Average
Condition	Fair/Average	Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Good
Appeal	Fair/Average	Average	Average	Fair/Average	Fair/Average	Fair/Average	Average
SALE INFORMATION							
Date		2/15/2019	1/18/2019	7/9/2018	6/8/2018	6/8/2018	5/9/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Transaction Price		\$1,620,000	\$3,750,000	\$950,000	\$1,754,000	\$2,500,000	\$1,685,000
Transaction \$/Homesite		\$27,000	\$42,614	\$19,000	\$42,780	\$36,232	\$32,404
Analysis Price		\$1,620,000	\$3,750,000	\$950,000	\$1,754,000	\$2,500,000	\$1,685,000
Expenses % PGI		45%	45%	-	42%	54%	46%
Expenses % EGI		59%	54%	-	45%	58%	51%
NOI/Homesite	\$1,461	\$1,711	\$2,461	\$1,235	\$2,916	\$2,511	\$2,411
Occupancy	81.8%	72.4%	83.0%	80.0%	100.0%	94.0%	90.0%
Capitalization Rate		6.34%	5.77%	6.50%	6.82%	6.93%	7.44%
PGIM		5.03	6.83	-	7.55	5.57	6.05
EGIM		6.50	8.05	-	8.06	6.00	6.62

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/SITE
SUBJECT	-	Flying A Mobile Home Parl	165 South Main Street, Red Bluff, CA	81.8%	-	-	-
No. 1	373.2 Miles	Bakersfield MHP	3219 Gulf St, Bakersfield, CA	72.4%	2/15/2019	6.34%	\$27,000
No. 2	299.2 Miles	Four Seasons MH & RV P	12846 Lacey Boulevard, Hanford, CA	83.0%	1/18/2019	5.77%	\$42,614
No. 3	2.0 Miles	Friendly Acres MHP	12055 Hwy 99 W, Red Bluff, CA	80.0%	7/9/2018	6.50%	\$19,000
No. 4	35.9 Miles	Chico Trailer Haven	1412 Nord Avenue, Chico, CA	100.0%	6/8/2018	6.82%	\$42,780
No. 5	115.8 Miles	All Star Mobile Home Park	1200 El Camino Avenue, Sacramento, C	94.0%	6/8/2018	6.93%	\$36,232
No. 6	70.1 Miles	Riverwood MHP	841 S First St, Dunsmuir, CA	90.0%	5/9/2018	7.44%	\$32,404

SALE COMPARABLE PHOTOGRAPHS



SALE COMPARABLE 1



SALE COMPARABLE 2



SALE COMPARABLE 3



SALE COMPARABLE 4



SALE COMPARABLE 5



SALE COMPARABLE 6

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Address	165 South Main Street	3219 Gulf St	12846 Lacey Boulevard	12055 Hwy 99 W	1412 Nord Avenue	1200 El Camino Avenue	841 S First St
City, State	Red Bluff, CA	Bakersfield, CA	Hanford, CA	Red Bluff, CA	Chico, CA	Sacramento, CA	Dunsmuir, CA
Units	66	60	88	50	41	69	52
Density	9.3	17.6	10.0	16.1	14.6	18.9	5.4
Land Area (AC)	7.1	3.4	10.5	3.1	2.8	3.7	9.5
Land Area (SF)	309,711	150,282	456,944	135,036	121,968	159,430	412,949
Year Built	1970	1955	1965	1961	1965	1950	1985
Location	Fair/Average	Fair/Average	Average	Fair/Average	Average	Average	Fair/Average
Quality	Fair/Average	Average	Average	Fair/Average	Fair/Average	Fair/Average	Average
Condition	Fair/Average	Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Good
Appeal	Fair/Average	Average	Average	Fair/Average	Fair/Average	Fair/Average	Average
SALE INFORMATION							
Date		2/15/2019	1/18/2019	7/9/2018	6/8/2018	6/8/2018	5/9/2018
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Occupancy	81.8%	72.4%	83.0%	80.0%	100.0%	94.0%	90.0%
Capitalization Rate		6.34%	5.77%	6.50%	6.82%	6.93%	7.44%
NOI/Homesite	\$1,461	\$1,711	\$2,461	\$1,235	\$2,916	\$2,511	\$2,411
Transaction Price		\$1,620,000	\$3,750,000	\$950,000	\$1,754,000	\$2,500,000	\$1,685,000
Analysis Price		\$1,620,000	\$3,750,000	\$950,000	\$1,754,000	\$2,500,000	\$1,685,000
\$/Homesite		\$27,000	\$42,614	\$19,000	\$42,780	\$36,232	\$32,404
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	10%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions¹		1%	1%	3%	3%	3%	3%
Subtotal Transactional Adj Price		\$27,270	\$43,040	\$21,527	\$44,064	\$37,319	\$33,376
PROPERTY ADJUSTMENTS							
Location		0%	-30%	0%	-30%	-30%	0%
Quality		-5%	-5%	0%	0%	0%	-5%
Condition		-5%	0%	0%	0%	0%	-10%
Age		5%	0%	0%	0%	5%	-5%
Number Of Homesites		0%	0%	0%	0%	0%	0%
Density		5%	0%	5%	5%	5%	0%
Occupancy		0%	0%	0%	-15%	-10%	-10%
Subtotal Property Adjustment		0%	-35%	5%	-40%	-30%	-30%
TOTAL ADJUSTED \$/HOMESITE		\$27,270	\$27,976	\$22,603	\$26,438	\$26,123	\$23,363
STATISTICS	UNADJUSTED	ADJUSTED					
LOW	\$19,000	\$22,603					
HIGH	\$42,780	\$27,976					
MEDIAN	\$34,318	\$26,281					
AVERAGE	\$33,338	\$25,629					

¹ Market Conditions Adjustment - 3%

Date of Value (for adjustment calculations): 5/21/19

SALES COMPARABLE ANALYSIS & CONCLUSION

The comparable sales indicate an adjusted value range from \$22,603 to \$27,976/Homesite, with a median of \$26,281/Homesite and an average of \$25,629/Homesite. The range of total gross adjustment applied to the comparables was from 18% to 53%, with an average gross adjustment across all comparables of 36%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis.

The comparable sales indicate an adjusted value range from \$22,603 to \$27,976/Homesite, with a median of \$26,281/Homesite and an average of \$25,629/Homesite. Based on the results of the preceding analysis, Comparable 1 (\$27,270/Homesite adjusted) and Comparable 3 (\$22,603/Homesite adjusted) required the fewest

gross adjustments. Therefore, they are given primary consideration for the subject's opinion of value along with support from the middle of the adjusted range (median of \$26,281/Homesite and an average of \$25,629/Homesite).

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

SALES COMPARISON APPROACH CONCLUSION (\$/HOMESITE)								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	WEIGHT GIVEN
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$27,000	1%	\$27,270	0%	\$27,270	1%	21%	PRIMARY
2	\$42,614	1%	\$43,040	-35%	\$27,976	-34%	36%	SECONDARY
3	\$19,000	13%	\$21,527	5%	\$22,603	19%	18%	PRIMARY
4	\$42,780	3%	\$44,064	-40%	\$26,438	-38%	53%	SECONDARY
5	\$36,232	3%	\$37,319	-30%	\$26,123	-28%	53%	SECONDARY
6	\$32,404	3%	\$33,376	-30%	\$23,363	-28%	33%	SECONDARY
LOW	\$22,603					AVERAGE		\$25,629
HIGH	\$27,976					MEDIAN		\$26,281
			SUBJECT HOMESITES	\$/HOMESITE CONCLUSION				VALUE
INDICATED VALUE			66	x	\$25,000	=		\$1,650,000

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

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

UNIT OF COMPARISON

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

COMPARABLE SELECTION

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

ADJUSTMENT PROCESS

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

Transactional Adjustments

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

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	May 2019	(As-Is)	3%

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

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on

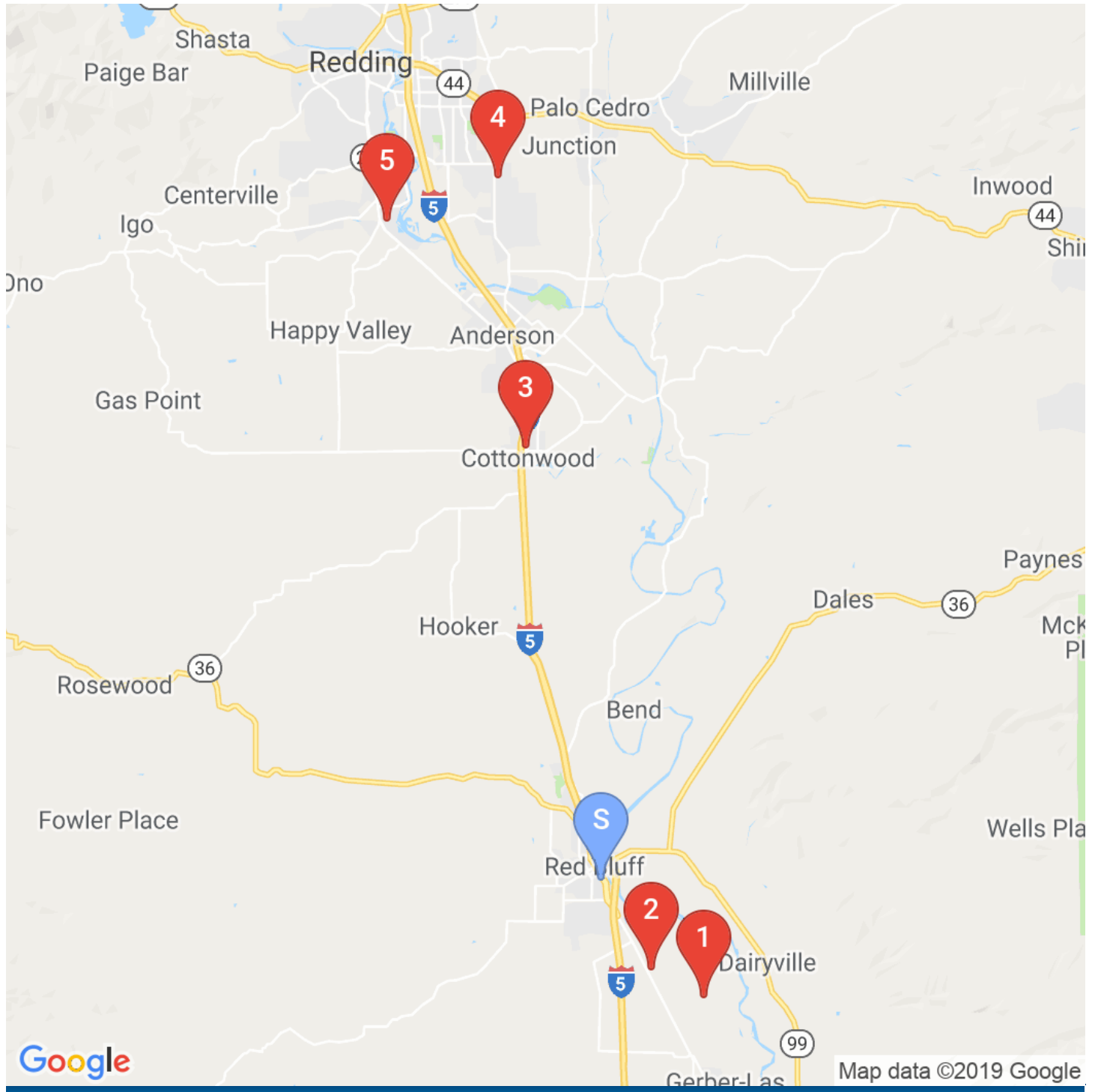
paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

PRESENTATION

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

LAND SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Address	165 South Main	Fish Road	11425 Reading	Main Street	5497 Airport Rd	8025 Eastside Rd
City	Red Bluff	Red Bluff	Red Bluff	Cottonwood	Redding	Redding
State	CA	CA	CA	CA	CA	CA
Zip	96080	96080	96080	96022	96002	96001
PHYSICAL INFORMATION						
Acres	7.11	8.26	8.93	4.86	9.60	8.98
Location	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Average
Exposure	Fair/Average	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average
Access	Average	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average
Shape	Irregular	Irregular	Rectangular	Rectangular	Rectangular	Square
Site Utility Rating	Average	Average	Average	Average	Average	Average
Zoning	C-3	Commercial	Industrial	Commercial	Commercial	Industrial
Corner	No	No	No	No	No	No
Topography	Level	Level	Level	Level	Level	Level
Street Frontage	Average	Average	Average	Average	Average	Average
SALE INFORMATION						
Date		5/22/2019	5/22/2019	5/22/2019	4/20/2018	3/31/2017
Status		Listing	Listing	Listing	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$1,000,000	\$695,000	\$325,000	\$175,000	\$269,900
Analysis Price		\$1,000,000	\$695,000	\$325,000	\$175,000	\$269,900
\$/Acre		\$121,065	\$77,828	\$66,872	\$18,229	\$30,056

LAND SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/ACRE
SUBJECT	-	165 South Main Street, Red Bluff, CA	-	7.10998623	309,711	-
No. 1	5.5 Miles	Fish Road, Red Bluff, CA	5/22/2019	8.26	359,806	\$121,065
No. 2	3.6 Miles	11425 Reading Road, Red Bluff, CA	5/22/2019	8.93	388,991	\$77,828
No. 3	15.4 Miles	Main Street, Cottonwood, CA	5/22/2019	4.86	211,702	\$66,872
No. 4	24.9 Miles	5497 Airport Rd, Redding, CA	4/20/2018	9.6	418,176	\$18,229
No. 5	24.3 Miles	8025 Eastside Rd, Redding, CA	3/31/2017	8.98	390,999	\$30,056

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Address	165 South Main	Fish Road	11425 Reading	Main Street	5497 Airport Rd	8025 Eastside Rd
City	Red Bluff	Red Bluff	Red Bluff	Cottonwood	Redding	Redding
Acres	7.11	8.26	8.93	4.86	9.60	8.98
Location	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Average
Exposure	Fair/Average	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average
Access	Average	Fair/Average	Fair/Average	Average	Fair/Average	Fair/Average
Shape	Irregular	Irregular	Rectangular	Rectangular	Rectangular	Square
Site Utility Rating	Average	Average	Average	Average	Average	Average

SALE INFORMATION

Date	5/22/2019	5/22/2019	5/22/2019	4/20/2018	3/31/2017
Status	Listing	Listing	Listing	Recorded	Recorded
Rights Transferred	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price	\$1,000,000	\$695,000	\$325,000	\$175,000	\$269,900
Price/Acre	\$121,065	\$77,828	\$66,872	\$18,229	\$30,056

TRANSACTIONAL ADJUSTMENTS

Property Rights	0%	0%	0%	0%	0%
Conditions of Sale	0%	0%	0%	0%	0%
Financing	0%	0%	0%	0%	0%
Expenditures After the Sale	0%	0%	0%	0%	0%
Market Conditions¹	-20%	-20%	-20%	3%	7%
Subtotal Transactional Adj Price	\$96,852	\$62,262	\$53,498	\$18,776	\$32,160

PROPERTY ADJUSTMENTS

Location	0%	0%	0%	0%	-10%
Size	0%	0%	0%	0%	0%
Exposure	0%	0%	-5%	0%	0%
Access	5%	5%	0%	5%	5%
Shape	0%	-5%	-5%	-5%	-5%
Site Utility Rating	0%	0%	0%	0%	0%

Subtotal Property Adjustment	5%	0%	-10%	0%	-10%
TOTAL ADJUSTED PRICE	\$101,695	\$62,262	\$48,148	\$18,776	\$28,944

STATISTICS	UNADJUSTED	ADJUSTED
LOW	\$18,229	\$18,776
HIGH	\$121,065	\$101,695
MEDIAN	\$66,872	\$48,148
AVERAGE	\$62,810	\$51,965

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 5/21/19

LAND SALES ANALYSIS & CONCLUSION

The comparable land sales indicate an adjusted value range from \$18,776 to \$101,695/Acre, with a median of \$48,148/Acre and an average of \$51,965/Acre. The range of total gross adjustment applied to the comparables was from 13% to 30%, with an average gross adjustment across all comparables of 25%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable land sale is discussed in the following paragraphs.

The comparable land sales indicate an adjusted value range from \$18,776 to \$101,695/Acre, with a median of \$48,148/Acre and an average of \$51,965/Acre. Paul Farsai, broker with California Top Brokers, is listing the land adjacent to the subject. Based on our conversation with him, he opined that commercial land in the market would most likely sell for \$50,000 - \$75,000/acre. He opined that the subject property would likely be at the lower end of that range due to the proximity to the railroad tracks and creek (within a flood zone).

Therefore, based on the results of the preceding analysis, and considering the overall gross adjustments, a conclusion near the middle of the adjusted range (median of \$48,148/Acre and an average of \$51,965/Acre) and near the low end of the range estimated by Mr. Farsai is made for this analysis.

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

CALCULATION OF LAND VALUE									
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON	
		TRANSACTIONAL¹	ADJUSTED	PROPERTY²	FINAL				
1	\$121,065	-20%	\$96,852	5%	\$101,695	-16%	25%	PRIMARY	
2	\$77,828	-20%	\$62,262	0%	\$62,262	-20%	30%	PRIMARY	
3	\$66,872	-20%	\$53,498	-10%	\$48,148	-28%	30%	PRIMARY	
4	\$18,229	3%	\$18,776	0%	\$18,776	3%	13%	PRIMARY	
5	\$30,056	7%	\$32,160	-10%	\$28,944	-4%	27%	PRIMARY	
LOW	\$18,776					AVERAGE		\$51,965	
HIGH	\$101,695					MEDIAN		\$48,148	
COMPONENT		SUBJECT ACRES		\$/ACRE CONCLUSION		VALUE			
TOTAL PROPERTY		7.11	x	\$50,000	=	\$360,000			

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process. As previously discussed, the **Cost Approach** was not presented in this analysis. The exclusion of the Cost Approach does not diminish the credibility of the value conclusion.

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

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

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

PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value. The following table summarizes our final opinion of the As-Is Market Value of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and land value.

ANALYSIS OF VALUE CONCLUSIONS

VALUATION INDICES	MARKET VALUE AS-IS
INTEREST APPRAISED	LEASED FEE
DATE OF VALUE	MAY 21, 2019
Sales Comparison Approach	\$1,650,000
Income Approach	\$1,610,000
FINAL VALUE CONCLUSION	\$1,610,000
\$/Homesite	\$24,394/Homesite
Exposure Time	Six Months or Less
Marketing Period	Six Months or Less
OTHER CONCLUSIONS	AS OF MAY 21, 2019
Land Value	\$360,000
Insurable Replacement Cost	\$30,000

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

- › The statements of fact contained in this report are true and correct.
- › The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- › The signers of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- › Robert Steed has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Jeffrey Shouse, MAI, CRE has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- › The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- › The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- › The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- › The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- › Robert Steed inspected the property that is the subject of this report. Jeffrey Shouse, MAI, CRE did not inspect the property that is the subject of this report.
- › Marc Perry provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering regional, neighborhood, zoning, and tax information, confirming some of the comparable data. Additionally, Mr. Perry assisted in the valuation analysis, under the supervision of Robert Steed.

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

As of the date of this report Jeffrey Shouse, MAI, CRE completed the continuing education program for Designated Members of the Appraisal Institute. As of the date of this report Robert Steed has completed the Standards and Ethics Education Requirement for (Candidates or Practicing Affiliates) of the Appraisal Institute.

May 22, 2019

Robert Steed
 Senior Valuation Specialist
 Certified General Real Estate Appraiser
 State of California License #AG026209
 +1 916 724 5529
 bob.steed@colliers.com

Date

May 22, 2019

Jeffrey Shouse, MAI, CRE
 Executive Managing Director
 Certified General Real Estate Appraiser
 State of California License #AG026208
 +1 916 724 5531
 jeffrey.shouse@colliers.com

Date

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

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

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

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

Insurable Replacement Cost
Engagement Letter
Preliminary Title Report
P&L Statements
Rent Roll
Subject Data
Valuation Glossary
Qualifications of Appraisers
Qualifications of Colliers International Valuation & Advisory Services

INSURABLE REPLACEMENT COST

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

The following chart summarizes the insurable replacement cost estimate:

INSURABLE REPLACEMENT COST			
MARSHALL VALUATION SERVICE DIRECT COST			
COMMON BUILDINGS			
Number of Buildings	2		
Gross Building Area	875 SF		
		1	2
Component Description		Laundry/ Restroom	Office/ Shed
MVS Section/Page/Class		17/16/D	17/16/D
Component SF (Gross)		400	200
Base Cost (Per SF)		\$22.90	\$22.90
HEIGHT & SIZE REFINEMENTS			
Number of Stories Multiplier		1.000	1.000
Height Per Story Multiplier		1.000	1.000
Area/Perimeter Multiplier		1.710	1.710
Subtotal		\$39.16	\$39.16
COST MULTIPLIERS			
Current Cost Multiplier		1.10	1.10
Local Multiplier		1.27	1.27
DIRECT COSTS PER SF		\$54.71	\$54.71
CALCULATION OF REPLACEMENT COST NEW			
Component SF (Gross)		400	200
TOTAL REPLACEMENT COST NEW		\$21,882	\$10,941
BASE IMPROVEMENT COST			\$32,823
Insurable Replacement Exclusions	10%		(\$3,282)
Insurable Replacement Cost			\$30,000

¹Colliers International Estimate

Rounded to nearest \$10,000

**JEFFREY SHOUSE
COLLIERS INTERNATIONAL
1508 EUREKA ROAD, SUITE 250
ROSEVILLE, CA 95661
(916)724-5531 – PHONE
(916)724-5631 – FAX
Jeffrey.shouse@colliers.com**

Dear Mr. Shouse,

Please prepare a summary appraisal report for the mentioned location. The bank would like the appraisal to include income, and market approach. Please address the report to the Savings Bank of Mendocino County.

Property Address:

165 S MAIN STREET, RED BLUFF, CA. 96080

APN #: 033-120-039

For additional information please contact:

Elias Weiner (Borrower)
530-400-2354

The report is to be in accordance with the minimum standards set forth in this letter and "**Savings Bank of Mendocino County** Appraisal Standards". These standards are to be incorporated as part of the scope of the appraisal. You are expected to conform to the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).

You shall sign the appraisal report as the primary appraiser and shall personally inspect the subject and each of the comparable properties used in the report. In addition, all other persons assisting in the collection of data and/or analysis of the appraisal shall be identified. Any other person signing the report shall be state licensed or certified as appropriate for the property being appraised.

Savings Bank of Mendocino County reserves the right to convey a copy of the appraisal to a third party. You may be requested to discuss the analysis in the appraisal report with the appraisal reviewer. **Upon receipt, it is the Bank's policy to have all appraisals reviewed for content and accuracy by a third party appraiser. Should the reviewer determine that the appraisal you prepare coincidental with this agreement requires reissuance due to errors in accuracy and/or methodology, you will be responsible for the cost of the follow-up review.**

The following are included to assist you in making this report:

- [] Legal description
- [] Preliminary Title Report-
- [] Plans and specifications for improvements (not optional for proposed)
- [] Operating statements/Projections:
- [] Rent roll and/or leases
- [] Cost estimates
- [] Environmental Report.
- [] Other:

Information supplied to the appraiser, which is to be considered confidential, includes the following:

This data may be identified for valuation purposes in this report only.

The real property interest(s) to be appraised are marked as follows:

- _____ Fee Simple "As Is Land"
- _____ Prospective Fee Simple "At Completion"
- _____ Prospective Leased Fee "At Completion"
- _____ Prospective Fee Simple "At Stabilized Occupancy"
- _____ Prospective Leased Fee "At Stabilized Occupancy"
- _____ Fair Value of the Fee Simple Interest
- _____ If All or Partially Owned Simple Interest
- _____ Simple Interest occupied value as if that portion were vacant.
- _____ Other: Land Value

If, in your opinion, a value estimate, which is not requested above, is applicable, it is your responsibility to contact the undersigned before proceeding.

Please put copies of the signed Engagement Letter, **Savings Bank of Mendocino County** Appraisal Standards and the Hazardous Waste and Americans With Disabilities Act Supplements in the addenda of your report. Send three copies with original signatures and photos to the attention of the undersigned. Please contact the undersigned if you have questions regarding this engagement. In accordance with our oral communication, your appraisal fee for this assignment will not exceed **\$4,500** report is to be delivered to the undersigned within 3 weeks or as soon as possible from date of signed engagement letter. **A draft of the appraisal is due in PDF form to Savings Bank by 5:00pm of the scheduled delivery date. If a formal extension has not been granted, \$200 per business day may be deducted from the contract fee for each day delayed.**

Please sign and return engagement agreement via email to ahair@savingsbank.com

Confidential Information. "You" acknowledge that all information and documents disclosed by **Savings Bank of Mendocino County** ("Bank") to You, or which comes to your attention during the course of the performance of Services under this Assignment, constitute valuable assets of and are proprietary to the Bank, and also acknowledge that the Bank has a responsibility to its customers and employees to keep the Bank's records and information confidential and proprietary.

Therefore, You agree not to disclose, either directly or indirectly, to any person, firm or corporation, information of any kind, nature or description concerning matters affecting or relating to the business of the Bank unless the information is already in the public domain.

This provision shall survive termination of this Assignment.

Your signature below evidences your acceptance of this assignment. Thank you for your consideration in performing this assignment.

I have read this engagement letter and agree to complete the appraisal assignment in accordance with these terms and instructions.

By: _____

Name: **Jeffrey Shouse, MAI, CRE**

Title: **Executive Managing Director**

Address **1508 Eureka Road, Suite 250 Roseville CA 95661**

Telephone #: **916.724.5531**

Fax #: **916.724.5631**

Signature: _____

Date of Signature: **May 7, 2019**

State Certification Number: **AG026208**

Expiration Date: **April 10, 2021**

BANK APPRAISAL STANDARDS Commercial Properties

The following requirements are minimum standards for all appraisals completed for **SAVINGS BANK OF MENDOCINO COUNTY**, with exceptions as noted.

I. FORMAT REQUIREMENTS

All appraisals shall be presented in a self-contained narrative format, with the following exceptions:

- A. Appraisals on existing income properties, which qualify for use of the most recent revision of the Uniform Commercial and Industrial Appraisal Report (UCIAR) form or the Small Residential Income Property Appraisal Report form.
- B. Appraisals on existing multi-family properties prepared on forms approved by the Federal National Mortgage Corporation (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac).
- C. Appraisals on existing proposed one-to-four family residential properties, which qualify for use of the most recent revision of the Uniform Residential Appraisal Report (URAR) form or the Small Residential Income Property Appraisal Report form. This exception does not apply to proposed tract developments.

II. MARKET VALUE

All appraisal reports requiring a fair value estimate must contain the specific definition of fair value that follows.

III. FAIR VALUE

All appraisal reports requiring a fair value estimate must contain the specific definition of fair value as follows:

The cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means the buyer and seller are each acting prudently, knowledgeably and under no necessity to buy or sell, i.e., other than in a forced or liquidation sale. A current sale is one occurring within twelve (12) months.

A reasonable marketing period is to be analyzed and reported for the subject property. Marketing time is to be included in the Letter of Transmittal. If the marketing period extends beyond one year, an appropriate market discount is to be applied to that property and a "FAIR VALUE", in addition to the market value, is to be shown in the appraisal. The fair value estimate reflects the price, which would motivate a typical market participant to purchase the subject within a 12 month period. If less than a twelve-month marketing period is estimated, "market value" and "fair value" are the same. Please itemize each value separately.

The fair value estimate should be analyzed as follows: When a current sale is unlikely the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value. Those cash flows include, but are not limited to, those arising from ownership, development, operation and sale of the property. The discount applied should reflect the appraiser's judgement of what a prudent and knowledgeable purchaser, under no necessity to buy, would be willing to pay for the property in a current sale. Whenever the appraiser believes that more than one year is necessary for a fair sale of the property, the appraiser should state and justify the estimated time and should state the annual discount rate applied. The discount should be taken back to the end of Year One to be consistent with the market value estimate, which allows a one-year marketing period.

IV. MINIMUM REPORTING REQUIREMENTS

In addition to the above, each appraisal report must, at a minimum:

- A. Conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as revised and adopted by the Appraisal Standards Board of the Appraisal Foundation, current version only, except that for purposes of federally related transactions, the Departure Provision does not apply. The appraiser is expected to know these requirements as they apply to the property being appraised.
- B. Include, in addition to the certification required by the USPAP, statements that (1) the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan, and (2) the appraiser's state registration/certification has not been revoked, suspended, cancelled or restricted.
- C. Include a legal description of the real estate being appraised, in addition to the description required by USPAP.

- D. Indicate assessed value(s), tax rate and tax amount for the subject as appraised. If not available (i.e., incomplete or proposed construction, etc.), an estimated tax amount should be indicated and supported. Comment on any taxes, which, in your opinion, are unusually high or low for the subject. Explain any affect on the subject valuation.
- E. Indicate, under the Highest and Best Use, separate analysis for the property (1) as vacant and (2) (if applicable) as improved or proposed for improvement. This includes indicating the best alternate uses of the property and listing the possible government violations, i.e., fire, zoning, building permit and codes. Indicate whether the property is a legal non-conforming use and, if any, the effect the legal non-conforming use may have on the value estimate.

This also includes indicating whether the planning and zoning department has been contacted and that you have reviewed planned developments in the immediate area, which would impact the value of the subject property. Please evaluate the impact of any "like" construction or planned construction in the market area. These, and nearby competing properties, should be inspected.
- F. Include, for each land and building sale comparable, the listing price and associated marketing time for that listing price when available. This is the information to be utilized in helping to determine an appropriate marketing time for the subject.
- G. Indicate confirmation and/or source of land sales, improved property sales and rental information. It is not sufficient to state that additional data was considered without including it in the report.
- H. Indicate calculations of cash equivalencies.
- I. Include adjustment grids, which summarize the analysis for land sales, building sales and rent comparables. Grids should show both the direction and magnitude of each adjustment as compared to the subject.
- J. Contain a copy of the flood map if located in a flood hazard area. Indicate the community panel number and the effective date of the flood zone data. Include number of buildings and the replacement value for each individual building. Identify which of the buildings are in the flood zone if applicable.
- K. Contain sufficient maps and plats to show the location of the subject and the comparables for land, improved building sales and rental properties, as applicable. Label all maps and plats with north arrows. Site plans should include, at a minimum, placement of building(s), parking areas, curb cuts and relationship to frontage road(s). Plats are required for all commercial/industrial land sale comparable if the valuation is for land only.
- L. Contain photographs of the subject property, street scenes and any items of major deferred maintenance or unusual characteristics. Include photos of all improved comparable sales and comparable rents.
- M. Include applicable state certification and/or license numbers and expiration dates in the Letter of Transmittal.
- N. Indicate any special or specific assumptions or limiting conditions applicable only to the subject property. These must (1) be set out separately from general assumptions and limiting conditions and (2) be stated in the Letter of Transmittal.
- O. Summarize all value indications in the Letter of Transmittal, Executive Summary and Final Reconciliation. Ensure that all values requested in the Letter of Engagement are itemized.
- P. Discuss any applicable water and/or mineral rights. If applicable, account for such in the value estimate.
- Q. Indicate any existing or potential wetland or other protected area. Please contact **SAVINGS BANK OF MENDOCINO COUNTY** prior to notifying any governmental agency.
- R. Complete and sign the "Hazardous Waste Supplement". If contamination exists, please contact **SAVINGS BANK OF MENDOCINO COUNTY** prior to notifying any governmental agency.
- S. **APPRAISAL MUST SPECIFY AN INSURABLE VALUE, PARCEL NUMBER AND FLOOD ZONE FOR EACH STRUCTURE ON PROPERTY.**

V. REQUIREMENTS BY PROPERTY TYPE

Different property types call for, as a rule, different specific appraisal requirements. The following descriptions represent the minimum requirements for appraisals pertaining to the specific property type.

- A. Existing Income Properties: All appraisals on existing income properties must contain a summary of actual operating statements, together with a supported forecast of the most likely future financial performance of the property. Current and historical revenue, expenses and vacancies are to be indicated and analyzed.

On all appraisal assignments that involve leases, the appraiser must review all actual leases and lease addenda and comment on their quality and value. A summary of all leases must be included in the report. If leases are not available, the rent roll must be checked with tenants for accuracy (state which tenants were surveyed). The summary must identify all salient features of the lease, including at a minimum: lessor/lessee, lease date, terms/renewals, current rent per square foot, concessions, escalations, services paid by the lessor and vacant space. The summary should also include, when applicable: beginning rent per square foot, common area maintenance (CAM) charges, purchase options, expense stops, tenant improvement allowance (TIs), percentage rents, assignability, etc.

Include the following data for all income-producing improved sales, when available: potential gross income (PGI), vacancy and collection loss, effective gross income (EGI), expenses and net operating income (NOI). All numbers are to be expressed as dollar (\$) figures, with vacancy and expense numbers also expressed as percentages (%). State the potential gross income multiplier (PGIM), effective gross income multiplier (EGIM) and over-all capitalization rate (OAR) when available. Clearly indicate whether each number is actual or estimated as it applied at the time of sale. Please indicate if the estimate is by the appraiser.

Existing income producing properties, which have not reached stabilized occupancy, require an absorption period estimate and analysis of associated expenses necessary to reach stabilized occupancy. The value is applicable for income producing properties, which have high vacancy and generate cash flows, which are currently less than the potential cash flows under a stabilized leasing scenario, or are new with a lease-up period. A detailed discounted cash flow analysis, which is reflective of the anticipated expenses, and costs involved in attaining stabilized occupancy should be included. The effective date(s) of all valuation estimates must be clearly stated.

- B. Proposed Income Properties: Projects are to be analyzed as instructed for existing income properties, as applicable.

Proposed projects shall contain a prospective value upon completion of construction and a prospective value upon reaching stabilized occupancy. The prospective values upon completion and upon reaching stabilized occupancy must be supported by a detailed discounted cash flow analysis, which takes into account all of the costs involved in achieving these value estimates. Any prospective values are to have effective valuation dates, which correspond, to the estimated date of completion and/or date when stabilized occupancy is attained. The effective date(s) must be clearly stated whenever the final valuation estimate is discussed.

- C. Discounted Cash Flow Analysis: The discounted cash flow analysis should, at a minimum, account for stabilization expenses such as marketing expenses and leasing commissions; tenant improvement costs typically provided by the lessor; operating expenses not covered by the occupied space; and any rental concessions required to achieve initial occupancy. Each tenant space must be itemized separately. There must be sufficient data and analysis provided so that the spreadsheet could readily be reconstructed by a third party.
- D. Construction Plans and Cost Estimate: The appraisal shall contain a reduced copy of pertinent building plans for the proposed project and will include an understandable, detailed and well-supported estimate of the costs involved to construct the proposed improvements within a supported time frame.
- E. Feasibility Study and Highest and Best Use: A proposed project's economic feasibility must be comprehensively analyzed and be well documented, with identification of all source materials used in the analysis. The appropriateness of the proposed development must be discussed in light of the highest and best use of the property (see Section IV, Item E).
- F. Subdivisions and Condominiums: On projects developed for sale to individual buyers the appraisal report must reflect all appropriate adjustments, deductions and discounts, and the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those that reflect all expenses associated with the disposition of the real property, and the cost of capital and entrepreneurial profit.
- G. Ground leases: When the subject property involves a ground lease, the appraisal report must include a summary of all conditions of that lease.

VI. ADDITIONAL STANDARDS

Nothing contained above shall prevent **SAVINGS BANK OF MENDOCINO COUNTY** from requiring additional appraisal standards if deemed appropriate.

SAVINGS BANK OF MENDOCINO COUNTY HAZARDOUS WASTE SUPPLEMENT

A. IDENTIFICATION

Owner's Name(s)
Property Address or Brief Description

Date of Inspection

B. STORAGE TANKS

Are there any storage tanks on the property? Yes No

If yes, please provide the following information for each tank. (Use additional pages if necessary.)

Tank #1

Tank #2

Is tank in use? Yes
 No
 Unable to determine

Is tank in use? Yes
 No
 Unable to determine

Tank is: Above ground
 Below ground

Tank is: Above ground
 Below ground

Location: _____
What is/was tank used for? _____
What is the tank size? _____

Location: _____
What is/was tank used for? _____
What is the tank size? _____

C. COLLECTION SITES

- 1. Are there any open pits or sumps? Yes No
- 2. Are there any drain water evaporation ponds? Yes No
- 3. Are there any holding ponds with chemical waste effluents? Yes No

If yes, please provide the following information for each pit/pond.

Number of pits/ponds _____
Size of each _____

- 4. Is there any evidence of pollutants in the water or around the edges of the ponds? Yes No

D. DRUMS/CONTAINERS

Are there any drums/containers (e.g., pesticides, oils, fuels, lubricants, paints, etc.)? Yes No

If yes, please provide the following on a separate attachment:

- A. A rough count by size (number of gallons) and type.
- B. Number of unlabeled drums.
- C. Evidence of spills or leaks.
- D. Location of drums.

E. PESTICIDE APPLICATION OPERATION

- 1. Is there any evidence or knowledge that any part of the property is or has been used for a pesticide application or chemical manufacturing business? Yes No

If yes, please explain on a separate sheet.

2. Is there any evidence of any hazardous waste problem which has not been described above? Yes No
If yes, please explain on a separate sheet.

F. MISCELLANEOUS

1. Is there evidence of soil contamination or other noteworthy conditions which has not been previously discussed? Yes No

If yes, please explain on a separate sheet. Examples of conditions are as follows:

- A. Gullies partially filled in or edges of mounds with containers exposed.
- B. Top soil removed and/or soil does not support the same vegetation as the surrounding area.
- C. Unexplained one inch (1") or bigger pipeline or any kind of opening with metal rim (a possible indicator of an underground storage tank).

2. Is there any evidence or knowledge of contamination from adjacent or nearby properties (e.g., property is located next to a crop duster operation or a dump site)? Yes No

If yes, please explain on a separate sheet.

G. APPRAISAL REPORT

1. Have storage and/or disposal site(s) been shown on the plat or site plan? Yes No
2. Does the existence, storage and/or disposal of any hazardous materials affect appraised value? Yes No

If yes, please indicate how the appraised value is affected.

3. This report is true and correct to the best of my/our knowledge and belief.

Date _____ Appraiser
(Primary Appraiser)

Date _____ Appraiser

By signing the above, the appraiser does not imply or represent that he/she has expertise in the field of environmental contamination.

AMERICANS WITH DISABILITIES ACT (ADA) SUPPLEMENT

The following questionnaire will help **SAVINGS BANK OF MENDOCINO COUNTY** determine the subject property's compliance or non-compliance with ADA. Please answer each question, "Yes", "No" or "Not Applicable" based on your inspection of the subject property. If explanation is needed, please attach additional sheets of paper.

EXTERIOR BARRIERS	YES	NO	N/A
1. Are there cuts to allow access through the curb from the street and/or parking area?			
2. Are parking spaces for the disabled identified and located in the most convenient access point to the facility entrance?			
3. Is there an unobstructed wheelchair route from the parking area to the facility entrance?			
4. Are ramps provided across a portion of stairs that otherwise would be impassable?			
5. Are landings at the top and bottom of ramps level and large enough to accommodate passage of a wheelchair or walker (5' x 5')?			
6. Is there at least one entrance door accessible to disabled persons?			
INTERIOR BARRIERS			
1. Is the space between two doors in a series a minimum of 48" plus the width of any door swinging into the space?			
2. If the facility has double doors, is at least one side of the double door a minimum width of 32" and does it open at least 90 degrees?			
3. Are door handles easy to grasp and can doors be easily opened with one hand?			
4. Are there overhanging objects which would obstruct a blind person?			
5. Are drinking fountains and restrooms accessible to persons in wheelchairs?			
6. If elevators are present, are controls identified by Braille?			

Signature: _____ Date: _____

Rent Roll & Recurring Charges

Property: Flying A MHP, LLC

As of 05/20/19

Tenant	ID	Unit	Unit Type	RC	SEWER	CON	Total
Flying A MHP, LLC							
Delores Lopez	3215	1	MH	231.82	22.15	0.00	253.97
Daniel Woodhurst	3216	3	MH	231.82	22.15	0.00	253.97
Mary Lou	3217	4	MH	231.82	22.15	0.00	253.97
Tina Bernice	3218	5	MH	231.82	22.15	0.00	253.97
Charlene McCall	3219	6	MH	231.82	22.15	0.00	253.97
Annetta Finney	3220	7	MH	231.82	22.15	0.00	253.97
Charles McNamee	3221	8	MH	231.82	22.15	0.00	253.97
Melissa Mignon Krick	3222	9	MH	231.82	22.15	0.00	253.97
Kelly Francis Calahan	3223	10	MH	231.82	22.15	0.00	253.97
Joaquin Valenzuela	3224	11	MH	231.82	22.15	0.00	253.97
Margarita Banderas	3225	12	MH	231.82	22.15	0.00	253.97
Francisco Parragan	3226	13	MH	231.82	22.15	0.00	253.97
Reyes Manuel	3227	14	MH	231.82	22.15	0.00	253.97
Ramiro & Claudia Lope	3228	15	MH	231.82	22.15	0.00	253.97
Pedro Tadeo	3229	16	MH	231.82	22.15	0.00	253.97
Anette Janet	3230	17	MH	231.82	22.15	0.00	253.97
Max Moreno	3231	18	MH	231.82	22.15	0.00	253.97
Jose Eliodrord	3232	19	MH	231.82	22.15	0.00	253.97
Sharon Pence	3233	21	MH	229.32	22.15	0.00	251.47
Marvin Beglau	3234	23	MH	231.82	22.15	0.00	253.97
David Gridley	3235	24	MH	231.82	22.15	0.00	253.97
Marcelino Rodriguez	3236	26	MH	231.82	22.15	0.00	253.97
Gloria Callahan	3237	27	MH	231.82	22.15	0.00	253.97
Beatrice Marie	3238	28	MH	231.82	22.15	0.00	253.97
Maria Patricia	3239	29	MH	231.82	22.15	0.00	253.97
Nava Gustavo	3240	31	MH	231.82	22.15	0.00	253.97
Michael Sumpter	3242	33	RV	254.82	22.15	0.00	276.97
Jose Joaquin	3246	37	MH	241.82	22.15	0.00	263.97
Celso & Joanna Dolore	3648	38	MH	325.00	0.00	-325.00	0.00
Carlos Dolores	3247	39	MH	241.82	22.15	0.00	263.97
Roberto Duenas	3248	40	MH	241.82	22.15	0.00	263.97
Lucia Hernandez	3249	41	MH	241.82	22.15	0.00	263.97
Jose Luis	3250	42	MH	241.82	22.15	0.00	263.97
Patricia Torres	3251	43	MH	241.82	22.15	0.00	263.97
Maria Romero	3252	45	MH	241.82	22.15	0.00	263.97
Elvis & Pauline Stout	3253	47	MH	241.82	22.15	0.00	263.97
Carlos Alonzo	3254	48	MH	241.82	22.15	0.00	263.97
Victorino Cisneros	3255	49	MH	241.82	22.15	0.00	263.97
Saul Pinzon	3256	50	MH	241.82	22.15	0.00	263.97
Sarah Martinez	3257	52	MH	241.82	22.15	0.00	263.97

Tenant	ID	Unit	Unit Type	RC	SEWER	CON	Total
Ronald Dewitt	3258	53	MH	241.82	22.15	0.00	263.97
Lara Comacho	3259	54	MH	241.82	22.15	0.00	263.97
Minerva Flores	3260	55	MH	241.82	22.15	0.00	263.97
Jose Lupe	3261	56	MH	241.82	22.15	0.00	263.97
Valentin Gerardo	3262	57	MH	241.82	22.15	0.00	263.97
Christopher Helsley	3263	58	MH	241.82	22.15	0.00	263.97
Shirley Gautier	3264	59	MH	241.82	22.15	0.00	263.97
Kaitlin & Nathaniel Hak	3265	60	MH	241.82	22.15	0.00	263.97
Thomas Garcia	3266	61	MH	241.82	22.15	0.00	263.97
Silvia & Isaac Carillo / I	3267	62	MH	241.82	22.15	0.00	263.97
Amador Florez Cruz	3268	63	MH	241.82	22.15	0.00	263.97
Richard Kingsley	3269	64	MH	241.82	22.15	0.00	263.97
Brandi Stubbe	3270	65	MH	241.82	22.15	-130.00	133.97
Ruben Duenas	3271	66	MH	261.50	22.15	0.00	283.65
Property Total				12911.64	1173.95	-455.00	13630.59
Property Counts	54	54		54	53	2	

Rent Roll & Recurring Charges (Summary)

Totals for 54 Tenants

Charge Type	Description	Customers	% Charged	% of Total \$	Amount
RC	Rent Charge	54	100.0%	94.7%	12,911.64
SEWER	Sewer	54	100.0%	8.6%	1,173.95
CON	Rent Concession	2	3.7%	-3.3%	(455.00)
Total receipts:					13,630.59

Flaming A MHP, 165 South Main Street, Red Bluff, CA 96080

Acquisition Summary	Per Space
Purchase Price	\$ 1,650,000
Assessed Value	\$ 24,242
Net Investment	\$ 1,679,959

All In Entrance Cap Rate 3.74%
Exit Cap Rate 6.50%

Number of Spaces	Total	Occupied	Vacant	Vacancy Rate
MHP	61	61	0	100.0%
RV Overighter	5	1	4	80.0%
Total	66	62	4	21.2%

Park Owned Homes (POH) 1 0 0 POH to be sold

Debt Service Assumptions	Initial Loan	Refinance
LTV	65%	65%
Term	30yr	30yr
Interest rate	6.00%	6.50%

Monthly Operations Summary

Rental Rate by Category	Base Year	BVG Bid/Est	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	STABILIZED
MH Space Rent Tier 1	212	4.0%	237	300	350	400	450	488	487	506	526	547	569	592	616	640	666	693	720	749	779	810	843	877	912	948	988	1,028	1,068	1,109	1,153	1,200	1,248
MH Space Rent Permanent		4.0%	275	355	375	425	475	494	514	534	556	578	601	625	650	676	703	731	760	791	823	855	890	925	962	1,001	1,041	1,082	1,125	1,171	1,218	1,266	
RV Space Rent Permanent		4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
RV Space Rent Temporary		4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other		4.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Gross Rental Income by Category	Base Year	BVG Bid/Est	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	STABILIZED
MH Space Rent Tier 1	69,273	61	14,457	18,300	21,350	24,400	27,450	28,548	28,690	30,728	32,113	33,397	34,793	36,122	37,567	39,070	40,633	42,258	43,948	45,706	47,535	49,436	51,413	53,470	55,609	57,833	60,146	62,552	65,054	67,656	70,363	73,177	76,104
MH Space Rent Permanent	68	2.5	1,457	1,895	2,135	2,400	2,650	2,748	2,846	2,944	3,042	3,140	3,238	3,336	3,434	3,532	3,630	3,728	3,826	3,924	4,022	4,120	4,218	4,316	4,414	4,512	4,610	4,708	4,806	4,904	5,002	5,100	5,200
RV Space Rent Permanent			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
RV Space Rent Temporary			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Net Rental Income	Base Year	BVG Bid/Est	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	STABILIZED
MH Space Rent Tier 1	69,273	61	14,457	18,300	21,350	24,400	27,450	28,548	28,690	30,728	32,113	33,397	34,793	36,122	37,567	39,070	40,633	42,258	43,948	45,706	47,535	49,436	51,413	53,470	55,609	57,833	60,146	62,552	65,054	67,656	70,363	73,177	76,104
MH Space Rent Permanent	68	2.5	1,457	1,895	2,135	2,400	2,650	2,748	2,846	2,944	3,042	3,140	3,238	3,336	3,434	3,532	3,630	3,728	3,826	3,924	4,022	4,120	4,218	4,316	4,414	4,512	4,610	4,708	4,806	4,904	5,002	5,100	5,200
RV Space Rent Permanent			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
RV Space Rent Temporary			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Other Income	Base Year	BVG Bid/Est	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	STABILIZED
Electric (95% pass through of cost which is for 30 homes)	24,492	2.0%	2,341	2,388	2,436	2,484	2,534	2,585	2,637	2,689	2,743	2,798	2,854	2,911	2,969	3,029	3,089	3,151	3,214	3,278	3,344	3,411	3,479	3,548	3,619	3,692	3,766	3,841	3,918	3,996	4,076	4,158	
Trash (95% pass through of cost \$14.73 per space - Yr 1)	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	
Water (95% pass through of cost \$20.08 per space - Yr 1)	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	
Electric	2,449	2.0%	234.1	238.8	243.6	248.4	253.4	258.5	263.7	268.9	274.3	279.8	285.4	291.1	296.9	302.9	308.9	315.1	321.4	327.8	334.4	341.1	347.9	354.8	361.9	369.2	376.6	384.1	391.8	399.6	407.6	415.8	
Trash	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	
Water	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	

Total Other Income	Base Year	BVG Bid/Est	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	STABILIZED
Electric (95% pass through of cost which is for 30 homes)	24,492	2.0%	2,341	2,388	2,436	2,484	2,534	2,585	2,637	2,689	2,743	2,798	2,854	2,911	2,969	3,029	3,089	3,151	3,214	3,278	3,344	3,411	3,479	3,548	3,619	3,692	3,766	3,841	3,918	3,996	4,076	4,158	
Trash (95% pass through of cost \$14.73 per space - Yr 1)	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	
Water (95% pass through of cost \$20.08 per space - Yr 1)	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	
Electric	2,449	2.0%	234.1	238.8	243.6	248.4	253.4	258.5	263.7	268.9	274.3	279.8	285.4	291.1	296.9	302.9	308.9	315.1	321.4	327.8	334.4	341.1	347.9	354.8	361.9	369.2	376.6	384.1	391.8	399.6	407.6	415.8	
Trash	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	
Water	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,533	1,564	1,595	1,627	1,660	1,693	1,727	

Total Other Income	Base Year	BVG Bid/Est	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	STABILIZED
Electric (95% pass through of cost which is for 30 homes)	24,492	2.0%	2,341	2,388	2,436	2,484	2,534	2,585	2,637	2,689	2,743	2,798	2,854	2,911	2,969	3,029	3,089	3,151	3,214	3,278	3,344	3,411	3,479	3,548	3,619	3,692	3,766	3,841	3,918	3,996	4,076	4,158	
Trash (95% pass through of cost \$14.73 per space - Yr 1)	14,591	2.0%	972.39	991.84	1,012	1,032	1,053	1,074	1,095	1,117	1,139	1,162	1,185	1,209	1,233	1,258	1,283	1,309	1,335	1,362	1,389	1,4											

Frost, Frost & Sons
Profit & Loss
 January through December 2017

	Jan - Dec 17
Ordinary Income/Expense	
Income	
Rental Income	140,072.22
Total Income	140,072.22
Gross Profit	140,072.22
Expense	
Mobile Home Park Expenses	
Accounting	430.00
Advertising	130.00
Bank Charges	48.65
Donation	25.00
Dues/Subscriptions	471.39
Fuel	612.50
Insurance	2,699.34
Interest	2,764.64
Licenses/Permits	1,425.30
Maintenance	3,338.65
Meeting Expenses - Meals	417.92
Office Supplies	615.30
Professional Services	850.00
Property Taxes	3,561.84
Repairs	12,146.43
Supplies	725.56
Taxes/Licenses	548.00
Tools	1,610.51
Utilities	
Cable	2,141.65
Garbage	12,042.27
Gas/Electric	28,992.64
Internet Service	443.40
Telephone	936.44
Water/Sewer	24,362.38
Total Utilities	68,918.78
Vehicle Maintenance/Repairs	1,011.77
Total Mobile Home Park Expenses	102,351.58
Ranch Expenses	
IMPROVEMENTS-BUILDING	1,045.07
Improvements-Electric	1,382.56
Insurance	770.28
Property Taxes	433.08
Storage Unit	2,042.00
Taxes/Licenses	784.27
Telephone	2,134.76
Utilities	870.52
Total Ranch Expenses	9,462.54
Total Expense	111,814.12
Net Ordinary Income	28,258.10
Other Income/Expense	
Other Income	
Interest Income	0.10
Total Other Income	0.10

Frost, Frost & Sons
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>
Other Expense	
Credit Cards - Personal	0.10
Total Other Expense	<u>0.10</u>
Net Other Income	<u>0.00</u>
Net Income	<u><u>28,258.10</u></u>

Frost, Frost & Sons
Profit & Loss
 January through December 2016

	Jan - Dec 16
Ordinary Income/Expense	
Income	
Rental Income	123,410.14
Total Income	123,410.14
Gross Profit	123,410.14
Expense	
Mobile Home Park Expenses	
Accounting	565.00
Advertising	170.00
Bank Charges	77.72
Donation	200.00
Dues/Subscriptions	427.97
Insurance	1,721.16
Interest	2,100.62
Licenses/Permits	1,517.30
Maintenance	2,015.90
Meeting Expenses - Meals	369.68
Office Supplies	1,004.98
Property Taxes	3,422.86
Repairs	4,992.06
Supplies	497.16
Taxes/Licenses	353.79
Tools	740.67
Utilities	
Cable	2,405.46
Garbage	10,713.67
Gas/Electric	24,575.80
Internet Service	477.10
Telephone	1,321.00
Water/Sewer	27,305.18
Total Utilities	66,798.21
Total Mobile Home Park Expenses	86,975.08
Ranch Expenses	
Improvements-Grading	7,100.00
Insurance	1,227.36
Property Taxes	500.40
Repairs/Maintenance	176.07
Storage Unit	1,320.00
Taxes/Licenses	269.00
Telephone	1,666.33
Tools	1,256.88
Utilities	911.04
Vehicle Maintenance/Repairs	3,408.86
Total Ranch Expenses	17,835.94
Total Expense	104,811.02
Net Ordinary Income	18,599.12
Other Income/Expense	
Other Income	
Interest Income	0.21
Total Other Income	0.21
Other Expense	
Credit Cards - Personal	0.00
Total Other Expense	0.00
Net Other Income	0.21
Net Income	18,599.33

Frost, Frost & Sons Profit & Loss January through December 2015

	Jan - Dec 15
Ordinary Income/Expense	
Income	
Cattle Income	8,898.53
Rental Income	129,519.41
Total Income	138,417.94
Cost of Goods Sold	
Cattle Sales Cost	
Beef Council	6.00
Brand Inspection	7.50
Commission	266.96
Insurance	8.90
Yardage	10.50
Total Cattle Sales Cost	299.86
Total COGS	299.86
Gross Profit	138,118.08
Expense	
Cattle Expenses	
Feed	335.28
Total Cattle Expenses	335.28
Mobile Home Park Expenses	
Accounting	550.00
Advertising	157.00
Bank Charges	114.45
Donation	200.00
Dues/Subscriptions	368.37
Insurance	1,748.18
Interest	3,207.00
Licenses/Permits	1,330.60
Maintenance	3,145.61
Meeting Expenses - Meals	164.21
Office Supplies	1,354.25
Property Taxes	1,744.03
Repairs	11,029.93
Supplies	423.34
Taxes/Licenses	380.00
Tools	774.94
Utilities	
Cable	2,083.75
Garbage	11,505.63
Gas/Electric	20,000.26
Internet Service	384.45
Telephone	1,190.54
Water/Sewer	20,771.33
Total Utilities	55,935.96
Total Mobile Home Park Expenses	82,627.87
Ranch Expenses	
Fuel	5,210.50
Insurance	1,286.69
Repairs/Maintenance	676.67
Storage Unit	1,336.33
Taxes/Licenses	879.67
Telephone	2,419.49
Tools	249.35

5:48 PM
12/08/18
Cash Basis

Frost, Frost & Sons
Profit & Loss
January through December 2015

	<u>Jan - Dec 15</u>
Utilities	52.00
Vehicle Maintenance/Repairs	2,145.04
Total Ranch Expenses	<u>14,255.74</u>
Total Expense	<u>97,218.89</u>
Net Ordinary Income	40,899.19
Other Income/Expense	
Other Income	
Interest Income	1.26
Total Other Income	<u>1.26</u>
Other Expense	
Credit Cards - Personal	0.00
Total Other Expense	<u>0.00</u>
Net Other Income	<u>1.26</u>
Net Income	<u><u>40,900.45</u></u>

60 Day Notice to Separate Water Utility

Flying A Mobile Home Park

c/o BoaVida Communities
3511 Del Paso Road #160 147
Sacramento, CA 95835

Date: 4/25/2019

To All Community Residents,

Water charges are currently included in your monthly rental rate. In accordance with California Civil Code 798.41, these **charges will become separately listed on your monthly billing statement beginning July 1st, 2019.**

On July 1st, you will notice your new monthly rent rate will be reduced by the average monthly cost of the water utility per space over the past 12 months average park usage. At the same time, we will be adopting the City of Red Bluff's water rates per space, listed separately on your rent statement as a "Water Utility" charge.

Moving forward, water utility charges will no longer be averaged out and shared by all residents in the park across the high and low users but charged individually per the newly installed water meters (3/4" or .75 rate). The rate schedule can be found on the City of Red Bluff's web site per the below link:

<http://www.cityofredbluff.org/citydepartments/finance/utilities.php>

A copy of this available online rate schedule from the city is also available from management by request.

It's helpful to know that metered utilities are billed AFTER usage. As always, meters will be read on the 15th of each month. Therefore, the amounts of all utilities to be billed on July 1st will be the result of meter reading dates of 5/15 to 6/15.

Thank you for your continued tenancy at Flying A Mobile Home Park.

Sincerely,

Park Management

90 Day Notice of Rent Increase

Flying A Mobile Home Park

c/o BoaVida Communities
3511 Del Paso Road #160 147
Sacramento, CA 95835

Date: 4/25/2019

To All Community Residents,

As the new management company of Flying A Mobile Home Park, BoaVida Communities has been spending time and resources cleaning up, and improving our community as outlined in last month's introduction letter. This will continue for the next few years as we make the park safer, cleaner, and more friendly for all residents.

BoaVida Communities plans to keep rates low, yet current, and consistent with comparable market rates. As you may know, there are a few other mobile home parks in the area with average rents typically between \$375-\$450. As such, we plan to adjust Flying A MHP rental rates in annual stages gradually, in a careful way for our existing residents, in compliance with CA Mobile Residency Law, and according to our standards as a concerned company.

Please be advised, per the terms and conditions of your Rental Agreements and California Civil Coded Section 798.30, your new monthly space rent will become **\$287.00 effective August 1st**, 2019.

Thank you for your continued tenancy at Flying A Mobile Home Park. We look forward to continued service to you and improvement of the Flying A community for all.

Sincerely,

Park Management

Title Information:

Title Number: P-306527

Placer Title Company

955 Main Street, Suite A

Red Bluff, CA 96080

Attn: Tehama County Title Only Department

Phone: (530)527-3335

Fax: (530)527-5578

Escrow Information:

Escrow Number: 0114000592-SH

Old Republic Title Company

1000 Burnett Avenue, Suite 400

Concord, CA 94520

Attn: Sean Hamilton

Phone: (925)687-7880

Fax: (925)687-4836

Proposed Insured:

Proposed Loan Amount:

Proposed Sales Price: \$1,600,000.00

Proposed Buyer(s): Eli Weiner

Proposed Underwriter: Old Republic National Title Insurance Company

Property Address: 165 South Main Street, Red Bluff, CA 96080

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, Placer Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated: December 17, 2018 at 7:30AM

Title Officer: Teri Pitner

The form of policy of title insurance contemplated by this report is:

2006 ALTA Standard Owners Policy

2006 ALTA Standard Loan Policy

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee Simple

Title to said estate or interest at the date hereof is vested in:

Leslie T. Frost, a married man, as his sole and separate property

The land referred to in this report is described as follows:

See Exhibit "A" Attached for Legal Description

Exhibit "A"

Legal Description

The land described herein is situated in the State of California, County of Tehama, City of Red Bluff, described as follows:

PARCEL 1 OF SECTION 29, TOWNSHIP 27 NORTH, RANGE 3 WEST, MOUNT DIABLO BASE AND MERIDIAN, AS THE SAME IS SHOWN ON PARCEL MAP NO. 840 FILED IN THE TEHAMA COUNTY RECORDER'S OFFICE NOVEMBER 5, 1976 IN BOOK 3 OF PARCEL MAPS AT PAGE 110.

APN: 033-120-039-000

EXCEPTIONS

At the date hereof, exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5, (commencing with Section 75) of the Revenue and Taxation Code, of the State of California.
2. Rights and easements, including but not limited to, recreation, navigation and fishery, which may exist over that portion of said land lying beneath the waters of Reeds Creek.
3. An easement over said land for right of way and incidental purposes, as conveyed to City of Red Bluff, in deed recorded December 10, 1954, [BOOK 263 PAGE 513](#) Official Records.

No representation is made as to the current ownership of said easement.

4. An easement over said land for sewer line and easemtn and incidental purposes, as conveyed to City of Red Bluff, in deed recorded December 10, 1954, [BOOK 263 PAGE 515](#), Official Records.

No representation is made as to the current ownership of said easement.

5. An easement over said land for electrical facilities and incidental purposes, as conveyed to Pacific Gas and Electric Company, a California corporation, in deed recorded June 26, 1961, [BOOK 393 PAGE 359](#), Official Records.

No representation is made as to the current ownership of said easement.

6. An easement over said land for electrical facilities and incidental purposes, as conveyed to Pacific Gas and Electric Company, a California corporatoin, in deed recorded December 18, 1968, [BOOK 520 PAGE 126](#), Official Records.

No representation is made as to the current ownership of said easement.

7. An easement over said land for communication facilities and incidental purposes, as conveyed to Pacific Telephone and Telegraph Company, in deed recorded March 26, 1970, [BOOK 545 PAGE 590](#), Official Records.

No representation is made as to the current ownership of said easement.

8. An easement over said land for communication and electrical facilities and incidental purposes, as conveyed to Pacific Gas and Electric Company and The Pacific Telephone and Telegraph Company, in deed recorded July 19, 1973, [BOOK 624 PAGE 233](#), Official Records.

No representation is made as to the current ownership of said easement.

9. An easement over said land for 5 foot sewer line and incidental purposes, as reserved by Otis R. Fish, Jr., who acquired title as Otis R. Fish and Imogene M. Fish, in deed recorded November 9, 1976, [BOOK 699 PAGE 302](#), Official Records.

No representation is made as to the current ownership of said easement.

- 10. Covenants, conditions and restrictions as contained in the deed from Otis R. Fish and Imogene M. Fish, husband and wife, recorded February 21, 1980, [BOOK 816 PAGE 559](#), Official Records.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

- 11. Deed of Trust to secure an indebtedness of \$100,000.00, dated August 4, 1998, recorded September 4, 1998, [BOOK 1816 PAGE 137](#), Official Records.

Trustor: Leslie Thomas Frost
 Trustee: Northern California Title Company
 Beneficiary: Linda Ann Frost
 Loan No.: None Shown

- 12. RIGHTS INCIDENTAL TO ANY CLAIM OF OWNERSHIP BY THE UNION PACIFIC RAILROAD COMPANY, TO ANY PORTION OF THE HEREIN DESCRIBED PROPERTY, WHICH BOUNDARIES MAY BE DISCLOSED ON VARIOUS RAILROAD MAPS.

- 13. THE FOLLOWING MATTERS AS DISCLOSED BY MAP FILED JANUARY 4, 1977, IN (BOOK) S OF SURVEYS, (PAGE) 62, OFFICIAL RECORDS:

NON-ACCESS STRIP OVER THE SOUTHEASTERLY BOUNDARY LINE.

THE FOLLOWING AFFECT MOBILE HOMES LOCATED ON SUBJECT LAND.

- 14. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$16.94 Delinquent
 2nd Installment: \$15.40 Due
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$3,000.00
 Exemption Amount: \$0.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 12

15. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$0.00 Paid
 2nd Installment: \$0.00 Paid
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$-1,600.00
 Exemption Amount: \$1,600.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 16

16. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$5.64 Delinquent
 2nd Installment: \$5.13 Due
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$1,000.00
 Exemption Amount: \$0.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 19

17. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$0.00 Paid
 2nd Installment: \$0.00 Paid
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$-5,000.00
 Exemption Amount: \$5,000.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 29

18. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$0.00 Paid
 2nd Installment: \$0.00 Paid
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$6,600.00
 Exemption Amount: \$6,600.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 37

19. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$16.94 Delinquent
 2nd Installment: \$15.40 Due
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$3,000.00
 Exemption Amount: \$7,000.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 39

20. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$16.94 Delinquent
 2nd Installment: \$15.40 Due
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$3,000.00
 Exemption Amount: \$7,000.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 44

21. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$11.28 Delinquent
 2nd Installment: \$10.26 Due
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$2,000.00
 Exemption Amount: \$0.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 48

22. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$14.11 Delinquent
 2nd Installment: \$12.83 Due
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$2,500.00
 Exemption Amount: \$0.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 51

23. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$0.00 Paid
 2nd Installment: \$0.00 Paid
 Parcel Number: 033-120-039-000
 Code Area: 002-001
 Land Value: \$0.00
 Imp. Value: \$0.00
 Total Value: \$-5,000.00
 Exemption Amount: \$5,000.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 55

24. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$10.26 Paid
2nd Installment: \$10.26 Paid
Parcel Number: 033-120-039-000
Code Area: 002-001
Land Value: \$0.00
Imp. Value: \$0.00
Total Value: \$2,000.00
Exemption Amount: \$7,000.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 57

25. Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment: \$0.00 Paid
2nd Installment: \$0.00 Paid
Parcel Number: 033-120-039-000
Code Area: 002-001
Land Value: \$0.00
Imp. Value: \$0.00
Total Value: \$0.00
Exemption Amount: \$1,500.00

Note: First Installment is due November 1 and delinquent December 10. Second Installment is due February 1 and delinquent April 10.

Mobile Home, Space 61

***** SPECIAL INFORMATION *****

*** CHAIN OF TITLE REPORT:

According to the public records, no deeds conveying the property described in this report have been recorded within a period of 2 years prior to the date of this report, except as shown herein:

GRANT DEED TO LESLIE T. FROST, A MARRIED MAN, AS HIS SOLE AND SEPARATE PROPERTY, RECORDED FEBRUARY 28, 2017 AS INSTRUMENT NO. 2017002387, OFFICIAL RECORDS OF TEHAMA COUNTY.

*** LENDER'S SUPPLEMENTAL ADDRESS REPORT:

The above numbered report is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association Loan Form Policy:

Placer Title Company states that the herein described property is A MOBILE HOME PARK and that the property address is:

165 South Main Street, Red Bluff, CA 96080

***NOTICE REGARDING MAPS

Any maps provided herewith are for reference only. The property and/or easements shown are but approximations, and no assurances are given as to accuracy, reliability, dimensions or acreage. This will not limit the coverage provided by a CLTA 116, 116.1 or 116.03 endorsement if issued to the policy.

*** NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:

IMPORTANT NOTICE- ACCEPTABLE TYPE OF FUNDS

Please be advised that in accordance with the provisions of the California Insurance Code, Section 12413.1, any funds deposited for the closing must be deposited into the escrow depository and cleared prior to disbursement. Funds deposited by wire transfer may be disbursed upon receipt. Funds deposit via cashier's checks drawn on a California based bank may be disbursed the next business day. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

IMPORTANT NOTE: PLEASE BE ADVISED THAT ESCROW HOLDER DOES NOT ACCEPT CASH, MONEY ORDERS, ACH TRANSFERS, OR FOREIGN CHECKS.

PLEASE CONTACT ESCROW REGARDING QUESTIONS ON TYPE OF FUNDS REQUIRED IN ORDER TO FACILITATE THE PROMPT CLOSING OF THIS TRANSACTION.

NOTE: If you intend to remit multiple cashier's checks to close your escrow (which may or may not include gift funds or third party funds) IRS cash reporting under IRS Code 8300 may be required. For this reason, you may wish to consider wiring funds in lieu of remitting cashier's checks.

NOTE: (For proration purposes only)

Taxes, special and general, assessment districts and service areas for the Fiscal Year 2018-2019:

1st Installment:	\$1,808.46	PAID
2nd Installment:	\$1,808.46	PAID
Parcel Number:	033-120-039-000	
Code Area:	002-001	
Land Value:	\$81,192.00	
Improvements:	\$262,004.00	
Exemption:	\$7,000.00	

NOTE: Also shown below, for informational purposes only, are appurtenances which appear to benefit said land. They may be included on the deed to be recorded but no assurance is being given as to the location, validity, ownership or effect of said appurtenances:

TOGETHER WITH AN EASEMENT FOR UNDERGROUND WATER LINE FOR FIRE PROTECTION PURPOSES OVER, UNDER AND ACROSS A STRIP OF LAND 10 FEET IN WIDTH LYING WITHIN PARCEL 2 OF PARCEL MAP NO. 840 FILED IN THE TEHAMA COUNTY RECORDER'S OFFICE, NOVEMBER 5, 1976 IN BOOK 3 OF PARCEL MAPS, AT PAGE 110, BEING A PORTION OF SECTION 29, TOWNSHIP 27 NORTH, RANGE 3 WEST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, THE CENTERLINE OF WHICH RUNS FROM THE

NORTHWEST CORNER OF PARCEL 1 OF PARCEL MAP NO. 367 FILED IN THE TEHAMA COUNTY RECORDER'S OFFICE, JUNE 7, 1973, IN BOOK 1 OF PARCEL MAPS, AT PAGE 130; THENCE IN A NORTHWESTERLY DIRECTION ACROSS SAID PARCEL 2 OF SAID PARCEL MAP NO. 840, 89 FEET, MORE OR LESS, TO A POINT IN THE SOUTHEASTERLY LINE OF PARCEL 1 OF SAID PARCEL MAP NO. 840, SAID POINT BEING NORTH 69° 30' 02" EAST, 619.62 FEET FROM THE MOST SOUTHERLY CORNER OF SAID PARCEL 1 OF SAID PARCEL MAP NO. 840. THE SIDE LINES OF SAID STRIP SHALL BE SHORTENED OR LENGTHENED TO EXTEND FULLY ACROSS SAID PARCEL 2 OF SAID PARCEL MAP NO. 840.

SAID STRIP OF LAND SHALL BE APPURTENANT TO PARCEL 1 OF SAID PARCEL MAP NO. 840. SAID UNDERGROUND WATER LINE SHALL BE CONSTRUCTED AT LEAST 4 FEET BELOW THE SURFACE OF THE LAND. GRANTOR FURTHER RESERVES UNTO THEMSELVES AND THEIR SUCCESSORS IN INTEREST THE RIGHT, POWER AND PRIVILEGE OF CONSTRUCTING PERMANENT BUILDINGS AND FIXTURES OVER, ABOVE AND ALONG SAID EASEMENT.

***** DISCLOSURE OF DISCOUNTS *****

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title Company and the property is your primary residence; or
2. The transaction is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

***** LENDER'S NOTE *****

In accordance with Executive Order 13224, and the USA Patriot Act, **PLACER TITLE COMPANY** compares the names of parties to the proposed transaction to the Specially Designated Nationals and Blocked Persons (SDN List) maintained by the United States Office of Foreign Asset Control.

***** BUYER'S NOTE *****

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters exception under (a), (b) or (c) are shown by the public records.
3. Any rights, interest or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

CLTA PRELIMINARY REPORT FORM
Attachment One (Rev 06-05-14)
CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I (continued)

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a) building; b) zoning; c) land use; d) improvements on the Land; e) land division; and f) environmental protection. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records; b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c) that result in no loss to You; or d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right: a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b) in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

EXCLUSIONS FROM COVERAGE (continued)

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

EXCLUSIONS FROM COVERAGE (continued)

3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

NOTICE
FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445), Revised by the Path Act of 2015, These changes may be reviewed in full in H.R. 2029, now known as Public Law 114-113. See Section 324 of the law for the full text of FIRPTA changes. Effective February 27, 2016, the amendments to FIRPTA contained in the PATH Act have increased the holdback rate from 10% of gross proceeds to 15% of gross proceeds of the sale, regardless of whether the actual tax due may exceed (or be less than) the amount withheld if ANY of the following conditions are met:

1. If the amount realized (generally the sales price) is \$300,000 or less, and the property will be used by the Transferee as a residence (as provided for in the current regulations), no monies need be withheld or remitted to the IRS.
 2. If the amount realized exceeds \$300,000 but does not exceed \$1,000,000, and the property will be used by the Transferee as a residence, (as provided for in the current regulations) then the withholding rate is 10% on the full amount realized (generally the sales prices)
 3. If the amount realized exceeds \$1,000,000, then the withholding rate is 15% on the entire amount, regardless of use by the Transferee. The exemption for personal use as a residence does not apply in this scenario.
- If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445.

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is \$25.00 payable to the escrow holder.

CALIFORNIA WITHHOLDING

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price or an alternative withholding amount certified to by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller, OR
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00), OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
 - a. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
 - b. The seller (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
 - c. The seller has a loss or zero gain for California income tax purposes on this sale; or
 - d. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
 - e. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
 - f. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of Business in California; or
 - g. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership of LLC; or
 - h. The seller is a tax-exempt entity under either California or federal law; or
 - i. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
 - j. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
 - k. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
 - l. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

**NOTICE
DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE**

Unless you elect otherwise (as described below), all funds received by (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of \$50.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.

Funds deposited in an interest-bearing account will be withdrawn from such account and deposited in the Company's general escrow trust account approximately two business days prior to the scheduled close of escrow or other disbursement of such funds. If you wish to have your funds placed in an interest-bearing account (with an accompanying charge of \$50.00), please mark below and sign and return this form to your escrow officer. In addition, you must complete and return IRS Form W-9. If you do not want to have your funds deposited in an interest-bearing account, you do not need to sign or return this notice and the Company will understand you to have elected to have your funds deposited in a non-interest bearing account. If you change your mind and later wish to have your funds placed in an interest-bearing account, please contact your escrow officer.

The funds you deposit are insured only to the limit provided by the Federal Deposit Insurance Corporation.

PLEASE CONSIDER THIS MY/OUR INSTRUCTION TO PLACE MY/OUR DEPOSIT(S) IN A SEGREGATED, INTEREST BEARING ACCOUNT. I/WE UNDERSTAND THAT AN ADDITIONAL FEE OF \$50.00 WILL BE CHARGED FOR THIS SERVICE. I/WE HAVE READ AND UNDERSTAND ALL OF THE ABOVE INFORMATION.

Signature

Social Security Number

Date

Signature

Social Security Number

Date

PRIVACY POLICY NOTICE

Purpose Of This Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document which notifies you of the privacy policies and practices of:

AGTIC Title Insurance Company
American Guaranty Title Insurance Company
Montana Title and Escrow Company
National Closing Solutions
National Closing Solutions of Alabama, LLC
National Closing Solutions of Arkansas, LLC
North Idaho Title Insurance Company
North American Title Insurance Company

Old Republic National Title Insurance Company
Placer Title Company
Placer Title Insurance Agency of Utah
Stewart Title Guaranty Company
Stewart Title Insurance Company
Westcor Land Title Insurance Company
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as an application or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

We do not disclose any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

PRIVACY POLICY NOTICE

Purpose Of This Notice

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Montana Title and Escrow Company
National Closing Solutions, Inc.
National Closing Solutions of Alabama, LLC
National Closing Solutions of Maryland, Inc.
Texas National Title

Placer Title Company
Placer Title Insurance Agency of Utah
Premier Title Agency
North Idaho Title Insurance Company
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as an application or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information we receive from others involved in your transaction, such as the real estate agent or lender.

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- Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

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We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions	Go to www.oldrepublictitle.com (<i>Contact Us</i>)
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Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.
What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit http://www.OldRepublicTitle.com/newnational/Contact/privacy .
How does Old Republic Title collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you. <p>State laws and individual companies may give you additional rights to limit sharing. See the "Other important information" section below for your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> • Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • Old Republic Title does not share with non-affiliates so they can market to you
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you.

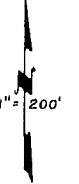
- Old Republic Title doesn't jointly market.

Other Important Information

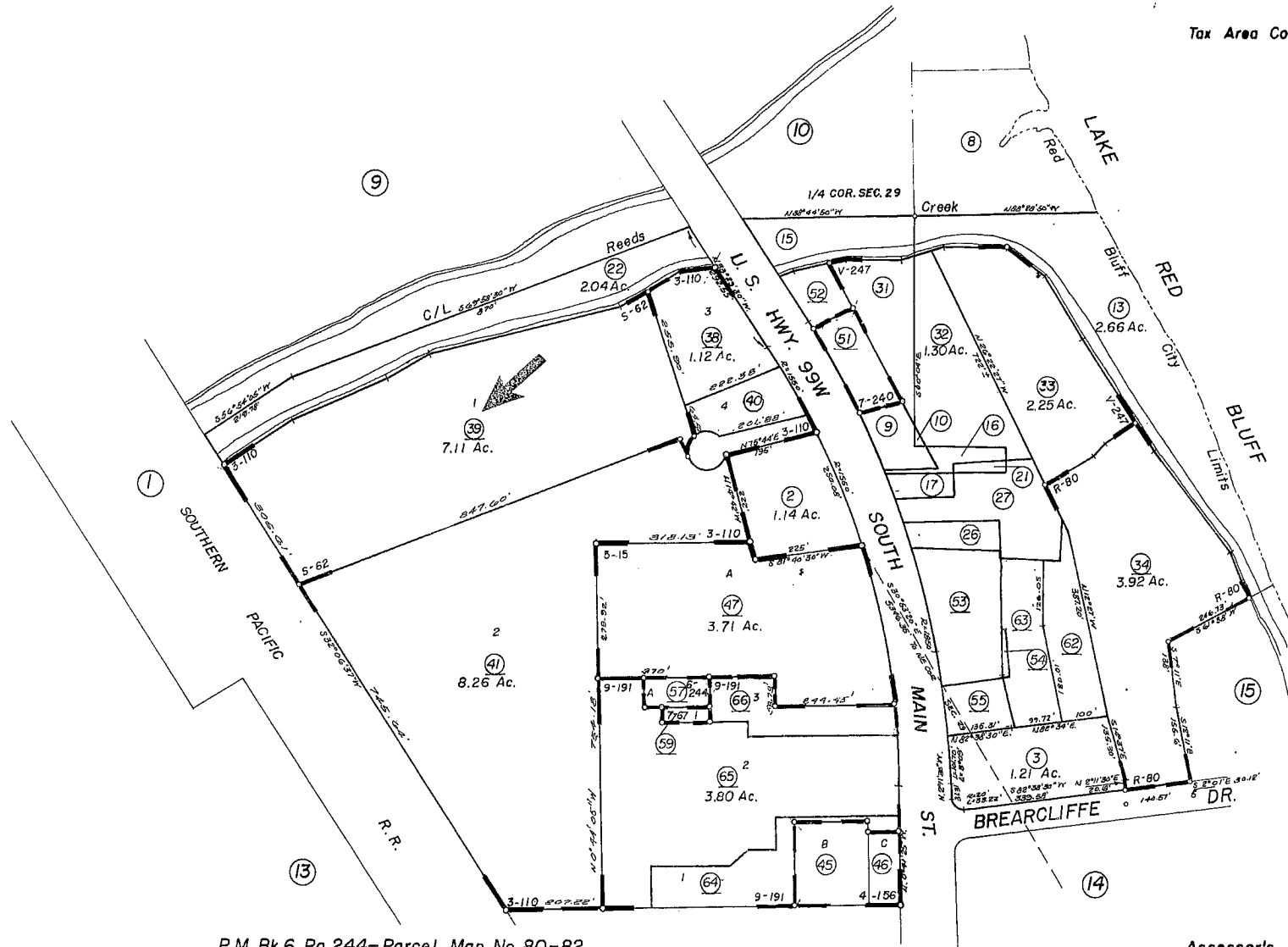
Oregon residents only: We are providing you this notice under state law. We may share your personal information (described on page one) obtained from you or others with non-affiliate service providers with whom we contract, such as notaries and delivery services, in order to process your transactions. You may see what personal information we have collected about you in connection with your transaction (other than personal information related to a claim or legal proceeding). To see your information, please click on "Contact Us" at www.oldrepublictitle.com and submit your written request to the Legal Department. You may see and copy the information at our office or ask us to mail you a copy for a reasonable fee. If you think any information is wrong, you may submit a written request online to correct or delete it. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

Affiliates Who May be Delivering This Notice

American First Abstract, LLC	American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.
eRecording Partners Network, LLC	Genesis Abstract, LLC	Kansas City Management Group, LLC	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mara Escrow Company	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Exchange Company	Old Republic National Title Insurance Company	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Co.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	The Title Company of North Carolina	Title Services, LLC
Trident Land Transfer Company, LLC				



Bk. 41



P.M. Bk. 6, Pg. 244 - Parcel Map No. 80-82

P.M. Bk. 3, Pg. 110 - Parcel Map No. 840

P.M. Bk. 3, Pg. 157 - Parcel Map No. 77-15

P.M. Bk. 4, Pg. 156 - P.M. No. 77-248

P.M. Bk. 5, Pg. 15 - P.M. No. 78-1

P.M. Bk. 7, Pg. 240 P.M. No. 78-268 Amended

P.M. Bk. 9, Pg. 191 - P.M. No. 90-57

P.M. Bk. 7, Pg. 67 - P.M. No. 81-27

R.S. Bk. S, Pg. 62

R.S. Bk. R, Pg. 80

R.S. Bk. V, Pg. 247

NOTE - Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

Assessor's Map Bk. 33 - Pg. 12

County of Tehama, Calif.



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www.colliers.com

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

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

Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition (USPAP).

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

Absolute Net Lease

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

Ad Valorem Tax

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

Aggregate of Retail Values (ARV)

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

Arm's-length Transaction

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

As-Is Market Value

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

Assessed Value

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

Average Daily Room Rate (ADR)

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

Band of Investment

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

Cash-Equivalent Price

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

Common Area

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

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Contract Rent

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

Cost Approach

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

Curable Functional Obsolescence

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

Debt Coverage Ratio (DCR)

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

Deferred Maintenance

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

Depreciation

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

Direct Costs

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

Discounted Cash Flow (DCF) Analysis

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

Discount Rate

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

Disposition Value

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

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

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

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

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

Easement

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

Economic Life

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

Effective Age

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

Effective Date

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

Effective Gross Income (EGI)

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

Effective Gross Income Multiplier (EGIM)

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

Effective Rent

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

Eminent Domain

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

Entrepreneurial Incentive

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

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Entrepreneurial Profit

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

Excess Land

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

Excess Rent

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

Expense Stop

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

Exposure Time

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

External Obsolescence

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

Extraordinary Assumption

An 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. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

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

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Fair Market Value

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

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

Feasibility Analysis

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

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Functional Obsolescence

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

Functional Utility

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

Furniture, Fixtures, and Equipment (FF&E)

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

Going-concern

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

Going-concern Value

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

Gross Building Area (GBA)

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

Gross Leasable Area (GLA) - Commercial

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

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Gross Living Area (GLA) - Residential

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

Highest & Best Use

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

Hypothetical Condition

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

Income Capitalization Approach

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

Incurable Functional Obsolescence

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

Indirect Costs

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

Insurable Replacement Cost

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

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Interim Use

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

Investment Value

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

Liquidation Value

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

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

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

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

Leased Fee Interest

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

Leasehold Interest

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

Legally Nonconforming Use

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

Market Area

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

Market Rent

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

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Market Study

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

Market Value (Interagency Guidelines)

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

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

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

Marketability Analysis

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

Neighborhood Analysis

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

Net Operating Income (NOI)

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

Obsolescence

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

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Off-site Costs

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

On-site Costs

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

Overage Rent

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

Overall Capitalization Rate (OAR)

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

Parking Ratio

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

Potential Gross Income (PGI)

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

Potential Gross Income Multiplier (PGIM)

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

Present Value (PV)

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

Prospective Opinion of Value

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

Qualitative Adjustment

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

Quantitative Adjustment

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

Rentable Area

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

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Replacement Cost

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

Reproduction Cost

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

Retrospective Value Opinion

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

Sales Comparison Approach

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

Scope of Work

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

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

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

Shopping Center Types

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

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

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

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Shopping Center Types (cont.)

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

Superadequacy

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

Surplus Land

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

Tenant Improvements (TIs)

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

Triple Net Lease

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

Usable Area

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

Useful Life

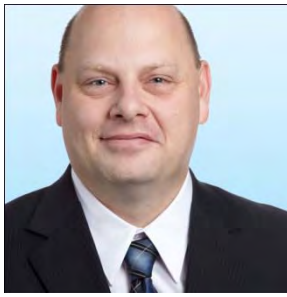
The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (*Dictionary*)

Vacancy and Collection Loss

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

Yield Capitalization

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



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Bob has trained numerous appraisers in the firm and has run a successful team in Sacramento. He has also worked as the Chief Technology Officer for the firm and as Managing Director of the Sacramento Office. In addition to his appraisal practice, Bob currently serves as a Portfolio Valuation Director, managing both national and international portfolios.

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National Manufactured Housing Congress (NMHC)

Boy Scouts of America

Certified General Real Estate Appraiser

APPRAISAL INSTITUTE & OTHER RELATED COURSES

Real Estate Appraisal Principals

Standards of Professional Practice A & B

General Applications

Uniform Standards of Professional Appraisal Practice

Federal and State Laws & Regulations

The Appraisal of Manufactured Housing

Introduction to GIS Applications

Basic Valuation Procedures

National USPAP Update Course

Advanced Income Capitalization

Math & Regulations

California Real Estate Principals

Online Internet Search Strategies for Appraisers

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Jeffrey R. Shouse joined Colliers International Valuation & Advisory Services in January 1998. His primary focus is on the valuation of mobile home parks, self-storage facilities, and multifamily developments. Over the last several years, Jeff has appraised these property types in all 50 states. His clients include lenders, developers, owners, attorneys, insurance companies, and redevelopment groups.

Jeff was raised in Sacramento, California. After high school graduation, he attended Utah Valley State College where he received an associate degree. He then attended Brigham Young University and California State University, Sacramento, receiving a bachelor's degree.

Jeff is currently the Executive Managing Director for Northern California (Sacramento, Fresno, and San Francisco), as well as the Mountain States (Denver and Salt Lake City). He oversees the largest team at Colliers International Valuation & Advisory Services.

Jeff is also the National Practice Leader for the Self-Storage Group. His national team consists of 25 senior appraisers strategically aligned throughout the country. The self-storage team was able to complete over 900 assignments in 2015, including several Feasibility Studies and consulting assignments.

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Boy Scouts of America

Sacramento-Sierra Chapter of the Appraisal Institute

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National Manufactured Housing Congress (NMHC)

California Self Storage Association (CSSA)

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Top Producer (2010)

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APPRAISAL INSTITUTE COURSES

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Appraisal Procedures

Appraisal Principals

General Applications 320

Basic Income Capitalization Part A

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Standards of Professional Practice

General Market Analysis & Highest and Best Use

Advanced Sales Comparison & Cost Approaches Course 530

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

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

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