MHC AFFORDABLE HOUSING DST





MHC CAPITAL
Real Estate Investments

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
MHC AFFORDABLE HOUSING DST

Beneficial Interests:
Minimum Purchase: $100,000 (.29% of Equity)
Maximum Offering Amount: $32,855,260

MHC Affordable Housing DST (the "**Trust**") is a recently formed Delaware statutory trust that is offering to sell (the "**Offering**") beneficial interests (the "**Interests**") in the Trust to accredited investors ("**Investors**") pursuant to this Confidential Private Placement Memorandum (including the exhibits attached hereto, the "**Memorandum**"). This Offering is being sponsored by MHC Capital II, LLC, a Delaware limited liability company ("**Sponsor**"). The Sponsor or an Affiliate (as defined below) will retain 5% of the Interests, as further described in this Memorandum.

The Trust intends to acquire the land and the improvements thereon (each, a "**Property**"; collectively, the "**Properties**") described in the chart below. Each Property is part of the mobile home community described in the chart below (each, a "**Mobile Home Community**"; collectively, the "**Mobile Home Communities**") and consist of only the land and improvements and does not include any personal property located on the land. Due to requirements of the Lender (as defined below), bare legal title to the Properties located in the Michigan will be held by the signatory trustee of the Trust, MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company and an Affiliate of the Sponsor (the "**Signatory Trustee**"), on behalf of and for the benefit of the Trust. References in this Memorandum to the Trust sometimes mean the Signatory Trustee acting on behalf of and for the benefit of the Trust.

Properties and Mobile Home Communities	**Purchase Price Allocations**
Parkway Village MHC 23500 S. Keystone Clinton Township, Michigan 48036 (the "**Michigan Property (Clinton Township)**")	$9,000,000
New Village Estates MHC 430 South Byron Homer, Michigan 49245 (the "**Michigan Property (Homer)**")	$3,300,000
Watson MHC 1362 East M-89 Otsego, Michigan 49078 (the "**Michigan Property (Ostego)**")	$4,700,000
Arbor Village MHC 7940 S. Circle Dr. Parma, Michigan 49269 (the "**Michigan Property (Parma)**")	$10,800,000
Gun River East MHC 687 10th St. Plainwell, Michigan 49080 Gun River West MHC 1066 Miller Rd. Plainwell, Michigan 49080 (together, the "**Michigan Property (Plainwell)**")	$12,200,000
Rustic Pines MHC 17748 Rock Creek Rd. Thompson, Ohio 44086 (the "**Ohio Property (Thompson)**")	$4,600,000
Four Seasons MHC 3 South Outer Dr. Vienna, Ohio 44473 (the "**Ohio Property (Vienna)**")	$5,300,000
Villager MHC	$4,100,000

2808 Tod Ave. SW Warren, Ohio 44485 (the "**Ohio Property (Warren)**")	
Brady Hills MHC 153 Lilac Lane Slippery Rock, Pennsylvania 16057 (the "**Pennsylvania Property**")	$5,500,000

The Trust intends to acquire the Properties on or about November 1, 2021 from an Affiliate that currently own the Properties (each, a "**Seller**"; collectively, the "**Sellers**") for a purchase price of $59,500,000 plus closing costs and related transactional costs. The Trust intends to acquire the Properties with a $31,000,000 loan (the "**Loan**") from KeyBank National Association ("**Lender**"). The Loan will be secured by the Properties and evidenced by a promissory note and other typical financing agreements (collectively, the "**Loan Documents**"). The terms of the Loan Documents described in this Memorandum are based on a term sheet with the Lender. The Loan Documents will be available to Investors once they have been finalized.

The Properties will be subject to a ground lease (the "**Master Lease**") between the Trust and MHC Affordable Housing ML, LLC, a Delaware limited liability company (the "**Master Tenant**") and an Affiliate of the Sponsor, pursuant to which the Master Tenant will ground lease the Properties from the Trust. The Master Tenant, directly or indirectly, will separately acquire the personal property located on the Properties (collectively, the "**Master Tenant Property**"), excluding improvements and/or personal property owned by other parties within the Mobile Home Communities, and will own the Master Tenant Property during the term of the Master Lease (the "**Term**").

The initial Term of the Master Lease, which is approximately ten years, will commence on the date the Properties are acquired by the Trust. The Master Tenant will have the right to extend the Master Lease for three successive renewal terms of five years each. The Master Tenant will be responsible for all costs of operating, managing, leasing and maintaining the Properties and the Master Tenant Property during the Term. The Properties will be subject to leases between the Master Tenant, as landlord, and the tenants of the mobile homes owned by the Master Tenant within the Mobile Home Communities or any tenants of the land in the Mobile Home Communities (collectively, the "**Property Tenants**") pursuant to the terms of the existing and future leases (collectively, the "**Leases**"). The Property Tenants will be subtenants of the Master Tenant.

The Master Tenant will enter into a property management agreement with FTI Property Management, Inc., a California corporation (the "**Property Manager**"), which is affiliated with the Sponsor to provide on-site management and property operations and accounting. The Master Tenant will be responsible for any management fees payable to the Property Manager. In addition, the Trust will enter into an asset management agreement (the "**Asset Management Agreement**") with MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company (the "**Asset Manager**"), which is affiliated with the Sponsor, to provide asset management services.

MHC Capital DST, LLC, a Delaware limited liability company, the initial owner of 100% of the Interests and an Affiliate of the Sponsor (the "**Initial Beneficiary**"), will have the right (the "**Call Right**"), but not the obligation, to acquire the Interests from Investors in accordance with a Call Agreement (the "**Call Agreement**") between the Initial Beneficiary and the Investors. The Call Agreement will allow the Initial Beneficiary to acquire the Interests during the period (the "**Exercise Period**") beginning on the third anniversary of the date on which the first Investor acquires an Interest and expiring on the fifth anniversary of such date at a purchase price (the "**Exercise Price**") required for each Investor to receive a 10.5% internal rate of return on the purchase price each Investor paid for its Interests, as further described in the Call Agreement. The ability of the Initial Beneficiary to exercise the Call Right shall cease as of the last day of the Exercise Period. The term of the Exercise Period cannot be extended.

These securities have not been approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The securities offered hereby have not been registered under the Securities Act of 1933, as amended (the "Act"), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Act, in accordance with Rule 506(b) of Regulation D, and such laws. These

securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

	Price to Investors	Selling Expenses [2]	Proceeds to Trust [3]
Per Minimum Purchase Amount[1]	$100,000	$11,000	$89,000
Maximum Offering Amount	$32,855,260	$3,614,079	$29,241,181

(footnotes contained on the next page)

This Memorandum is dated October 2021

(1) Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers (the "**Broker-Dealers**") who are members of the Financial Industry Regulatory Authority ("**FINRA**"). S2K Financial LLC, a Delaware limited liability company, will be the exclusive managing Broker-Dealer (the "**Managing Broker-Dealer**"). The Managing Broker-Dealer will enlist participating broker-dealers ("**Participating Broker-Dealers**") and registered investment advisors ("**RIAs**") to assist in the Offering.

(2) The expenses of the offering ("**Selling Expenses**") include (i) a nonaccountable allowance of 6% of the proceeds of the Offering (the "**Offering Proceeds**") for commissions payable to the Managing Broker-Dealer, 100% of which will be reallowed by the Managing Broker-Dealer to Participating Broker Dealers ("**Commissions**"), (ii) a nonaccountable allowance of 3% of the Offering Proceeds for commissions payable to the Managing Broker-Dealer, all or a portion of which will be reallowed by the Managing Broker-Dealer to Participating Broker Dealers (the "**Dealer Manager Fee")**, (iii) a nonaccountable allowance of 1% the gross Offering Proceeds for wholesaling fees payable to the Managing Broker-Dealer (the "**Wholesaling Fee**", and collectively with Commissions and the Dealer Manager Fee, "**Selling Commissions**"), and (iv) a nonaccountable reimbursement to Sponsor for legal, syndication, organization and offering costs equal to approximately 1% of the Offering Proceeds ("**Offering Costs**"). If the actual Offering Costs paid by the Sponsor are less than 1% of the Offering Proceeds, the Sponsor shall retain the difference and shall pay the difference if the actual Offering Costs exceed 1% of the Offering Proceeds. Selling Expenses do not include a reserve for the Trust of $100,000 to defray any costs for which the Trust is responsible (the "**Operating Reserve**") and a Lender-mandated reserve in the amount of $500,000 to pay interest on the Loan (the "**Lender Reserve**"; together with the Operating Reserve, the "**Trust Reserves**"), due diligence costs, legal fees relating the Trust's acquisition of the Properties and the Offering, title and closing costs, and other miscellaneous expenses (all of such expenses, the "**Offering Expenses**"; together with the Trust Reserves, the "**Offering Expenses and Reserves**"), all of which will be funded out of the Offering Proceeds or the Loan. Notwithstanding anything to the contrary contained in this Memorandum, Selling Expenses will not be payable in connection with the 5% of the Interests retained by the Sponsor or an Affiliate. See "PLAN OF DISTRIBUTION" and "ESTIMATED USE OF PROCEEDS." **The Trust reserves the right to pay reduced Selling Expenses and Offering Expenses or waive such sums with respect to Interests acquired or retained by certain Affiliates and other persons.**

(3) Amounts shown are proceeds after deducting Selling Expenses, but before deducting the Offering Expenses and Reserves. See "ESTIMATED USE OF PROCEEDS."

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The Interests offered hereby are highly speculative. An investment in an Interest involves substantial risks. Investors must read and carefully consider the discussion set forth under "RISK FACTORS" for a complete discussion of risks. Risks of an investment in an Interest include, among other things, the following:

- complete reliance on the Master Tenant to pay the Rent (as defined below) and to operate the Properties;
- limited control over the operation of the Properties;
- lack of liquidity;
- the holding of a beneficial interest in the Trust without any voting rights;
- the long-term nature of the Master Lease;
- limited diversity of investment;
- various conflicts of interest among the Sponsor, the Trust, the Master Tenant, and their Affiliates;
- various risks associated with ownership of real estate generally and specifically with ownership of mobile home communities in Michigan, Ohio and Pennsylvania;
- the Properties will be leveraged; and
- certain tax risks.

The minimum purchase price (the "**Minimum Investment**") is $100,000 for Investors acquiring an Interest in connection with an exchange (each, an "**Exchange Investor**") pursuant to Section 1031 ("**Section 1031**"; such an exchange, a "**Section 1031 Exchange**") of the Internal Revenue Code of 1986, as amended (the "**Code**"), or in cash. An investment of $100,000 is approximately equal to a .29% beneficial interest in the Trust. The Trust may waive these Minimum Investment requirements in its discretion. In addition, for purposes of determining liabilities assumed with respect to the Properties in connection with an Exchange Investor's Section 1031 Exchange, each Interest will have a pro rata percentage of the Loan made to the Trust (equal to approximately $100,000 per .31% Interest). In connection with the acquisition of the Interests, each Investor will execute and deliver such documents as may be required by the Sponsor. See "HOW TO PURCHASE" and "SUMMARY OF THE PURCHASE AGREEMENT."

The mailing address of the Trust for purposes of this Offering is MHC Affordable Housing DST, c/o Phoenix American Financial Services, Inc., 2401 Kerner Blvd., San Rafael, California 94901, Attn: Operations telephone number: 877-227-4141, email: pmailroom@phxa.com.

Purchase of the Interests involves significant risks. Prospective Investors must read and carefully consider the discussion set forth in this Memorandum in "RISK FACTORS" and consult with their own legal, tax and financial advisors prior to purchasing the Interests. Purchase of the Interests is suitable only for persons of substantial means who have no need for liquidity in their investment. Investors should carefully consider the following:

1. Prospective Investors are not to construe the contents of this Memorandum as legal or tax advice to them. **Each Investor should consult his or her own independent legal counsel, accountant and/or business advisor (collectively, "Advisors") as to legal, tax and related matters concerning this investment.**

2. The securities offered hereby may be offered and sold only to persons or entities who meet the investor suitability requirements set forth under "WHO MAY INVEST" in this Memorandum.

3. No person has been authorized by the Trust or the Sponsor to make any representations or furnish any information with respect to the Trust and/or the Interests other than as set forth in this Memorandum or other documents or information furnished by the Trust or the Sponsor upon request. However, authorized representatives of the Trust will, if such information is reasonably available, provide additional information that a prospective Investor (or his or her representatives) requests for the purpose of evaluating the merits and risks of the Offering.

4. This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of the Interests offered hereby. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents without the prior written consent of the Trust is expressly prohibited. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Trust or its representatives immediately upon request if the recipient does not purchase any of the Interests, or if the Offering of the Interests is withdrawn or terminated.

5. The Trust may reject the Purchase Agreement of a prospective Investor for any reason. The Purchase Agreement will be rejected for failure to conform to the requirements of the Offering or such other reasons as the Trust may determine in its sole and absolute discretion. The Purchase Agreement may not be revoked, canceled, or terminated by the Investor for any reason, except as expressly set forth herein.

6. The Offering is made exclusively by this Memorandum. This Memorandum contains a summary of certain provisions of various documents, including the Purchase Agreement and Trust Agreement (as hereinafter defined), but only the full text of such documents contains complete information concerning the rights and obligations of the parties thereto. This Memorandum contains summaries of certain other documents, which summaries are believed to be accurate, but reference is hereby made to the full text of the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this investment and related documents and agreements will be made available to a prospective Investor or his or her advisors upon request.

7. Because the Interests are not registered under the Act or the securities laws of any state, Investors must hold them indefinitely unless: (i) they are registered under the Act and any applicable state securities acts, which registration the Sponsor does not expect to occur, or (ii) the Sponsor, with the advice of counsel, concludes that registration is not required under the Act and applicable state laws. The Loan Documents contain restrictions on the sale, transfer, or other disposition of the Interests by the Investors in certain circumstances. No public market currently exists for the Interests and none is expected to develop.

8. The Trust has obtained a tax opinion (the "**Tax Opinion**") of Special Tax Counsel (as hereinafter defined), which states that an Investor's acquisition of an Interest "should" be treated as a direct acquisition of an interest in the Properties for purposes of Section 1031. **No ruling will be obtained from the Internal Revenue Service ("IRS") with respect to any tax issues affecting the Interests**. The Tax Opinion is specifically limited to the treatment of an Interest for purposes of Section 1031, and it does not address any other tax issues that may be of interest to Investors based on their own particular circumstances. Moreover, the Tax Opinion was provided to the Trust by Special Tax Counsel to support the marketing of the Interests, and cannot be used to avoid penalties that may be imposed under federal tax law (although other facts can be used to avoid penalties, such as evidence of an Investor's good faith reliance on advice from the Investor's own independent counsel or the existence of substantial legal authority). See "FEDERAL INCOME TAX CONSEQUENCES" in this Memorandum, and the Tax Opinion attached as **Exhibit E** to this Memorandum.

In making an investment decision, prospective Investors, together with their respective Advisors, if any, must rely on their own examination of the terms of the Offering, including without limitation the merits and risks involved in investing in the Properties and the Interests, as well as the person or entity issuing the securities.

The Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back their consideration paid. The Sponsor believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these state laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually one year from discovery of facts constituting such violation. Should any Investor institute such an action on the theory that the Offering was required to be registered or qualified, the Sponsor contends that the contents of this Memorandum constitute notice of the facts constituting such violation.

This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation.

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A WARNING ABOUT FORWARD LOOKING STATEMENTS

This Memorandum contains statements about operating and financial plans, terms and performance of the Properties and other projections of future results. Forward-looking statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "will," "may" and similar expressions. The "forward-looking" statements are based on various assumptions, for example, the projected financing environment and real property market value trends, and these assumptions may prove to be incorrect. Accordingly, these forward-looking statements might not accurately predict future events or the actual performance of an investment in the Interests. In addition, Investors must disregard any projections and representations, written or oral, which do not conform to those contained in this Memorandum.

A WARNING ABOUT INFORMATION PROVIDED BY THIRD PARTIES

Certain information set forth in this Memorandum and in other materials provided to prospective Investors by the Trust or the Sponsor in connection with this Offering, including but not limited to information regarding the Properties, the Master Lease, the Leases, the Property Tenants and the Loan, were obtained from third-party sources not affiliated with the Trust or Sponsor, including but not limited to property appraisers, property inspectors and the Lender. In many cases these third-party source materials were not prepared by third parties expressly or exclusively for the Trust, the Sponsor or their respective Affiliates, or for the Investors, for the purpose of evaluating an investment decision with respect to the Interests. The Trust and the Sponsor have relied upon these third-party materials in preparing this Memorandum and establishing the terms of this Offering and they believe such reliance is reasonable. However, neither the Trust, the Sponsor nor any of their respective Affiliates have independently verified the information or data obtained from these sources and no assurances can be given regarding the accuracy or completeness of the information or data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this Memorandum.

LEGENDS

NOTICE TO INVESTORS IN ALL U.S. STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ADDITIONAL NOTICE TO NEW HAMPSHIRE INVESTORS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A

TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE INVESTOR ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ADDITIONAL NOTICE TO FLORIDA INVESTORS

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

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Upon Sponsor's receipt, copies of the following documents will be available in an online data room to which Investors will have access:

- Property Purchase Agreement
- Property Condition Reports
- Appraisals

- Market Studies
- Surveys
- Title Policies and Underlying Documents
- Existing Phase Is
- Updated Phase Is
- Leases (subleases to the Master Lease)
- Loan Documents
- Form of Lease
- Asset Management Agreement

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WHO MAY INVEST

The offer and sale of the Interests is being made in reliance on an exemption from the registration requirements of the Act under Rule 506(b) of Regulation D. The Trust may declare any prospective Investor ineligible to purchase an Interest for any reason in its sole and absolute discretion. **The Interests will be sold only to Accredited Investors (as described below)**.

INVESTOR SUITABILITY REQUIREMENTS

Investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. The Interests will be sold only to persons or entities who (i) make the Minimum Investment (which may be waived by the Trust in its discretion), (ii) represent in writing that they meet the Investor suitability requirements established by the Trust and as are required under federal or state law, and (iii) furnish the Trust with documentation required under federal law that demonstrates satisfaction of the suitability requirements.

Each prospective Investor must represent in writing and furnish the trust with satisfactory documentation that he or she meets, among others, **ALL** of the following requirements:

(a) He or she, together with his or her Advisors, if any, has received, read, and fully understands the Memorandum, including all exhibits and other materials provided to the Investor (collectively, the "**Memorandum Materials**"). He or she is basing his or her decision to invest on the Memorandum. He or she has relied only on the information contained in said materials and has not relied upon any other documents or information or representations made by any other person; and

(b) He or she understands that an investment in the Interests involves substantial risk and is fully cognizant of and understands all of the risk factors relating to a purchase of the Interests, including, without limitation, those risks set forth below in the section entitled "RISK FACTORS"; and

(c) His or her overall commitment to investments that are not readily marketable is not disproportionate to his or her individual net worth, and his or her investment in the Interests will not cause such overall commitment to become excessive; and

(d) He or she has adequate means of providing for his or her financial requirements, both current and anticipated, and has no need for liquidity in this investment; and

(e) He or she can bear and is willing to accept the economic risk of losing his or her entire investment in the Interests; and

(f) He or she is acquiring the Interest for his or her own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interests; and

(g) He or she is an "**Accredited Investor**" (as defined in Rule 501 of Regulation D under the Act and as described below).

For purposes of calculating an Investor's net worth herein, "net worth" is defined as the difference between total assets and total liabilities.

In addition to certain institutional entities, a person or entity that meets one of the following tests will qualify as an Accredited Investor:

(i) the Investor is a natural person who had individual income in excess of **$200,000** in each of the two most recent years, or joint income with that person's spouse in excess of **$300,000** in each of those years, and has a

reasonable expectation of reaching the same income level in the current year; or

(ii) the investor is a natural person whose individual net worth, or joint net worth with that person's spouse, exceeds **$1,000,000** at the time of purchasing the Interests, provided that for purposes of calculating such net worth (A) the investor's primary residence shall not be included as an asset; (B) indebtedness that is secured by the investor's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the investor's acquisition of an Interest, shall not be included as a liability, *provided, however,* that if the amount of such indebtedness outstanding at the time of the closing of the investor's acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the investor takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (C) indebtedness that is secured by the investor's primary residence is in excess of the estimated fair market value of the primary residence shall be included as a liability; or

(iii) The Investor is an organization described in Section 501(c)(3) of the Code, or a corporation, business trust, or partnership, not formed for the specific purpose of acquiring the Interests, with total assets in excess of **$5,000,000**;

(iv) the Investor is a trust with total assets in excess of **$5,000,000**, not formed for the specific purpose of acquiring the Interests, whose purchase is directed by a "sophisticated person" as defined in Rule 506(b)(2)(ii) of Regulation D under the Act; or

(v) The Investor is an entity in which all of the equity owners are Accredited Investors as defined in subparagraphs (i) through (iv) above.

In addition, the Investor and each subsequent transferee must represent that either:

(a) The Interests are being purchased by or on behalf of (1) an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), whether or not it is subject to Title I of ERISA, (2) a plan described in Code Section 4975 (including but not limited to an individual retirement account or a Keogh plan), or (3) an entity whose underlying assets include "**plan assets**" as defined in Department of Labor ("**DOL**") Regulation Section 2510.3-101 (the "**Plan Asset Rules**") by reason of a plan's investment in such entity (including but not limited to an insurance company general account) (all such Investors, "**Benefit Plan Investors**"). Additionally, all or part of the assets to be used to purchase the Interests constitute assets of one or more Benefit Plan Investors; or

(b) The Interests are not being purchased by or on behalf of Benefit Plan Investors.

Representations with respect to the foregoing and certain other matters must be made by each Investor in the Purchase Documents, forms of which are attached as exhibits to this Memorandum, including a Purchase Agreement. The Trust will rely on the accuracy of each person's or entity's representations set forth therein and requires evidence, as set forth in the Purchaser Documents, that any such person or entity meets the applicable standards at any time prior to the Trust's acceptance of the Purchase Documents. An Investor is obligated to supply the evidence demonstrating its status as an Accredited Investor. The Trust shall reject any Investor who fails to supply such evidence.

If you do not meet the requirements described above, do not read further and immediately return this Memorandum to the Trust or the applicable Broker-Dealer. If you do not meet such requirements, this Memorandum does not constitute an offer to sell the Interests to you.

Also, each prospective Investor must represent and warrant that:

The Investor understands that neither the Sponsor nor the Trust have obtained a ruling from the IRS that the Interests will be treated as undivided interests in real estate as opposed to partnership interests or interests in another entity that is separately taxable rather than disregarded for tax purposes. The Investor understands that the tax consequences of an investment in an Interest, especially the qualification of the

Interests under Section 1031, are complex and vary with the facts and circumstances of each individual Investor. The Investor represents and warrants that: (i) he or she has consulted his or her own independent tax advisor regarding an investment in an Interest and the qualification of the transaction under Section 1031, (ii) he or she is not relying on (a) the Trust, the Sponsor, any of their Affiliates, or their agents, including their counsel and accountants, or (b) any Broker-Dealer or the representatives of a Broker-Dealer through whom the Interest is purchased, for any tax advice regarding the qualification of the Interest under Section 1031 or any other matter, and (iii) except as expressly provided in the Tax Opinion attached as Exhibit E to this Memorandum, which is based on numerous assumptions and qualifications that may not be applicable to the Investor, he or she is not relying on any statements made in this Memorandum regarding the qualification of the Interests under Section 1031.

The investor suitability requirements stated above represent the Trust's minimum suitability requirements for Investors. However, satisfaction of these requirements by any person or entity will not necessarily mean that an Interest is a suitable investment for such person or entity, or that the Trust will accept such person or entity as an Investor. Furthermore, the Trust, as appropriate, may modify such requirements, and such modification may raise the suitability requirements for Investors.

The written representations made by the prospective Investors together with the documentary evidence provided will be reviewed to determine the suitability of such person or entity for investment in the Trust. The Trust may refuse an offer to purchase the Interests if the Trust believes that a person or entity does not meet the applicable investor suitability requirements or the Interests otherwise constitute an unsuitable investment for a person or entity for any legal reason.

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HOW TO PURCHASE

The Interests may only be purchased by Accredited Investors, as described above in "WHO MAY INVEST." Prospective Investors who would like to purchase an Interest must carefully read the Memorandum Materials. Prospective Investors must complete, execute, and deliver to the address below the Purchase Documents, the forms of which are attached as **Exhibit A** to this Memorandum. Upon receipt of the signed Purchase Documents and verification of the prospective Investor's investment qualifications, the Trust will decide whether to accept the prospective Investor's investment. Upon the Trust's acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor.

Upon acceptance of a prospective Investor's Purchase Documents, the Trust will circulate various additional documents to the prospective Investor to be signed and returned. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Sponsor or, if the Interests are acquired on the same date on which the Trust acquires the Properties, to the escrow agent identified by the Trust (the "**Escrow Agent**") not less than five business days before closing the acquisition of such prospective Investor's Interest. Unless otherwise directed by the Trust, the documents should be mailed or delivered to the Trust's transfer agent at the following address:

MHC Affordable Housing DST
c/o Phoenix American Financial Services, Inc.
2401 Kerner Blvd.
San Rafael, CA 94901
Attention: Operations

Or

via e-mail to: pmailroom@phxa.com.

The Investor's purchase price will be fully refunded by the Trust if the terms and conditions of the Offering differ materially and adversely from the description set forth herein and the Investor elects on that basis not to complete the purchase of the Interest. Otherwise, the purchase price will be nonrefundable.

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SUMMARY OF THE OFFERING

The following summary provides selected limited information regarding the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. EACH PROSPECTIVE INVESTOR IS INSTRUCTED TO READ THE ENTIRE MEMORANDUM BEFORE INVESTING IN AN INTEREST.

Interests Offered:	The Trust will sell the Interests to Accredited Investors for the minimum purchase price of $100,000, which minimum may be waived by the Trust in its discretion. In addition, for purposes of determining liabilities assumed with respect to the Properties in connection with an Exchange Investor's Section 1031 Exchange, each Interest will have a pro rata percentage of the Loan made to the Trust, in the approximate amount of $100,000 per .29% Interest. The Sponsor or an Affiliate will retain 5% of the Interests, as further described in this Memorandum. See "PLAN OF DISTRIBUTION."
Business Objectives:	The Trust's principal objectives are to (i) conserve and protect the Properties, (ii) pay regular distributions to Investors out of net cash flow as described in the Forecasted Statement of Cash Flows in **Exhibit D**, (iii) preserve the intrinsic value of the Properties, and (iv) complete a sale of the Properties prior to the maturity of the Loan with the objective of maximizing the Investor's return of capital, subject to the Call Agreement. NO ASSURANCE CAN BE GIVEN THAT THESE OBJECTIVES WILL BE ACHIEVED.
Properties – Description:	The Trust intends to acquire the Properties, which consist of the following Mobile Home Communities:

Properties	**Number of Sites**	**Purchase Price Allocations**
Michigan Property (Clinton Township) (Parkway Village MHC)	242	$9,000,000
Michigan Property (Homer) (New Village Estates MHC)	130	$3,300,000
Michigan Property (Ostego) (Watson MHC)	164	$4,700,000
Michigan Property (Parma) (Arbor Village MHC)	267	$10,800,000
Michigan Property (Plainwell) (Gun River East MHC and Gun River West MHC)	225	$12,200,000
Ohio Property (Thompson) (Rustic Pines MHC)	131	$4,600,000
Ohio Property (Vienna) (Four Seasons MHC)	193	$5,300,000
Ohio Property (Warren) (Villager MHC)	183	$4,100,000
Pennsylvania Property (Brady Hills MHC)	175	$5,500,000
Total:	**1,710**	**$59,500,000**

	The Properties, which consist of only the land and improvements thereon and does not include any personal property, are within the respective Mobile Home Communities and currently have the number of pads set forth above. The Master Tenant will own the Mater Tenant Property during the Term. Due to requirements of the Lender, bare legal title to the Properties located in Michigan will be held by the Signatory Trustee, an Affiliate of the Sponsor, on behalf of and for the benefit of the Trust. See "DESCRIPTION OF THE PROPERTIES, PROPERTY TENANTS AND LEASES."
Properties – Acquisition:	The Trust intends to acquire the Properties from the Seller, which is an Affiliate, on or about November 1, 2021 for a purchase price of $59,500,000, plus closing and other transaction costs of $850,000 (including tax and insurance deposits but not including Selling Expenses and Offering Expenses and Reserves). The difference between the purchase price for the Interests ($32,855,260) and the cash portion of the purchase price for the Properties ($28,500,000), which includes transaction costs, Selling Expenses and Offering Expenses and Reserves, is $4,355,260. The allocation of the purchase price to each of the Properties is set forth in the chart above. See "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES" and "ACQUISITION AND FINANCING."
Properties – Financing:	The Trust intends to acquire the Properties with the $31,000,000 Loan. The interest rate on the Loan will be floating at a rate equal to the Secured Overnight Financing Rate ("**SOFR**") plus 2.55%, but the Trust will obtain interest-rate protection that caps the interest rate at 3.95% for the Loan term. The Loan will mature in five years but will be automatically extended if the Loan is not repaid for two consecutive one-year periods upon satisfaction of certain conditions set forth in the Loan Documents and payment of an extension fee of 0.25% of the outstanding principal balance of the Loan for each extension. The Loan Documents will require interest-only payments for the first 36 months of the Loan term and thereafter principal-and-interest payments based on a 15-year amortization schedule. The Loan Documents will require the Master Tenant to deposit all rent paid by Property Tenants under the Leases (the "**Property Tenant Rent**") into a lockbox account with the Lender. The Lender will apply the Property Tenant Rent to payments on the Loan, the required reserves, and approved expenses of the Properties and will release any excess Property Tenant Rent (the "**Excess Cash Flow**") to the Master Tenant except if a default occurs under the Loan Documents or the Master Lease, in which case the Lender may apply all Property Tenant Rent to the Loan. In addition, the Loan Documents will allow the Lender to trap Property Tenant Rent at any time that the Properties fail to maintain a certain debt yield and minimum occupancy and release Excess Cash Flow to the Master Tenant only upon satisfaction of such conditions, as further described below. See "RISK FACTORS - RISKS RELATING TO THE LOAN" and "ACQUISITION AND FINANCING."
Trust Agreement:	The ownership of the Properties will be governed by the Trust Agreement, a form of which is attached as **Exhibit B** to this Memorandum. The Trust Agreement sets forth the rights and duties of the Investors and the Trustees (as hereinafter defined) with respect to the Properties. Pursuant to the Trust Agreement, the Investors do not have any say in the operation and ownership of the Properties. See "SUMMARY OF THE TRUST AGREEMENT."
Properties – Master Lease:	The Trust will ground lease the Properties to the Master Tenant pursuant to the Master Lease. The Term of the Master Lease will consist of an initial

term of approximately ten years, commencing on the date on which the Properties are acquired by the Trust and ending on the last day of the month ten years thereafter, and three successive renewal terms of five years each if exercised. Generally, neither the Trust nor the Master Tenant will have the right to terminate the Master Lease during the Term.

The Master Tenant will separately acquire the Master Tenant Property and will own the Master Tenant Property during the Term. Upon expiration or termination of the Master Lease, ownership of the Master Tenant Property will revert to the Trust. The Master Tenant will be obligated to pay Rent (as hereinafter defined) plus all costs of operating, maintaining, repairing and leasing the Properties and the Master Tenant Property.

The Master Tenant will be required to fund and make various capital repairs to the Properties (collectively, the "**Capital Repairs**"), as described below and in the Master Lease. The Loan Documents will require the Master Tenant to complete certain Capital Repairs within 15 months of the closing of the Loan, as will be more particularly described in the Loan Documents. The Master Tenant will deposit $5,200,000 in a reserve account with the Lender (the "**Capital Repairs Reserve**") to fund the Capital Repairs. The Capital Repairs Reserve will be controlled by the Master Tenant during the term of the Master Lease and will be pledged to the Trust to secure the Master Tenant's obligations under the Master Lease but will not be pledged to the Lender or otherwise secure the Loan.

The form Master Lease, which includes the scope of the Capital Repairs, is attached as **Exhibit C** to this Memorandum. See "SUMMARY OF THE MASTER LEASE," "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES" and "CONFLICTS OF INTEREST."

Properties – Leases:

In connection with the Trust's purchase of the Properties and the execution of the Master Lease between the Trust and the Master Tenant, the Master Tenant will assume the Leases. The occupancy of the Properties as of May 10, 2021 is set forth in the chart below.

Properties	**Occupancy**
Michigan Property (Clinton Township) (Parkway Village MHC)	58%
Michigan Property (Homer) (New Village Estates MHC)	66%
Michigan Property (Ostego) (Watson MHC)	61%
Michigan Property (Parma) (Arbor Village MHC)	50%
Michigan Property (Plainwell) (Gun River East MHC and Gun River West MHC)	80% (Gun River East) 69% Gun River West
Ohio Property (Thompson) (Rustic Pines MHC)	63%
Ohio Property (Vienna) (Four Seasons MHC)	83%
Ohio Property (Warren) (Villager MHC)	64%
Pennsylvania Property (Brady Hills MHC)	80%

	See "DESCRIPTION OF PROPERTIES, PROPERTY TENANTS AND LEASES."
Call Agreement:	Each Investor will grant the Initial Beneficiary the Call Right in accordance with the Call Agreement. The Call Agreement will provide the Initial Beneficiary with an option to acquire the Interests during the Exercise Period, which will begin on the third anniversary of the date on which the first Investor acquires an Interest and will expire on the fifth anniversary of such date, for the Exercise Price. The ability of the Initial Beneficiary to exercise the Call Right shall cease as of the last day of the Exercise Period, which cannot be extended. See "SUMMARY OF THE CALL AGREEMENT," "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES" and "CONFLICTS OF INTEREST."
Property Management:	The Master Tenant intends to enter into a property management agreement with the Property Manager to provide on-site management and property operations and accounting. The Master Tenant will be responsible for any management fees payable to the Property Manager. The Property Manager is affiliated with the Sponsor.
Asset Management:	The Trust intends to enter into the Asset Management Agreement with the Asset Manager, which is an affiliate of the Sponsor, to provide various asset management services. The Asset Manager will provide such asset management services to the Trust for an annual fee (the "**Asset Management Fee**") equal to 0.50% of the Offering Proceeds, although the Asset Manager will defer payment of half of the Asset Management Fee until the aggregate occupancy of the Properties is 75%. See "MANAGEMENT – ASSET MANAGER," "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES" and "CONFLICTS OF INTEREST."
Disposition Fee:	Upon a sale of the Properties, the Sponsor or an Affiliate will receive a disposition fee equal to 1% of the gross sales price of the Properties, excluding any transfer of the Properties made pursuant to the Call Agreement. See "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES."
Conflicts and Compensation of the Sponsor and Affiliates:	The Sponsor and their Affiliates will receive substantial fees and compensation from the Offering and operation of the Properties and will have conflicts of interest, as described in this Memorandum. See "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES" and "CONFLICTS OF INTEREST."
Investor Suitability Standards:	The Offering is strictly limited to persons who are Accredited Investors and who meet certain minimum financial requirements as to income and/or net worth, among other requirements. See "WHO MAY INVEST."
Use of Proceeds:	The Offering is being made for purposes of funding the acquisition of the Properties, establishing the Trust Reserves, and paying all related fees and expenses. See "ESTIMATED USE OF PROCEEDS" and "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES."

Escrow Agent:	Any deposits or other payments made by any prospective Investor to the Escrow Agent will be retained in escrow pending closing on the purchase of the Interest. See "ACQUISITION AND FINANCING."
Tax Considerations:	Polsinelli PC is "**Special Tax Counsel**" to the Trust and has provided the Tax Opinion, which states that the acquisition of an Interest by an Investor should be treated as the direct acquisition of the Properties by the Investor for purposes of Section 1031. The Tax Opinion is specifically limited to the treatment of an Interest for purposes of Section 1031, however, and does not address any other tax issues that may be of interest to Investors based on their own particular circumstances. Accordingly, all prospective Investors must consult their own independent legal, tax, accounting and financial advisors and must represent that they have done so as an investment requirement. In addition, the Tax Opinion has been provided to the Trust to support the marketing of the Interests, and is not intended to be used and cannot be used to avoid penalties that may be imposed under federal tax law (although other facts can be used to avoid penalties, such as evidence of an Investor's good-faith reliance on advice of his own independent counsel or the existence of substantial legal authority). See the Tax Opinion attached as **Exhibit E** to this Memorandum and "FEDERAL INCOME TAX CONSEQUENCES" below.
Tax Exempt Investors:	Prospective tax-exempt investors should be aware that investment in the Trust is likely to generate income treated as unrelated business taxable income ("**UBTI**") for U.S. federal income tax purposes. See "FEDERAL INCOME TAX CONSEQUENCES – TAXATION OF TAX-EXEMPT INVESTORS."
Defined Terms:	An "**Affiliate**" of any Person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) means any Person directly or indirectly controlling, controlled by or under common control with another Person.
Selling Expenses and Offering Expenses:	The Selling Expenses payable in connection with the Offering shall be (i) Commissions, which are a nonaccountable allowance of 6% of the Offering Proceeds for commissions payable to the Managing Broker-Dealer, 100% of which will be reallowed by the Managing Broker-Dealer to Participating Broker Dealers, (ii) Dealer Manager Fee, which is a nonaccountable allowance of 3% of the Offering Proceeds for commissions payable to the Managing Broker-Dealer, all or a portion of which will be reallowed by the Managing Broker-Dealer to Participating Broker Dealers, (iii) a Wholesaling Fee, which is a nonaccountable allowance of 1% the gross Offering Proceeds for wholesaling fees payable to the Managing Broker-Dealer, and (iv) Offering Costs, where are nonaccountable reimbursements to Sponsor for legal, syndication, organization and offering costs equal to approximately 1% of the Offering Proceeds. If the actual Offering Costs paid by the Sponsor are less than 1% of the Offering Proceeds, the Sponsor shall retain the difference and the Sponsor shall pay the difference if the actual Offering Costs exceed 1% of the Offering Proceeds. Selling Expenses do not include the Offering Expenses and Reserves, which reserves consist of the Operating Reserve and the Lender Reserve, due diligence costs, legal fees relating the Trust's acquisition of the Properties and the Offering, title and closing costs, and other miscellaneous expenses, all of which will be funded out of the proceeds of the Offering and the Loan. The Trust reserves the right to pay reduced Selling Expenses and Offering Expenses or waive such sums with respect to Interests acquired by certain Affiliates and other persons. Selling

Expenses will not be payable in connection with the 5% of the Interests retained by the Sponsor or an Affiliate. See "PLAN OF DISTRIBUTION" and "ESTIMATED USE OF PROCEEDS."

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SUMMARY OF THE PURCHASE AGREEMENT

General

Each Investor will be required to execute the Purchase Documents, including, without limitation, a Purchase Agreement, in the form attached as **Exhibit A** to this Memorandum. Prospective Investors should review the entire Purchase Agreement with their own independent legal counsel before submitting an offer to purchase an Interest. The following is merely a summary of some of the significant provisions of the Purchase Agreement and is qualified in its entirety by reference thereto.

Submission of Offer to Purchase

A summary of the procedures for the offer and purchase of an Interest is set forth in the section of this Memorandum entitled "HOW TO PURCHASE." Investors should read that section in its entirety.

Closing

Prior to an Investor's closing, each Investor is required to deliver to the Trust (i) the Purchase Documents, including the Purchase Agreement, (ii) an executed signature page for the Trust Agreement, (iii) the Call Agreement, (iv) the purchase price for the Interest, and (v) such other documents as may reasonably be requested by the Trust. At the closing of an Investor's purchase of an Interest, the Investor shall receive an Interest in the Trust.

No Tax Advice

Other than the Tax Opinion issued by Special Tax Counsel and attached hereto as Exhibit E to this Memorandum, the Investors will acquire their Interests without any representations from the Trust or the Sponsor regarding the tax implications of the transaction. Each Investor must consult his or her own independent attorneys and other tax advisors regarding the tax implications of the Investor's acquisition of an Interest in the context of his or her own particular circumstances, including whether such acquisition will qualify as part of a proposed Section 1031 Exchange, if one is contemplated. See "FEDERAL INCOME TAX CONSEQUENCES."

Termination of the Purchase Agreement

An Investor's Purchase Agreement will be terminated and his or her purchase price will be fully refunded by the Trust if the terms and conditions of the Offering differ materially and adversely from the description set forth herein and the Investor elects on that basis not to complete the purchase of the Interest. Otherwise, the purchase price will be nonrefundable.

Indemnity

The Purchase Agreement contains an indemnity provision whereby each Investor will be required to indemnify, defend and hold harmless the Trust, the Sponsor, the Master Tenant, the Lender and certain other parties and their Affiliates from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of the Investor's failure to fulfill all of the terms and conditions of the Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained therein.

Arbitration

Each Investor voluntarily waives the right to have any dispute arising out of the Purchase Agreement litigated in a court or decided by jury trial. Any dispute or controversy arising out of, or relating to, the Purchase Agreement will be resolved by final and binding arbitration brought in Los Angeles, California.

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SUMMARY OF THE TRUST AGREEMENT

General

The Properties are subject to the Trust Agreement of the Trust (the "**Trust Agreement**"), the form of which is attached as **Exhibit B** to this Memorandum. The Delaware trustee of the Trust is Wilmington Savings Fund Society, FSB (the "**Delaware Trustee**"), and MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company and an Affiliate of the Sponsor, is the Signatory Trustee of the Trust (the Delaware Trustee and the Signatory Trustee are collectively referred to as the "**Trustees**"). The rights and obligations of the Investors and Trustees with respect to the Properties are governed by the Trust Agreement. The following is a summary of some of the significant provisions of the Trust Agreement, and is qualified in its entirety by reference to the full Trust Agreement. Each prospective Investor should carefully review the full text of the Trust Agreement before purchasing an Interest.

Purposes of the Trust

The purposes of the Trust are (a) to acquire, own, conserve, protect, operate and dispose of the Properties; (b) to enter into and comply with the terms of the Loan Documents, the Master Lease and other transaction documents that relate to the Properties; and (c) to take such other actions as the Trustees deem necessary or advisable to carry out the foregoing. Due to Lender requirements, the Signatory Trustee will hold bare legal title to the Properties located in Michigan on behalf of and for the benefit of the Trust. As required by the Lender, the Signatory Trustee, as the nominal borrower under the Loan Documents solely with respect to the Properties located in Michigan, is a "bankruptcy remote" entity, which means, among other things, that it may not perform any act in violation of the Loan Documents, loan money to any person, commingle its assets with those of any other person, declare bankruptcy, convey the Properties to which it holds title or dissolve or liquidate without the Lender's consent.

Term of the Trust

The Trust will terminate on the earlier of (a) December 31, 2071, or (b) the sale or other disposition of the Properties.

Authority and Duties of the Trustees

The Trustees have the sole authority to manage, control, dispose of or otherwise deal with the Properties in a manner that is consistent with their duty to conserve and protect the Properties. The Trustees do not owe any fiduciary duties to the Investors, and the Trustees are not individually liable for their actions except (a) in the event of their own willful misconduct or gross negligence, (b) for the inaccuracy of their representation that the Trust Agreement has been authorized, executed and delivered by each of the Trustees, (c) for engaging in any Prohibited Action (as defined in "Limitation on Authority of Trustees" below), (d) for their failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement, and (e) for their own income taxes based on fees, commissions or compensation received in the capacity of Trustee. The Trustees will be indemnified by the Trust from any damages and liability they incur in connection with the Properties, except if such damage or liability results from actions described in clauses (a) through (e) above. To the maximum extent allowed by law, the Trustees are entitled to advancement of expenses incurred in defending a claim prior to its final disposition, subject to repayment if a court renders a final, nonappealable judgment that the applicable Trustee is not entitled to indemnification.

The duties of the Delaware Trustee are limited to acting as Trustee in the State of Delaware to satisfy the requirement of the Delaware Statutory Trust Act that the Trust have at least one Trustee with a principal place of business in Delaware. All other duties under the Trust Agreement reside with the Signatory Trustee, including, but not limited to: (a) acquiring, owning, conserving, protecting and disposing of the Properties; (b) entering into or assuming and complying with the terms of the Loan Documents, the Master Lease and any other transaction documents; (c) conserving and maintaining the Properties in a manner consistent with the Trust's obligations under the Master Lease; (d) collecting rent payments from the Master Tenant and distributing such payments (less expenses and reserves) to Investors; (e) entering into agreements to enable Investors to complete Section 1031 Exchanges; (f) notifying relevant parties of any default by them under the transaction documents; (g) entering into an asset

management agreement for purposes of fulfilling the management obligations of the Trust, and (h) solely in the event of a default by the Master Tenant (or any subsequent tenant), entering into a new lease of the Properties (or a new Master Lease) or renegotiating or refinancing the Loan.

In addition, for purposes of complying with Lender requirements, the Trust Agreement provides that the duties of the Signatory Trustee include holding bare legal title to the Properties located in Michigan on behalf of and for the benefit of the Trust. The Trust Agreement states that, for the avoidance of doubt, the Signatory Trustee will hold only bare legal title to the Properties located in Michigan for purposes of complying with Lender requirements, will not hold any ownership interest such Properties for income tax purposes or for any other legal or equitable purpose other than for purposes of compliance with Lender requirements, and expressly disclaims any ownership or other interest (legal, equitable or otherwise) in such Properties other than bare legal title as is strictly necessary to comply with Lender requirements. The Signatory Trustee will have all necessary powers it is required to have by the Lender as holder of bare legal title of the Properties located in Michigan, including the power and the authority to execute documents with respect to the acquisition, financing, operation and conveyance of such Properties.

Compensation and Reimbursement of the Trustees

The Trust will pay the Delaware Trustee an initial fee, monthly fees, and document execution fees for its services. The Signatory Trustee shall serve without compensation. The Trustees shall be entitled to be reimbursed for their reasonable expenses related to the performance of their duties.

Limitation on Authority of the Trustees

To protect the tax-free exchange status for the Investors under Section 1031, the Trust Agreement will prohibit the Trustees from taking any action to the extent such action would "vary the investment" of the Investors as defined by Treasury Regulation Section 301.7701-4(c)(1) (any such action that would "vary the investment" of the Investors a "**Prohibited Action**"). Specifically, any one of the following actions may constitute a Prohibited Action: (a) reinvesting money held by the Trust except as provided in the Trust Agreement, (b) renegotiating the terms of the Loan, entering into new financing, renegotiating the Master Lease or entering into new leases except in the event of the bankruptcy or insolvency of the Tenant, (c) making repairs other than minor non-structural modifications of the Properties, except as required by law, (d) after the formation and capitalization of the Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor, or (e) taking any other action that would in the opinion of tax counsel cause the Trust to be treated as a "business entity" for federal income tax purposes.

Authority of Investors

Investors will have no say in the operation and ownership of the Properties, and their sole authority over the Trust is limited to selecting replacement Trustees in certain circumstances described below. Nevertheless, before the Trust enters into a binding contract to sell or convey the Properties, the Signatory Trustee will canvass the Investors regarding their views of the potential transaction. The Signatory Trustee will consider the Investors' views and opinions in good faith but will not be bound by their opinions, and the decision to sell or convey the Properties will rest solely with the Signatory Trustee.

Investors holding a majority of the Interests may remove a Trustee only if the Trustee has engaged in willful misconduct, fraud or gross negligence with respect to the Trust as determined by a final, non-appealable judgment of a court of competent jurisdiction. In addition, the prior written consent of the Lender will be required for the removal and replacement of any Trustee, and the Signatory Trustee may not be removed without its prior written consent until it and each of its Affiliates have been fully removed from any guaranty or indemnity obligations they may have under the Loan Documents. Upon the resignation or removal of a Trustee, Investors holding a majority of the Interests may appoint a successor Trustee, subject to Lender requirements.

Cash Flow

The Investors will be entitled, based on their respective Interests in the Trust, to all operating cash flow of the Trust, if any, and all net cash proceeds from any sale, exchange, or refinancing of the Properties, after payment of

amounts due under the Loan and reimbursement of the Trustees for expenses and reserves for amounts necessary to pay anticipated ordinary current and future expenses of the Trust. Any such cash flow will be distributed on a monthly basis.

Amounts retained may be invested only in certain short-term government obligations or certificates of deposit in banks or trust companies having a minimum stated capital of $50,000,000.

Right to Transfer Interests

No proposed assignment, pledge, encumbrance, or transfer of an Interest (or any portion thereof) is effective or binding at law, or in equity upon the Trust or the Trustees without the prior written consent of the Signatory Trustee. The Signatory Trustee's consent to each proposed Interest transfer is subject to the satisfaction of the following as determined by the Signatory Trustee in its sole discretion: (a) the proposed transfer's compliance with all applicable securities laws, (b) the proposed transfer's compliance with all transfer restrictions and requirements stated in the Loan Documents, including that the transfer does not constitute an event of default under the Loan Documents, (c) a determination that the proposed transfer would not result in the Trust having to register as an investment advisor or require the Trust or any Trustee to register as an investment advisor under the Investment Company Act of 1940, (d) determination that the proposed transfer would not cause the Trust Property to become "plan assets" (as defined in the Trust Agreement), (e) the execution by the proposed transferor and transferee(s) of documents to effectuate the transfer that are satisfactory to the Signatory Trustee, and (f) the payment of all expenses related to the proposed transfer by the transferor. See "RISK FACTORS - Risks Relating to the Loan - Restrictions on Transfer and Encumbrance."

Property Rights

The Investors will not have legal title to the Properties. In addition, bare legal title to the Properties located in Michigan will be held by the Signatory Trustee on behalf of and for the benefit of the Trust due to Lender requirements. The Investors will not be entitled to share in the use of the Properties or to any in-kind distribution of the Properties.

Bankruptcy; Termination upon Risk of Default

Investors will not have liability for the debts or obligations of any other Investor, whether with respect to the Properties or otherwise, and the Trust Agreement cannot be terminated by reason of the bankruptcy or insolvency of any Investor. During the term of the Loan, if the Signatory Trustee determines that the Properties are in jeopardy of being lost due to an actual or imminent default on the Loan, and the Signatory Trustee is prohibited from taking action with respect to such default because such action would "vary the investment" of the Investors, the Signatory Trustee will be directed to terminate the Trust by merging it into the Signatory Trustee (the "**LLC**," which refers to the Signatory Trust as the surviving entity after such merger). As a result of such transaction, each of the Investors would become members of the LLC, owning an interest in the LLC identical to its Interest in the Trust. The Sponsor is the manager of the Signatory Trustee and would remain as the manager of the LLC. As a result of the conversion, the Sponsor, as manager of the LLC, would be able to take actions to conserve and protect the Properties that it would not have been able to take had it not terminated the Trust.

Tax Status of Trust

The Trust Agreement provides that the Trust is intended to qualify as a fixed investment trust and grantor trust for federal income tax purposes, and not as a partnership or association. Thus, although the Trust is respected as a separate entity for state law purposes, each Investor should be treated as owning a direct interest in the Properties for purposes of Section 1031. See "FEDERAL INCOME TAX CONSEQUENCES." Each Investor is required to report its interest in the Trust in a manner that is consistent with the foregoing.

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SUMMARY OF THE MASTER LEASE

General

The Trust, as landlord, and the Master Tenant, as tenant, will enter into a long-term Master Lease for the Properties in their entirety. The form Master Lease is attached as **Exhibit C** to this Memorandum. The Master Tenant will own the Master Tenant Property during the Term, but ownership of the Master Tenant Property will revert to the Trust upon expiration or termination of the Master Lease.

The following is a summary of some of the significant provisions of the Master Lease, and is qualified in its entirety by reference to the full Master Lease. Each prospective Investor should carefully review the full text of the form of Master Lease before purchasing an Interest.

Term

The Master Lease will be for the Term, which consists of an initial term of approximately ten years (the "**Original Term**"), commencing on the date the Properties are acquired by the Trust, and three successive, automatic renewal terms of five years each (each a "**Renewal Term**"). The Master Tenant is required to give the Trust 60 days' prior written notice of its intention not to exercise a Renewal Term. However, the Master Tenant cannot exercise a Renewal Term if it is then in default under the Master Lease. During the Term, the Master Tenant is obligated to pay the Rent and bear all costs of operating, maintaining, repairing, and leasing the Properties except as described herein and in the Master Lease. The Master Lease may be terminated prior to the end of a Term in circumstances that include the following: (i) by the Trust in the event of an uncured default by the Master Tenant; and (ii) upon a sale of the Properties, in which case the Master Lease terminates automatically.

Rent

Rent under the Master Lease will consist of: (i) an amount equal to the then annual debt service due to the Lender pursuant to the terms of the Loan Documents (the "**Base Rent**") and (ii) an additional amount specified in the Master Lease (the "**Stated Rent**"; together with the Base Rent, the "**Rent**"). The Master Tenant will pay the Base Rent by making monthly debt-service payments to the Lender on behalf of the Trust. The Stated Rent will be paid in arrears to the Trust monthly.

The expected schedule of Rent for the Original Term is as follows:

Lease Year	Base Rent	Annual Gross Stated Rent*	Total Annual Rent	Estimated Annual Gross Stated Rent as % of Equity
Lease Years 1 and 10	The "Annual Note Payments"**	$2,159,067	To be calculated based on total of Base Rent and Stated Rent when determined	6.1%

* Before distribution of Stated Rent to Investors, the Trust will incur Delaware trustee fees, bank fees, tax return preparation charges and other expenses currently estimated to be $25,000 per year.

** "**Annual Note Payments**" shall mean the aggregate payments falling due during each Lease Year under Loan Documents. Notwithstanding the foregoing, if at any time during the Term the amount of the Annual Note Payments or the then-annual debt service, as applicable, changes for any reason (for example, as a result of payment of additional principal, payment in full of any financing affecting the Properties, or a resizing of the debt), then in such event the Base Rent and Stated Rent shall be equitably adjusted to take such change into account.

The expected schedule of Rent for the Renewal Terms is as follows:

Renewal Term 1 The Total Annual Rent for each Lease Year of Renewal Term 1 shall be equal to the sum of the Stated Rent for the last Lease Year of the Original Term (calculated on a full year basis) plus the then-annual debt service applicable in each year of Renewal Term 1, with a floor equal to the Total Annual Rental payable during the

final Lease Year of the Original Term and a maximum equal to 1.05 times the Total Annual Rental during the final Lease Year of the Original Term.

Renewal Term 2 The Total Annual Rent for each Lease Year of Renewal Term 2 shall be equal to the sum of the Stated Rent for the final Lease Year of the Renewal Term 1 (calculated on a full year basis) plus the then-annual debt service applicable in each year of Renewal Term 2, with a floor equal to the Total Annual Rental payable during the final Lease Year of Renewal Term 1 and a maximum equal to 1.05 times the Total Annual Rental during the final Lease Year of Renewal Term 1.

Renewal Term 3 The Total Annual Rent for each Lease Year of Renewal Term 3 shall be equal to the sum of the Stated Rent for the final Lease Year of the Renewal Term 2 (calculated on a full year basis) plus the then-annual debt service applicable in each year of Renewal Term 3, with a floor equal to the Total Annual Rental payable during the final Lease Year of Renewal Term 2 and a maximum equal to 1.05 times the Total Annual Rental during the final Lease Year of Renewal Term 2.

Notwithstanding the foregoing, the Master Tenant may defer payment of Stated Rent as long as Base Rent and all operating costs and impositions are paid by the Master Tenant, and all other Master Tenant Net Cash Flow (as defined below) is paid to the Trust (such Net Cash Flow being a partial payment of Stated Rent), with any unpaid portion of Stated Rent to accrue and be payable out of future Net Cash Flow and to accrue interest at the rate of 5% per annum until repaid. "**Net Cash Flow**" means, for each month of the Term, the positive difference between (i) gross revenue from the Properties, reduced by (ii)(b) Base Rent and (c) all operating costs and impositions paid by the Master Tenant during such month. For the avoidance of doubt, the Master Tenant is obligated under the Master Lease to pay all Base Rent, operating costs and impositions regardless of Net Cash Flow. If the Master Tenant is in default under the Master Lease, any accrued and unpaid Stated Rent would become immediately due and payable without regard to any Net Cash Flow limitation. Any deferred Stated Rent that is not paid prior to the expiration or earlier termination of the Master Lease would be payable in full (subject to the terms of the Loan Documents) no later than 91 days after (a) the Loan is repaid in full or (b) the Properties are sold or exchanged by the Trust.

Capitalization

The Master Tenant intends to satisfy its obligations under the Master Lease with the Reserves (as defined below) it funds and by retaining a portion of any net after-tax profits it earns in respect of the Master Lease (the "**Master Tenant Capitalization**"). The Master Tenant Capitalization will be available for use by the Master Tenant in its discretion to satisfy its obligations under the Master Lease. The Master Tenant will have no obligation to replenish any portion of the Master Tenant Capitalization once it has been used. Any funds remaining in the Master Tenant Capitalization upon a sale of the Properties by the Trust will be retained by the Master Tenant.

Expenses

During the Term, the Master Tenant is responsible for all maintenance, repair and replacement obligations with respect to the Properties and the Master Tenant Property and for the cost thereof. The Master Lease and the Loan Documents will require the Master Tenant to deposit $5,200,000 in the Capital Repairs Reserve, which will fund the Capital Repairs. The Capital Repairs Reserve will be deposited in an account with the Lender, but it will be controlled by the Master Tenant and will be pledged to the Trust to secure the Master Tenant's obligations under the Master Lease but will not be pledged to the Lender or otherwise secure the Loan. If any other costs arise and they are the responsibility of the Trust, the Trust will pay such costs from the $100,000 Operating Reserve. The Operating Reserve will be for the benefit of the Trust and may be used by the Master Tenant to pay for any costs for which the Trust is responsible. To the extent that it uses the Trust Reserves to pay expenses that are not the responsibility of the Trust, the Master Tenant will be required to replenish the Trust Reserves on or before the Trust's sale or exchange of the Properties. If the Master Tenant expends funds for payment of costs that are the responsibility of the Trust, the Master Tenant will be entitled to reduce Stated Rent in order to be reimbursed for such expenditures, and will be entitled to be fully repaid for any such expenditures on or before the Trust's sale or exchange of the Properties and to recover

such advances out of the sales proceeds for the Properties if not repaid prior to such date.

Capital Repairs

The Master Lease will require the Master Tenant to perform the Capital Repairs at the Properties, including, without limitation, renovating units, performing general maintenance, and repairing units, roads and landscaping on the Properties. The Capital Repairs will be funded from the Capital Repairs Reserve. The Loan Documents will require the Master Tenant to complete certain Capital Repairs within 15 months of the closing of the Loan, as will be more particularly described in the Loan Documents. A description of the Capital Repairs and an estimate of the costs of the Capital Repairs is attached as **Exhibit I** to this Memorandum.

Removal of Mobile Homes

The Master Lease will prohibit the Master Tenant from removing mobile homes from the Properties except in the ordinary course of business and if such removed mobile homes are replaced by mobile homes of equal or greater value.

Casualty and Condemnation

In the event of a casualty or condemnation to the Properties, the Trust (or the Master Tenant on the Trust's behalf) will, if applicable and to the extent permitted by law and the Loan Documents, restore the Properties using the insurance proceeds or award, as applicable. If either the insurance proceeds or award, as applicable, exceeds the cost to restore the Properties, then the excess will be treated as Monthly Rent and paid to the Trust.

Insurance

The Master Tenant must obtain, at its sole cost, all insurance required under the Loan Documents, including, without limitation, comprehensive, replacement cost casualty insurance with not less than 12 months of loss of rent coverage and personal liability and property damage insurance. The Trust will be named as an additional insured or loss payee, as the case may be, on the insurance policies obtained by the Master Tenant.

Rights and Duties of Master Tenant

The Master Tenant will have the sole and exclusive right and obligation to manage, lease, operate, repair and maintain the Properties during the Term. Among other things, the Master Tenant will have the right to negotiate and enter into subleases of the Properties, to incur costs and expenses and pay the operating costs and expenses of the Properties from the cash flow of the Properties or Trust Reserves, and to enter into property and asset management agreements with third parties or Affiliates. There can be no assurance that the Master Tenant will perform these duties as expected or that any failure to perform such duties will be discovered by the Trust on a timely basis.

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SUMMARY OF THE CALL AGREEMENT

General

The Investors will grant the Initial Beneficiary, which is an Affiliate of the Sponsor, the Call Right pursuant to the Call Agreement. A form of the Call Agreement is attached as **Exhibit F** to this Memorandum. The following is a summary of some of the significant provisions of the Call Agreement and is qualified in its entirety by reference to the full Call Agreement. Each prospective Investor should carefully review the full text of the Call Agreement before purchasing an Interest.

Exercise Period

Pursuant to the Call Agreement, each Investor will grant the Initial Beneficiary the Call Right, which will allow it to acquire the Interests during the Exercise Period. The Exercise Period will begin on the third anniversary of the date on which the first Investor acquires an Interest and will expire on the fifth anniversary of such date. The Initial Beneficiary will be required to exercise the call right by providing written notice to the Investors during the Exercise Period (the "**Exercise Notice**").

Exercise Price

The Initial Beneficiary will be required to pay each Investor the Exercise Price, which is equal to the amount required for each Investor to receive a 10.5% internal rate of return on the purchase price each Investor paid for its Interests, as further described in the Call Agreement. The determination of the Exercise Price will be based on a good-faith estimate of the fair market value of the Interests during the Exercise Period.

Closing

The closing of the Initial Beneficiary's acquisition of the Interests from Investors will close in the date set forth in the Exercise Notice, but such date shall not be more than 90 days after the date on which the Initial Beneficiary delivers the Exercise Notice to the Investors. At the closing, the Investors will execute all documents reasonably requested by the Initial Beneficiary to cause the sale of the Interests from the Investors to the Initial Beneficiary.

Other Terms

If the Call Right is subject to the approval of the Lender, the Signatory Trustee will use commercially reasonable efforts to obtain the Lender's consent prior to the closing. Each Investor will grant to the Initial Beneficiary a limited power of attorney to execute on behalf of each Investors any documents consistent with the Call Agreement, including, without limitation, any conveyance documents.

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DESCRIPTION OF THE PROPERTIES AND LEASES

The following is a summary of certain features and specifications of the Properties based on information from various sources.

Michigan Property (Clinton Township)

Property:	Parkway Village MHC
Address:	23500 S. Keystone, Clinton Township, Michigan 48036
Year built:	1960s, renovated in 1980s
Total sites:	Approximately 25.18 acres
Spaces per acre:	9.61
Number of sites:	242
Sites with homes:	165
Total Usable Sites:	242
Sites occupied:	141, as of May 10, 2021
Occupancy:	58%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

Michigan Property (Homer)

Property:	New Village Estates MHC
Address:	430 South Byron, Homer, Michigan 49245
Year built:	1975
Total site:	Approximately 17 acres
Spaces per acre:	7.6
Number of sites:	130
Sites with homes:	111
Total Usable Sites:	130
Sites occupied:	86, as of May 10, 2021
Occupancy:	66%, as of May 10, 2021
Roads:	Asphalt

Parking:	Two-car, off-street parking

Michigan Property (Ostego)

Property:	Watson MHC
Address:	1362 East M-89, Otsego, Michigan 49078
Year built:	1954-1974
Total site:	Approximately 30 acres
Spaces per acre:	5.66
Number of sites:	164
Sites with homes:	124
Total Usable Sites:	164
Sites occupied:	100, as of May 10, 2021
Occupancy:	61%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

Michigan Property (Parma)

Property:	Arbor Village MHC
Address:	7940 S. Circle Dr., Parma, Michigan 49269
Year built:	1969
Total site:	Approximately 78 acres
Spaces per acre:	4.9
Number of sites:	267
Sites with homes:	155
Total Usable Sites:	266
Sites occupied:	133, as of May 10, 2021
Occupied:	50%, as of May 10, 2021
Roads:	Asphalt

Parking:	Two-car, off-street parking

Michigan Property (Plainwell)

Property:	Gun River East MHC and Gun River West MHC
Address:	Gun River East MHC: 687 10th St., Plainwell, Michigan 49080 Gun River West MHC: 1066 Miller Rd., Plainwell, Michigan 49080
Year built:	1960
Total site:	Approximately 101 acres
Spaces per acre:	4.50
Number of sites:	Gun River East MHC: 164 Gun River West MHC: 61
Sites with homes:	Gun River East MHC: 137 Gun River West MHC: 42
Total Usable Sites:	Gun River East MHC: 163 Gun River West MHC: 61
Sites occupied:	Gun River East MHC: 131, as of May 10, 2021 Gun River West MHC: 42, as of May 10, 2021
Occupancy:	Gun River East MHC: 80%, as of May 10, 2021 Gun River West MHC: 69%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

Ohio Property (Thompson)

Property:	Rustic Pines MHC
Address:	17748 Rock Creek Rd., Thompson, Ohio 44086
Year built:	1957
Total site:	Approximately 31 acres
Spaces per acre:	2.36
Number of sites:	131
Sites with homes:	92

Total Usable Sites:	131
Sites occupied:	82, as of May 10, 2021
Occupancy:	63%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

Ohio Property (Vienna)

Property:	Four Seasons MHC
Address:	3 South Outer Dr., Vienna, Ohio 44473
Year built:	1960s
Total site:	Approximately 96 acres
Spaces per acre:	2.0
Number of sites:	193
Sites with homes:	170
Total Usable Sites:	192
Total occupied:	160, as of May 10, 2021
Occupancy:	83%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

Ohio Property (Warren)

Property:	Villager MHC
Address:	2808 Tod Ave. SW, Warren, Ohio 44485
Year built:	1978
Total site:	Approximately 61.56 acres
Spaces per acre:	3.34
Number of sites:	183
Sites with homes:	145

Total Usable Sites:	179
Total occupied:	115, as of May 10, 2021
Occupancy:	64%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

Pennsylvania Property

Property:	Brady Hills MHC
Address:	153 Lilac Lane,Slippery Rock, Pennsylvania 16057
Year built:	1980
Total site:	Approximately 61 acres
Spaces per acre:	3.4
Number of sites:	174
Sites with homes:	157
Total Usable Sites:	174
Total occupied:	139, as of May 10, 2021
Occupancy:	80%, as of May 10, 2021
Roads:	Asphalt
Parking:	Two-car, off-street parking

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REGIONAL, LOCAL AREA AND MARKET ANALYSIS

The Trust obtained Appraisal Reports (collectively, the "**Appraisals**"), copies of which are available upon request, from JLL in connection with the acquisition and financing of the Properties. The Appraisals were compiled using data and information obtained from various third-party services. Appraisals, the data used to compile them, and the results that they predict are by definition somewhat subjective and may be subject to various interpretations.

Information regarding the Properties from the Appraisals is attached to this Memorandum as **Exhibits G-1** through **G-9**. Information regarding the national mobile home market is included in **Exhibit G-1**. The information in the Appraisals and in **Exhibits G-1** through **G-9** might not accurately reflect or predict all information relevant to the Properties. Neither the Trust, the Sponsor nor the Master Tenant has independently verified any of the data included in the Appraisal.

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ACQUISITION AND FINANCING

Acquisition Terms. The Trust intends to purchase the Properties from the Seller, an Affiliate, on or about November 1, 2021 for a purchase price of $59,500,000 plus acquisition, closing, and due diligence costs of approximately $850,000 (including tax and insurance deposits but not including Selling Expenses and Offering Expenses and Reserves). The purchase price will be funded in part with the Loan from the Lender. Due to requirements of the Lender, bare legal title to the Properties located in Michigan will be held by the Signatory Trustee on behalf of and for the benefit of the Trust, and the Signatory Trustee will be a party to the Loan Documents in such capacity on behalf of and for the benefit of the Trust.

The Trust will offer the Interests for a purchase price of $32,855,260, which when added to the Loan is $4,355,260 greater than the purchase price of the Properties. A portion of this difference is attributable to the closing, financing, and acquisition costs that the Trust or the Sponsor incurred in connection with the acquisition of the Properties, costs incurred in connection with the sale of the Interests, the fees and expenses of the Offering payable to the Sponsor, including the 5% of the Interests retained by the Sponsor or an Affiliate and costs to pay any other deferred fees and expenses. See "COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES," "ESTIMATED USE OF PROCEEDS" and "RISK FACTORS – Real Estate Risks – Determination of Purchase Price/Valuation."

Loan Terms. The Trust intends to obtain the $31,000,000 Loan. The interest rate on the Loan will be floating at a rate equal to SOFR plus 2.55%, but the Trust will obtain interest-rate protection that caps the interest rate at 3.95% for the Loan term. The Loan will mature in five years but will be automatically extended for two consecutive one-year periods if the Loan is not repaid upon satisfaction of certain conditions set forth in the Loan Documents and payment of an extension fee of 0.25% of the outstanding principal balance of the Loan for each extension. The extension conditions include no default under the Loan, minimum occupancy of 80%, and a minimum debt-service coverage ratio of 1.30:1.00. The Loan Documents will require interest-only payments for the first 36 months of the Loan term and thereafter principal-and-interest payments based on a 15-year amortization schedule. The terms of the Loan Documents described in this Memorandum are based on a term sheet with the Lender. The Loan Documents will be available to Investors once they have been finalized.

Cash Management. The Loan Documents will require the Master Tenant to deposit all Property Tenant Rent into a lockbox account with the Lender. The Lender will apply the Property Tenant Rent to payments on the Loan, any required reserves, and approved expenses of the Properties and will release any Excess Cash Flow to the Master Tenant except if a default occurs under the Loan Documents or the Master Lease, in which case the Lender may apply all Property Tenant Rent to the Loan. In addition, the Loan Documents will allow the Lender to trap Property Tenant Rent at any time the Properties fail to maintain a debt yield, tested semi-annually, greater than 8.25% for the first 12 months of the Loan term, 8.50% for the next 12 months, and 9.0% thereafter. If the debt yield of the Properties continues to not satisfy such thresholds in the Loan Document on the next testing date, the Trust or the Master Tenant may post cash or a letter of credit with the Lender to bring the Properties into compliance. The Loan Documents will also allow the Lender to trap Property Tenant Rent at any time the Properties fail to maintain an average occupancy with rents of at least $377 per pad, tested semi-annually, greater than 65% as of the closing of the Loan, 68% for the first 12 months of the Loan term, 71% for the next 12 months, 74% for the next 12 months, and 77% thereafter. All Excess Cash Flow will be released to the Master Tenant when the debt-yield or minimum-occupancy covenant, as applicable, is satisfied. See "SUMMARY OF THE TRUST AGREEMENT – Cash Flow."

Prepayment. The Loan may be prepaid, in whole or in part, at any time upon providing the required notice to the Lender. A prepayment premium of 0.35% of the original principal amount of the Loan shall be payable upon prepayment of the Loan unless the Loan is refinanced with the Lender or an Affiliate.

Transfer Restrictions. The Loan Documents prohibit the transfer of the Properties without the prior consent of the Lender. The Loan Documents do not restrict the transfer of the Interests.

Nonrecourse Loan. The Loan is nonrecourse to the Investors, although it will be recourse to the principal of the Sponsor for certain "bad boy" acts. Accordingly, the Investors will have no personal liability in connection with the Loan.

Environmental Indemnity. The Trust, the Master Tenant and the principals of the Sponsor will be required to indemnify the Lender from any loss, cost, damage or expenses (including attorneys' fees) in connection with any environmental liability related to the Properties. The Investors are not required to provide the Lender an environmental indemnity.

Reserve Accounts. The Loan Documents will require the following reserves (collectively, the "**Reserves**"): (i) the $5,200,000 Capital Repairs Reserve, which will be funded by the Master Tenant in cash at closing, deposited with the Lender, and released by the Lender to the Master Tenant to fund the Master Tenant's obligations under the Master Lease, (ii) a $750,000 reserve, which will be funded by the Master Tenant in cash at closing, deposited with the Lender to cover payments of Rent, and released to the Master Tenant when the economic occupancy of the Properties reaches 75%, (iii) the $500,000 Lender Reserve to cover interest payments on the Loan for 90 days, which reserve will be funded with Loan proceeds and used to pay interest payments on the Loan if the Property Tenant Rent is insufficient to do so and will be released when the economic occupancy of the Properties reaches 75%, (iv) if the Loan term is extended, an ongoing reserve funded by the Master Tenant to pay property taxes in accordance with the Master Lease, and (v) if the Loan term is extended, an ongoing reserve funded by the Master Tenant to pay insurance in accordance with the Master Lease. Upon satisfaction of any applicable release conditions in the Loan Documents or repayment of the Loan, any amounts remaining in the Reserves funded by the Master Tenant will be disbursed to the Master Tenant. Upon satisfaction of any applicable release conditions in the Loan Documents, the Lender Reserve will be disbursed to the Trust and used by the Trust to pay the deferred portion of the Asset Management Fee.

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PLAN OF DISTRIBUTION

Capitalization

The Offering is for a maximum of $32,855,260 of Interests. A minimum purchase of $100,000 is required, although the Trust may waive the minimum purchase requirements in its discretion. The Trust intends to continue the Offering until the earlier of (i) up to 95% of the Interests have been sold, or (ii) November 1, 2022, which may be extend in the sole discretion of the Sponsor.

Qualifications of Investors

The Interests may be purchased only by prospective Investors who are Accredited Investors and who satisfy certain suitability requirements. See "WHO MAY INVEST."

Sale of Interests

Prospective Investors must adhere to the escrow arrangements summarized in the section entitled "HOW TO PURCHASE" in this Memorandum and in the following paragraphs of this section and as set forth in full in the Purchase Agreement, a form of which is attached as **Exhibit A** to this Memorandum with the Purchase Documents. All proceeds for the purchase of Interests will be directly deposited with the Sponsor or, if an Investor is acquiring an Interest on the date on which the Trust acquires the Properties, into the escrow account with the Escrow Agent, which will hold the funds until the closing of the Properties. There is no assurance that all of the Interests will be sold, and the Trust reserves the right to refuse to sell the Interests to any person, in its sole discretion, and may terminate this Offering at any time.

THE ESCROW AGENT HAS NEITHER RECOMMENDED NOR PROVIDED ANY ADVICE IN CONNECTION WITH A PURCHASE OF THE INTERESTS.

Marketing of Interests

Offers and sales of Interests will be made on a "best efforts" basis by Broker-Dealers who are members of FINRA. The Managing Broker-Dealer, S2K Financial LLC, a Delaware limited liability company, will be the exclusive managing Broker-Dealer. The Managing Broker-Dealer will enlist Participating Broker-Dealers and RIAs to assist in the Offering. The Selling Expenses payable in connection with the Offering shall be (i) Commissions, which are a nonaccountable allowance of 6% of the Offering Proceeds for commissions payable to the Managing Broker-Dealer, 100% of which will be reallowed by the Managing Broker-Dealer to Participating Broker Dealers, (ii) Dealer Manager Fee, which is a nonaccountable allowance of 3% of the Offering Proceeds for commissions payable to the Managing Broker-Dealer, all or a portion of which will be reallowed by the Managing Broker-Dealer to Participating Broker Dealers, (iii) a Wholesaling Fee, which is a nonaccountable allowance of 1% the gross Offering Proceeds for wholesaling fees payable to the Managing Broker-Dealer, and (iv) Offering Costs, where are nonaccountable reimbursements to Sponsor for legal, syndication, organization and offering costs equal to approximately 1% of the Offering Proceeds. If the actual Offering Costs paid by the Sponsor are less than 1% of the Offering Proceeds, the Sponsor shall retain the difference and the Sponsor shall pay the difference if the actual Offering Costs exceed 1% of the Offering Proceeds.

Inquiries regarding purchases of Interests should be directed to the Managing Broker-Dealer at S2K Financial LLC, Citadel International 5950 Hazeltine National Drive, Suite 305, Orlando, Florida 32822, telephone number: 877-227-4141, email: info@s2kco.com.

THE INTERESTS ARE BEING OFFERED ONLY TO PERSONS WHO MEET THE INVESTOR SUITABILITY STANDARDS (SEE "WHO MAY INVEST").

Limitation of Offering

The offer and sale of the Interests offered herein are made in reliance upon exemptions from the Act, in accordance with Rule 506(b) of Regulation D, and state securities laws. Accordingly, distribution of this Memorandum for purposes of the sale of Interests has been strictly limited to Accredited Investors and does not constitute an offer to sell any Interests or a solicitation of an offer to buy any Interests with respect to any person not satisfying those qualifications.

Interests may be purchased using assets of various benefit plans, including employee benefit plans subject to Title I of ERISA, retirement plans subject to Section 4975 of the Code, such as plans intended to qualify under Code Section 401(a) (including plans covering only self-employed individuals) and individual retirement accounts (collectively "**Plans**").

Ownership by the Sponsor

An Affiliate of the Sponsor will own any unsold Interests. See "RISK FACTORS - Risks Relating to Private Offering and Lack of Liquidity."

Acceptance of Investors

The Trust may accept or reject the Purchase Agreement of any prospective Investor for any reason for a period of 30 days after receipt of the Purchase Documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected.

Investor Services Agreement

The Sponsor is a party to a Start System Technology and Investor Services Agreement (the "**Investor Services Agreement")** with Phoenix American Financial Services, Inc. ("**PAFS**"). PAFS is a transfer agent registered with the SEC. Pursuant to the Investor Services Agreement, PAFS will perform various investor and administrative services for the Trust and on behalf of owners of the Interest, including serving as transfer agent for the Interests, and providing various administrative functions and services on behalf of the Trust and Interest owners, including services related to receiving and processing subscription documents and related regulatory compliance services, processing and administering any distributions to Interest owners, tax reporting and processing services, and services to effect and process any Interest transfers or redemptions. The services provided by PAFS are provided, in part, through its STAR System technology platform. The Investor Services Agreement requires the Sponsor to pay an implementation fee, various license fees to utilize and access the platform, and other service specific fees that are based on the type and quantity of the services provided by PAFS. The Investor Services Agreement imposes various obligations on each party intended to enable PAFS to provide its services, including certain obligations on PAFS to maintain and backup its system and the platform. The Investor Services Agreement also includes various terms that are common for an agreement of this nature such as confidentiality, limited representations and warranties by each party, certain commercial disclaimers that are common for an agreement of this nature and provisions intended to limit the potential liability of PAFS. The Investor Services Agreement is for an initial three-year term and thereafter automatically extends for additional two-year terms unless terminated by either party.

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ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of Offering Proceeds and the Loan. The table reflects the present intentions of the Sponsor and an unforeseen change of circumstances may require the Sponsor to modify the information set forth below. The Sponsor will receive substantial compensation and fees in connection with the Offering and the Properties, as described in this Memorandum. Certain of the uses described below are estimates by the Sponsor.

SOURCES	
	Amount
Offering Proceeds*	$32,855,260
Loan**	$31,000,000
Total Sources:	**$63,855,260**
USES	
	Amount
Purchase Price	$59,500,000
Closing Costs	$250,000
Interest Reserve	$500,000
Operating Reserve	$100,000
Selling Commissions and Offering Costs	$3,505,260
Total Uses:	**$63,855,260**

* From the sale of 95% of the Interests, the Sponsor or an Affiliate will retain 5% of the Interests.

** The $500,000 Lender Reserve will be funded from the proceeds of the Loan.

RISK FACTORS

The Interests are speculative and involve a high degree of risk. A prospective Investor should be able to bear a complete loss of his or her investment. If a prospective Investor intends to acquire the Interests to claim the Properties as replacement property in a proposed Section 1031 Exchange, particular attention should be paid to the *"Federal Income Tax Consequences"* section of this Memorandum. The prospective Investor will not receive a legal opinion providing that his or her particular investment in the Interests will qualify for tax-deferred exchange treatment under Section 1031.

Prospective Investors should carefully read this Memorandum and review the Financial Forecast attached as Exhibit D to this Memorandum (including the assumptions thereto), before purchasing an Interest. The Financial Forecast consists of "forward-looking" statements that are based on various assumptions regarding the Trust and future operation and management of the Properties, such as lease occupancy, payment of rent and certain budgeted expenditures. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "potential," "projected," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which the Trust might not even anticipate. Although the Trust believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, there can be no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements. In addition, any projections and representations, written or oral, which do not conform to those contained in this Memorandum, must be disregarded.

Among the factors about which assumptions are made:

- **risks and uncertainties affecting the general economic climate and conditions;**
- **changes in interest rate levels and volatility in the capital markets;**
- **changes in operating costs;**
- **the Trust's or the Master Tenant's ability to obtain adequate insurance, including coverage for terrorist acts;**
- **the availability of financing on attractive terms or at all;**
- **changes in governmental regulation, tax rates and similar matters; and**
- **other risks associated with the acquisition, ownership and maintenance of real estate set forth herein below.**

A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY, AMONG OTHER RISKS, THE FOLLOWING RISKS, AND SHOULD HAVE HIS OR HER OWN INDEPENDENT LEGAL, TAX, ACCOUNTING AND FINANCIAL ADVISORS CLOSELY REVIEW THIS MEMORANDUM AND ALL DOCUMENTS REFERENCED HEREIN AND ATTACHED HERETO BEFORE INVESTING IN THE INTERESTS. THESE RISK FACTORS, OR OTHER EVENTS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THIS MEMORANDUM. FURTHERMORE, THESE RISK FACTORS RELATE TO A SOPHISTICATED TRANSACTION AND WHILE THE TRUST HAS ENDEAVORED TO ANALYZE THIS TRANSACTION AND THE RISKS ATTENDANT TO THIS TRANSACTION TO THE BEST OF ITS ABILITY, THE FOLLOWING RISKS MAY NOT ENCOMPASS EVERY POSSIBLE RISK WITH REGARD TO THIS TRANSACTION. ONLY AFTER A PROSPECTIVE INVESTOR AND HIS OR HER INDEPENDENT ADVISORS HAVE ANALYZED THE UNDERLYING DOCUMENTS CAN HE OR SHE FULLY UNDERSTAND THE TRANSACTION.

REAL ESTATE RISKS

General Risk of Investment in the Properties. Rent payments to the Trust, and thus cash flow paid by the Trust to the Investors, will be contingent on the successful operation of the Properties; therefore, the economic success of an investment in the Interests will depend directly upon the Leases and the Property Tenants. The operation of the Properties will be subject to those risks typically associated with real estate investments. Vacancies by Property Tenants that are not replaced or are replaced at less attractive terms can adversely affect operating results or render the sale or refinancing of the Properties difficult or unattractive. No assurance can be given as to the accuracy of certain assumptions related to the future occupancy of the Properties as these matters will depend on events and factors possibly beyond the control of the Trust. Such factors include continued validity and enforceability of the Leases, vacancies at the Properties, rent levels in the market, adverse changes in local population trends, market conditions, neighborhood property values, local economic and social conditions, supply and demand for properties similar to the Properties, competition from similar properties, environmental hazards and liabilities caused by a Property Tenant or by third parties, interest rates and real estate tax rates and assessments, governmental rules, regulations and fiscal policies, zoning restrictions and other easements, covenants and restrictions that affect title to the Properties, the enactment of unfavorable environmental or hazardous material laws, labor and material costs, uninsured losses, effects of inflation and other risks. Further, given the total costs, expenses, and the acquisition and other fees the Trust incurred in relation to this Offering, if the Trust decides to sell the Properties, it would have to sell the Properties at a substantially higher price to recover the original investment.

Occupancy levels may fluctuate significantly and are difficult to predict. The occupancy levels at the Properties as of May 10, 2021 are set forth in the following chart:

Properties	Occupancy
Michigan Property (Clinton Township) (Parkway Village MHC)	58%
Michigan Property (Homer) (New Village Estates MHC)	66%
Michigan Property (Ostego) (Watson MHC)	61%
Michigan Property (Parma) (Arbor Village MHC)	50%
Michigan Property (Plainwell) (Gun River East MHC and Gun River West MHC)	80% (Gun River East) 69% Gun River West
Ohio Property (Thompson) (Rustic Pines MHC)	63%
Ohio Property (Vienna) (Four Seasons MHC)	83%
Ohio Property (Warren) (Villager MHC)	64%
Pennsylvania Property (Brady Hills MHC)	80%

If a substantial portion of the Property Tenants do not renew or extend their Leases or if a substantial portion of the Property Tenants terminate their Leases, and the Property Manager is not able to relet the units in a timely manner, the operating results of the Properties would be substantially and adversely affected by the loss of revenue and possible increase in operating expenses not reimbursed by tenants. This Memorandum assumes in certain projections an increase in the occupancy rate for the Properties over the projected holding period, but the Trust cannot provide any assurance to prospective Investors that the Properties will achieve or maintain such an occupancy rate as contemplated in the assumptions to such projections. In addition, lease-up of any unoccupied mobile homes may be achievable only at rental rates less than those assumed in the Projections or with the provision of rental concessions, both of which would adversely affect operating cash flow.

Cash flow may suddenly decrease or be interrupted. In addition to the factors described above, the cash flow of the Properties may suffer a sudden decrease or interruption from events that lead to the termination or suspension of significant amounts of rent payments from Property Tenants, such as casualty or condemnation, Property Tenant bankruptcies, legally allowed or required rent abatement, a material increase in Lease defaults or terminations above the normal rate, or other reasons that cannot be predicted. A material decrease or interruption in

cash flow may reduce returns to Investors, cause operational issues for the Master Tenant and the Trust, cause the Master Tenant and the Trust to be unable to pay the amounts owed under the Loan Documents or other expenses related to the Properties, force the Trust to the sell the Properties at a time when such a sale would result in a loss, or have other adverse impacts on the Properties and the Trust.

Competition from other housing alternatives. Other mobile home communities might be located within the vicinity of the Properties with profiles and amenities that might be more attractive to some potential tenants. Competition from nearby mobile home communities could make it more difficult to attract new tenants. The Properties will compete with numerous housing alternatives in attracting residents, including other manufactured housing communities, apartments and apartment communities, or home ownership. Competitive housing in a particular area and the increasing affordability of owner occupied single- and multi-family homes available to rent or buy could adversely affect resident retention and/or rental rates.

Agreements Affecting the Properties. By purchasing the Properties and subjecting them to the Master Lease, the Trust and the Master Tenant will directly or indirectly become a party to various agreements, including easements, declarations, and restrictive covenants (collectively, the "**Agreements**") entered into by predecessors-in-interest which run with the land and continue to affect the Properties after they are acquired. The Agreements contain obligations and restrictions with which the Trust and the Master Tenant must comply. Copies of the Agreements are available upon request.

Key Personnel. The Sponsor is dependent upon its executive management and key personnel for strategic business direction and real estate experience, and loss of their services could adversely affect the future management of the Properties. See "MANAGEMENT."

Risks Relating to Title. The Properties are subject to various matters affecting title as set forth on the title policies and surveys, copies of which are available upon request. In addition, other issues may arise that affect title to the Properties, but that are not disclosed by the title policy or the survey. The Trust will obtain title insurance when it acquired the Properties. However, there is no guarantee that the title insurance will cover all title issues affecting the Properties, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Trust will not incur costs in making a title insurance claim.

Substantial Casualty or Condemnation. If any Property is damaged or destroyed by fire or other casualty or subject to a condemnation, the Trust might be required under the Loan Documents to repair and restore the damage provided that the insurance proceeds received are sufficient to cover at least a certain portion of the costs of such restoration. If the Trust is unable or unwilling to restore following a casualty or condemnation, a default might occur under the Loan Documents, which would permit the Lender to exercise its remedies under the Loan Documents. In addition, the particular risks that are currently insurable may not continue to be insurable on an economical basis or the necessary levels of coverage may not continue to be available. If a loss occurs that is partially or completely uninsured, an Investor may lose his or her entire investment in the Properties.

Environmental Liability. Federal, state and local laws may impose liability on a property owner for releases, or the otherwise improper presence on the premises of, hazardous substances (which by definition does not include petroleum) without regard to fault or knowledge of the presence of such substances. A property owner may be held liable for environmental releases of such substances that occurred before it acquired title and that are not discovered until after it sells the property. If any hazardous substances are found at any time on the Properties, the Trust may be held liable for all cleanup costs, fines, penalties and other costs regardless of whether they owned the Properties when the releases occurred or the hazardous substances were discovered.

Over the past several years, Phase I Environmental Site Assessments (each, an "**Existing Phase I**"; collectively, the "**Existing Phase Is**") were ordered for each of the Properties. To qualify for the available federal defenses to superfund liability, however, an owner of property must obtain a Phase I environmental assessment that is not more than 180 days old from the date on which the owner acquired the property and the owner must be listed as the user of each Phase I. All of the Existing Phase Is are dated more than 180 days before the Trust will acquire the Properties and the Trust is not entitled to rely on any of the Existing Phase Is as a user of the reports. Accordingly, the Sponsor has ordered new Phase Is (each, an "**Updated Phase I**"; collectively, the "**Updated Phase Is**") for the Properties. Although the Existing Phase Is and the Updated Phase Is are available for Investors to review upon request,

Prospective Investors may not rely on the Existing Phase Is or the Updated Phase Is but instead should conduct any due diligence that they believe is necessary or appropriate to evaluate an investment in the Properties.

A summary of material issues identified in the Existing Phase Is is set forth below. The Sponsor will supplement this Memorandum upon receipt of the Updated Phase Is to identify any material issues disclosed in the Updated Phase Is that were not disclosed in the Existing Phase Is.

- **Michigan Property (Clinton Township):** The Existing Phase I for the Michigan Property (Clinton Township) was prepared by Partner Engineering on May 16, 2016. The Existing Phase I is expired. The Existing Phase I revealed no evidence of Recognized Environmental Conditions ("**RECs**") associated with the Property. However, Partner Engineering identified one environmental issue associated with the Property: suspect asbestos-containing material ("**ACM**") and lead paint could be present in the buildings on the Property. Partner Engineering recommended that the owner of the Property obtain an operations and maintenance manual to safely manage the suspect ACM and lead paint at the Property. Investors should note that the manufactured homes on the Property will not be owned by the Trust. Radon sampling was not requested.

- **Michigan Property (Homer):** The Existing Phase I for the Michigan Property (Homer) was prepared by Mackinac Environmental Technology, Inc. on December 27, 2010 for Homer New Village, LLC. The Existing Phase I is expired and is old enough that the applicable ASTM standard has changed. The Existing Phase I for the Property revealed no evidence of RECs associated with the Property and contained no recommended follow up. Asbestos, lead paint, and radon surveys were not requested.

- **Michigan Property (Otsego):** The Existing Phase I for the Michigan Property (Ostego) was prepared by Renz & Associates, Inc. on November 3, 2017. The Existing Phase I is expired. The Existing Phase I for the Property revealed no evidence of RECs associated with the Property and contained no recommended follow up. Asbestos, lead paint, and radon surveys were not requested.

- **Michigan Property (Parma):** The Existing Phase I for the Michigan Property (Parma) was prepared by Terracon on January 12, 2010. The Existing Phase I is expired and relied on an old version of the applicable ASTM standard. The Existing Phase I identified some 55-gallon drums, some small containers of gasoline, paint and cleaning chemicals, one aboveground storage tank, and a dumpster on the Property. The report revealed no evidence of RECs associated with the Property. A radon survey was not requested. Terracon performed a limited lead paint survey of the interior of the common areas. The survey did not relevel lead levels above applicable regulatory thresholds. Similarly, Terracon performed limited asbestos sampling of the common areas and found nothing that qualified as an ACM. If demolition or renovations are planned for the common areas, Terracon recommended a full asbestos survey be performed to comply with applicable federal standards.

- **Michigan Property (Plainwell):** The Michigan Property (Plainwell) consists of two properties, the west property and the east property. An Existing Phase I for the entire Michigan Property (Plainwell) was prepared by PM Environmental on February 10, 2016. Such Existing Phase I is expired. Such Exiting Phase I revealed no evidence of RECs associated with the west Michigan Property (Plainwell) and contained no recommended follow up. A radon survey was not requested. PM Environmental conducted a visual asbestos, mold, and lead paint inspection. No peeling or chipped paint or mold was identified. If demolition or renovations are planned for the Property, a full asbestos survey should be conducted to comply with the applicable federal standards.

Another Existing Phase I was prepared for west Michigan Property (Plainwell) on May 20, 2019 by Renz & Associates, Inc. Such Existing Phase I is also expired. Such Existing Phase I revealed no RECs associated with the west Michigan Property (Plainwell).

PM Environmental identified one REC associated with the east Michigan Property (Plainwell): the former use of the Property as an orchard resulted in soil and groundwater pesticide contamination above Michigan target levels for commercial properties. PM Environmental prepared a Baseline Environmental Assessment and a Due Care Compliance Plan as required by the Michigan Department of Environmental Quality. The Existing Phase I indicates that no further investigation is warranted, but the owner of the Property must comply with the duties outlined in the Due Care Compliance Plan. A radon survey was not requested, but PM Environmental conducted a visual asbestos,

mold, and lead paint inspection. No peeling or chipped paint or mold was identified. If demolition or renovations are planned for the Property, a full asbestos survey should be conducted to comply with the applicable federal standards.

Another Existing Phase I was prepared for east Michigan Property (Plainwell) on May 19, 2019 by Renz & Associates, Inc. Such Existing Phase I is also expired. Such Existing Phase I revealed no RECs associated with the east Michigan Property (Plainwell).

- **Ohio Property (Thompson):** The Existing Phase I for the Ohio Property (Thompson) was prepared by Renz & Associates, Inc. on January 3, 2019. The Existing Phase I is expired. Although some used tires, 55-gallon drums, and other debris was found on the Property during the assessment, the Existing Phase I revealed no evidence of RECs associated with the Property and there was no recommended follow up. Asbestos, lead paint, and radon surveys were not requested.

- **Ohio Property (Vienna):** The Existing Phase I for the Ohio Property (Vienna) was prepared by Renz & Associates, Inc. on December 10, 2017 for MHC Capital, LLC. The Existing Phase I is expired. The Existing Phase I revealed no evidence of RECs associated with the Property and it contained no recommended follow up. Asbestos, lead paint, and radon surveys were not requested.

- **Ohio Property (Warren):** The Existing Phase I for the Ohio Property (Warren) was prepared by Renz & Associates, Inc. on November 8, 2016. The Existing Phase I is expired. The Existing Phase I revealed no evidence of RECs associated with the Property and no follow up was recommended. Asbestos, lead paint, and radon surveys were not requested. The consultant identified a small wetland on the Property, but this is not a concern unless development is planned in the wetland area.

- **Pennsylvania Property:** The Existing Phase I for the Pennsylvania Property was prepared by Global Realty Services Group on November 17, 2014. The Existing Phase I is expired. The Existing Phase I revealed no evidence of RECs associated with the Property, and it contained no recommended follow up. Radon sampling was not requested. The consultant found no mold, and no lead paint at the Property. However, some suspect ACMs were identified upon the visual (non-invasive) inspection, which will need to be handled in accordance with applicable law if they are disturbed during demolition or renovation activities.

Phase I Environmental Site Assessments do not involve any invasive testing, but instead are limited to a physical walk-through or inspection of each site, interviews of knowledgeable personnel, and a review of the related governmental records. No assurances are made by the environmental professionals that prepared the reports that actual environmental problems with the subject sites are necessarily exposed.

A Phase I represents conditions at the Properties and surrounding properties as of the effective date of the Phase I and may not represent current environmental risks, whether related to latent conditions unknown at the time of the Phase I or new conditions on the Properties or surrounding properties. Furthermore, a Phase I does not involve any invasive testing and is limited to a physical walk through or inspection of the Properties and a review of the related governmental records. Consequently, there are no assurances that any actual environmental problems or conditions with the Properties would be exposed by a Phase I. It is possible that an environmental claim may be raised in such a manner that the claim could become enforceable against the Trust. Finally, it is possible the existence of any environmental issues with any of the Properties may make it more difficult and more expensive, and perhaps impossible, to obtain financing for the Properties, sell the Properties or develop the Properties for a different use.

In the agreement with the Seller pursuant to which the Trust will acquire the Properties (the "**Property Purchase Agreement**"), the Seller made limited representations, qualified to its knowledge, regarding environmental matters; however, the Property Purchase Agreement did not require the Seller to retain or escrow any funds in the event of future claims. Accordingly, the Trust should be considered to bear the risk of adverse environmental conditions at the Properties. The Trust has not agreed to indemnify the Investors for any environmental liabilities. If losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Properties may be substantially affected.

Earthquake and Flood Exposure. The Properties are not located in areas requiring earthquake or flood insurance. It is not anticipated that the Master Tenant will procure special insurance coverage specific to flood or earthquake exposure. Accordingly, the Properties may be damaged in the future by floods or seismic activity resulting in a partial or total loss of the Properties. If the Trust obtains flood or earthquake insurance, there can be no assurances that the Trust would be fully reimbursed for any damage incurred in the event of a flood or earthquake at or near the Properties.

Climate Change. The Trust cannot predict with certainty whether climate change is occurring and, if so, at what rate. However, the physical effects of climate change could have a material adverse effect on the Properties. To the extent climate change causes changes in weather patterns, the Properties could experience increases in annual snowfall levels and storm intensity. Climate change may also have indirect effects on the Sponsor by increasing the cost of or making property insurance unavailable on acceptable terms, increasing the cost of energy and increasing the cost of snow removal or related costs at the Properties. Proposed legislation to address climate change could increase utility and other costs of operating the Properties which, if not offset by rising rental income, would reduce cash flow. There can be no assurance that climate change will not have a material adverse effect on the Properties.

Property Not a Diversified Investment. Because an investment in the Interests represents an investment in real estate, it is not a diversified investment. Accordingly, the poor performance of the Properties would adversely affect the profitability of the Interests.

Speculative Investment. No assurance can be given that the Investors will satisfy their investment objectives. No assurance can be given that the Investors will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the Properties. For this reason, prospective Investors should carefully read this Memorandum. **All such persons or entities should consult with their Advisors prior to making an investment.**

Determination of Purchase Price/Valuation. The Trust intends to purchase the Properties from the Seller, an Affiliate, for $59,500,000, and incur closing costs, financing costs, acquisition and other fees to the Sponsor and its Affiliates and related transaction and Offering costs (see "SUMMARY OF THE OFFERING – Properties – Acquisition"). The value of the Properties might be more or less than the sum of the purchase price paid to the Seller.

However, the Sponsor has obtained the Appraisals, which appraised the value of the Properties "as-is" at $62,800,000 as of the dates set forth in the chart below.

Properties	**Appraised Values/Appraisal Date**
Michigan Property (Clinton Township) (Parkway Village MHC)	$9,900,000 (July 26, 2021)
Michigan Property (Homer) (New Village Estates MHC)	$4,000,000 (July 30, 2021)
Michigan Property (Ostego) (Watson MHC)	$5,100,000 (July 26, 2021)
Michigan Property (Parma) (Arbor Village MHC)	$11,500,000 (July 26, 2021)
Michigan Property (Plainwell) (Gun River East MHC and Gun River West MHC)	$12,800,000 (July 26, 2021)
Ohio Property (Thompson) (Rustic Pines MHC)	$4,600,000 (June 10, 2021)
Ohio Property (Vienna) (Four Seasons MHC)	$5,300,000 (June 10, 2021)
Ohio Property (Warren) (Villager MHC)	$4,100,000 (June 10, 2021)
Pennsylvania Property (Brady Hills MHC)	$5,500,000 (August 2, 2021
Total:	**$62,800,000**

The purchase price for the Interests is determined unilaterally by the Trust and is not based on an arm's-length negotiation. The total purchase price for the Interests is significantly higher than the Trust's purchase price for the real estate plus the cost of the Improvements. Therefore, the Investors should not expect that the price paid for their investment is reflective of the fair market value of the Properties on a stand-alone basis. The Investors are, however, acquiring their Interests based on the existence of the financing and the Master Lease and the underlying Leases. Nevertheless, there is no evidence that such additional rights support the increase in the purchase price.

No Audited Income Statements. The Seller will not provide the Trust audited income statements regarding the Properties.

Risks Relating to Ground Lease. The Trust will own the Properties, which consist of only the land and improvements and does not include any personal property. The Master Tenant will own the Master Tenant Property, which consists of personal property.

Property Condition Reports. The Trust is obtaining property condition reports (collectively, the "**Property Condition Reports**") for each of the Properties. The Property Condition Reports will describe the condition of each of the Properties and recommend repairs and replacements, which the Sponsor expects to be consistent with the scope of the Capital Repairs. The Sponsor will make the Property Condition Reports available to Investors upon receipt and will supplement this Memorandum to identify any materials matters disclosed in the Property Condition Reports that are within the scope of the Capital Repairs.

RISKS RELATING TO THE LOAN

Loan Terms. The description herein of the Loan Documents is a summary based on a term sheet with the Lender and does not address every provision of such documents. The Sponsor will make available to the Investors copies of the Loan Documents.

Restrictions on Prepayment. The Loan may be prepaid, in whole or in part, at any time upon providing the required notice to the Lender. A prepayment premium of 0.35% of the original principal amount of the Loan shall be payable upon prepayment of the Loan unless the Loan is refinanced with the Lender or an Affiliate.

Leverage. The Properties will have an initial debt to Offering price ratio in connection with the Loan of approximately 48.55% based on the total purchase price of the Interests. As a result of this level of leverage, a decrease in rental revenues from the Properties may adversely affect the financial viability of the Properties. If the revenue from the Properties is insufficient to pay Rent under the Master Lease, it is possible that the Master Tenant will not be able to fully fund the Rent payments from other sources. If enough Property Tenants default on their obligation to pay rent under their Leases or the Master Tenant defaults on its obligation to pay Rent under the Master Lease, the Trust would be unable to pay amounts due to the Lender under the Loan and the Lender could foreclose on the Properties. In such event, the Investors could lose their entire investment in the Properties and suffer adverse tax consequences.

Restrictions on Transfer and Encumbrance. The terms of the Loan Documents will restrict the common privileges that an owner of property has to exercise control over its property, including restrictions on the transfer and further encumbrance of the Properties. If the Trust violates the restrictions on transfer or encumbrance, the Lender may declare the entire amount of the Loan, including principal, interest, prepayment premiums, and other charges, to be immediately due and payable. If the Lender declares the Loan to be immediately due and payable, the Trust will have the obligation to immediately repay the Loan in full. If the Trust fails to immediately repay the Loan in full, the Lender likely will be permitted to invoke its remedies under the Loan Documents, including proceeding with a foreclosure sale that is likely to result in the Investors losing their entire investment in the Properties and suffering adverse tax consequences. See "ACQUISITION AND FINANCING."

Cash Management. The Loan Documents will require the Master Tenant to deposit all Property Tenant Rent into a lockbox account with the Lender. The Lender will apply the Property Tenant Rent to payments on the

Loan, any required reserves, and approved expenses of the Properties and will release any Excess Cash Flow to the Master Tenant except if a default occurs under the Loan Documents or the Master Lease, in which case the Lender may apply all Property Tenant Rent to the Loan. In addition, the Loan Documents will allow the Lender to trap Property Tenant Rent at any time the Properties fail to maintain a minimum debt yield or minimum occupancy, as described above, and Excess Cash Flow will only be released to the Master Tenant when the debt-yield or minimum-occupancy covenant, as applicable, is satisfied. During any periods when the Lender is not releasing Excess Cash Flow to the Master Tenant, the Master Tenant will likely be unable to pay Rent under the Master Lease and the Trust will be unable to pay distributions to Investors. See "ACQUISITION AND FINANCING."

Repayment Guaranty and Minimum Liquidity. The principals of the Sponsor will be required to guarantee repayment of 20% of the Loan and will be required to maintain minimum liquidity of either $2,000,000 or $3,000,000, depending on the principal. If such principals fail to maintain such liquidity, the Lender could declare a default under the Loan Documents, entitling the Lender to exercise all remedies thereunder, including foreclosing on the Properties.

Events of Default. Certain events outside of the control of the Trust will constitute an event of default under the Loan Documents.

Loan Representations, Covenants and Other Restrictions. The Loan Documents will contain various representations, covenants (affirmative and negative) and other provisions. Such restrictions, while relatively common in today's real estate financing market, increase the risks of an investment in the Trust beyond those of a cash purchaser of the Properties. In addition, these restrictions may also make the Properties less attractive as an acquisition target for third-party investors who desire to acquire the Properties subject to the Loan. If the Trust fails to satisfy such representations, covenants and agreements, the Lender may declare the Loan in default. If the Trust fails to cure the default, the Lender could foreclose on its Properties. In such a case, the Investors could suffer material adverse tax consequences because the foreclosure would be treated as a taxable sale for federal income tax purposes.

RISKS RELATING TO THE TRUST STRUCTURE

Investors Have Limited Control over the Trust. The Trustees (and in particular the Signatory Trustee) are solely responsible for the operation and management of the Trust. The Investors have no right to participate in the management of the Trust, or in the decisions made by the Trustees. Even though the Investors may be canvassed prior to the Signatory Trustee entering into a binding contract to sell the Properties, and even though such Signatory Trustee will take the opinions of the Investors concerning such prospective sale into account in good faith, the Signatory Trustee is under no obligation to make its decision with respect to such prospective sale in accordance with the wishes of the Investors. The Trustees may only be removed by Investors holding a majority of the Interests, and only if the Trustees have engaged in willful misconduct, fraud or gross negligence.

Limited Duties of Trustees. The Trustees do not owe any fiduciary or other duties to the Investors other than those provided for in the Trust Agreement. The Trust Agreement provides that the Trustees are individually answerable for their actions to the Investors only if, among other things, the Trustees engage in willful misconduct or gross negligence or any Prohibited Action, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement. In addition, the Trustees may only be removed by Investors holding a majority of the Interests, and only if the Trustees have engaged in willful misconduct, fraud or gross negligence as determined pursuant to a final, nonappealable judgment of a court of competent jurisdiction.

Limited Powers of Trustees; Risk of Termination of Trust. To comply with Revenue Ruling 2004-86 regarding Section 1031 Exchanges, the Trust Agreement prevents the Trustees from engaging in numerous actions, including (a) reinvesting the proceeds from the sale of the Properties in other property, (b) renegotiating the terms of the Loan or taking advantage of favorable market conditions by entering into new financing, renegotiating the Master Lease or entering into new leases except in the event of the bankruptcy or insolvency of the Master Tenant, (c) making other than minor non-structural modifications of the Properties other than as required by law, (d) after the formation and capitalization of the Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor, or (e) taking any other action that would in the opinion of tax counsel cause the Trust to be treated as a "business entity" for federal income tax purposes. These restrictions severely limit the actions the Trustees can take on behalf of the Investors with respect to the Properties. Accordingly, in order to be able to take

the actions necessary to avoid a default on the Loan and loss of the Properties, the Trust may need to be terminated. Since the Lender will not permit tenant in common interests in the Properties to be distributed to the Investors, the Trust would be terminated by being merged into an LLC. See "SUMMARY OF THE TRUST AGREEMENT." Although the Properties would remain subject to the applicable Loan and Master Lease after such transaction, and the direct and indirect ownership interest of each Investor in the LLC would be identical to such Investor's Interest in the Trust, the Investor would at such time no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Properties. Since an LLC that is directly owned by the Investors would be treated as a partnership for tax purposes, it may be difficult or impossible to do a tax-free exchange when the LLC disposes of the Properties.

No Right of Partition/Limited Liquidity. Unlike the tenant-in-common structure, there is no right of partition. There is no ability, other than the sale of the Interests to a third party, to withdraw or otherwise terminate the relationship with the Trust.

RISKS RELATING TO PRIVATE OFFERING AND LACK OF LIQUIDITY

Limited Transferability of Interests. Each Investor will be required to represent that he or she is acquiring an Interest for investment and not with a view to distribution or resale, that such Investor understands that an Interest is not freely transferable and that such Investor must bear the economic risk of investment in the Properties for an indefinite period of time because: (i) the Interest has not been registered under the Act or applicable state "Blue Sky" or securities laws; and (ii) the Interest cannot be sold unless it is subsequently registered or an exemption from such registration is available. There currently is no market for an Interest nor is one expected in the future and Investors may not be able to liquidate their investment in case of an emergency. Further, the sale of an Interest may have adverse federal income tax consequences.

Offering Not Registered With SEC or State Securities Authorities. The Offering of an Interest will not be registered with the SEC under the Act or the securities agency of any state, and is being offered in reliance upon an exemption from the registration provisions of the Act, in accordance with Rule 506(b) of Regulation D, and state securities laws applicable only to offers and sales to investors meeting the suitability requirements set forth herein. Since this is a nonpublic offering, prospective Investors will not have the benefit of review by the SEC or any state securities regulatory authority. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

Private Offering Exemption - Compliance with Requirements. The Interests are being offered, and will be sold, to persons or entities in reliance upon a private offering exemption from registration or qualification provided in the Act and securities or "Blue Sky" laws and regulations in the states in which the Interests are being offered. If the Trust fails to comply with the requirements of such exemptions, Investors may have the right to rescind their purchase of the Interests. If such were the case and a number of Investors were successful in seeking rescission, the Trust would face severe financial demands that would adversely affect the Investors as a whole and, thus, the investment in the Interests by the remaining Investors.

Ownership of Interests by Sponsor or Affiliates. An Affiliate of the Sponsor will own any unsold Interests. The ownership of the Interests by the Sponsor or its Affiliate and the inability to sell all of the Interests involves certain risks that potential Investors should consider, including, but not limited to, the following:

(1) the Sponsor may have a conflict of interest because, for example, it might have an interest in disposing of the Properties at an earlier date than other Investors so as to recover their investments in the Interests; and

(2) the full Offering amount will not have been invested by disinterested investors after an assessment of the merits of the Offering.

Forward-Looking Statements. Some of the information in this Memorandum may contain forward-looking statements, which are based on various assumptions which may not prove to be correct. For example, such assumptions include, but are not limited to, the continued growth and expansion of the local and regional economies,

the initial terms of the Loan, anticipated leasing schedules and budgeted capital improvement expenditures. The assumptions form the basis for various projections set forth in this Memorandum and, if incorrect, would make the projections incorrect. Since the assumptions are beyond the control of the Sponsor, the Trust or the Investors, there can be no assurance that such assumptions, such projections or other forward-looking statements will accurately predict future events or the actual performance of the Properties. Any projections included in this Memorandum or any other material or documents supplied by the Sponsor or their Affiliates or in connection with this Offering, including projections regarding future cash flow and financial performance, should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. In addition, any projections and statements, written or oral, which do not conform to those contained in this Memorandum should be disregarded, and their use is a violation of law. No representation or warranty can be given that the estimates, opinions or assumptions made herein or therein will prove to be accurate. Prospective Investors should closely review the assumptions set forth in the projections.

The Sponsor intends to identify forward-looking statements in this Memorandum by using words or phrases such as "anticipates," "believes," "estimates," "expects," "intends," "maybe," "objective," "plan," "predict," "project" and "will be" and similar words or phrases, or the negative thereof or other variations thereof or comparable terminology. These types of statements discuss future expectations or contain projections or estimates. When considering such forward-looking statements, you should keep in mind the risk factors outlined herein. These risk factors, or other events, could cause actual results to differ materially from those contained in any forward-looking statement.

Privacy Concerns. In the ordinary course of business, the Trust may collect and store sensitive data, including investor qualification data, intellectual property, proprietary business information of tenants and business partners, including personally identifiable information of tenants and employees, in data centers and networks. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise the information systems utilized by the Trust, Sponsor or the Properties, and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, damage the reputation of the Trust or Sponsor, which could adversely affect cash flows.

RISKS RELATING TO THE MASTER LEASE AND THE MANAGEMENT OF THE PROPERTIES

Capital of the Master Tenant. The Master Tenant will have limited capital upon the inception of the Master Lease, and the Master Tenant is not involved in other business activities and is dependent solely on the Properties for its income. However, the Master Tenant Capitalization will consist of the Reserves it funds and the retention of a portion of any net after-tax profits the Master Tenant determines in its sole discretion is necessary to perform its obligations under the Master Lease. The Master Tenant Capitalization will be available for use by the Master Tenant in its discretion to satisfy its obligations under the Master Lease. The Master Tenant will have no obligation to replenish any portion of the Master Tenant Capitalization once it has been used, and the Master Tenant is under no obligation to any person to fully fund the Master Tenant Capitalization from other sources. Any funds remaining in the Master Tenant Capitalization upon a sale of the Properties by the Trust will be retained by the Master Tenant. There can be no assurance that the Master Tenant will be able to fund any portion of the Master Tenant Capitalization that is to be funded after the Trust acquires the Properties or that such funds will be sufficient for the Master Tenant to satisfy its obligations under the Master Lease in the event the Properties experience a cash flow shortfall. Prospective Investors must carefully evaluate the personal experience and business performance of the principals of the Master Tenant. See "MANAGEMENT."

Operating History of the Master Tenant. The Master Tenant is a newly formed entity and has no operating history. No assurances can be given that the Properties will be operated properly or successfully. In addition, no person or entity has guaranteed payment of the Rent or the performance of the obligations of the Master Tenant under the Master Lease. A significant financial problem with the Properties, such as the loss of a majority of the Property Tenants, could substantially reduce the amounts paid as Rent under the Master Lease and could also adversely affect the Master Tenant's ability to satisfy its financial obligations under the Master Lease. Under the Master Lease, the Master Tenant will be obligated to pay the Base Rent, Operating Expenses and Impositions of the Properties regardless of whether the Properties are profitable. If the Properties are performing poorly, for whatever reason, the Master

Tenant may not be able to pay the Rent. If the Master Tenant is unable to pay the Rent required under the Master Lease or otherwise satisfy its obligations under the Master Lease, the Trust will have the right to terminate the Master Lease, but will then be subject to all of the risks associated with the ownership, management, operation and leasing of the Properties. These risks are substantially greater than the risks of solely being the lessor under the Master Lease wherein the Master Tenant is obligated to operate, manage, lease and maintain the Properties. Furthermore, if the Master Tenant is unable to pay the operating expenditures with respect to the Properties, the Properties may fall into disrepair, or in the event of a failure to pay property or real estate taxes or assessments, may be subject to foreclosure or seizure by the taxing authority.

Bankruptcy of the Master Tenant. The Trust would be adversely affected if a bankruptcy or similar insolvency proceeding were initiated with respect to the Master Tenant. For example, a bankruptcy trustee appointed for the Master Tenant might attempt to reject one or more Property Leases. Further, as a result of the automatic stay provided for under the applicable bankruptcy laws, the Trust might not be able to enforce the Master Tenant's obligations under the Master Lease, or reach rental payments being made by Property Tenants to the Master Tenant, which could negatively impact the Trust's ability to receive rent with respect to the Properties. In the event of the bankruptcy or insolvency of the Master Tenant, the Trust will be able to terminate the Master Lease and either succeed to the Master Tenant's interest in the Property Leases or negotiate new leases with the Property Tenants. Nevertheless, there is no guarantee that the Trust will be successful in succeeding to the Master Tenant's interest in any Leases or in re-leasing the Properties to new tenants.

Variance from Financial Forecast (Exhibit D). There may be a variance from the financial forecast (**Exhibit D**) due to a variety of factors, including, without limitation, any of the following:

(1) Actual expenses could be in excess of projected expenses;

(2) Actual rents received may be less than projected rents; and/or

(3) Actual vacancy may be greater than projected.

Sale of the Properties. The proceeds realized from the sale of the Properties will be distributed to the Trust and then by the Trust among the Investors in accordance with their respective Interests, but only after payment of the Loan (and any other loans) and satisfaction of the claims of other third-party creditors. The ability of any Investor to recover all or any portion of its investment will, accordingly, depend on the amount of net proceeds realized from such sale and the amount of claims to be satisfied therefrom. There can be no assurance that the Investors will receive any proceeds from sale of the Properties.

TAX RISKS

Acquisition of the Interests May Not Qualify as a Section 1031 Exchange. An Interest may not qualify as valid Replacement Property for a Section 1031 Exchange and a portion of the proceeds from an Investor's sale of his or her property to be relinquished (the "**Relinquished Property**") could constitute taxable boot (as hereinafter defined). Whether any particular acquisition of an Interest will qualify as a Section 1031 Exchange depends on the specific facts involved, including, without limitation, the nature and use of the Relinquished Property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the Relinquished Property and the identification and acquisition of the Replacement Property (the "**Replacement Property**"). Neither the Sponsor nor its Affiliates or agents are examining or analyzing any prospective Investor's circumstances to determine whether such Investor's acquisition of the Replacement Property qualifies as a Section 1031 Exchange. Moreover, no opinion or assurance is being provided to the effect that any individual prospective Investor's transaction will qualify under Section 1031. Such examinations or analyses are the sole responsibility of each prospective Investor, who must consult with his or her own independent legal, tax, accounting and financial advisors before purchasing an Interest. If the factors surrounding a prospective Investor's disposition of the Relinquished Property and his or her acquisition of the Interests do not meet the requirements of Section 1031, the disposition of the Relinquished Property will be taxed as a sale and the IRS will assess interest and possibly penalties for failure to timely pay such taxes.

With respect to issues of availability and timing, prospective Investors should be aware that merely designating an Interest in connection with an Investor's Section 1031 Exchange does not assure the Investor that there will be Interests available to purchase when the Investor executes the Property Purchase Agreement and causes his or her qualified intermediary to transfer funds to complete the purchase of the Interest. In particular, Investors must be aware that the Trust does not currently own the Properties, and no guarantee can be given to any particular prospective Investor that the closing on the purchase of the Properties by the Trust, and thus the acquisition of an Interest by an Investor, will occur within a timeframe that will permit such Investor to satisfy the requirements under Section 1031 regarding the timeframe within which Replacement Property must be acquired.

Revenue Ruling 2004-86 held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an interest in the Delaware statutory trust described in the ruling (the "**DST**") satisfies the requirements of Section 1031. Because the holding of Revenue Ruling 2004-86 is based on numerous factual assumptions regarding the DST, not all of which apply to the Trust, there can be no guarantee that an Interest will satisfy the requirements of Section 1031. However, the Trust Agreement has been drafted such that they are consistent with the material factual assumptions regarding the DST. In addition, Special Tax Counsel to the Trust will render a Tax Opinion that an Investor should be treated as holding a direct interest in the Properties for purposes of Section 1031. See "CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES" and the Tax Opinion attached as **Exhibit E** to this Memorandum.

Boot Can Arise from the Acquisition of Unimproved Real Estate as Replacement Property. The Properties consist only of the land and improvements. As a result, an acquisition of an Interest as Replacement Property in a Section 1031 Exchange will be treated as the acquisition of only non-depreciable property. There are circumstances in which a Section 1031 Exchange involving depreciable real property as the Relinquished Property and only non-depreciable property as the Replacement Property will result in the recognition of taxable gain to the extent of the exchanging party's previously taken depreciation deductions on the depreciable real property. Each Investor must consult with his or her own tax advisor as to the amount of gain attributable to previously taken depreciation deductions could arise if an Interest was acquired as Replacement Property in the Section 1031 Exchange.

A Delayed Closing on the Acquisition of an Interest Could Adversely Affect the Qualification of an Exchange under Section 1031. Investors who are completing Section 1031 Exchanges should be aware that closing on their Replacement Property must occur before the earlier of: (i) the day which is 180 days after the date on which the taxpayer transferred the Relinquished Property; or (ii) the due date (determined with regard to extension) for the transferor's return for the taxable year in which the transfer of the Relinquished Property occurs. No extensions will be granted or other relief afforded to taxpayers who do not satisfy this requirement. Therefore, a delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Section 1031.

State Laws May Differ. Some states adopt Section 1031 in whole, other states adopt it in part and still other states impose their own requirements to qualify for deferral of gain under state law. In addition, while many states follow federal tax law by treating the owner of an interest in a fixed investment trust as owning an interest in the assets held by the Trust, other state laws may differ and could result in the imposition of income or other taxes on such entities. Therefore, each Investor must consult his or her own tax advisor as to the qualification of a transaction for deferral of gain under state law.

The Conversion of the Trust to the Springing LLC may have adverse Tax Consequences to Investors. If the Trust is converted to the Springing LLC, the Properties will be transferred from the Trust to the Springing LLC and the membership interests in the Springing LLC will be held by the Investors. It is anticipated that the Signatory Trustee will serve as the manager of the Springing LLC. Under current law, such a transfer generally should not be subject to federal income tax pursuant to Section 721 of the Code. The transfer could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that the transfer will not be taxable under the federal income or other tax laws in effect at the time the transfer occurs. Because the conversion of the Trust to a Springing LLC could occur in several situations, it is not possible to determine all of the potential tax consequences to the Investors.

If the Trust is Converted into the Springing LLC, the Investors' Ownership Interests in the LLC will not Qualify for Tax-Deferred Exchange Treatment under Section 1031. As indicated in "Summary of the Trust Agreement," in order to avoid a default on the Loan and loss of the Properties, the Signatory Trustee may be required

to terminate the Trust by converting it into the Springing LLC. As a result of such conversion, the Interests will be converted into membership interests in the Springing LLC, which cannot be transferred in a Section 1031 Exchange. If, after the conversion of the Trust into the Springing LLC, the Investors wish to engage in tax-deferred exchange of their interests in the Properties, the manager of the Springing LLC will attempt to convert the Investors' interests in the Springing LLC into (or exchange them for) direct interests in the Properties or adopt some other tax strategy to accomplish the tax-deferred exchange. However, there can be no guarantee that this will be accomplished.

Passive activity, at risk, and excess business loss rules may limit losses. Losses from passive trade or business activities generally may not be used to offset "portfolio income," such as interest, dividends and royalties, or salary or other active business income. Deductions from passive activities, including interest deductions attributable to passive activities, generally may only be used to offset passive income. Passive activities include: (1) most trade or business activities in which the taxpayer does not "materially participate" (a statutorily-defined test) ; and (2) rental activities (subject to an exception for taxpayers who qualify as real property operators under certain statutory tests). Subject to satisfaction of the real property operator test and the material participation test, an Investor's income and loss from an investment in an Interest, if any, will constitute income and loss from passive activities. However, the rules regarding the deductibility of passive losses (whether from an investment in an Interest, or from another passive activity that potentially could be used to offset income from an investment in an Interest) are complex and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, an Investor that is an individual or closely held corporation will be unable to deduct losses from the Trust, if any, to the extent such losses exceed the amount the Investor is considered "at risk" under the Code. Losses not allowed under the at-risk provisions may be carried forward to subsequent tax years and used when the Investor's amount "at risk" increases or when the Investor generates gain on the disposition of the activity. However, the rules regarding the applicability of the at-risk rules to a particular Investor are complex and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, under the recent Tax Cuts and Jobs Act of 2017, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer's net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2019 is $255,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount will be indexed for inflation. The provision applies after the application of the passive loss rules. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above

Income and Gain from Passive Activities May be Subject to the Medicare Contributions Tax. For taxable years beginning after December 31, 2012, recently enacted legislation imposes a 3.8% tax on the "net investment income" of certain U.S. individuals and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes passive investment income, including rent and net gain from the disposition of investment property, less certain deductions. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the legislation described above.

An Investor may be required to make an election if the Investor wishes to avoid the limit on interest deductions for real estate ventures. Under the Tax Cuts and Jobs Act of 2017, interest deductions for taxpayers with average annual gross receipts in excess of $25 million are in general deferred to the extent that annual business interest expense exceeds business interest income plus 30% of taxable income subject to certain adjustments. A real estate trade or business, however, may elect out of the deferral regime, in which case the business must depreciate certain types of real property by the straight line method under slightly longer recovery periods (40 years for nonresidential property, 30 years for residential rental property, and 20 years for qualified interior improvements). While Investors may be eligible to make this election, there is considerable uncertainty as to the application of the new rules, which may depend in part upon an Investor's specific circumstances. Investors should consult their own tax advisors as to the applicability of the new rules to them and as to their ability to make such election. See "FEDERAL INCOME TAX CONSEQUENCES – Limit on Business Interest Deductions."

An Investor may need to use Funds from other Sources to Satisfy Tax Liabilities. It is possible that an Investor's taxable income resulting from its Interest will exceed any distribution of cash attributable thereto. This may occur because cash flow from the Properties may be used to fund nondeductible operating or capital expenses of the Properties, including reserves and payments of principal on the Loan. Thus, there may be years in which an Investor's tax liability exceeds its share of cash from the Properties. In addition, a sale or exchange of the Properties at an economic loss without a Section 1031 Exchange could result in ordinary income, depreciation recapture or capital gain to an Investor without any concomitant net cash proceeds from the sale or disposition of the Properties to pay income taxes on such items. This is a particular risk for certain Investors, such as persons acquiring an Interest in a Section 1031 Exchange, whose income tax basis in an Interest may be substantially lower than his or her cash investment in the Properties. If this were to occur, an Investor would have to use funds from other sources to satisfy its tax liability.

The Call Option May Affect Treatment of the Investor as the Owner of the Interest for Tax Purposes. The Call Agreement provides the Initial Beneficiary with the right, but not the obligation, to purchase the Interests held by the Investor at the Exercise Price, which the Initial Beneficiary believes is a good-faith estimate of what the fair market value of the Interest at the time the Call Right is exercised. The Investor will have no option to force the Initial Beneficiary to buy-back any Interest at the Exercise Price. In addition, the Initial Beneficiary's ability to exercise the Call Right shall cease as of the last day of the Exercise Period. There are circumstances in which the existence of an option that provides the initial seller with the right to repurchase an asset back from a purchaser will cause the initial seller, not the purchaser, to be the owner of the asset for income tax purposes. To avoid such treatment, the purchaser must have both substantial risk of loss and opportunity for gain during the period in which the purchaser is the legal owner of the purchased asset.

Future Legislative or Regulatory Action Could Significantly Change the Tax Aspects of an Investment in an Interest. The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, Investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in an Interest. Any such change may be retroactive with respect to transactions entered into or contemplated before the effective date of such change, and could have a material adverse effect on the tax consequences of an investment in an Interest.

ERISA Risks

ERISA and Code Section 4975 impose certain fiduciary restrictions, including prohibited transaction restrictions, on funds that hold "plan assets."

The DOL Plan Asset Rules provide that, subject to certain exceptions outlined in the rules, the assets of an entity (such as the Trust) in which a Benefit Plan Investor holds an ownership interest may be treated as assets of an investing plan, in which event the assets of the Trust (and transactions involving such assets, such as a sale of the Properties) would be subject to ERISA's fiduciary provisions, including any prohibited transaction provisions under ERISA or Code Section 4975. One of the exceptions in the Plan Asset Rules will apply if ownership in the Trust is limited so that only a percentage of the Interests that is less than 25% may be owned by Benefit Plan Investors. The Sponsor and the Signatory Trustee will use reasonable best efforts to qualify the Trust for this exception to the Plan Asset Rules. If, nevertheless, Benefit Plan Investors acquire 25% or more of the Interests and the Plan Asset Rules apply to the Trust, ERISA's fiduciary standards and prohibited transaction rules would apply to the operation of the Trust, which would likely impose substantial additional compliance expenses upon the Trust, thereby potentially reducing amounts distributable by the Trust to the Investors. Finally, if the Trust is subject to the Plan Asset Rules and is not able to comply with ERISA or Code Section 4975, Benefit Plan Investors may be at risk of breaching fiduciary duties owed to their sponsoring plan.

Employee benefit plans such as governmental and non-United States plans, while not subject to ERISA, may be subject to laws regulating employee benefit plans that contain rules substantially similar to ERISA and may contain other rules relating to permissible investments. Such plans should conclude that an investment in the Interests would satisfy all such laws before making such an investment (and, as indicated above, may be required to make certain assurances to the Trust).

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COMPENSATION OF THE SPONSOR, THE MASTER TENANT AND AFFILIATES

The following table describes compensation and other amounts payable to the Sponsor and Affiliates. The determination of the type and amount of the compensation to be received by the Sponsor and Affiliates was not the result of arm's length negotiations. See "CONFLICTS OF INTEREST."

TYPE OF PAYMENT	DETERMINATION OF AMOUNT	AMOUNT
	Acquisition Stage	
Nonaccountable Selling Expenses and Offering Costs	The Sponsor will be entitled to retain the excess of Selling Expenses over the amounts required to be expended for Offering Costs.	Not determinable at this time
	Operational Stage	
Master Tenant Profit	The Master Tenant will be entitled to the net income equal to the difference, after taxes owed by the Master Tenant, between (i) the gross revenues the Master Tenant receives from the Properties and (ii) the expenses it incurs in maintaining the Properties and its payment and other financial obligations under the Master Lease, including its obligations to pay Rent, operating costs and impositions.	Not determinable at this time.
Asset Management Fee	The Asset Manager will be entitled to receive the annual Asset Management Fee equal to 0.50% of the Offering Proceeds. The Asset Manager will defer payment of half of the Asset Management Fee until the aggregate occupancy of the Properties is 75%, at which time the Lender Reserve will be disbursed to the Trust and the deferred portion of the Asset Management Fee will be paid to the Asset Manager.	$164,276
Property Management Fee	The Property Manager will be entitled to receive an annual fee equal to 5% of gross revenues from the Properties pursuant to the property management agreement between the Master Tenant and the Property Manager.	Not determinable at this time.
	Disposition Stage	
Initial Beneficiary Profit	If the Initial Beneficiary exercises the Call Right pursuant to the Call Agreement, the Initial Beneficiary will be entitled to the difference between the Exercise Price (which is the amount required for each Investor to receive a 10.5% internal rate of return on the purchase price it paid for its Interests, as further described in the Call Agreement), and the actual value of such Interests.	Not determinable at this time.
Disposition Fee	Upon a sale of the Properties, the Sponsor or an Affiliate will receive a disposition fee equal to 1% of the gross	Not determinable at this time.

TYPE OF PAYMENT	DETERMINATION OF AMOUNT	AMOUNT
	sales price of the Properties, excluding any transfer of the Properties made pursuant to the Call Agreement.	

FIDUCIARY DUTIES OF THE SPONSOR, THE TRUSTEES AND THE MASTER TENANT

The Trustees and the Sponsor do not have any fiduciary duty to the Investors and the Trust Agreement provides that the Trustees are liable to the Investors for their actions only if, among other things, the Trustees engage in willful misconduct or gross negligence or any Prohibited Action, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement. The duties of the Master Tenant to the Trust are limited by the terms of the Master Lease.

CONFLICTS OF INTEREST

In this Offering, an Affiliate of the Sponsor will also serve as the Signatory Trustee, the Master Tenant, and the Asset Manager. Such parties and their Affiliates will control, manage and/or advise other entities and participate in other business arrangements in the future, including the ownership of properties that compete with the Properties. The Investors will not have any interests in any such future entities or properties. The Properties could be adversely affected by these conflicts of interest. The principal areas in which conflicts may be anticipated to occur are as follows:

Competition for Tenants

The Sponsor, the Master Tenant, the Asset Manager, and their Affiliates may acquire other properties similar to the Properties in the same market. See "RISK FACTORS – Real Estate Risks – Competition."

Obligations to Other Entities

The Sponsor, the Master Tenant, the Asset Manager, their Affiliates and their respect principals, owners and executive officers will (a) have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged and others that may be organized in the future and (b) will devote only so much time as they, in their sole discretion, deem to be reasonably required for the proper management of the Trust and the Properties. Such parties believe they have the capacity to discharge their responsibilities, notwithstanding participation in other present and future investment programs and projects.

Interest in Other Activities

The Sponsor, the Master Tenant, the Asset Manager, their Affiliates and their respect principals, owners and executive officers may engage for their own account, or for the account of others, in other business ventures. Investors will not be entitled to any interests in such other activities.

Resolution of Conflicts of Interest

Neither the Sponsor, the Master Tenant, the Asset Manager, nor their Affiliates have developed, and do not expect to develop, any formal process for resolving conflicts of interest.

Sponsor or Affiliate Will Retain Interests in Trust

The Sponsor or an Affiliate of the Sponsor will retain 5% of the Interests in the Trust and will own any unsold Interests. The financial obligations and interests of the Sponsor may not always be consistent with those of the other Investors. See "RISK FACTORS - Risks Relating to Private Offering and Lack of Liquidity - Ownership of Interests by Sponsor or Affiliates."

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MANAGEMENT

Sponsor

The Offering is being sponsored by the Sponsor, MHC Capital II, LLC, a Delaware limited liability company. The Sponsor operates real estate projects in the Midwestern United States, including 29 mobile home communities with more than 4,500 sites and a market value of over $150,000,000. The Sponsor and its Affiliates have more than 50 employees and the principals have more than 50 years of combined real estate and asset management experience.

Key Personnel

The principals of the Sponsor (the "**Principals**") and the respective roles each principal plays in the management of the Trust are as follows:



Kwame Granderson – Partner

Mr. Granderson is a Harvard Law educated real estate attorney, who has practiced for years representing Fortune 500 clients in a variety of commercial real estate transactions that collectively exceed $1 billion. While practicing as a lawyer at Gibson, Dunn and Crutcher, he structured entities and drafted loan documents for multi-million dollar real estate transactions, including The Capital Company of America financing of the $250,000,000 acquisition of Fox Plaza in Century City and the Morgan Stanley $240,000,000 financing of a cross-collateralized asset package, including real estate located in California and Washington. He has worked as a consultant to large financial firms and opportunity funds, in connection with the underwriting of development projects including shopping centers, hotels and high-rise condo projects. Mr. Granderson is responsible for deal structuring, underwriting and operations.



Bradley Froling – Partner

Mr. Froling is a second-generation real estate investor and lawyer whose family has developed shopping centers and single-family residential for more than 50 years. Mr. Froling has spent the last 15 years in the affordable housing sector, repositioning undervalued apartment buildings using Federal low-income tax credits before exploiting the significant disequilibrium in the manufactured housing industry. Mr. Froling is a member of the Michigan Bar and holds a B.B.A from the University of Michigan Ross School of Business. He is principally responsible for capital raising and acquisitions.



Steven Anderson – Partner

This former senior financial services executive oversaw a Fortune 400 firm's national network of financial advisors and was responsible for $600 million of revenue and $6 billion of sales. Mr. Anderson has over 30 years in the investment and asset management business. He holds Chartered Mutual Fund Counselor (CMFC) and Chartered Leadership Fellow (CLF) designations. Mr. Anderson graduated with a BA in Economics from the University of Northern Iowa. He is responsible for capital raising and sales.

Ownership of Sponsor

The members of the Sponsor are Granderson Holdings, Inc., a California corporation, BEF Capital, LLC, a Michigan limited liability company, and Steven Anderson, each of which own one-third of the Sponsor. The sole shareholder of Granderson Holdings, Inc. is Kwame Granderson, and the sole member of BEF Capital, LLC is Bradley Froling.

Master Tenant Management

Sponsor is the sole member of the Master Tenant.

Asset Manager

The Asset Manager, MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company, an affiliate of the Sponsor, will provide asset management services to the Trust pursuant to the Asset Management Agreement. A copy of the Asset Management Agreement is available upon request.

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PRIOR PERFORMANCE

The past operating results of the properties in **Exhibit H** are not necessarily indicative of the future operating results of such properties or of the operating results of the Properties. Please see **Exhibit H** attached hereto and made a part hereof for information on prior performance of the Properties and other properties owned by the Sponsor or affiliates.

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RESTRICTIONS ON TRANSFERABILITY

There are restrictions on the transferability of the Interests imposed by state and federal securities laws. The Interests offered hereby have not been registered under the Act nor by the securities regulatory authority of any state. The Interests may not be resold unless they are registered under the Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available. There currently is no market for the Interests and none is expected to develop. Prospective Investors should view the Interests as being a long-term investment. In addition, a sale of the Interests must be consummated in accordance with the Trust Agreement and the Loan Documents.

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FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain federal income tax consequences to the Investors that prospective Investors should consider. A complete discussion of the federal tax consequences of acquiring Interests is beyond the scope of this summary. Prospective Investors should be aware that the income tax consequences of an acquisition of an Interest are uncertain and complex and that such consequences may not be the same for all taxpayers. Neither the Trust nor any of the Trust's Affiliates are providing any assurances or legal opinions to the effect that the acquisition of Interests by any prospective Investor will meet the requirements under Section 1031. The following summary is based on the Code, regulations enacted under the Code (the "**Regulations**"), court decisions and published IRS rulings that are in effect on the date of this Memorandum. Future legislative or administrative changes or court decisions may significantly change the conclusions expressed below, and these changes or decisions may have a retroactive effect.

Classification for Purposes of Section 1031

The Trust Agreement has been structured with the intent that an Investor will be treated as acquiring an undivided interest in real estate, as opposed to a security or interest in a partnership, joint venture, association or trust for federal income tax purposes. An Investor who is acquiring an interest pursuant to a Section 1031 Exchange must be aware that the Interest must be treated as an interest in real property and not as an interest in a partnership, joint venture, association or trust in order for an Investor to be eligible to use the Interest as part of a Section 1031 Exchange. However, no ruling will be requested from the IRS that the Interests will be treated as undivided interests in real estate as opposed to an interest in a partnership, joint venture, association or trust for federal income tax purposes. In the absence of a ruling, there can be no assurance that the IRS will treat the Interests as interests in real estate for federal income tax purposes. Consequently, an Investor acquiring an Interest as part of a Section 1031 Exchange should, and is required to represent in the Purchase Documents, that such an Investor has consulted his, her or its own tax advisor about the tax consequences of any Section 1031 Exchange and its potential risks.

The determination of whether an Interest will be treated for federal income tax purposes as ownership in real estate and not as a security or an interest in a partnership, joint venture, association or trust is dependent upon all of the surrounding facts and circumstances. On July 20, 2004, the IRS issued Revenue Ruling 2004-86, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an Interest in the DST satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (i) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement), (ii) the DST is an "investment" trust and not a "business entity" for federal income tax purposes, (iii) the DST is a "grantor trust" for federal income tax purposes, with the holders of interests in the DST treated as the grantors of the DST, and (iv) the holders of interests in the DST are treated as directly owning interests in real property held by the DST. Because Revenue Ruling 2004-86 contains numerous factual assumptions regarding the DST, not all of which apply to the Trust, there can be no guarantee that the Interests will satisfy the requirements of Section 1031.

Nevertheless, the Trust Agreement has been drafted such that it is consistent with the material factual assumptions regarding the DST, and Special Tax Counsel to the Trust has rendered a Tax Opinion that the acquisition of Interests by an Investor **should** be treated as a direct acquisition of the Properties for purposes of Section 1031. Such opinion will rely upon the accuracy and completeness of certain documents, facts, representations and assumptions that may not be applicable to a particular prospective Investor. In addition, qualification of the transaction under Section 1031 requires meeting numerous statutory, regulatory and other conditions and also involves issues based on facts and situations that are not and cannot be known to Special Tax Counsel. Therefore, each prospective Investor's tax situation with respect to an exchange will be different and a prospective Investor must consult with his, her or its own tax advisor regarding his, her or its ability to effectuate an acquisition of Replacement Property under Section 1031. The Tax Opinion addresses only one aspect in qualifying under Section 1031, whether an acquisition of an Interest can be treated as a direct acquisition of the Properties for purposes of Section 1031.

Other issues relevant to qualification under Section 1031 that are not addressed include, but are not limited to:

- whether a prospective Investor has properly identified the Replacement Property within the 45-day time period;

- whether the Relinquished Property qualified as being held for investment purposes or in a trade or business;

- whether a prospective Investor will fall within the deferred exchange safe harbor rules by properly using a "qualified intermediary" and a "qualified exchange escrow";

- whether a prospective Investor acquiring the Interests and attempting to do a reverse exchange meets all the qualifications spelled out in Revenue Procedure 2000-37, 2000-2 C.B. 308 (September 18, 2000);

- whether some portion of the Properties is "personal property" not "real property"; and

- whether any amounts paid by, or deemed paid by, the prospective Investors with respect to certain costs and expenses of the Offering, financing costs and funding of the Trust Reserves will be deemed to constitute other consideration received in the exchange.

Therefore, a prospective Investor must consult his, her or its own tax advisor regarding an acquisition of an Interest and the qualification of his, her or its transaction under Section 1031. A prospective Investor may not rely on the Trust's Special Tax Counsel or on the Trust, its Affiliates or its agents, including its accountants, for any tax advice regarding the treatment of his, her or its transaction under Section 1031. For the same reason, except as provided in the Tax Opinion (subject to the limitations described therein), a prospective Investor may not rely on any statement made in this Memorandum regarding the qualification of his, her or its purchase of an Interest under Section 1031. No representation or warranty of any kind is made with respect to the IRS's acceptance of the qualification of a proposed Section 1031 exchange.

Property Identification for Section 1031 Exchanges

Section 1031 generally permits taxpayers to identify up to three Replacement Properties (the "**three-property rule**"), without regard to the fair market value of those properties. In addition, taxpayers may identify any number of properties so long as their aggregate fair market value at the end of the identification period does not exceed 200% of the value of the Relinquished Property on the date it was transferred (the "**200% rule**"). If the three-property rule and 200% rule are violated, an Investor will still be treated as properly identifying any Replacement Property identified before the end of the identification period and received before the end of the exchange period if the fair market value of the Replacement Property received is at least 95% of the aggregate fair market value of all identified Replacement Property. The property identification rules of Section 1031 are complex, and Investors must consult with their own qualified intermediaries and tax advisors concerning their satisfaction of the property identification requirements of Section 1031.

Receipt of Boot

If, in a Section 1031 Exchange, money is received or deemed received in addition to the like-kind property (referred to as "**boot**"), then gain on the Relinquished Property is recognized up to the amount of boot. Although there is no direct authority on point, prospective Investors should be aware that the IRS may take the position that certain costs paid or deemed paid from money received from the sale of the Relinquished Property are boot and, therefore, income to the Investors. For example, the IRS may conclude that some amounts paid into the Trust Reserves and amounts paid in connection with the Offering of Interests constitute boot received by the Investors and not a reinvestment in real estate. Special Tax Counsel to the Trust is not opining as to whether any such amounts paid by or deemed paid by the Trust or the Investors will be considered an acquisition of real estate or boot to the Investors. See "ESTIMATED SOURCES AND USES" and "PLAN OF DISTRIBUTION."

Unrecaptured Section 1250 Gain

Because the Properties consist only of the land and improvements, the acquisition of an Interest as Replacement Property in a Section 1031 Exchange will be treated as the acquisition of only non-depreciable property. In a taxable sale of real property, the portion of the gain that is attributable to "**Unrecaptured Section 1250 gain**" is subject to federal income tax at a 25% rate rather than at the long-term capital gain rate. Unrecaptured Section 1250

gain generally includes that portion of the realized gain on the sale of real property that is attributable to the recapture of previously taken depreciation deductions on the depreciable portion of the real property. In that no portion of the Interest will be treated as depreciable real property for purposes of applying the tax rules that apply to Unrecaptured Section 1250 gain, there are circumstances in which the Unrecaptured Section 1250 gain in respect of the Investor's Relinquished Property would be recognized as taxable gain notwithstanding that there is no "boot" in the Section 1031 Exchange or that the transaction otherwise qualifies for non-recognition tax treatment under Section 1031. Each Investor must consult with his or her own tax advisor as to the amount of Unrecaptured Section 1250 gain could arise in respect of the Investor's Section 1031 Exchange if an Interest will be acquired as Replacement Property in a Section 1031 Exchange.

Treatment of the Investor as the Owner of the Interest for Tax Purposes. The Call Agreement provides the Initial Beneficiary with the right, but not the obligation, to purchase the Interests held by the Investor at the Exercise Price, which the Initial Beneficiary believes is a good faith estimate of what the fair market value of the Interest at the time the Call Right is exercised. There are circumstances in which the existence of an option that provides the initial seller with the right to repurchase an asset back from a purchaser will cause the initial seller, not the purchaser, to be the owner of the asset for income tax purposes. If the Initial Beneficiary, rather than the Investor, is treated as the owner of the Interests for income tax purposes, notwithstanding the acquisition of such Interest by the Investor for non-tax purposes, the Investor would not be treated as acquiring the Interest as the Replacement Property in the Investor's like kind exchange. If the Call Right causes Initial Beneficiary to be treated as the owner of the Interests for income tax purposes, this would cause all or a portion of the Investor's prior sale of the Relinquished Property to be a taxable event.

To avoid such treatment, the purchaser must have both substantial risk of loss and opportunity for gain during the period in which the purchaser is the legal owner of the purchased asset. The Investor will have no option to force the Initial Beneficiary to buy-back the interest at the Exercise Price. In addition, the Initial Beneficiary's ability to exercise the Call Right shall cease as of the last day of the Exercise Period. The Initial Beneficiary believes that the Exercise Price for the Call Right is a good faith estimate of what the fair market value purchase price would be at the time the Call Right is exercised. Each Investor should consult with his or her own tax advisor regarding whether such good faith determination of the Exercise Price and the limited duration of the Exercise Period is sufficient to cause the Investor to have both substantial risk of loss and opportunity for gain in respect of the Investor's Interest so that the Investor will be treated as both the legal owner of the Interest and the owner of the Interest in respect of the Investor's Section 1031.

Excess Business Losses May Not Be Currently Deductible

Under the recent Tax Cuts and Jobs Act of 2017, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer's net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2018 is $250,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

Limit on Business Interest Deductions

Under the recent Tax Cuts and Jobs Act of 2017, Code Section 163(j) limits annual deductions for "business interest" expense to the sum of business interest income plus 30% of "adjusted taxable income" (plus certain motor vehicle floor plan financing interest of the taxpayer). Business interest in excess of the allowed current deduction may be carried forward indefinitely. Certain small businesses (in general, where the average annual gross receipts of the taxpayer for the 3 year period ending with the prior taxable year do not exceed $25 million) are exempt from the foregoing rule. In the case of a partnership, the rule is applied at the partnership level.

Business interest means any interest paid or accrued on indebtedness properly allocable to a trade or business, provided that investment interest (within the meaning of Section 163(d) of the Code) does not constitute business interest. For this purpose, a trade or business does not include the trade or business of performing services as an

employee or any electing real property trade or business (or any electing farming business or certain regulated utility businesses). A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business.

The adjusted taxable income of a taxpayer means taxable income computed without regard to any item not properly allocable to a trade or business, any business interest income or expense, any net operating loss deduction, for taxable years beginning prior to 2022 any depreciation amortization or depletion deduction, and certain other items.

An election by a real property trade or business is to be made at such time and in such manner as the IRS shall prescribe and, once made, is irrevocable. An electing real property trade or business is required to use the alternative depreciation system for any nonresidential real property (which would then be depreciable by the straight line method over 40 years) or residential rental property (which would then be depreciable by the straight line method over 30 years), or for certain improvements to an interior portion of a building which is nonresidential real property.

Tax Deficiency, Penalties and Interest

If an IRS audit disqualifies an Investor's proposed Section 1031 Exchange, the Investor will be taxed on his, her or its gain on the sale of the Relinquished Property, and the IRS will assess interest and could assess penalties and interest on the tax deficiencies associated with any failed Section 1031 Exchange. The Code provides for penalties relating to the accuracy of a tax return equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement which is attributable to: (i) negligence; (iii) any substantial understatement of income tax; or (iii) any substantial valuation overstatement. Additional interest may be imposed on underpayments relating to tax shelters. As indicated above, Special Tax Counsel to the Trust will issue an opinion that an acquisition of an Interest **should** be treated as a direct acquisition of the Properties for purposes of Section 1031. However, such opinion will not address whether an Investor's specific transaction qualifies as a Section 1031 Exchange or whether any amounts paid by or deemed paid by the Trust or the Investors with respect to certain expenses of the Offering or financing will be deemed to constitute an acquisition of real estate. While Special Tax Counsel to the Trust believes that its opinion is supported by substantial authority and that an Investor should not be subject to the accuracy-related penalties described above with respect to whether the purchase of an Interest qualifies as a direct acquisition of real estate, such opinion is not binding on the IRS and does not provide a guarantee against an adverse tax result.

Taxable Income

It is expected that an Investor's Interests will generate annual taxable income in excess of the cash distributable to such Investor. Although such taxable income can be offset by depreciation deductions, the amounts of such depreciation deductions may be limited since the tax basis of such property received in a Section 1031 Exchange is generally the same as the tax basis of the property exchanged. Therefore, if an Investor has a low tax basis in the Relinquished Property exchanged in a proposed Section 1031 Exchange, such Investor will have a low tax basis in his, her or its Interests, and his or her depreciation deductions will be less than a purchase not structured as a Section 1031 Exchange.

Net Income and Loss of Each Investor

Each Investor will be required to determine his, her or its own net income or loss from the Properties for income tax purposes. Certain expenses of the Properties, such as depreciation, will be different for different Investors. The Signatory Trustee will keep records and provide information about expenses and income for each Investor. An Investor, however, will be required to keep separate records and to separately report his, her or its own net income or loss from the Properties for income tax purposes. The application of certain rules, including the passive activity loss rules and the at-risk rules, may cause the tax treatment of certain expenses of the Properties, such as depreciation, to be different for each Investor.

In addition to other income tax imposed by the Code, recently enacted legislation imposes a 3.8% Medicare Contribution Tax on the "net investment income" of certain U.S. individuals and on the undistributed "net investment

income" of certain estates and trusts. Among other items, "net investment income" generally includes rent and net gain from the disposition of investment property, less certain deductions.

Tax Impact of Sale of the Properties

If the Properties are sold or otherwise disposed of in a taxable transaction, the Investors will likely recognize taxable income. An Investor will have taxable income to the extent that the amount realized by such Investor exceeds his, her or its tax basis in his, her or its Interests. In addition, as noted above in "Net Income and Loss of Each Investor," the 3.8% Medicare Contribution Tax is likely to apply to any net gain realized on a taxable disposition of the Properties.

State and Local Laws

Prospective Investors may be affected in different ways by state and local tax laws that are not discussed in this Memorandum, such as income taxes, franchise taxes, privilege and use taxes, and other taxes and fees. Therefore, each prospective Investor should consult with his, her or its personal tax advisor regarding the state and local tax consequences resulting to such Investor from a potential purchase of an Interest.

Taxation of Tax-Exempt Investors

Tax-exempt entities, including qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401k plans, Keogh plans, annuities, and charitable remainder trusts, are subject to taxation on their unrelated business taxable income ("**UBTI**"). Generally, a tax-exempt entity that incurs UBTI is taxed on such income at the regular trust, or in the case of some entities corporate federal income tax rates. Because Interests in the Trust are treated for tax purposes as direct interests in the Properties, tax-exempt Investors will be deemed to be carrying on the activities of the Trust for purposes of determining whether the tax-exempt investors' income is UBTI.

UBTI is income that is derived by a tax-exempt entity from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business. UBTI generally includes a percentage of rental income (less applicable deductions) and gains from the sale or other disposition of real property if the property is debt-financed.

The percentage of rental income that will be UBTI (less the same percentage of applicable deductions) for debt-financed property is the ratio of the investor's pro-rata share of the average outstanding principal balance of the debt to the investor's individual **average** tax basis in the property. Depreciation with respect to a tax-exempt investor's interest in debt-financed property must be computed using the straight-line method. If UBTI may be applicable, Investors should contact their tax advisors regarding their unique situation.

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ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in us by Benefit Plan Investors. The following is merely a summary of such considerations, however, and a complete discussion of the considerations associated is beyond the scope of this summary.

General

Each Benefit Plan Investor considering investing the assets of an IRA, or a pension, profit sharing, 401(k), Keogh or other employee benefit plan in the Trust should satisfy himself that such investment is consistent with his fiduciary obligations under ERISA and other applicable law, is made in accordance with the documents and instruments governing the plan or IRA, including the plan's investment policy, and satisfies the prudence and diversifications requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA. Each Benefit Plan Investor should also determine that an investment in the Trust will not impair the liquidity of the plan or IRA and that, even though it is expected that the Interests will produce unrelated business taxable income for the Benefit Plan Investor, the purchase and holding of an Interest is still consistent with the fiduciary obligations of the Benefit Plan Investor. See "CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES" for a discussion of the unrelated business taxable income issues applicable to tax exempt Investors such as Benefit Plan Investors. Each Benefit Plan Investor should also satisfy himself that he will be able to value the assets of the plan annually in accordance with ERISA requirements.

Treatment of the Trust under ERISA

ERISA and the Code do not define "plan assets." However, the DOL has issued the Plan Asset Rules concerning the definition of what constitutes the assets of an employee benefit plan. The Plan Asset Rules provide that, as a general rule, the underlying assets and properties of corporations, partnerships, trusts and certain other entities in which a plan purchases an "equity interest" will be deemed, for purposes of ERISA, to be assets of the investing plan unless certain exceptions apply. The Plan Asset Rules define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Interests in the Trust offered hereby should be treated as "equity interests" for purposes of the Plan Asset Rules.

One exception to the look-through rule under the Plan Asset Rules provides that an investing plan's assets will not include any of the underlying assets of an entity if at all times less than 25% of each class of "equity" interests in the entity are held by Benefit Plan Investors. The Trust and the Signatory Trustee intend to take such steps as may be necessary to limit the ownership of Interests by Benefit Plan Investors to less than 25% of the total amount of Interests, and thereby qualify for the 25% exemption. If, however, neither this nor any other exemption under the Plan Asset Rules were available and the Trust were deemed to hold plan assets by reason of a Benefit Plan Investor's investment in the Interests, such Investor's indirect interest in the Properties would be considered a plan asset. In such event, the Properties, transactions involving the Properties and the persons with authority or control over and otherwise providing services with respect to the Properties would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Code Section 4975. See "RISK FACTORS – ERISA Risks" for a discussion of certain consequences if the prohibited transaction provisions of ERISA and Code Section 4975 apply to the Trust.

Each Benefit Plan Investor that is a prospective Investor in an Interest in the Trust should consult with its counsel with respect to the potential applicability of ERISA and Code Section 4975 to such investment and determine on its own whether any exceptions or exemptions are applicable and whether all conditions of any such exceptions or exemptions have been satisfied. Moreover, each Benefit Plan Investor should determine whether, under the general fiduciary standards of investment prudence and diversification, an investment in an Interest is appropriate for the Benefit Plan Investor, taking into account the overall investment policy of such investor and the composition of such investor's investment portfolio. The sale of Interests is in no respect a representation by the Sponsor, the Trust, their Affiliates or any other person that such an investment meets all relevant legal requirements with respect to investments by plans generally or that such an investment is appropriate for any particular plan.

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REPORTS

During the Term, the Master Tenant will keep proper and complete records and books of account for the Properties. These books and records will be kept at the Master Tenant's principal place of business and will be available to the Investors during reasonable business hours.

LITIGATION

Pending Matters

There are no material legal actions pending against the Sponsor, the Master Tenant or the Trust nor, to the knowledge of the Sponsor, the Master Tenant or the Trust, are any such proceedings threatened or contemplated.

ADDITIONAL INFORMATION

The Sponsor will answer inquiries from Investors concerning the Interests and other matters relating to the offer and sale of the Interests, and they will afford prospective Investors the opportunity to obtain any additional information to the extent they possess such information or can acquire such information without unreasonable effort or expense that is necessary to verify the information in this Memorandum.

Prospective Investors are entitled to review copies of other material contracts relating to the Interests, the Trust or the Properties described in this Memorandum and copies of the various entities' organizational documents. Copies of all reports and financial statements prepared by third parties in connection with this Offering are available upon request to the Sponsor.

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EXHIBIT A

FORM OF PURCHASE DOCUMENTS

MHC CAPITAL
Real Estate Investments

MHC AFFORDABLE HOUSING DST
(A Delaware Statutory Trust)

PURCHASE DOCUMENTS

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY NOR THE REGULATORY AUTHORITY OF ANY OTHER COUNTRY HAS APPROVED OR DISAPPROVED THESE PURCHASE DOCUMENTS OR THE INTERESTS PROVIDED FOR HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), NOR UNDER THE SECURITIES LAWS OF ANY OTHER COUNTRY, AND THE TRUST IS UNDER NO OBLIGATION TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT OR ANY SUCH OTHER LAWS IN THE FUTURE.

THE INTERESTS MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A UNITED STATES PERSON, WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE SIGNATORY TRUSTEE THAT SUCH REGISTRATION IS NOT REQUIRED. HEDGING TRANSACTIONS INVOLVING THE INTERESTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

BASED UPON THE FOREGOING, THE PURCHASER MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF INVESTMENT IN THE INTERESTS FOR AN INDEFINITE PERIOD OF TIME. THE PURCHASER IS ENCOURAGED TO SEEK INDEPENDENT LEGAL, INVESTMENT, ACCOUNTING AND TAX ADVICE BEFORE EXECUTING THESE PURCHASE DOCUMENTS.

MHC AFFORDABLE HOUSING DST

BACKGROUND AND PURCHASE INSTRUCTIONS

In order to participate in the opportunity to purchase beneficial interests (the "**Interests**") in **MHC AFFORDABLE HOUSING DST** (the "**Trust**"), a newly formed Delaware Statutory Trust that will indirectly own real properties, a prospective investor must review and complete the following materials (collectively, the "**Purchase Documents**") that are enclosed with or attached to these instructions for purchasing Interests (the "**Purchase Instructions**") or have otherwise been made available to prospective investors. Capitalized terms used but not defined herein shall have the meaning given such terms in that certain Confidential Private Placement Memorandum (as amended, modified and/or supplemented, the "**Memorandum**"):

1. The Trust Agreement (the "**Trust Agreement**") of the Trust, a copy of which has been made available to investors.

   The Trust Agreement is the principal document that describes the rights and obligations of the investors as owners of Interests (the "**Owners**") in the Trust. **MHC AFFORDABLE HOUSING TRUST MANAGER, LLC**, a Delaware limited liability company ("**Signatory Trustee**") and an Affiliate of **MHC CAPITAL II, LLC**, a Delaware limited liability company (the "**Sponsor**"), will act as the signatory trustee of the Trust and its subsidiaries.

2. The Memorandum, a copy of which has been made available to, and should be reviewed closely by, prospective investors.

   The Memorandum contains, among other things, (a) various legal legends and disclaimers, (b) a description of certain of the risks associated with an investment in the Trust, (c) a description of certain of the U.S. federal income tax considerations associated with an investment in the Trust, and (d) certain investor suitability requirements.

3. The Owner Signature Page to the Trust Agreement.

   The Owner Signature Page is the document by which the Owner agrees to be bound by the terms of the Trust Agreement.

4. The Purchase Agreement of the Trust (the "**Purchase Agreement**").

   The Purchase Agreement is a contract between the Owner and the Trust and provides for the terms and conditions related to the offering and sale of the Owner's Interests.

To purchase Interests, a prospective investor (a "**Purchaser**") must review each of the Purchase Documents and complete and return certain of the Purchase Documents as instructed below. If you wish to purchase Interests as a nominee, agent or representative for another person (other than as a trustee on behalf of a trust), please contact the Trust for instructions and to determine the eligibility of such person:

1. Sign and date the Owner Signature Page to the Trust Agreement (which page follows these Purchase Instructions) on Page 5 of this Purchase Document.

2. Read the Purchase Agreement, beginninnng on Page 6 of this Purchase Document in its entirety (including all attachments and appendices), and complete:

    a. The Purchaser name on Page 6 EXACTLY as how it will appear on account registration and sign and date on Page 20;

    b. The Purchaser Closing Statement on Attachment A, beginning on Page 23 of this Purchase Document and sign and date on Page 24;

    c. The Purchaser and Accommodator Information requested on Attachment B, beginning on Page 25 of this Purchase Document and have your Registered Representative or Registered Investment Advisor sign and date on Page 27;

    d. The information regarding the Purchaser's status as an employee benefit plan investor requested on Attachment C, beginning on Page 28 of this Purchase Document;

    e. The information regarding the Purchaser's status as an "accredited investor" requested on Attachment D, beginning on Page 29 of this Purchase Document;

    f. The Bad Actor Addendum requested on Attachment E, beginning on Page 31 of this Purchase Document. Please note that one Bad Actor Addendum must be completed for each investor, please attach multiple Bad Actor Addendums if applicable and have each individual sign and date on Page 34 of this Purchase Document;

    g. The Irrevocable Proxy requested on Schedule A to Schedule E, beginning on Page 35 of this Purchase Document;

    h. The information regarding the Purchaser's status as an investment company requested on Attachment F, beginning on Page 36 of this Purchase Document; and

    i. The IRS Form W-9, a form of which is provided with the Purchase Document; and

3. Sign and date the Purchaser signature page of the Purchase Agreement on Page 20 of this Purchase Document.

4. Submit a fully-executed and completed copy of the foregoing via email to pmailroom@phxa.com or by mail to MHC Affordable Housing DST, c/o Phoenix American Financial Services, Inc., 2401 Kerner Blvd., San Rafael, CA 94901. If you have any questions concerning the completion of the Purchase Documents, please contact Investor Relations at 877-227-4141.

5. The Purchaser must complete IRS Form W-9 included as Attachment G or the appropriate IRS Form W-8 and submit it to the Trust.

6. Please note ACH or Wire Instructions for funding are included as Attachment H.

U.S. Persons. If the Purchaser is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "**Code**") (a "**U.S. Person**"), download from the IRS website and complete an IRS Form W-9 or use the form included with these materials at Attachment G.

Disregarded Entity. If the Purchaser is an entity disregarded as separate from its owner for U.S. federal income tax purposes (a "**Disregarded Entity**") and the first direct or indirect beneficial owner of the Purchaser that is not a Disregarded Entity (the "**Purchaser's Owner**") is a U.S. Person, have the Purchaser's Owner complete and submit an IRS Form W-9.

Grantor Trust. If the Purchaser or the Purchaser's Owner is a U.S. Person and is also a grantor trust for U.S. federal income tax purposes, then (i) have each of the Purchaser and the Purchaser's Owner, if applicable, complete and submit an IRS Form W-9, and (ii) have each of the grantor trust's grantors or other owners complete and submit an IRS Form W-9 or appropriate IRS Form W-8 (together with any additional documentation required in connection therewith), as applicable.

Non-U.S. Persons. If the Purchaser or the Purchaser's Owner (as applicable) is not a U.S. Person, complete or have the Purchaser's Owner complete (as applicable) the appropriate IRS Form W-8, which can be obtained at the Internal Revenue Service website at www.irs.gov, and submit with the completed IRS Form W-8 any additional documentation required in connection therewith.

6. The minimum investment in the Offering is $100,000 for Cash Investors. For investors seeking to effect a tax-deferred exchange under Section 1031 (each a "**1031 Investor**") of the Code, the minimum investment is $100,000.

7. With respect to Interests offered and sold within the United States, the Trust will require each investor to provide information required by the Trust or the Signatory Trustee to verify that such investor is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act in addition to making such representation in writing.

MHC AFFORDABLE HOUSING DST

Trust Agreement

Owner Signature Page

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Trust Agreement of **MHC AFFORDABLE HOUSING DST** dated December 7th, by and among **MHC CAPITAL DST, LLC**, a Delaware limited liability company, as Initial Beneficiary, **MHC AFFORDABLE HOUSING TRUST MANAGER, LLC**, a Delaware limited liability company, as Signatory Trustee, and **WILMINGTON SAVINGS FUND SOCIETY, FSB**, a Delaware corporation, as Delaware Trustee (the "**Trust Agreement**"), as may be further amended or supplemented from time to time, and hereby covenants and agrees to be bound by the Trust Agreement as an Owner. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

OWNER

Signature:_____

Name:_____

Address:_____

_____

Date:_____

CO-OWNER

Signature:_____

Name:_____

Address:_____

_____

Date:_____

MHC AFFORDABLE HOUSING DST

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "**Purchase Agreement**") is made between **MHC AFFORDABLE HOUSING DST**, a Delaware statutory trust (the "**Trust**"), and _____ (the "**Purchaser**"), and shall be effective as of the date (the "**Effective Date**") that the Trust counter-signs and delivers via email or overnight delivery to the Purchaser a copy of a fully executed Agreement previously signed by the Purchaser. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Trust Agreement of the Trust (the "**Trust Agreement**").

WHEREAS, **MHC CAPITAL DST, LLC**, a Delaware limited liability company (the "**Initial Beneficiary**"), **MHC AFFORDABLE HOUSING TRUST MANAGER LLC**, a Delaware limited liability company (the "**Signatory Trustee**"), and **WILMINGTON SAVINGS FUND SOCIETY, FSB**, as Delaware Trustee, have entered into the Trust Agreement.

WHEREAS, **MHC CAPITAL II, LLC** (the "**Sponsor**"), is sponsoring the offering of the beneficial interests in the Trust ("**Interests**") to investors who will own the Interests ("**Owners**");

WHEREAS, Purchaser intends to buy the Interests on the terms and conditions set forth in this Purchase Agreement. **This sale is made solely in connection with and pursuant to the Private Placement Memorandum (as amended, modified and/or supplemented, the "Memorandum") for MHC AFFORDABLE HOUSING DST dated October 2021.**

WHEREAS, certain Owners (each, a "**1031 Investor**") may be seeking to effect a tax-deferred exchange (a "**Section 1031 Exchange**") under Section 1031 of the Internal Revenue Code of 1986, as amended (the "**Code**"), through the purchase of Interests and will be working with service providers which may include a "qualified intermediary" or similar exchange facilitators (each, an "**Accommodator**"), to complete such a Section 1031 Exchange;

WHEREAS, if the Purchaser is a 1031 Investor, the Purchaser acknowledges that it alone has determined that an investment in the Interests is appropriate for the Purchaser to complete a Section 1031 Exchange;

WHEREAS, the Purchaser understands that the Purchase Price (defined below) received will be used by the Trust to redeem the Interests held by the Initial Beneficiary on a one-for-one basis in exchange for the Interests acquired by the Purchaser;

WHEREAS, the Trust has purchased a fee interest in certain real property, as described in the Memorandum at the addresses set forth on Exhibit A attached hereto and made a part hereof, provided that the Signatory Trustee holds bare legal title to certain properties solely to satisfy legal requirements in the states in which such properties are located;

NOW, THEREFORE, in consideration of the covenants and mutual agreements set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below:

1. **Agreement of Purchase and Sale**. The Trust hereby agrees to sell, and the Purchaser hereby agrees to purchase, Interests in the amount of $_____ (the "**Purchase Price,**" to be completed by the

Trust), payable in cash, for a ____% Interest (calculated by dividing the Purchase Price by $34,584,484) (Trust to complete).

2. **Acceptance/Rejection of Purchase Agreement; Payment**. The closing (the "**Closing**") of the Interest purchase transaction shall occur no later than thirty (30) days from the Effective Date of this Purchase Agreement (the "**Closing Date**") and shall be deemed completed, with no right to rescind, at such time as Purchaser, or Purchaser's Accommodator, shall have deposited, pursuant to a fully executed Agreement, the full amount of the Purchase Price. This Purchase Agreement is the only document to be executed for this transaction and upon execution and acceptance constitutes final authority for the Trust to accept funds to close the Interest purchase transaction.

   2.1 If the Purchaser shall have elected to complete a Section 1031 Exchange for all or part of the Purchaser's relinquished property with the Purchaser's Accommodator, the Trust shall, prior to such Closing, execute any necessary documents provided to the Trust within the thirty (30) day timeline.

   2.2 If a Purchaser does not pay the entire amount of the Purchase Price within thirty (30) days following the Effective Date, then the Trust shall have the immediate option to terminate this Purchase Agreement by notice to the Purchaser (or Purchaser's agent) in writing (including via email).

3. **Fees and Costs**. The Purchaser acknowledges that the Signatory Trustee and certain Affiliates will be entitled to fees set forth in the Memorandum. The Purchaser further acknowledges that (i) the Trust makes no representation or warranty whatsoever regarding what portion of the Purchaser's Purchase Price, including, without limitation, the portion applied to such fees, constitutes valid replacement property for purposes of complying with Section 1031 of the Code and (ii) the Purchaser has consulted its own advisor regarding the treatment of such portion of the Purchaser's Purchase Price with respect to such Section 1031 Exchange rules.

4. **Acknowledgements, Representations, Warranties and Agreements**. The Purchaser hereby acknowledges, represents, warrants and agrees that the following statements are true as of the date hereof and will be true as of the date the Trust admits the Purchaser to the Trust as an Owner, if ever, and as of each date on which the Purchaser acquires an Interest:

   4.1 Purchaser Information. The Purchaser information on Attachment B hereto is complete and correct.

   4.2 Purchaser's Diligence. The Purchaser has been furnished with, and has carefully read, the descriptive materials regarding the investment opportunity made available to the Purchaser by the Trust, including, without limitation, the Memorandum (including the risk factors described therein) and these Purchase Documents, and the Purchaser acknowledges and agrees that these materials (as supplemented, amended or restated from time to time, the "**Offering Materials**"), and the Trust Agreement, supersede any other offering materials previously made available to prospective investors. In considering his, her or its purchase, the Purchaser (i) has been given the opportunity to make a thorough investigation of the current and proposed activities of the Trust and its subsidiaries, (ii) has been furnished with all materials relating to the Trust and its subsidiaries and their proposed activities that the Purchaser has requested, (iii) has been afforded the opportunity to obtain any additional information necessary to verify the accuracy of any representations made or information conveyed to the Purchaser, and (iv) has been given the opportunity to ask questions of, and receive answers from, the Signatory Trustee, the Sponsor, and/or their Affiliates,

concerning the terms and conditions and other matters pertaining to an investment in the Trust. In considering his, her or its purchase, the Purchaser has not relied upon any representations made by, or other information (whether oral or written) furnished by or on behalf of, the Trust, any placement agent (if applicable), or any partner, member, manager, director, officer, employee or agent of the Trust or any Affiliate of such persons, other than as set forth in the Offering Materials, this Purchase Agreement and the Trust Agreement. "**Affiliate**" means, with respect to any individual or entity, any person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the individual or entity and "**control**" with respect to an entity means the power to exercise a controlling influence over the management or policies of such entity. The Purchaser recognizes that an investment in the Trust involves certain risks and the Purchaser understands and accepts such risks. The Purchaser has carefully considered and has, to the extent the Purchaser believes such discussion necessary, discussed with legal, tax, accounting, regulatory and financial advisers the suitability and potential risks of the purchase in light of his, her or its particular tax and financial situation, and has determined that the Interests are a suitable investment for him, her or it.

4.3 Purchaser's Sophistication. The Purchaser (either alone or together with any advisors retained by the Purchaser in connection with evaluating the merits and risks of the prospective investment in the Trust) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing Interests, and is able to bear the economic risk of an investment in the Trust for an indefinite period of time, including a complete loss of investment. The Purchaser's decision to invest in the Trust was made in the state indicated in Attachment B hereto as the address of the Purchaser's primary contact.

4.4 Purchaser Not an Advisory Client. The Purchaser acknowledges that: (i) neither the Sponsor nor any of its respective partners, members, managers, officers, employees or agents (each, a "**Sponsor Party**") has acted for the Purchaser or advised the Purchaser in connection with the purchase of Interests; (ii) accordingly, no Sponsor Party is responsible for providing the Purchaser with the protections afforded to clients of any Sponsor Party in connection with the purchase of Interests; (iii) no advisory services will be provided to the Purchaser and no duties will be owed to the Purchaser except in the Purchaser's capacity as an Owner of the Trust; and (iv) the Purchaser has taken such advice from such other persons (if any) as the Purchaser considers appropriate. The Purchaser further acknowledges that Polsinelli PC represents only the Trust, the Signatory Trustee, the Sponsor and their affiliates, and not the Purchaser, in connection with the formation of the Trust and its subsidiaries and the offering of Interests, and that the Purchaser should consult his, her or its own legal and tax advisors in connection therewith.

4.5 Purchase of Interests for Investment Only. The Interests are being purchased for the Purchaser's own account and not for the account of any other person, for investment only and not with a view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein.

4.6 No Derivative Transactions. The Purchaser has not entered into and will not enter into: (i) a swap, structured note or other derivative instrument with a third party, the return from which is based in whole or in part on the return of the Trust; (ii) a variable annuity or insurance policy with a third party, the value of which is based in whole or in part on the return of the Trust; or (iii) any other hedging transactions involving Interests.

4.7 Employee Benefit Plan Status. The Purchaser understands that because the Signatory Trustee must determine whether the assets of the Trust will be "plan assets" subject to the provisions of Part 4 of Subtitle B of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and/or Section 4975 of the Code, the Purchaser must provide the Trust with information necessary for the Signatory Trustee to make such determination. In this regard, the Purchaser makes the representations and warranties contained in Attachment C. In the event that the Purchaser wishes to invest in the Trust through an individual retirement account or IRA, the Purchaser must contact the Sponsor immediately.

4.8 No Advisory Relationship to Trust. Neither the Purchaser nor any of its Affiliates has discretionary authority or control, or otherwise provides investment advice, directly or indirectly, with respect to the assets of the Trust and its subsidiaries.

4.9 Not a Registered Offering; Accredited Investor Status. The Purchaser is fully aware that the offering and sale of Interests in the Trust, including the Interests being acquired by the Purchaser, have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any applicable securities laws of any states or other jurisdictions and have been made in reliance upon federal and state exemptions for transactions not involving a public offering. In furtherance of this Section 4.9:

(a) Purchaser represents and warrants that the Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act (an "**Accredited Investor**") and hereby makes the representations and warranties contained in Attachment D and Attachment E.

(b) Purchaser agrees to provide to the Signatory Trustee, the Sponsor, and/or their Affiliates any information required to verify Purchaser's Accredited Investor status.

4.10 Rule 506(d) and Rule 506(e) Compliance. The Purchaser, after due inquiry, represents and warrants that neither the Purchaser, nor any person who for purposes of Rule 506(d) and Rule 506(e) (collectively, the "**Bad Actor Rule**") of the Securities Act beneficially owns or will beneficially own the Purchaser's Interests, is subject to any conviction, order, judgment, decree, suspension, expulsion or bar described in the Bad Actor Rule, whether it occurred or was issued before, on or after September 23, 2013, and agrees that it will notify the Trust immediately upon becoming aware that the foregoing is not, or is no longer, complete and accurate in every material respect, including as a result of events occurring after the date of this Purchase Agreement. In furtherance thereof, the Purchaser makes the representations and warranties contained in Attachment E.

4.11 Restrictions on Transfer. The Purchaser understands that the Interests cannot be resold or transferred unless they are subsequently registered under the Securities Act and the applicable laws of any states or other jurisdictions, or unless an exemption from such registration is available. The Purchaser also understands that any transfer of Interests is subject to certain restrictions set forth in the Trust Agreement, including, without limitation, approval by the Signatory Trustee. The Purchaser understands that the Interests will not be evidenced by a certificate subject to Article 8 of the Uniform Commercial Code.

4.12 Investment Company Act Representations. The Purchaser acknowledges that the Trust has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). In furtherance thereof, the Purchaser hereby makes the representations and warranties contained in Attachment F.

4.13 Independent Decision. If the Purchaser is an entity: (i) it was not formed or recapitalized (e.g., through new investments made in the Purchaser solely for the purpose of financing its acquisition of Interests and not pursuant to a prior financial commitment) for the purpose of investing in the Trust; (ii) its decision to purchase Interests was made in a centralized fashion (e.g., by a board of directors, general partner, manager, trustee, investment committee or similar governing or managing body); (iii) it is not managed to facilitate the individual decisions of its beneficial owners regarding investments (including the purchase of Interests); and (iv) its shareholders, partners, members or beneficiaries, as applicable, did not and will not have any discretion to determine whether or how much of the Purchaser's assets are invested in any investment made by the Purchaser (including the Purchaser's purchase of Interests), or have the ability individually to elect whether or to what extent such shareholder, partner, member or beneficiary, as applicable, will participate in the Purchaser's purchase of Interests.

4.14 Entity Power and Authority; No Conflicts. If the Purchaser is an entity: (i) it is duly organized or formed, validly existing and in good standing under the laws of its jurisdiction of organization or formation; (ii) the execution, delivery and performance by it of this Purchase Agreement and the Trust Agreement are within its powers, have been duly authorized by all necessary corporate or other action on its behalf, require no action by or in respect of, or filing with, any governmental body, agency or official, except as has been previously obtained and is in full force and effect, and do not and will not contravene, or constitute a default under, any provision of applicable law or regulation or of its certificate of incorporation or other comparable organizational documents or any agreement, judgment, injunction, order, decree or other instrument to which the Purchaser is a party or by which the Purchaser or any of its properties is bound; and (iii) it has its principal place of business at the address set forth on Attachment B.

4.15 Natural Person Power and Capacity; No Conflicts. If the Purchaser is a natural person, the execution, delivery and performance by the Purchaser of this Purchase Agreement and the Trust Agreement are within the Purchaser's legal right, power and capacity, require no action by or in respect of, or filing with, any governmental body, agency or official (except as has been previously obtained and is in full force and effect), and do not and will not contravene, or constitute a default under, any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or other instrument to which the Purchaser is a party or by which the Purchaser or any of his or her assets is bound.

4.16 Due Execution; Binding Agreement. This Purchase Agreement and the Trust Agreement have been duly executed and delivered by the Purchaser. This Purchase Agreement constitutes, and if the Purchaser is accepted as an Owner of the Trust, then the Trust Agreement will constitute, valid and binding agreements of the Purchaser, enforceable against the Purchaser in accordance with their respective terms.

4.17 Privacy Rule. If the Purchaser is a natural person, he or she has (separately) received a notice regarding privacy of financial information under the U.S. Federal Trade Commission privacy rule, 16 C.F.R. Part 313 (the "**Privacy Rule**"), and agrees that the

Interests are a financial product that the Purchaser has requested and authorized. In accordance with Section 14 of the Privacy Rule and Section 12 below, the Purchaser acknowledges and agrees that the Trust may disclose nonpublic personal information of the Purchaser to the Trust's accountants, attorneys, third-party accreditation firms and other service providers as necessary to effect, administer and enforce the Trust and the Owner's rights and obligations.

4.18 Tax Matters. The Purchaser represents and warrants that the Purchaser will be the beneficial owner of the Interests to be acquired pursuant to this Purchase Agreement and is not acquiring the Interests on behalf of or as nominee, agent or representative for another person.

4.19 Domestic Grantor Trust Certification. If the Purchaser (or if the Purchaser is an entity disregarded as separate from its owner for U.S. federal income tax purposes, or a "**Disregarded Entity**," the owner of the Purchaser is a Domestic Grantor Trust, then the Purchaser is wholly owned by a single owner for U.S. federal income tax purposes. The representation set forth in this Section 4.19 is made by the Purchaser under penalties of perjury, on behalf of itself or the Purchaser's Owner, as applicable. The Purchaser is a "Domestic Grantor Trust" if it (1) is a trust as to which the grantor or other person is treated as the owner of any portion of the trust under Sections 671-677 of the Code, and (2) is a "United States person" as defined in Code Section 7701(a)(30).

4.20 Acknowledgement of the Arbitration Provision. The Purchaser has carefully reviewed the arbitration provision contained in Section 25 of this Purchase Agreement and the Purchaser hereby acknowledges, understands, and agrees that: (a) arbitration is final and binding on the parties; (b) the parties are waiving their right to seek remedies in court, including the right to jury trial; (c) pre-arbitration discovery is generally more limited than and potentially different in form and scope from court proceedings; (d) the Arbitration Award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of a ruling by the arbitrators is strictly limited; and (e) the panel of arbitrators may include a minority of persons engaged in the securities industry. Such arbitration provision limits the rights of an investor to some legal remedies and rights otherwise available.

4.21 Additional Certifications. The Purchaser hereby certifies and acknowledges all of the following:

(a) If applicable, the Purchaser requests and authorizes its Accommodator to furnish the Trust and its attorneys and escrow agents with such information as is requested regarding any Section 1031 Exchanges;

(b) The Purchaser understands and is aware that there are substantial uncertainties regarding the treatment of the Interests as real property for federal income tax purposes;

(c) The Purchaser has read the entire Memorandum and fully understands that there is risk that the Interests will not be treated as real property for federal income tax purposes;

(d) The Purchaser has independently obtained advice from its legal counsel and/or accountant regarding any Section 1031 Exchange, including,

without limitation, whether the acquisition of its Interests may qualify as part of a Section 1031 Exchange, and the Purchaser is relying on such advice and not on the opinion of Tax Counsel (included as Exhibit F to the Memorandum);

(e) The Purchaser understands and is aware that the IRS has issued Rev. Rul. 2004-86 specifically addressing Delaware Statutory Trusts, and that the Revenue Ruling is merely guidance and is not a "safe-harbor" for taxpayers or sponsors, and, without the issuance of a private letter ruling on a specific offering, there is no assurance that its Interests will not be partnership interests for federal income tax purposes;

(f) The Purchaser understands that the Trust has not obtained a ruling from the IRS that the Interests will be treated as an undivided interest in real property as opposed to Interests in a partnership;

(g) The Purchaser understands that the tax consequences of an investment in the Interests, especially the treatment of the transaction described herein under Code Section 1031 and the related Section 1031 Exchange rules, are complex and vary with the facts and circumstances of each individual purchaser;

(h) The Purchaser understands that the opinion of Tax Counsel states that the Interests "should" be considered a real property interest and not a partnership interest for federal income tax purposes, but no assurance can be given that the IRS will agree with this opinion;

(i) The Purchaser is not relying on the Trust or any of its Affiliates for any tax advice regarding the treatment of its Interests under Code Section 1031;

(j) The Purchaser is not relying on the Memorandum or any statements made in the Memorandum regarding the treatment of its Interests under Code Section 1031;

(k) The Purchaser understands that Tax Counsel does not represent, and will not be deemed under the applicable codes of professional responsibility to have represented or be representing, the Purchaser; and

(l) If there are any exceptions to the foregoing statements, the Purchaser has described such exceptions on a separate sheet, signed and dated by the Purchaser, which shall be attached to this Purchase Agreement and countersigned by the Trust to be effective.

4.22 The representations and warranties of Purchaser as set forth in this Purchase Agreement, the Memorandum and the Trust Agreement, as incorporated herein, shall survive the Closing Date or termination of this Purchase Agreement.

5. **Representations of the Trust and Signatory Trustee**. The Signatory Trustee, for itself and on behalf of the Trust, hereby represents and warrants that, as of the admission of the Purchaser to the Trust:

5.1 Due Formation. The Trust (a) has been duly formed, and is validly existing and in good standing under the laws of the State of Delaware, and (b) has the requisite power and authority to issue Interests, and to carry on its activities and to own its properties as contemplated by the Trust Agreement.

5.2 Compliance. The Signatory Trustee is not in default in the performance of any obligation or agreement contained in the Trust Agreement, or in violation in any material respect of any statute, regulation, law, order, writ, injunction, judgment or decree to which it is subject, except defaults or violations not reasonably expected to have a material adverse effect on the financial condition or business operations of the Signatory Trustee or the Signatory Trustee or materially restrict or impair the Signatory Trustee's ability to comply with its obligations under the Trust Agreement.

5.3 Consent and Approvals. No consent, approval, authorization, or filing with any United States federal or state governmental authority is required for: (a) the due execution and delivery by the Signatory Trustee of the Trust Agreement, or by the Trust of this Purchase Agreement; and (b) the admission of the Owner to the Trust pursuant to the Trust Agreement; other than such consents, approvals, authorizations and filings as have been obtained by the Signatory Trustee or the Trust prior to the date hereof, or which are not required to be obtained by the Signatory Trustee or the Trust until after the date hereof.

5.4 Due Authorization. The execution, delivery and performance by the Trust of this Purchase Agreement is within its powers and has been duly authorized by all necessary action on its behalf. This Purchase Agreement and the Trust Agreement have been duly executed and delivered by the Signatory Trustee on its own behalf and on behalf of the Trust, as applicable, and constitute legal, valid and binding obligations of the Trust and the Signatory Trustee, as applicable, enforceable against the Trust and the Signatory Trustee, as applicable, in accordance with their respective terms, except to the extent that the enforcement of the rights and remedies created thereby is subject to (a) bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the rights and remedies of creditors generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6. **Tax Matters.**

6.1 Acknowledgement of Withholding. The Purchaser acknowledges and agrees that under U.S. federal tax law, and possibly under applicable non-U.S. or U.S. state or local law, the Trust and/or its subsidiaries must withhold tax with respect to certain transfers of property and/or other income or activities of the Trust and/or its subsidiaries. In addition, backup withholding may be required in certain circumstances.

6.2 Documentation Relating to Withholding. The Purchaser certifies that the information contained in the executed copy (or copies) of IRS Form W-9 or appropriate IRS Form W-8 (and any accompanying required documentation), as applicable, and Attachment G, when submitted to the Trust, will be true, correct and complete. The Purchaser shall (i) promptly inform the Signatory Trustee of any change in such information, and (ii) furnish to the Trust a new properly completed and executed form, certificate or attachment, as applicable, as may be required under the Internal Revenue Service instructions to such forms, the Code or any applicable Treasury Regulations or as may be requested from time to time by the Trust.

6.3 Additional Tax Information. The Purchaser shall promptly provide such information, documentation or certification as may be requested by the Signatory Trustee to determine whether withholding may be required with respect to the Purchaser's Interests, including any information or certification required for the Trust to comply with any tax return or information filing requirements or to obtain a reduced rate of, or exemption from, any applicable tax, whether pursuant to applicable laws or an applicable tax treaty. Such information may include, without limitation, information regarding the ultimate beneficial owners of the Purchaser. The Purchaser hereby acknowledges and agrees that the Signatory Trustee may provide any such information, documentation or certifications to any applicable tax authority.

7. **Anti-Money Laundering, Terrorist Financing and OFAC Representations**. The Purchaser represents and warrants that the amounts paid or to be paid by it to the Trust in respect of this Purchase Agreement are not directly, or to the Purchaser's knowledge indirectly, derived from activities that may contravene U.S. federal or state or non-U.S. laws or regulations, including laws and regulations governing money laundering and terrorist financing. The Purchaser also represents and warrants to, and agrees and covenants with, the Trust, as of the date hereof and as of each subsequent date on which the Purchaser acquires any additional interest in the Trust that, to its knowledge, none of (i) the Purchaser, (ii) any person controlling or controlled by the Purchaser, (iii) if the Purchaser is a privately held entity, any person having a beneficial interest in the Purchaser, or (iv) if the Purchaser is a trustee, any beneficiary of the trust for which the Purchaser is acting as trustee in connection with this Purchase Agreement (those persons covered by (ii), (iii) and (iv) collectively being referred to as "**Related Parties**") is named on any list of prohibited persons, entities or jurisdictions maintained and administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), or otherwise covered by any other sanctions program administered by OFAC. The lists of OFAC prohibited persons, entities or jurisdictions can be found on the OFAC website at www.treas.gov/ofac and the Purchaser should review the website before making this representation. The Purchaser agrees promptly to notify the Trust should the Purchaser become aware of any change in the information set forth in this Section 7.

8. **Anti-Money Laundering, Terrorist Financing and OFAC Compliance**. The Purchaser acknowledges that, to comply with anti-money laundering, OFAC and related requirements that are applicable to the Trust, the Signatory Trustee may at any time require such information as the Signatory Trustee deems necessary to establish the identity of the Purchaser and any Related Parties and may seek to verify such identity and the source of funds for the subscription. If the Signatory Trustee deems it necessary, for other reasons, to comply with anti-money laundering, OFAC and related requirements applicable to the Trust, including, without limitation, as a result of any delay or failure by the Purchaser or any Related Party to produce any information required for identification, identity verification and/or source-of-funds confirmation purposes, the Signatory Trustee, on behalf of the Trust, may refuse to accept this Purchase Agreement and/or any portion or all of the subscription and may return any funds received to the account from which such funds were sent (unless such return is, in the judgment of the Signatory Trustee, contrary to applicable law or regulation or contrary to the dictate of law enforcement officials, in which case the funds may be blocked or retained). The Purchaser acknowledges that the Signatory Trustee may refuse to make any distribution or other payment to the Purchaser if the Signatory Trustee determines, suspects, or is advised that such distribution or payment might result in a violation of any applicable anti-money laundering, OFAC or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered by the Signatory Trustee necessary or appropriate to ensure the compliance by the Signatory Trustee with any such laws or regulations in any relevant jurisdiction. The Purchaser acknowledges that the Signatory Trustee or the Trust may be required to report transactions that raise suspicions of money laundering or OFAC violations and to disclose

the identity of the Purchaser and any Related Parties to appropriate government authorities. The Purchaser agrees further that the Indemnified Persons (as defined in Section 11) shall be held harmless and indemnified against any liability, loss, claim, cost, damage or expense (i) arising as a result of a failure to process any subscription or the refusal to make a distribution or other payment under the terms of this Section 8, or (ii) which the Trust or the Signatory Trustee may suffer as a result of any violations of law, rule or regulation committed by the Purchaser.

9. **Additional Information**. The Purchaser agrees to supply any additional written information concerning the representations in this Purchase Agreement or any other matter relevant to the compliance of the Trust or the Signatory Trustee with applicable law that the Signatory Trustee may reasonably request from time to time.

10. **Confirmation of Representations**. The Purchaser shall (i) be deemed to have confirmed the accuracy of the representations in this Purchase Agreement, including the attachments hereto, to the Trust as of the date the Signatory Trustee, on behalf of the Trust, accepts this Purchase Agreement and each subsequent date on which the Purchaser acquires any additional interest in the Trust, (ii) promptly notify the Trust if the Purchaser becomes aware that such representations are, at any time, inaccurate in any respect and (iii) furnish the Trust with such updated information as may be necessary to ensure that the Purchaser's responses to all portions of this Purchase Agreement are, at all times, accurate and complete.

11. **Indemnification**. The Purchaser shall indemnify and hold harmless the Signatory Trustee, the Trust and their respective partners, members, directors, managers, officers, employees, agents, Affiliates, successors, heirs and assigns (collectively, the "**Indemnified Persons**") from and against any losses, claims, damages, liabilities, costs or expenses to which any of them may become subject arising out of or based upon any false representation or warranty, or any breach of or failure to comply with any covenant or agreement, made by the Purchaser in this Purchase Agreement or in any other document furnished to the Trust in connection with the Purchaser's acquisition of Interests. The Purchaser will reimburse each Indemnified Person and the Trust for their reasonable legal and other expenses (including the cost of any investigation and preparation) as they are incurred in connection with any action, proceeding or investigation arising out of or based upon the foregoing. The indemnity and reimbursement obligations of the Purchaser under this Section 11 shall be in addition to any liability which the Purchaser may otherwise have (including, without limitation, liability under the Trust Agreement).

12. **Disclosure of Information**. The Purchaser consents to the disclosure by the Signatory Trustee, and the Trust of the Purchaser's identity, investment in the Trust and qualification to invest in the Trust (e.g., the Purchaser's status as an Accredited Investor), as well as any relationship between the Purchaser and the Signatory Trustee, (i) to the Signatory Trustee and its Affiliates; (ii) to existing and prospective investors in the Trust and any other investment funds, account or programs sponsored or managed by the Signatory Trustee or its Affiliates; (iii) to any bank or other party with whom the Trust has or intends to conduct business that has requested such information; (iv) to any regulatory authority having jurisdiction over the Signatory Trustee, the Trust, any owner or any of their respective Affiliates or any regulatory authority that requests such information in connection with any Trust matter; (v) in connection with any litigation or other dispute or otherwise as necessary or appropriate to enforce the terms of the Trust Agreement; (vi) to any partners, members, managers, directors, officers, employees, agents, administrators, attorneys, accountants or other service providers of the Signatory Trustee, the Trust, or any of their respective Affiliates; (vii) as required by any law, rule or regulation or in response to any subpoena or other legal process; and (viii) otherwise as the Signatory Trustee deems reasonably necessary for the conduct of the Trust's business.

13. **Subscription Not Transferable**. Neither this Purchase Agreement nor the rights accruing pursuant to this Purchase Agreement shall be transferable without the Signatory Trustee's prior written consent, which consent may be withheld for any or no reason.

14. **Binding Agreement**. This Purchase Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Purchaser, subject to the requirements of Section 13, and, if accepted by the Trust, shall be binding upon the Trust's successors and assigns.

15. **Survival**. All of the agreements, representations and warranties made by the Purchaser in this Purchase Agreement, including its attachments, shall survive the execution of the Trust Agreement by the Purchaser.

16. **Account Information**. The Purchaser elects to be paid all distributions and other amounts payable to the Purchaser by the Trust by ACH, journal entry, or wire transfer and to the account indicated in writing to the Signatory Trustee on Attachment B. The Trust is authorized to pay such distributions in such form until seven (7) days after it has received from the Purchaser, in writing, new payment instructions. None of the Indemnified Persons (as defined in Section 11 above) shall have any liability for any distribution or payment paid in the manner and to the account or address elected by the Purchaser, or as subsequently modified in writing by the Purchaser.

17. **[Intentionally Deleted]**

18. **Waiver; Modification**. Neither this Purchase Agreement nor any provision hereof may be waived, modified, discharged or terminated except by an instrument in writing signed by the party against whom such waiver, modification, discharge or termination is sought to be enforced.

19. **Headings**. Section and subsection headings used herein are for convenience of reference only, are not part of this Purchase Agreement and shall not be considered in interpreting this Purchase Agreement.

20. **Integration**. This Purchase Agreement and the Trust Agreement constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements and understandings of the parties in connection therewith. No covenant, representation or condition not expressed in this Purchase Agreement or the Trust Agreement shall affect, or be effective to interpret, change or restrict, the express provisions of this Purchase Agreement.

21. **Separability**. Each provision of this Purchase Agreement shall be considered separable and if for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Purchase Agreement that are valid and such invalid provision shall be deemed severed from the remainder of this Purchase Agreement and replaced with a valid provision as similar in intent as reasonably possible to the provision so severed.

22. **Counterparts**. This Purchase Agreement may be executed in counterparts with the same effect as if the parties executing the counterparts had all executed one counterpart.

23. **Power of Attorney**. The Purchaser hereby grants to the Signatory Trustee a special power of attorney, making, constituting and appointing the Signatory Trustee as the Purchaser's attorney-in-fact, with power and authority to act in the Purchaser's name and on the Purchaser's behalf to execute, acknowledge and swear to the execution, acknowledgment and filing of the Trust

Agreement as well as any other documents as shall be necessary to admit the Purchaser as an Owner of the Trust in accordance with the terms of the Trust Agreement and this Purchase Agreement. This special power of attorney is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death or legal incapacity of the Purchaser. The Purchaser hereby agrees with the Signatory Trustee and as separate agreements with each partner of the Trust that the undersigned will comply with and observe all of the agreements and covenants of the Owners contained in the Trust Agreement as if the undersigned has been an original party thereto and as if the same were herein set out in full. In the event of conflict between the Trust Agreement and any other document executed, acknowledged or filed pursuant to this power of attorney, the Trust Agreement shall control.

24. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to its principles of conflict of laws. Unless waived in writing by the Signatory Trustee, the Purchaser agrees that only courts within Missouri, whether state or federal, shall have jurisdiction of any disputes among the Owners arising, directly or indirectly, under or in connection with this Purchase Agreement or relating, directly or indirectly, to the Trust. The Purchaser consents to the personal jurisdiction of such courts and agrees that service of process may be made upon the Purchaser by certified mail, return-receipt requested, or in any other manner permitted by law. The Purchaser agrees not to assert in any action brought in any such court that such action is brought in an inconvenient forum, or otherwise make any objection to venue. THE PURCHASER HEREBY IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY CAUSE OF ACTION ARISING OUT OF THIS PURCHASE AGREEMENT AND ANY AND ALL RELATED DOCUMENTS AND AGREEMENTS.

25. **Arbitration**. Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 25 (this "**Arbitration Provision**"). The arbitration shall be conducted in the in the Los Angeles, California. As used in this Arbitration Provision, "**Claim**" shall include any past, present, or future claim, dispute, or controversy involving an Owner (or persons claiming through or connected with an Owner), on the one hand, and the Trust or their Affiliates (or persons claiming through or connected with the Trust), on the other hand, relating to or arising out of this Purchase Agreement, any Interests, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of sub-section (e) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of this Arbitration Provision is to be given the broadest possible interpretation that is enforceable.

25.1 The party initiating arbitration shall do so with the American Arbitration Association (the "**AAA**") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

25.2 If the Trust (or an Affiliate thereof) elects arbitration, the Trust or the applicable Affiliate shall pay all the administrator's filing costs and administrative fees (other than hearing fees). If the Owner elects arbitration, filing costs and administrative fees (other than hearing fees) shall be paid in accordance with the rules of the administrator selected, or in accordance with countervailing law if contrary to the administrator's rules. The Trust (or an Affiliate thereof) shall pay the administrator's hearing fees for one full day of arbitration hearings. Fees for hearings that exceed one day will be paid by the party requesting the hearing, unless the administrator's rules or applicable law require otherwise, or the Owner requests that the Trust (or its Affiliate) pay them and the Trust (or its Affiliate) agrees to do so. Each party shall bear the expense of its own attorney's fees, except as otherwise provided by law. If a statute gives an Owner the right to recover any of these fees, these statutory rights shall apply in the arbitration notwithstanding anything to the contrary herein.

25.3 Within 30 days of a final award by the arbitrator, a party may appeal the award for reconsideration by a three-arbitrator panel selected according to the rules of the arbitrator administrator. In the event of such an appeal, an opposing party may cross-appeal within 30 days after notice of the appeal. The panel will reconsider de novo all aspects of the initial award that are appealed. Costs and conduct of any appeal shall be governed by this Arbitration Provision and the administrator's rules, in the same way as the initial arbitration proceeding. Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act (the "**FAA**"), and may be entered as a judgment in any court of competent jurisdiction.

25.4 The Trust and their Affiliates agree not to invoke their right to arbitrate an individual Claim that any Owner may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS PURCHASE AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.

25.5 Unless otherwise provided in this Purchase Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (f), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (f) shall be determined exclusively by a court and not by the administrator or any arbitrator.

25.6 This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by and enforceable under the FAA. The arbitrator will apply substantive law consistent with the FAA and applicable statutes of limitations. The arbitrator may award damages or other types of relief permitted by applicable substantive law, subject to the limitations set forth in this Arbitration Provision. The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court. The arbitrator shall take steps to reasonably protect confidential information.

26. **Notices**. Any notice, demand, request or other communication that may be required or contemplated herein shall be sufficiently given in accordance with the notice provisions of the Trust Agreement.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the foregoing Purchase Agreement is hereby executed by the undersigned as of this ___ day of _____.

PURCHASER:

For Natural Persons:

_____
(Name of Purchaser(s))

_____
(Signature of Purchaser)

_____
(Additional Signature, If Applicable)

Dated:_____

For Entities:

_____
(Name of Purchaser)

_____
(Authorized Signature)

_____
Printed Name

_____
Title

Dated:_____

ACCEPTANCE

The foregoing Purchase Agreement is hereby accepted, as of the date set forth below, upon the terms and conditions set forth herein and in the Trust Agreement.

TRUST:

MHC AFFORDABLE HOUSING DST, a Delaware statutory trust

Dated: _____

Purchase Amount: The amount accepted by the Signatory Trustee (if less than the amount set forth on Attachment A as permitted by Section 2) is $_____.

If the Trust executes this Purchase Agreement and the preceding line is left blank, the Manager has accepted the Purchaser's subscription for Interests in the amount set forth on Attachment A.

EXHIBIT A

Addresses of Property

Parkway Village MHC 23500 S. Keystone Clinton Township, Michigan 48036
New Village Estates MHC 430 South Byron Homer, Michigan 49245
Watson MHC 1362 East M-89 Otsego, Michigan 49078
Arbor Village MHC 7940 S. Circle Dr. Parma, Michigan 49269
Gun River East MHC 687 10th St. Plainwell, Michigan 49080 Gun River West MHC 1066 Miller Rd. Plainwell, Michigan 49080
Rustic Pines MHC 17748 Rock Creek Rd. Thompson, Ohio 44086
Four Seasons MHC 3 South Outer Dr. Vienna, Ohio 44473
Villager MHC 2808 Tod Ave. SW Warren, Ohio 44485
Brady Hills MHC 153 Lilac Lane Slippery Rock, Pennsylvania 16057

Attachment A

Purchase Closing Statement

For the Purchase of Interests in
MHC AFFORDABLE HOUSING DST,
a Delaware statutory trust

Closing Date: _____
(To be provided by the Offeror)

Offeror: **MHC AFFORDABLE HOUSING DST, a Delaware statutory trust**

A. Total Equity:	$34,584,484
B. Total Debt:	$31,000,000

Purchaser: _____

C. Purchase Price	_____
D. % Interest (C ÷ A)	_____%
E. Debt Allocated (B × D)	_____
F. Total Equity & Allocated Debt (A + E)	_____

Cash to Offeror from Purchaser's Qualified Intermediary (1031 Exchange Funds): _____

Cash to Offeror from Purchaser (Non-1031 Exchange Funds) _____

TOTAL CASH TO OFFEROR (Amount from Line F) _____

[SIGNATURE PAGE FOLLOWS]

OFFEROR:

MHC AFFORDABLE HOUSING DST,
a Delaware statutory trust

By: _____

Name: _____

Title: _____

PURCHASER:

By:_____

Name:_____

Title: _____

QUALIFIED INTERMEDIARY ACCOMMODATOR (if applicable)

By:_____

Name:_____

Title: _____

Attachment B

Purchaser and Accommodator Information

Purchaser Information	
Purchase Amount (in $):	
Address of Relinquished Property:	
Ownership Type (ie: Individual, Trust, Joint Tenants): **If ownership is an Entity, please include formation documents along with this Purchase Document*	
Name of Trust/Corporation/Plan/Other (if applicable):	
SSN or TIN of Trust/Corporation/Plan/Other (if applicable):	
Name of Investor/Trustee/Authorized Signer:	
Residential Address:	Telephone:
	E-mail:
Mailing Address (if different from above):	
Social Security Number: *(for U.S. Purchasers only)*	Date of Birth:
❒ U.S. Citizen ❒ Resident Alien ❒ Non-Resident Alien	
Name of Co-Investor/Co-Trustee/Co-Authorized Signer:	
Residential Address:	Telephone:
	E-mail:
Social Security Number: *(for U.S. Purchasers only)*	Date of Birth:
❒ U.S. Citizen ❒ Resident Alien ❒ Non-Resident Alien	

Custodian Information	
Name of Custodian:	
Mailing Address:	
Custodian Tax ID Number:	
Custodian Account Number:	
Custodian Telephone Number:	

Funding Information
Please provide information for the Financial Institution from which the Purchaser's funds will be paid to the Trust

Financial Institution:	Name on Account:
Distribution Information	
Distributions by the Trust are to be paid to the Purchaser in the following form, if possible – please note this section is only is for accounts that are not held with a custodian ***(Please check one)***	
❒ **By Check to Address of Record**	
❒ **By ACH:**	
Financial Institution Name & Address:	Name on Account:
ABA Routing #:	Account #:
For Further Credit To: *(if required by financial institution)*	
❒ **By Check to Third Party**	
Financial Institution Name & Address: Name on Account	
Communications from the Trust	
❒ The Purchaser agrees to notice via electronic consent as outlined in the Trust Agreement.	
Advisor Contact Information	
The Registered Representative (RR) or Registered Investment Advisor (RIA) must sign below to complete the order. Please note that unless previously agreed to in writing by the Trust, all sales of securities must be made through a broker-dealer, including when an RIA has introduced the sale. In all cases, this Section must be completed. The RR must sign below. The RR or RIA and broker-dealer hereby warrants that he/she is duly licensed and may lawfully sell Interests in the state designated as the investor's legal residence, or the state in which the sale was made, if different.	
Broker-Dealer/RIA Firm Name:	
Registered Representative/RIA Name:	
Address:	Telephone:
	Email:
Registered Representative #:	Branch #:
Relationship to Purchaser: *(Accountant, Investment Advisor, Attorney, etc.)*	
The undersigned confirm(s), which confirmation is made on behalf of the Broker-Dealer with respect to sales of securities made through a Broker-Dealer, that they (i) have a substantive, pre-existing relationship with the Investor, and have reasonable grounds to believe that the information and representations concerning the Investor identified herein are true, correct and complete in all respects; (ii) have discussed such Investor's prospective purchase of Interests with such Investor; (iii) have advised such Investor of all pertinent facts with regard to the lack of liquidity and marketability of the Interests, and apprised the Investor of the risks of an investment in the Interests as described in the Memorandum (as defined herein); (iv) have delivered the Memorandum and related supplements, if any, to such Investor; (v) have reasonable grounds to believe that the Investor is purchasing these Interests for his or her own account; (vi) is in	

compliance with any applicable enhanced standard of conduct, including, but not limited to, the "best interest" standard applicable to broker-dealers under Rule 15l-1 under the Securities Exchange Act of 1934 and (vii) have reasonable grounds to believe that the purchase of Interests is a suitable investment for such Investor and that such Investor is in a financial position to enable such Investor to realize the benefits of such an investment and to suffer any loss that may occur with respect thereto.

The undersigned Registered Representative certifies and agrees that:

"I am not and have not been the subject of a "disqualifying event" as described in Rule 506(d) promulgated under the Securities Act, that would require disclosure in the Memorandum or that would adversely affect the Trust's reliance on any federal or state securities registration exemption. I agree that I shall promptly notify the Trust and my Broker-Dealer home office if I become the subject of a disqualifying event after the date hereof and through the termination of the offering of Interests."

The undersigned RR further represents and certifies that, in connection with this subscription for Interests, he or she has complied with and has followed all applicable policies and procedures under his or her firm's existing Anti-Money Laundering Program and Customer Identification Program, including OFAC compliance.

Signature of Registered Representative/RIA:

Signature of Broker-Dealer or RIA Firm/Authorized Principal (if required by firm):

Qualified Intermediary/Accommodator Information	
Company Name:	File #:
Contact Person:	Phone:
Mailing Address:	Fax:
	Email:

Attachment C

Employee Benefit Plan Status

The Purchaser represents and warrants that the Purchaser:

☐ is **not** purchasing Interests with funds that constitute the assets of:

(a) an "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Title I of ERISA (including non-governmental qualified U.S. pension plans);

(b) an "employee benefit plan" as defined in Section 3(3) of ERISA that is not subject to either Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (including a governmental plan, non-electing church plan or non-U.S. plan). The Purchaser hereby represents and warrants that (a) its investment in the Trust: (i) does not violate and is not otherwise inconsistent with the terms of any legal document constituting or governing the employee benefit plan; (ii) has been duly authorized and approved by all necessary parties; and (iii) is in compliance with all applicable laws, rules and regulations and (b) neither the Trust nor any person who manages the assets of the Trust will be subject to any laws, rules or regulations applicable to such Purchaser solely as a result of the investment in the Trust by such Purchaser;

(c) an entity (including, if applicable, an insurance company general account) whose underlying assets include "plan assets" of one or more "employee benefit plans" that are subject to Title I of ERISA and/or one or more "plans" that are subject to Section 4975 of the Code by reason of the investment in such entity, directly or indirectly, by such employee benefit plans or plans; or

(d) an entity (a) that is a group trust within the meaning of Revenue Ruling 81-100, a common or collective trust fund of a bank or an insurance company separate account and (b) that is subject to Title I of ERISA and/or Section 4975 of the Code.

☐ **is** purchasing Interests with funds that constitute the assets of a plan that is subject to Section 4975 of the Code (including an individual retirement account) (an "**IRA**"), and the Purchaser confirms that it has received the Signatory Trustee's written approval thereof.

If the Purchaser is an IRA, the Purchaser hereby represents and warrants that the person who directed the IRA's investment in the Trust (i) is responsible for the decision to invest in the Trust; (ii) is qualified to make such investment decision and to the extent it deems necessary has consulted its own investment advisors and legal counsel regarding the investment in the Trust; (iii) in making its decision to invest in the Trust has not relied on any advice or recommendation of the Sponsor, the Trust or its subsidiaries, the Signatory Trustee, or any of their respective Affiliates; and (iv) will not engage in any, direct or indirect, non-exempt prohibited transaction described in ERISA Section 406 or in Section 4975 of the Code in connection with or as a result of an investment in the Trust.

Attachment D

Accredited Investor Status

The Purchaser represents and warrants that the Purchaser is an "accredited investor" (an "**Accredited Investor**") as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), for *one or more* of the reasons specified below (please check all boxes that apply):

For Natural Persons

The Purchaser is a **natural person** and (please check all boxes that apply):

- ☐ has an individual net worth (determined by subtracting total liabilities from total assets), or joint net worth with the Purchaser's spouse, in excess of $1,000,000; (excluding Purchaser's primary residence and indebtedness thereon up to the gross value of such residence, except that if the amount of such indebtedness outstanding at the time of Purchaser's admission to the Trust exceeds the amount of such indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability in the determination of Purchaser's net worth); and/or

- ☐ had an individual income in excess of $200,000 (or a joint income together with the Purchaser's spouse in excess of $300,000) in each of the two most recently completed calendar years, and reasonably expects to have an individual income in excess of $200,000 (or a joint income together with the Purchaser's spouse in excess of $300,000) in the current calendar year.

- ☐ who is a "knowledgeable employee," as defined in rule 3c-5(a)(4) under the Investment Company Act of 1940 (17 CFR 270.3c-5(a)(4)), of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in section 3 of such act, but for the exclusion provided by either section 3(c)(1) or section 3(c)(7) of such act;

For Entities

The Purchaser is an **entity** and (please check all boxes that apply):

- ☐ is a corporation, Trust, limited liability company, Massachusetts or similar business trust or organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, not formed for the specific purpose of acquiring interests in the Trust that has total assets in excess of $5,000,000;

- ☐ is a bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association, or other institution defined in Section 3(a)(5)(A) of the Securities Act acting in either its individual or fiduciary capacity (this includes a trust for which a bank acts as trustee and exercises investment discretion with respect to the trust's decision to invest in the Trust);

- ☐ is a broker dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**");

- ☐ is an insurance company as defined in Section 2(a)(13) of the Securities Act;

- ☐ is an investment company registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), or a business development company as defined in Section 2(a)(48) of the Investment Company Act;

- ☐ is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958, as amended;

- ☐ is a plan established and maintained by a state, its political subdivisions, or an agency or instrumentality of a state or its political subdivisions, for the benefit of employees, having total assets in excess of $5,000,000;

- ☐ is an employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (a) for which the investment decision to acquire an interest in the Trust is being made by a plan fiduciary, as defined in Section 3(21) of ERISA, that is either a bank, savings and loan association, insurance company, or registered investment adviser, (b) which has total assets in excess of $5,000,000, or (c) which is self-directed, with the investment decisions made solely by persons who are Accredited Investors;

- ☐ is a private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended;

- ☐ is a trust not formed for the specific purpose of acquiring interests in the Trust with total assets in excess of $5,000,000 and directed by a person who has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the Trust;

- ☐ is a revocable trust (including a revocable trust formed for the specific purpose of acquiring an interest in the Trust) and the grantor or settlor of such trust is an Accredited Investor; and/or

- ☐ is an entity in which each equity owner is an Accredited Investor.

Attachment E

Bad Actor Addendum

The undersigned purchaser ("**Purchaser**"), in connection with Purchaser's purchase of Interests in the Trust pursuant to the executed Purchase Agreement and as a material inducement for the Trust to accept such Purchase, hereby represents, warrants and covenants to the Trust, as follows as of the date on which Purchaser acquires the Interests (the "Purchase Date"):

1. During the past ten years before the Purchase Date, neither the Purchaser nor any Beneficial Owner has been convicted of any felony or misdemeanor (i) in connection with the purchase or sale of any security; (ii) arising out of the making of any false filing with the U.S. Securities and Exchange Commission (the "**SEC**"); or (iii) arising out of the conduct of an underwriter, broker, dealer, municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities.

2. Neither the Purchaser nor any Beneficial Owner has been subject to any court decree, injunction or restraining order entered during the past five years before the Purchase Date that currently restrains or enjoins the Purchaser or any Beneficial Owner from engaging or continuing to engage in any conduct or practice (i) in connection with the purchase or sale of any security; (ii) involving the making of any false filing with the SEC; or (iii) arising out of the conduct of an underwriter, broker, dealer, municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities.

3. Neither the Purchaser nor any Beneficial Owner is subject to any final order* of any state securities commission or governmental commission, authority, agency or officer** that supervises or examines any securities, savings association, credit unions, insurance, or banking matter that either, as of the Purchase Date:

   (a) currently bars the Purchaser or any Beneficial Owner from (i) associating with an entity regulated by such commission, authority, agency or officer; (ii) engaging in the business of securities, insurance or banking; or (iii) engaging in savings association or credit union activities; or

   (b) was entered within the past ten years from the Purchase Date that is based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

   * *A "final order" is defined under Rule 501(g) of the Securities Act of 1933, as amended (the "Securities Act") as a written directive or declaratory statement issued by a federal or state agency described in Rule 506(d)(1)(iii) of the Securities Act under applicable statutory authority that provides for notice and an opportunity for a hearing, and that constitutes a final disposition or action by such federal or state agency.*

   ** *The representations set forth in this Section 3 apply solely to final orders of: (i) state securities commissions (or state agencies/officers that perform a similar function); (ii) state authorities that supervise or examine banks, savings associations, or credit unions; (iii) state insurance commissions (or state agencies/officers that perform a similar function); (iv) federal banking agencies; (v) the U.S. Commodity Futures Trading Commission; or (vi) the U.S. National Credit Union Administration.*

4. Neither the Purchaser nor any Beneficial Owner, as of the Purchase Date, is subject to any SEC disciplinary order*** that currently (i) suspends or revokes the Purchaser's or any Beneficial Owner's registration as a broker, dealer, municipal securities dealer, or investment adviser; (ii) places limitations on the Purchaser's or any Beneficial Owner's activities, functions, or operations; or (iii) bars the Purchaser or any Beneficial Owner from being associated with any particular entity or class of entities or from participating in the offering of any penny stock.

*** *The representations set forth in this Section 4 apply solely to disciplinary orders issued pursuant to Section 15(b) or 15B(c) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or Section 203(e) or (f) of the Investment Advisers Act of 1940, as amended ("Advisers Act").*

5. Neither the Purchaser nor any Beneficial Owner is subject to any SEC cease and desist order entered within the past five years from the Purchase Date that currently requires the Purchaser or any Beneficial Owner to cease and desist from committing or causing a violation or future violation of (i) any knowledge-based anti-fraud provision of the U.S. federal securities laws**** or (ii) Section 5 of the Securities Act.

**** *Including (but not limited to) Section 17(a)(1) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 15(c)(1) of the Exchange Act, and Section 206(1) of the Advisers Act, or any other rule or regulation thereunder.*

6. Neither the Purchaser nor any Beneficial Owner is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or Affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade.

7. Neither the Purchaser nor any Beneficial Owner has filed (as a registrant or issuer) or has registered a securities offering with the SEC, made an offering under Regulation A of the Securities Act ("**Regulation A**") or been named as an underwriter in any registration statement or Regulation A offering statement filed with the SEC that during the past five years before the Purchase Date was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or as of the Purchase Date is currently the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued.

8. Neither the Purchaser nor any Beneficial Owner has been subject to a U.S. Postal Service false representation order entered within the past five years before the Purchase date or is, as of the Purchase Date subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the U.S. Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

The undersigned Purchaser covenants, as follows:

1. Purchaser shall immediately notify the Trust in writing if Purchaser becomes subject to any of the events set forth this Bad Actor Addendum (a "**Disqualification Event**") following the Purchase Date. Such notice shall be referred to as a "**Bad Act Notice**" and shall set forth in sufficient detail the nature of, and the date of occurrence of, the Disqualification Event to which Purchaser has become subject (the **"Disqualification Notice**").

2. Concurrently with Purchaser's execution and delivery of this Bad Actor Addendum, Purchaser's shall execute and deliver to the Trust an Irrevocable Proxy, in the form attached as *Schedule A* to this Attachment E (the "**Proxy**"), granting **MHC AFFORDABLE HOUSING TRUST MANAGER, LLC**, a Delaware limited liability company (the "**Signatory Trustee**"), the right to vote, in manner as determined by the Signatory Trustee in its sole discretion, all Interests in the Trust held by Purchaser on all matters requiring action by holders of Interests in the Trust. The Proxy shall automatically become effective on the date of any Disqualification Event and shall cease to be effective as of the date the Purchaser ceases to be subject to a Disqualification Event, as determined in the Signatory Trustee's good faith.

3. Purchaser agrees to execute, make, acknowledge and deliver such other instruments, agreements and documents as may be required to fulfill the purposes of this Bad Actor Addendum and the Proxy.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned Purchaser has executed this Bad Actor Addendum as of _____.

If Purchaser is an Entity:

_____
(print entity name)

By: _____
Name: _____
Title: _____

If Purchaser is an Individual:

_____
(print name)

By: _____
Name: _____
Title: _____

If Purchaser is an entity, Purchaser will have each of its beneficial owners who by virtue of ownership thereof would own twenty percent (20%) or more of the Interests, as determined by the Trust, execute and deliver the Bad Actor Addendum and submit same to the Trust.

Accepted By:

MHC AFFORDABLE HOUSING DST,
a Delaware statutory trust

By: _____
Name: _____
Title: _____

Schedule A to Attachment E

IRREVOCABLE PROXY

MHC AFFORDABLE HOUSING DST

The undersigned Purchaser (the **"Purchaser"**) of beneficial interests in **MHC AFFORDABLE HOUSING DST**, a Delaware statutory trust (the **"Trust"**), irrevocably authorizes **MHC AFFORDABLE HOUSING TRUST MANAGER**, a Delaware limited liability company (the **"Signatory Trustee"**), to act as its, his or her proxy and to represent and vote all of Purchaser's beneficial interests in the Trust (**"Interests"**) at any meeting of the holders of Interests in the Trust, or in respect of any action taken by the holders of Interests in the Trust without a meeting during the Effective Period (as defined below) of this irrevocable proxy to the same extent and with the same effect as the Purchaser might or could do under the Trust Agreement, as may be amended, and any applicable laws or regulations governing the rights or powers of a holder of an interest in a Delaware statutory trust.

This proxy is irrevocable and shall be effective for any matter brought before a meeting or set forth in a written consent of the holders of Interests in the Trust. This proxy shall become effective as of the date (the **"Effective Date"**) of any Disqualification Event, as such term defined in that certain Bad Actor Addendum between the Purchaser and the Trust (the **"Addendum"**), and shall terminate as of the date (the **"Termination Date"**) that the Signatory Trustee determines, in good faith, that the Purchaser is no longer subject to any Disqualification Event. The period beginning on the Effective Date and ending on the Termination Date is referred to in this irrevocable proxy as the **"Effective Period."**

The undersigned Purchaser hereby affirms that this irrevocable proxy is given as a condition of the Purchase Agreement between the Purchaser and the Trust and as such is coupled with an interest that is irrevocable.

If Purchaser is an Entity:

_____
(print entity name)

By: _____

Name: _____

Title: _____

If Purchaser is a Natural Person(s):

_____
(print name(s))

By: _____

Additional Signature (if necessary):

_____

Attachment F

Investment Company Status – ALL PURCHASERS MUST COMPLETE

The Purchaser represents and warrants as set forth below.

1. *All Purchasers, please check one of the following four boxes:*

☐ The Purchaser is a natural person.

☐ The Purchaser is not an "investment company" within the meaning of the Investment Company Act and is not an entity that would be an "investment company" but for the exceptions provided in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act.

☐ The Purchaser is an "investment company" within the meaning of the Investment Company Act or is an entity that would be an Investment Company but for the exceptions provided in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. (Note: *If this box is checked and the Trust is relying on Section 3(c)(1) of the Investment Company Act for an exemption from the definition of an "investment company," then either the Purchaser's interest in the Trust must be kept below 10% of the Trust's outstanding interests, or the equity holders in the Purchaser must be taken into account in determining the number of equity holders in the Trust for purposes of Section 3(c)(1).)*

☐ The Purchaser is an entity that would be an "investment company" but for another exception under the Investment Company Act. Please describe:

_____
_____
_____
_____
_____

****

2. *All Purchasers, please check one of the following two boxes:*

☐ The Purchaser owns no interest in the Trust other than the interest to be acquired pursuant to this Purchase Agreement; or

☐ The Purchaser owns interests in the Trust other than the interest to be acquired pursuant to this Purchase Agreement.

****

3. *All Purchasers that are entities, please check one of the following two boxes, if applicable.*

If the Purchaser is a corporation, trust, limited partnership, limited liability company or other organization or entity:

☐ The Purchaser currently does not and will not invest more than 40% of its "committed capital" (including all amounts which have been contributed to the Purchaser by its shareholders, partners, members or other equity holders plus all amounts which such persons remain obligated to contribute to it) in the Trust; or

☐ The Purchaser's interest in the Trust immediately after the acquisition of interests pursuant to this Purchase Agreement represents ___% of the Purchaser's "committed capital," and the Purchaser has not been formed for the sole purpose of investing in the Trust or circumventing the requirements of Section 3(c)(1) or 3(c)(7) of the Investment Company Act, as the case may be, for the following reasons: *(Note: If the Purchaser cannot check the box in the immediately preceding paragraph, the Purchaser must describe all facts and circumstances to demonstrate that it was not formed for the specific purpose of investing in the Trust. The Trust may require additional information from the Purchaser.)*

_____
_____
_____
_____
_____

****

4. *All Purchasers that are entities, please check one of the following two boxes, if applicable.*

If the Purchaser is a corporation, trust, limited partnership, limited liability company or other organization or entity:

☐ The Purchaser ***was not*** formed or recapitalized (e.g., through new investments made in the Purchaser solely for the purpose of financing its acquisition of Interests and not pursuant to a prior financial commitment) for the purpose of investing in the Trust.

☐ The Purchaser ***was*** formed or recapitalized (e.g., through new investments made in the Purchaser solely for the purpose of financing its acquisition of Interests and not pursuant to a prior financial commitment) for the purpose of investing in the Trust.

PLEASE COMPLETE AND RETURN

Attachment G

IRS FORM W-9

See attached.

Attachment H

ACH OR WIRE INSTRUCTIONS

See attached.

EXHIBIT B

FORM OF TRUST AGREEMENT

MHC CAPITAL
Real Estate Investments

AMENDED AND RESTATED TRUST AGREEMENT
OF
MHC AFFORDABLE HOUSING DST,
A DELAWARE STATUTORY TRUST

This AMENDED AND RESTATED TRUST AGREEMENT of MHC AFFORDABLE HOUSING DST, a Delaware statutory trust (the "**Trust**"), dated as of December 7, 2021, is made between MHC Capital DST, LLC, a Delaware limited liability company (the "**Initial Beneficiary**"), WILMINGTON SAVINGS FUND SOCIETY, FSB, as co-trustee (not in its individual capacity, but solely in its capacity as trustee, together with its successors and assigns, the "**Delaware Trustee**"), and MHC AFFORDABLE HOUSING TRUST MANAGER LLC, a Delaware limited liability company, as co-trustee (the "**Signatory Trustee**," and together with the Delaware Trustee, the "**Trustees**"), and any other person who subsequently signs this agreement (the "**Trust Agreement**") and becomes a party to it.

WHEREAS, the Trust was formed as a "statutory trust" pursuant to and in accordance with the Delaware Statutory Trust Act (Title 12, Chapter 38 §3801 et. seq.), as amended from time to time (the "**Act**") by filing the Certificate of Trust with the Office of the Secretary of State of the State of Delaware (the "**Secretary of State**") on January 29, 2021 (the "**Certificate of Trust**"), and the Trust Agreement (the "**Original Trust Agreement**"), dated January 29, 2021, between MHC Capital II, LLC (the "**Original Depositor**") and the Delaware Trustee, which constituted the "governing instrument" of the Trust (as such term is defined in Section 3801(c) of the Act);

WHEREAS, pursuant to that certain Assignment and Assumption of Beneficial Interests, dated as of December 1, 2021, the Original Depositor assigned to the Initial Beneficiary, and the Initial Beneficiary assumed, all of the Original Depositor's right, title and interest in and to the Trust;

WHEREAS, the Initial Beneficiary initially owns one hundred percent (100%) of the Interests in the Trust;

WHEREAS, the Trust owns or will acquire the real estate located at 23500 S. Keystone, Clinton Township, Michigan 48036; 430 South Byron, Homer, Michigan 49245; 1362 East M-89, Otsego, Michigan 49078; 7940 S. Circle Dr., Parma, Michigan 49269; 687 10th St. and 1066 Miller Rd., Plainwell, Michigan 49080; 17748 Rock Creek Rd., Thompson, Ohio 44086; 3 South Outer Dr., Vienna, Ohio 44473; 2808 Tod Ave. SW, Warren, Ohio 44485; and 153 Lilac Lane, Slippery Rock, Pennsylvania 16057 (the "**Real Estate**") and the improvements located thereon;

WHEREAS, the Real Estate will be subject to the Loan and the Master Lease as hereinafter defined;

WHEREAS, it is anticipated that certain Persons will purchase from the Trust up to ninety-five percent (95%) of its Interests in exchange for payment of money and become Investors as such terms are defined herein pursuant to a private placement of Interests, and such proceeds shall be used by the Signatory Trustee to replace the interest of the Initial Beneficiary and for payment of expenses and fees as set forth in the Private Placement Memorandum; and

WHEREAS, this Trust Agreement amends, restates and replaces in its entirety the Original Trust Agreement and shall constitute the "governing instrument" of the Trust.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

For all purposes of this Trust Agreement, the capitalized terms set forth below shall have the following meanings:

"**Affiliate**" shall mean, with respect to any specified Person, any other Person owning beneficially, directly or indirectly, any ownership interest in such specified Person or directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"**Control**" shall mean (whether capitalized or not), with respect to any specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, more than fifty percent (50%) of the ownership interests.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**Interest**" shall mean, with respect to an Investor, such Investor's beneficial ownership interest in the Trust Property, which is reflected on Exhibit A attached hereto and made a part hereof. All Interests shall be of a single class.

"**Interest Rate Protection Agreements**" shall mean any interest rate protection, swap, caps, floors, collars or other interest hedge agreements relating to the Loan.

"**Interest Register**" shall have the meaning set forth in Section 6.09.

"**Investor(s)**" shall mean the Initial Beneficiary, each holder of an Interest and each of their successors in interest as beneficiaries of the Trust pursuant to Article III.

"**Lender**" shall mean KeyBank National Association, and its successors and assigns with respect to the Loan.

"**Lender SPE Provisions**" shall mean Section 12.30 of the Loan Agreement.

"**Loan**" shall mean the loan from Lender in the amount of $31,000,000, as evidenced and secured by the Loan Documents.

"**Loan Agreement**" shall mean the Loan Agreement between Lender, the Trust, the Master Tenant and the Signatory Trustee pursuant to which the Lender agreed to make the Loan to the Trust.

"**Loan Documents**" shall mean any and all documents evidencing and/or securing the Loan or any assumptions thereof, including, without limitation, any promissory note, mortgage, assignment of leases and rents, indemnity agreement, guaranty certificate, escrow agreement, consent or subordination agreement, Interest Rate Protection Agreements, or the functional equivalent of any of the aforementioned, and any and all other documents related to the Loan.

"**Majority**" shall mean at least fifty-one percent (51%).

"**Master Lease**" shall mean that certain Master Lease between the Trust, as landlord, and the Master Tenant, as tenant, with respect to the Real Estate.

"**Master Tenant**" shall mean MHC Affordable Housing ML, LLC, a Delaware limited liability company.

"**Percentage**" shall mean, with respect to a particular Investor, the percentage beneficial ownership interest of such Investor in the Trust Property as reflected on Exhibit A attached hereto and made a part hereof and the rights, obligations, benefits and burdens associated with such beneficial ownership interest.

"**Person**" shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business

trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

"**Plan Asset Rules**" shall mean 29 Code of Federal Regulations Section 2510.3-101, as amended from time to time.

"**Private Placement Memorandum**" shall mean the memorandum and related documents distributed to the prospective Investors that provides such persons with information relating to an investment in the Interests.

"**Real Estate**" shall have the meaning set forth in the recitals of this Trust Agreement.

"**Real Estate Agreement**" shall mean the Real Estate Sale Agreement dated as of the date hereof by and between the Trust and the sellers thereto, and all amendments and supplements thereto.

"**Regulations**" shall mean U.S. Treasury Regulations promulgated under the Code.

"**Section**" shall mean a section in this Trust Agreement, unless otherwise modified.

"**Special Purpose Entity**" shall mean an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to the special purpose provisions set forth in Section 2.05 of this Trust Agreement.

"**Special Purpose Provisions**" shall have the meaning set forth in Section 2.05(d) of this Trust Agreement.

"**Transaction Documents**" shall mean the Trust Agreement, Real Estate Agreement, the Master Lease and Loan Documents.

"**Trust Property**" shall mean all right, title and interest of the Trust in and to any property contributed to the Trust, the Signatory Trustee on behalf of the Trust, by the Investors or otherwise owned by the Trust, including the Real Estate.

ARTICLE II
FORMATION OF TRUST

2.01 Name. The Trust governed hereby shall continue to be known as MHC Affordable Housing DST.

2.02 Principal Place of Business. The principal place of business of the Trust shall be at such place as the Signatory Trustee shall designate from time to time by notice to the Investors, which need not be in the State of Delaware. The initial principal place of business of the Trust shall be 316 W. 2nd Street, Ste. 1104, Los Angeles, CA 90012.

2.03 Purposes. The purposes of the Trust are to engage in the following activities: (i) to acquire and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of the Master Lease, the Loan Documents and the other Transaction Documents; (iii) to conserve, protect, manage and dispose of the Real Estate; and (iv) to take such other actions as the Trustees deem necessary or advisable to carry out the foregoing. The Trust shall hold the Trust Property for investment purposes and only engage in activities which are customary services in connection with the maintenance and repair of the Real Estate. Neither the Trustees, Investors, nor their agents shall provide services: (a) that are not "customary services" within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261; (b) the payment for which would not qualify as "rents from real property" within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder; or (c) the payment for which would not qualify as "rents from real property" within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder.

2.04 Declaration of Trust by Trustees. The Trustees hereby declare that they will hold the Trust Property upon the terms and conditions herein for the benefit of the Investors, subject to the obligations of the Trust under the

Loan Documents, the Master Lease and other relevant agreements. It is the intention of the parties hereto that the Trust constitute a "statutory trust" under Chapter 38 of Title 12 of the Delaware Code. Prior to the date hereof, the Certificate of Trust was filed with the Secretary of State pursuant to Section 3810 of Title 12 of the Act, which such filing is hereby authorized, approved, confirmed, ratified and accepted. It is the intention of the parties hereto that the Trust shall not constitute an agency, partnership, corporation, association or a business trust for federal income tax purposes. Instead, each Investor shall be treated for federal income tax purposes as if it holds a direct ownership interest in the Trust Property. Each Investor agrees to report its interest in the Trust in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing.

2.05 Limitation on Certain Activities.

(a) Notwithstanding any provisions of this Trust Agreement and any provision of law that otherwise so empowers the Trustees or the Investors, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, neither the Trust, the Trustees nor any other Person on behalf of the Trust shall have any authority to do any of the following without Lender's prior written consent:

(i) perform any act in contravention of or constituting an event of default under the Loan Documents;

(ii) borrow money or incur indebtedness other than the Loan, normal trade accounts payable and lease obligations in the normal course of business (subject to the limitations contained in the Loan Documents), or grant consensual liens on the Trust's property other than in connection with the Loan;

(iii) to the fullest extent permitted by law, dissolve, wind-up or liquidate except as provided in Sections 9.02 and 9.03 of this Trust Agreement; and

(iv) sell or lease, or otherwise dispose of, either the Real Estate or all or substantially all of its assets except simultaneously with a permitted repayment of the Loan.

(b) Notwithstanding any other provision of this Trust Agreement, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, the Trustees shall and shall cause the Trust at all times to comply with the Lender SPE Provisions and to:

(i) observe statutory formalities with respect to the administration of the Trust and in the conduct of the Trust's activities; and

(ii) prepare separate financial statements and, if the Trust is not treated for federal, state or local income tax purposes as a disregarded entity, file its tax returns, if any, separate from those of any other Person, and not file consolidated tax returns with any other Person.

(c) Notwithstanding any other provision of this Trust Agreement and any provision of law that otherwise so empowers the Trust, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding, neither the Trust, the Trustees nor any other Person shall be authorized or empowered to, nor shall they permit the Trust, take any action that might cause the Trust to become insolvent, or file a voluntary petition or otherwise initiate proceedings to be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Trust, or file a petition seeking or consenting to reorganization or relief of the Trust as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Trust; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Trust or of all or any substantial part of the properties and assets of the Trust, or make any general assignment for the benefit of creditors of the Trust, or admit in writing the inability of the Trust to pay its debts generally as they become due or declare or effect a moratorium on the Trust debt or take any action in furtherance of any such action. The Trustees shall not authorize the Trust to take any action that would cause the Trust to be in material violation of the Lender SPE Provisions.

2.06 Operative Timing Related to Certain Provisions of this Trust Agreement. Notwithstanding anything else in this Trust Agreement to the contrary, the following sections of this Trust Agreement shall be of no force or effect until the admission of the first Investor (other than the Initial Beneficiary) to the Trust pursuant to the Private Placement Memorandum, at which time they shall become fully operative: (i) Section 2.05(a)(iv) (solely to the extent it refers to Sections 9.02 and 9.03); (ii) Section 6.02(b); (iii) Section 7.03; (iv) Section 7.05 (solely to the extent it refers to Section 7.03); (v) Section 9.02; (vi) Section 9.03; and (vii) Section 11.09 (solely with respect to the clause limiting amendments that would "vary the investment" of the Investors).

ARTICLE III
TRANSFER AND ENCUMBRANCE OF INTERESTS

3.01 No Interest, or any portion thereof, may be assigned, pledged, encumbered or transferred without the prior consent of the Signatory Trustee (each a "**Proposed Interest Transfer**"). The Signatory Trustee's consent to each Proposed Interest Transfer is subject to sole discretion of the Signatory Trustee, including, but not limited to, the satisfaction of the following as determined in the sole discretion of the Signatory Trustee:

(a) That such Proposed Interest Transfer complies with all applicable securities laws;

(b) That such Proposed Interest Transfer complies with all transfer restrictions and requirements set forth in the Loan Documents and does not itself or in combination with any other prior Interest transfer or Proposed Interest Transfer constitute an event of default under the Loan Documents;

(c) That such Proposed Interest Transfer would not result in the Trust having to register as an investment company or require the Trust or any Trustee to register as an investment advisor under the Investment Company Act of 1940, as amended;

(d) That such Proposed Interest Transfer does not cause the Trust Property to become "plan assets" (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Tile I of ERISA and Code Section 4975;

(e) The transferee has delivered a fully executed IRS Form W-9 or other similar tax form as may be reasonably requested by the Signatory Trustee;

(f) That the transferor and transferee(s) in such Proposed Interest Transfer shall have executed documents to effectuate such transfer that are satisfactory to the Signatory Trustee, including that the Transferee(s) shall have executed a written acceptance and adoption of this Trust Agreement; and

(g) That all expenses of such Proposed Interest Transfer shall have been paid by the transferor or the transferee in such proportion as they shall agree.

ARTICLE IV
DISTRIBUTIONS

4.01 Payments From Trust Property Only. Except as determined by the Signatory Trustee in its sole discretion and as is consistent with the status of the Trust described in Section 5.01, all payments to be made by the Trustees under this Trust Agreement shall be from the Trust Property.

4.02 Distributions in General. The Signatory Trustee shall distribute all available cash (other than proceeds from the sale of Interests) as determined pursuant to Section 4.01 to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid by the Trustees on behalf of the Trust, paying debt service and related expenses and retaining such additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses ("**Reserves**"). Amounts of cash retained pursuant to this paragraph shall only be invested in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust company having a minimum stated capital and surplus of Fifty Million and no/100 Dollars ($50,000,000.00). All such

obligations must mature prior to the next distribution date, and be held to maturity. All amounts distributable to the Investors pursuant to this Trust Agreement shall be paid by check or in immediately available funds by transfer to a banking institution with bank wire transfer facilities for the account of such Investor, as instructed from time to time by such Investor.

4.03 Compliance with Withholding Requirements. Notwithstanding any provision of this Trust Agreement, the Signatory Trustee shall comply with all federal, state and local withholding requirements with respect to payments to the Investors. The consent of the Investors shall not be required for any such withholding. In the event the Signatory Trustee withholds any such amounts pursuant to the federal, state and local withholding requirements, the Signatory Trustee shall file such information returns as are required by applicable federal, state and local tax law which shall indicate the amount withheld. Amounts withheld shall be treated as advances of amounts otherwise distributable by the Trust to the Investors. Each Investor shall furnish the Signatory Trustee with such information, forms and certifications as the Signatory Trustee may require and as are necessary to comply with the regulations governing the obligations of withholding tax agents, as well as such information, forms and certifications as are necessary with respect to any withholding taxes imposed on income or gains of the Trust and represents and warrants that the information and forms furnished by such Investors shall be true and accurate in all respects. Each Investor hereby agrees to pay such Investor's own income taxes arising from any distributions, payments and/or allocations made to such Investor pursuant to this Trust Agreement, and to indemnify, defend, protect and hold the Trust and the Trustees (including in their respective individual capacities) wholly harmless from and against any and all damages, claims, costs, fees (including, without limitation, attorneys' fees and costs) and expenses including any liability for taxes of any type whatsoever (including withholding taxes), penalties, additions to tax and interest that are assessed against the Trust and/or any Trustee arising out of any distributions, payments and/or allocations made to such Investor under this Trust Agreement. To the extent the indemnifying Investor is otherwise entitled to receive distributions from the Trust, any such damages, fees, costs and expenses may be offset and recovered by the Trust from amounts that would otherwise be distributed to such Investor.

ARTICLE V
RIGHTS AND OBLIGATIONS OF INVESTORS

5.01 Status of Relationship.

(a) This Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Investors either in law or in equity. Accordingly, no Investor shall have any liability for the debts or obligations incurred by any other Investor, with respect to the Trust Property, or otherwise, and no Investor shall have any authority, other than as specifically provided herein, to act on behalf of any other Investor or to impose any obligation with respect to the Trust Property.

(b) For so long as there is only one (1) Investor that is an owner of Interests in the Trust, the rights of such Investor with respect to any Trust Property held at such time will be such that the Trust will be characterized at such time as a "business entity" within the meaning of Regulation Section 301.7701-3. Because the sole Investor will be the sole beneficial owner of the Trust, the Trust will be characterized as a disregarded entity and any Trust Property held at such time will be treated for federal income tax purposes as the property of the sole Investor.

(c) At all times that the Interests are held by more than one (1) Investor, it is the intention of the parties hereto that the Trust shall constitute an "investment trust" within the meaning of Regulations Section 301.7701-4(c), and each Investor holding an Interest shall be treated as a "grantor" within the meaning of Code Section 671. As such, the parties further intend that Investors holding an Interest shall be treated for U.S. federal income tax purposes as if it holds a direct ownership interest in the Real Estate. Each Investor holding an Interest agrees to report its interest in the Trust in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing.

5.02 No Legal Title to Trust Property in the Investors, Etc. Legal title to the Trust Property, including the Real Estate, shall be held by the Trust and the Investors shall not have legal title to the Trust Property. Neither the bankruptcy, death or other incapacity of any Investor nor the transfer, by operation of law or otherwise, of any right, title or interest of the Investors in and to the Trust Property or hereunder shall terminate this Trust Agreement. Except as expressly set forth herein, Investors shall not be liable for any liabilities or obligations of the Trust or the Trustees

or for the performance of the Trust Agreement. Because of applicable state law, the Signatory Trustee shall hold bare legal title to the Real Estate located in Michigan for the benefit of the Trust. For avoidance of doubt, such holding of bare legal title shall not be prohibited by this Section 5.02 and such properties shall be treated as Real Estate for all purposes of this Trust Agreement.

5.03 Sale of Trust Property by Trustees Is Binding. Any sale or other conveyance of the Trust Property or any part thereof by the Signatory Trustee made pursuant to the terms of this Trust Agreement shall bind the Investors and be effective to transfer or convey all rights, title and interest of the Trustees and the Investors in and to the Trust Property. Nevertheless, prior to the Signatory Trustee entering into a binding contract to sell or convey the Real Estate, the Signatory Trustee shall notify the Investors of such potential transaction and solicit their views on the transaction. The Signatory Trustee shall consider the Investors' views and opinions in good faith, but not be bound by such opinions and the decision to do the transaction or not rests solely with the Signatory Trustee.

5.04 No In-Kind Distributions; Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, and consistent with Section 3805 of the Act, each Investor and any additional Investor admitted to the Trust shall not have, and hereby completely and irrevocably waives, any and all power or right: (a) to cause the Trust or any of its assets to be partitioned or divided or to demand or receive an in-kind distribution of the Trust Property; (b) to cause the appointment of a receiver for all or any portion of the assets of the Trust; (c) to compel any sale of all or any portion of the assets of the Trust pursuant to any applicable law; or (d) to file a complaint or to institute any proceeding at law or in equity to cause the bankruptcy, dissolution, liquidation, winding up or termination of the Trust. No Investor shall have any interest in any specific assets of the Trust, and no Investor shall have the status of a creditor with respect to any distribution pursuant to Section 4.02 hereof. An Investor's sole right with respect to the Trust shall be limited to the right to receive distributions as provided under Section 4.02. Each Investor's Interest in the Trust is personal property.

5.05 Role of Investors. For the avoidance of doubt, except solely as provided in Article X with respect to the appointment of a successor trustee, Investors shall have no right to make decisions for or to operate or manage the Trust, it being understood and agreed that all authority with respect to the Trust shall be vested in the Trustees as provided in this Trust Agreement.

5.06 Subordination to Loan Documents. While the Loan Documents remain in effect, any and all rights of the Investors pursuant to the terms of this Trust Agreement are subordinate to the rights of the Lender under the Loan Documents.

5.07 Rights and Powers of Investors. The Investors shall only have the right to receive distributions from the Trust as a result of the ownership or sale of Real Estate. The Investors shall not have the right or power to direct in any manner the Trust, the Delaware Trustee or Signatory Trustee in connection with the operation of the Trust or the actions of the Delaware Trustee or Signatory Trustee. In addition, the Investors shall not have the right or power to: (a) contribute additional assets to the Trust; (b) be involved in any manner in the operation or management of the Trust or its assets; (c) cause the Trust to negotiate or re-negotiate loans or leases; or (d) cause the Trust to sell its assets and re-invest the proceeds of such sale.

ARTICLE VI
TRUSTEES IN GENERAL

6.01 Acceptance of Trust and Duties. The Trustees accept the Trust hereby created and agree to perform only such duties as so expressly provided, including, in the case of the Signatory Trustee, receiving and disbursing all money received by it constituting part of the Trust Property, subject to the Loan Documents, Master Lease and other relevant agreements.

6.02 Limitation on Fiduciary Duties of Trustees. Consistent with Sections 3803(b) and 3806(c)(2) of the Act, the duties and liabilities of the Trustees to the Trust and the Investors pursuant to this Trust Agreement are expressly limited as follows:

(a) The Trustees shall not be individually answerable or accountable for their omissions or actions on behalf of the Trust, except: (i) for their own willful misconduct or gross negligence, (ii) for the inaccuracy of any of their representations or warranties contained in Section 6.05 hereof, (iii) for their failure to comply with Section 7.03, (iv) for their own income taxes based on fees, commissions or compensation received as a trustee, or (v) for the failure to use ordinary care to disburse money received by them in accordance with the terms hereof.

(b) The Investors hereby acknowledge and agree that the Trustees and their Affiliates engage in business activities other than acting as Trustees hereunder, and each Investor hereby waives any claim or cause of action against any Trustee as result of any potential or actual conflict of interest arising as a result of any such business activity on the part of the Trustees or their Affiliates. Such business activities include, but are not limited to, the Trustees or their Affiliates: (i) receiving fees related to the acquisition of the Trust Property, (ii) acting as Master Tenant with respect to the Trust Property; (iii) owning an interest in and receiving distributions of income from the Trust Property, (iv) engaging directly or indirectly in business activities that may relate to the Trust Property, (v) acquiring, or sponsoring the acquisition of interests by investors in, parcels of real property that may compete with the Trust Property, and (vi) undertaking obligations (including obligations as trustees) to entities other than the Trust.

6.03 Not Acting in Individual Capacity. Except as otherwise provided in this Article VI and pursuant to Section 3803(b) of the Act, the Trustees act solely as Trustees hereunder and not in their individual capacity, and all Persons other than the Investors having any claim against the Trustees by reason of the transactions contemplated hereby shall look only to the Trust Property for payment or satisfaction thereof, but subject to the liens and other obligations created pursuant to the Loan Documents.

6.04 Authority of Trustees. The Trustees shall manage, control, dispose of or otherwise deal with the Trust Property consistent with their duties to conserve and protect the Trust Property, subject to any restrictions required by the Loan Documents, or otherwise provided in this Trust Agreement.

6.05 Representations or Warranties as to Real Estate or Documents. The Trustees make no representation or warranty as to (i) the title, value, condition or operation of the Real Estate, and (ii) the validity or enforceability of any Transaction Document or as to the correctness of any statement contained in any thereof, except as expressly made by the Trustees in their individual capacities. The Trustees represent and warrant to the Investors that this Trust Agreement has been authorized, executed and delivered by each Trustee respectively.

6.06 Reliance. The Trustees shall not be liable to anyone for relying on any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by them to be genuine and signed by the proper parties. The Trustees may accept a copy of a resolution of the board of directors or other governing body of any corporate party, certified by the secretary or a senior officer thereof, as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter, the manner of ascertainment of which is not specifically prescribed herein, the Trustees may for all purposes hereof rely on an officer's certificate of the relevant Person (if not an individual) as to such fact or matter, and such certificate shall constitute full protection to the Trustees for any action taken, suffered or omitted by it in good faith in reliance thereon.

6.07 Advice of Counsel. In the administration and interpretation of the Trust, the Trustees may perform any of their powers and duties, directly or through agents or attorneys and may consult with counsel, accountants and other skilled Persons selected and employed by them. The Trustees shall not be liable for anything done or omitted in good faith in accordance with the advice or opinion within the scope of competence of any such counsel, accountant or other skilled Persons selected with due care.

6.08 Compensation. The Delaware Trustee shall receive as compensation for its services an initial fee, monthly fees and document execution fees as agreed to by the Trustees in a separate agreement. The Signatory Trustee shall serve without compensation for services solely as the Signatory Trustee.

6.09 Interest Registrar. The Signatory Trustee shall maintain a register (the "**Interest Register**") for the registration and transfer or exchange of any Interest. The entries in the Interest Register shall be conclusive absent manifest error. For the avoidance of doubt, it is expressly understood that the Signatory Trustee is the sole registrar

with respect to the Interests and the Delaware Trustee shall have no right, power, authority or authorization in connection therewith or with the Interest Register (upon which it is fully entitled to rely).

ARTICLE VII
DUTIES OF TRUSTEES

7.01 Duties of the Trustees in General.

(a) The Trustees shall only have the duties and obligations expressly provided in this Trust Agreement. Except to the extent specifically provided in Section 7.01(b), to the effect that specific duties and obligations are those of the Delaware Trustee, and notwithstanding any other provision of this Trust Agreement, all the rights, powers, authority, authorization, duties and obligations of the Trustees or of any of them under this Agreement shall be solely the rights, powers, authority, authorization, duties and obligations of the Signatory Trustee. Other than as expressly provided for in this Trust Agreement, the Delaware Trustee shall have no duty or obligation to take or refrain from taking any action for or on behalf of the Trust.

(b) The Delaware Trustee is appointed to serve as the trustee of the Trust in the State of Delaware for the sole purpose of satisfying the requirement of Section 3807(a) of the Act that the Trust have at least one trustee with a principal place of business in Delaware. It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the rights, powers, authority, authorization, duties, obligations or liabilities of the Signatory Trustee. The duties of the Delaware Trustee shall be limited to (i) accepting legal process served on the Trust in the State of Delaware, (ii) executing any certificates required to be filed with the Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act, and (iii) any other duties specifically allocated to the Delaware Trustee in the Trust Agreement. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the Investors, it is hereby understood and agreed by the other parties hereto that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Trust Agreement. The Delaware Trustee (including in its individual capacity) shall not be liable for the acts or omissions of the Signatory Trustee, nor shall the Delaware Trustee be liable for supervising or monitoring the performance and the duties and obligations of the Signatory Trustee or the Trust under this Trust Agreement or any other document. The Delaware Trustee shall not be personally liable under any circumstances, except for its own willful misconduct, bad faith or gross negligence. In particular, but not by way of limitation:

(i) the Delaware Trustee shall not be personally liable for any error of judgment made in good faith, except to the extent such error of judgment constitutes gross negligence on its part;

(ii) no provision of this Trust Agreement shall require the Delaware Trustee to expend or risk its personal funds or otherwise incur any financial liability in the performance of its rights or powers hereunder, if the Delaware Trustee shall have reasonable grounds for believing that the payment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it;

(iii) under no circumstances shall the Delaware Trustee be personally liable for any representation, warranty, covenant, agreement, or indebtedness of the Trust or the Signatory Trustee;

(iv) the Delaware Trustee shall not be personally responsible for or in respect of the validity or sufficiency of this Trust Agreement or for the due execution hereof by the Initial Beneficiary and Signatory Trustee;

(v) the Delaware Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The Delaware Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically prescribed herein, the Delaware Trustee may for all purposes hereof rely on a certificate, signed by

the Signatory Trustee, as to such fact or matter, and such certificate shall constitute full protection to the Delaware Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon;

(vi) in the exercise or administration of the trust hereunder, the Delaware Trustee (a) may act directly or through agents or attorneys pursuant to agreements entered into with any of them, and the Delaware Trustee shall not be liable for the default or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Delaware Trustee in good faith and with due care and (b) may consult with counsel, accountants and other skilled persons to be selected by it in good faith and with due care and employed by it, and it shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons; and

(vii) except as expressly provided in this Section, in accepting and performing the trust hereby created the Delaware Trustee acts solely as Delaware Trustee hereunder and not in its individual capacity, and all persons having any claim against the Delaware Trustee by reason of the transactions contemplated by this Trust Agreement shall look only to the Trust's property for payment or satisfaction thereof.

(viii) the Delaware Trustee shall not be liable for punitive, exemplary, consequential, special or other similar damages under any circumstances.

(ix) the Delaware Trustee shall not be obligated to give any bond or other security for the performance of any of its duties hereunder.

For the avoidance of doubt, it is expressly understood and agreed that all of the benefits, protections and indemnities of the Delaware Trustee in this Trust Agreement shall apply equally to Wilmington Savings Fund Society, FSB, in its individual capacity, as if specifically named herein in each instance thereof.

(c) Except as provided in Section 7.01(b) above, the Signatory Trustee is hereby authorized and directed to enter into any agreement permitted or directed by this Trust Agreement without the consent or signature of the Delaware Trustee including, without limitation, the Loan Documents and other Transaction Documents. The Delaware Trustee is authorized and directed to enter into such other documents and take such other actions as the Signatory Trustee shall specifically direct in written instructions delivered to the Delaware Trustee; *provided*, *however*, that the Delaware Trustee will take such action merely in a ministerial nondiscretionary capacity, as directed by the Signatory Trustee, and any such action shall not subject the Delaware Trustee to any liability, and *provided further, however*, that no Trustee shall be required to take any action if such Trustee shall determine, or shall be advised by counsel, that such action is likely to result in personal liability to such Trustee or is contrary to applicable law or any agreement to which such Trustee is a party. The Signatory Trustee agrees not to direct the Delaware Trustee to take any action or to refrain from taking any action that is contrary to the terms of this Trust Agreement or of any document contemplated hereby to which the Trust or any Trustee is or becomes party or that is otherwise contrary to law.

(d) The Signatory Trustee has also been appointed hereunder to satisfy such legal or administrative requirements as may be necessary or prudent to carry out the duties of the Trust with respect to the Loan Documents and other Transaction Documents or any Trust Property to the extent that the Delaware Trustee is not required to do so under applicable law. The Signatory Trustee shall be permitted to hold bare legal title to the Real Estate for the benefit of the Trust for the sole and exclusive purpose of satisfying certain state law requirements that are resolved if bare legal title to property beneficially owned by a trust is held by a trustee of the trust. For avoidance of doubt, the holding of bare legal title as permitted in under the Trust Agreement by the Signatory Trustee is for the benefit of the Trust, and that the Signatory Trustee disclaims any tax, legal, or equitable interest in the Real Estate other than the interest in bare legal title to the Real Estate as is necessary to satisfy state law.

7.02 Actions of Signatory Trustee. The Signatory Trustee is hereby authorized and directed to take any and all necessary actions on behalf of the Trust to conserve and protect the Trust Property, including, but not limited to:

(a) receiving the contribution of the Real Estate Agreement and acquiring, owning, conserving, protecting and selling the Real Estate;

(b) entering into or assuming and complying with the terms of the Master Lease, the Loan Documents and any other Transaction Documents;

(c) conserving and maintaining the Real Estate in a manner consistent with the Trust's obligations under the Master Lease;

(d) collecting rents and making distributions in accordance with Article IV;

(e) entering into any agreement for purposes of completing tax-free exchanges of real property with a Qualified Intermediary as defined in Section 1031 of the Code;

(f) notifying the relevant parties of any default by them under the Transaction Documents;

(g) causing the Trust to enter into a master lease or property management agreement with a third party or an affiliate of the Signatory Trustee;

(h) entering into an asset management agreement with a third party or affiliate of the Signatory Trustee and paying a fee to such asset manager equal to 0.5% of the proceeds from the offering to sell beneficial interests in the Trust pursuant to the Private Placement Memorandum dated October 2021 (the "**Asset Management Fee**"), provided that the asset manager will defer payment of half of the Asset Management Fee until the aggregate occupancy of the Trust Property is 75%, at which time the reserve specifically established under the Loan Documents will be disbursed to the Company and the deferred portion of the Asset Management Fee will be paid to the asset manager; and

(i) solely to the extent necessitated by the bankruptcy or insolvency of the Master Tenant, renegotiating any existing leases or entering into a new lease(s) with respect to the Real Estate or negotiating or financing any debt secured by the Real Estate.

7.03 Prohibited Actions. Notwithstanding any other provision in this Trust Agreement, the Trustees shall not take any of the following actions, if the effect would be that such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" as defined by Regulation Section 301.7701-4(c)(1): (a) acquire real estate, other than the Real Estate, or reinvest any monies of the Trust except in accordance with Section 4.02; (b) renegotiate the terms of the Loan, enter into new mortgage financing, renegotiate the Master Lease or enter into new leases, except in the case of the Master Tenant's bankruptcy or insolvency, (c) make other than minor non-structural modifications to the Real Estate, other than as required by law, (d) accept any capital from the Investors or new investors except as provided for in the Private Placement Memorandum, or (e) take any other action that would in the reasoned opinion of tax counsel to the Trust cause the Trust to be treated as a "business entity" for federal income tax purposes.

7.04 Books and Records. The Signatory Trustee shall keep customary and appropriate books and records relating to the Trust and the Trust Property and shall certify reports regarding same to the Lender, if required by the Loan Documents. The Signatory Trustee shall maintain separate books and records for each Investor's Interest and shall provide reports of income and expenses to each Investor as necessary for such Investor to prepare his/her income tax returns regarding the Trust Property.

7.05 Duty to Act.

(a) The Trustees shall not be required to act or refrain from acting under this Trust Agreement (other than the actions prohibited in Section 7.03) if the Trustees reasonably determine, or have been advised by legal counsel, that such actions may result in personal liability, unless the Trustees are indemnified by the Investors, in a manner and form reasonably satisfactory to the Trustees, against any liability and costs (including reasonable

legal fees and expenses) which may result from such actions. However, the Investors shall not be required to indemnify the Trustees with respect to any of the matters described in Section 6.02(a)(i) through 6.02(a)(v).

(b) The Delaware Trustee shall not have any duty (i) except as provided in Section 7.01(b) with respect to the Delaware Trustee, to file, record or deposit any document or to maintain any such filing, recording or deposit or to refile, rerecord or redeposit any such document, (ii) to obtain or maintain any insurance on the Real Estate, (iii) to maintain the Real Estate, (iv) to pay or discharge any tax levied against any part of the Trust Property, (v) to confirm, verify, investigate or inquire into the failure to receive any reports or financial statements from any person obligated to provide such reports or financial statements, or (vi) to inspect the Real Estate at any time.

ARTICLE VIII
INDEMNIFICATION AND PAYMENT OF THE TRUSTEES

Section 8.01 Indemnification. The Trust agrees: (a) to reimburse the Trustees for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the performance of their duties under this Trust Agreement; (b) to the fullest extent permitted by law, to indemnify the Trustees (including the Delaware Trustee in its individual capacity), their owners, officers, directors, members, employees, agents and other Affiliates (collectively the "Trustee Indemnified Parties" and each a "Trustee Indemnified Party") and hold the Trustee Indemnified Parties harmless, in their individual capacities, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities (and not indemnified against by other Persons) which relate to or arise out of the operation of the Trust (including the Trust Agreement and all transactions and documents contemplated thereby), the Trust Property, or the Loan Documents (all such items collectively the "Indemnified Costs"), provided, however, that the Trust shall not be required to indemnify any Trustee Indemnified Party with respect to any of the matters described in Sections 6.02(a)(i) through 6.02(a)(v) to the extent any such section is adjudged (as provided in subsection (c) below) to apply to such Trustee Indemnified Party; and (c) to the fullest extent permitted by law, to advance to each such Trustee Indemnified Party the Indemnified Costs incurred by such Trustee Indemnified Party in defending any claim, demand, action, suit or proceeding arising out of the operation of the Trust (including the Trust Agreement and all transactions and documents contemplated thereby), the Trust Property or the Loan Documents, prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Trust of an undertaking by or on behalf of such Trustee Indemnified Party, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Trustee Indemnified Party is entitled to indemnification pursuant to this Article VIII (*i.e.*, because such court of competent jurisdiction specifically finds that any of Sections 6.02(a)(i) through 6.02(a)(v) apply to such Trustee Indemnified Party).

8.02 Survival of Obligations. The obligations of the Trust pursuant to this Article VIII shall survive the resignation or removal of any Trustee, the disposition of the Trust Property, the termination of the Trust (whether in accordance with Article IX or otherwise), or the amendment, supplement or restatement of this Trust Agreement.

8.03 Subordination to the Loan. So long as any obligation evidenced or secured by the Loan Documents is outstanding, no indemnity payment from funds of the Trust (as distinct from funds from other sources, such as insurance) of any indemnity pursuant to this Article VIII shall be payable from amounts allocable to the Lender pursuant to the Loan Documents. Any indemnification set forth in this Trust Agreement shall be fully subordinate to the Loan and shall not constitute a claim against the Trust in the event its cash flow is insufficient to pay its obligations, nor

8.04 Exemption of Investors. No indemnity pursuant to this Article VIII shall constitute a claim against any beneficial owner of an interest in the Trust.

ARTICLE IX
TERMINATION OF TRUST AGREEMENT

9.01 Termination in General. The Trust shall dissolve and wind up in accordance with Section 3808 of the Act and each Investor's share of the Trust Property shall, subject to Article IV hereof, be distributed to the

Investors, at the earlier of (a) December 31, 2062, or (b) the sale or other disposition of the Real Estate; provided, however, that no such dissolution or winding up will occur so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full.

9.02 Termination in Certain Circumstances. Notwithstanding Section 9.01, if (i) the Trust Property is in jeopardy of being foreclosed upon due to a default on the Loan, (ii) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated through insurance or otherwise sufficient to permit reconstruction of the Real Estate to the same condition as previously existed, and upon any such event or (iii) the Signatory Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests, and the Signatory Trustee is prohibited from taking actions to cure or mitigate the events described in clauses (i), (ii) or (iii) above by reason of the restrictions set forth in Section 7.03 hereof, the Signatory Trustee shall, in compliance with such conditions precedent and other requirements as may be set forth in the Loan Documents (if still in force), terminate the Trust and distribute the Trust Property to the Investors in the manner provided in Section 9.03.

9.03 Distribution of Trust Property to Investors.

(a) If any obligation evidenced or secured by the Loan Documents remains outstanding and has not been satisfied in full at the time the Trust is to be terminated pursuant to Section 9.02, and if the Loan Documents prohibit a direct distribution of the Trust Property to the Investors as provided in Section 9.03(b)(ii), the Signatory Trustee shall: (i) terminate the Trust in accordance with Section 9.02 by converting it pursuant to Section 3821 of the Act into a Delaware limited liability company (an "**LLC**"), the operating agreement for which will be substantially similar in form to the LLC operating agreement set forth as Exhibit B attached hereto and made a part hereof (the "LLC Agreement") (or in lieu of such conversion, as determined in the sole discretion of the Signatory Trustee, by transferring or contributing the Trust Property to, or by merging the Trust into, such LLC), which LLC shall acquire, by operation of law, contract, or otherwise, the Trust Property subject to the then-outstanding obligations of the Trust under the Loan Documents and the Master Lease, and which LLC shall assume, by operation of law, contract, or otherwise, the Trust's obligations under the Loan Documents and the Master Lease, which assumption shall be evidenced by documents approved in writing by the Lender; (ii) effect the conversion or exchange of the Investors' ownership interests in the Trust into equivalent membership interests in the LLC; (iii) cause the Signatory Trustee to be designated as the Manager (as such term is defined in the LLC Agreement) of the LLC and to execute all necessary documents, including the LLC Agreement on behalf of the members of the LLC; and (iv) take all other actions necessary to complete the termination and winding up of the Trust and the formation of the LLC in accordance with the Act and the Delaware Limited Liability Company Act. In the event the Signatory Trustee holds bare legal title to certain Real Estate for the benefit of the Trust at the time of the conversion of the Trust as provided in Section 9.03(a)(i), the Signatory Trustee shall cause, at the expense of the Trust, title to such Property to be held by the LLC.

(b) If no obligation evidenced or secured by the Loan Documents remains outstanding and all such obligations have been satisfied in full at the time the Trust is to be terminated pursuant to Section 9.02, or if the Loan Documents do not prohibit a direct distribution of the Trust Property to the Investors, the Signatory Trustee may in its sole discretion terminate the Trust in accordance with Section 9.02 by either (i) following the procedure described in Section 9.03(a), *i.e.*, converting the Trust to an LLC or (ii) dissolving and winding up the Trust in accordance with Section 3808 of the Act and distributing to the Investors, subject to Article IV hereof, each Investor's share of the Trust Property.

(c) For federal income tax purposes, a conversion of the Trust to an LLC effectuated pursuant to the procedure described in Section 9.03(a) (including such procedure if effectuated pursuant to Section 9.03(b)) shall be characterized as: (1) a distribution of the Trust Property by the Trust to the Investors in termination of the Trust, followed by (2) a contribution by the Investors of the Trust Property to the LLC in exchange for membership interests in the LLC.

9.04 Certificate of Cancellation. Upon the completion of winding up of the Trust, the Signatory Trustee shall so notify the Delaware Trustee in writing, and the Trustees shall execute and cause a Certificate of Cancellation to be filed with the Secretary of State and thereupon the Trust and this Trust Agreement shall terminate, except for those provisions hereof that expressly survive.

9.05 Privacy of Information. Except other than as may be required under the Loan Documents or as may be required under the Act, the Trust shall be prohibited from disseminating any information in respect of any Person holding an Interest including such Person's address, telephone number, e-mail address to another holder of Interests or to any other Person without the consent of the Signatory Trustee, which may be exercised in its sole and absolute discretion.

ARTICLE X
SUCCESSOR TRUSTEES

10.01 Resignation or Removal. A Trustee or any successor trustee may resign at any time by giving at least 60 days' prior written to the Investors. Investors holding a Majority of the Interests may remove a Trustee for "Cause" (as defined in the following sentence) by written notice to such Trustee. Cause shall only result from the willful misconduct, fraud or gross negligence of the Trustee as determined by a final, nonappealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, (a) until the date on which all obligations of the Trust under the Loan Documents are indefeasibly and fully satisfied, the prior written consent of the Lender shall be required for the removal of the Signatory Trustee and the appointment of a replacement for the Signatory Trustee, and (b) the removal of the Signatory Trustee shall not be effective without the prior written consent of the Signatory Trustee until the Signatory Trustee and each of its Affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to any Loan. The terms of this Section 10.1 are subject to the terms and conditions of the Loan Documents.

10.02 Appointment of Successor Signatory Trustee. Notwithstanding anything herein to the contrary, no resignation or removal of a Trustee shall be effective until a successor trustee has been appointed and such successor trustee has accepted its responsibilities, all as hereinafter provided. In case of the resignation, death, liquidation or removal of a trustee, the Investors may appoint a successor by a Majority in Interests by written instrument. The Trust shall not be terminated solely due to the death, liquidation, resignation or removal of any Trustee. If a successor trustee shall not have been appointed within 60 days after the giving of such notice, a trustee or the Investors may apply to any court of competent jurisdiction in the United States to appoint a successor trustee to act until such time, if any, as a successor shall have been appointed as above provided. Any successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as provided above within one year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor trustee (the Delaware Trustee, Signatory Trustee or a successor trustee, as the case may be) an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee with like effect as if originally named a Delaware Trustee or Signatory Trustee herein; but upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers, duties and trusts of such predecessor, and such predecessor shall duly assign, transfer, deliver and pay over to such successor all monies or other property then held by such predecessor upon the trusts herein expressed. Any right of the Investors against the predecessor trustee, in its, his or her individual capacity, shall not be prejudiced by the appointment of any successor trustee and shall survive the termination of the trusts created hereby.

10.03 Successor Delaware Trustee. Any successor Delaware Trustee, however appointed, shall be a bank or trust company with its principal place of business in the State of Delaware and either (a) having a combined capital and surplus of at least Fifty Million and no/100 Dollars ($50,000,000.00), or (b) having the performance of its obligations hereunder guaranteed by such a bank or trust company having a combined capital and surplus of at least Fifty Million and no/100 Dollars ($50,000,000.00), if there is such an institution willing, able and legally qualified to perform the duties of trustee hereunder upon reasonable or customary terms. Any corporation into which the Delaware Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Delaware Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Delaware Trustee may be transferred, shall, subject to the preceding sentence, be the Delaware Trustee under this Trust Agreement without further act. Any successor Delaware Trustee, however appointed, shall be competent and qualified to (i) serve as a trustee of a statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code, and (ii) take all actions required by the Delaware Trustee pursuant to the Trust Agreement in the State of Delaware.

ARTICLE XI
MISCELLANEOUS

11.01 Limitations on Rights of Others. Nothing in this Trust Agreement, whether express or implied, shall give to any Person other than the Trustees and the Investors any legal or equitable right, remedy or claim hereunder, *provided, however*, that the Lender shall be an intended third-party beneficiary of Section 2.05 of this Trust Agreement.

11.02 Notices, Etc. All notices, requests, demands, consents and other communications ("**Notices**") required or contemplated by the provisions hereof shall refer on their face to this Trust Agreement (although failure to do so shall not make such Notice ineffective), shall, unless otherwise stated herein, be in writing and shall be (i) personally delivered, (ii) sent by reputable overnight courier service, (iii) sent by certified or registered mail, postage prepaid and return receipt requested, or (iv) transmitted by telephone facsimile with electronic confirmation of receipt, in each case, as follows:

if to the Delaware Trustee:	c/o Wilmington Savings Fund Society, FSB 500 Delaware Ave., 11th Floor Wilmington, Delaware 19801 Attn: Corporate Trust Administration
if to the Signatory Trustee:	MHC Affordable Housing Trust Manager, LLC 316 W. 2nd Street, Suite 1104 Los Angeles, California 90012 Attn: Kwame Granderson
if to the Initial Beneficiary:	MHC Capital DST, LLC 316 W. 2nd Street, Suite 1104 Los Angeles, California 90012 Attn: Kwame Granderson
if to the Investors:	at the address and/or fax set forth in Exhibit A attached hereto and made a part hereof.

or at such other address and telephone facsimile number as shall be designated, respectively, by the Trustees, the Initial Beneficiary or the Investors in a written notice to the other Persons receiving Notices pursuant to this Section. Notices given pursuant to this Section shall be deemed received upon the earliest of the following to occur: (i) upon personal delivery, (ii) on the fifth day following the day sent, if sent by registered or certified mail, (iii) on the next business day following the day sent, if sent by reputable overnight courier, and (iv) if transmitted by telephone facsimile, on the day sent if such day is a business day of the addressee and the telephone facsimile is received by the addressee by 5:00 p.m. local time of the addressee on such day and otherwise on the first business day of the addressee after the day that the telephone facsimile is sent.

11.03 Severability. Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.04 Separate Counterparts. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11.05 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Trustees and their successors and assigns and the Investors and their respective successors and assigns, all as herein provided. Any request, notice, direction, consent, waiver or other writing or action by the Investors shall bind their respective successors and assigns.

11.06 Usage of Terms. With respect to all terms in this Trust Agreement, the singular includes the plural and the plural includes the singular; words importing any gender include the other gender; references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Trust Agreement; references to Persons include their successors and permitted assigns; and the term "including" means including without limitation.

11.07 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

11.08 Governing Law. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts to be performed entirely within such state, including all matters of construction, validity and performance. Each party to this Trust Agreement acknowledges and agrees that, except solely for the Act, the laws of the State of Delaware or of any other state or authority having jurisdiction over the Trust which pertain to trusts shall not apply to this Trust Agreement, and that the Act is the sole law pertaining to trusts that applies to this Trust Agreement. To the fullest extent permitted by law, each party to this Trust Agreement agrees to only bring suit in a court located in Los Angeles, California, and consents to personal jurisdiction therein.

11.09 Amendments. Subject to any restrictions imposed by the Lender pursuant to the Loan Documents, this Trust Agreement may be supplemented or amended by agreement of the Signatory Trustee and the Delaware Trustee to correct scrivener's errors, to clarify any ambiguities in the Trust Agreement or to reflect any changes to or otherwise comply with securities and tax law, *provided, however*, that no amendment or supplement shall be made if its effect would be that it would constitute a power under the Trust Agreement to "vary the investment" of the Investors within the meaning of Treasury Regulation Section 301.7701-4(c)(1).

11.10 Power of Attorney. Each Investor hereby constitutes and appoints the Signatory Trustee, with full power of substitution and resubstitution, as his, her or its true and lawful agent and attorney in fact, with full power and authority in his, her or its name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) this Trust Agreement, all certificates, documents and other instruments, and all amendments thereof and hereof in accordance with the terms hereof which the Signatory Trustee deems appropriate or necessary to form, qualify or continue the qualification of the Trust as a Delaware statutory trust in the State of Delaware and in all other jurisdictions in which the Trust may conduct business or own property, or to effect the termination and dissolution of the Trust pursuant to the terms of this Trust Agreement, (b) in the event the circumstances described in Sections 9.02 and 9.03 of this Trust Agreement arise, the limited liability company agreement of the LLC into which the Trust is converted, and all amendments thereof and hereof in accordance with the terms hereof which the Signatory Trustee (as Manager of such LLC) deems appropriate or necessary to form, qualify or continue the qualification of the LLC as a limited liability company in the State of Delaware and in all other jurisdictions in which the LLC may conduct business or own property, or to effect the termination and dissolution of the LLC pursuant to the terms of the operating agreement for the LLC; (c) all documents and instruments which the Signatory Trustee deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Trust Agreement in accordance with its terms and of the documents and instruments described in clause (a); (d) all conveyances, documents and other instruments which the Signatory Trustee deems appropriate or necessary to reflect the dissolution and liquidation of the Trust pursuant to the terms of this Agreement or a transfer of Interests pursuant to the terms of this Trust Agreement; and (e) all instruments relating to the admission, withdrawal or substitution of any Investor pursuant to the terms of this Trust Agreement. Each Investor authorizes the Signatory Trustee to take any further action that the Signatory Trustee shall consider necessary in connection with any of the foregoing, hereby giving the Signatory Trustee full power and authority to do and perform each and every act or thing whatsoever requisite to be done in connection with the foregoing as fully as such Investor might or could do personally, and hereby ratifies and confirms all that the Signatory Trustee shall lawfully do, or cause to be done, by virtue thereof or hereof. The foregoing power of attorney is irrevocable and coupled with an interest and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Investor and the transfer of all or any portion of his, her or its Interest and shall extend to such Investor's heirs, successors, assigns and personal representatives.

11.11 Waiver of Conflicts. The Investors acknowledge and agree that: (i) this Trust Agreement was prepared by Polsinelli PC ("**Polsinelli**") as legal counsel to the Trust, the Signatory Trustee and their Affiliates, and

not to any Investor; (ii) the Investors are advised that the interests of the Investors may be opposed to each other and may be opposed to the interests of the Trust, the Signatory Trustee and their Affiliates and, accordingly, Polsinelli's limited representation as aforesaid may not be in the best interests of any particular Investor; (iii) each Investor is advised to retain separate legal counsel to review this Trust Agreement prior to its execution; and (iv) Polsinelli has in the past and will continue to represent the Trust, the Signatory Trustee and their respective Affiliates. By signing this Trust Agreement, the Investors acknowledge that they (w) understand the terms of this Trust Agreement, (x) are entering into this Trust Agreement voluntarily and after having been afforded an opportunity to review this Trust Agreement with an attorney of their own selection, (y) have been advised to retain separate counsel and have either retained separate counsel or waived their right to do so at this time, and (z) jointly and severally forever waive any claim that Polsinelli's representation of the Trust, the Signatory Trustee and its Affiliates hereunder, and of the Trust, the Signatory Trustee and/or their respective Affiliates now and in the future on matters for which Polsinelli is retained as counsel by the Trust, the Signatory Trustee and/or their respective Affiliates constitutes a conflict of interest.

11.12 Electronic Signatures. This Agreement may be executed by the parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the parties, notwithstanding that all the parties are not signatories to the same counterpart. Such counterparts may be exchanged by facsimile transmission, by email delivery of a ".pdf" or similar format data file, or any electronic signature complying with the United States federal ESIGN Act of 2000, e.g., www.docusign.com, and the parties agree that the facsimiled or emailed copies of each party's respective signature(s) shall be binding on such party as if the same were an original signature. At the request of any party, a party executing and transmitting a facsimiled or emailed copy of this Agreement will execute and deliver an executed original of the same to the requesting party.

[SIGNATURE PAGE TO FOLLOW.]

WHEREFORE, the parties hereto have caused this Trust Agreement to be duly executed by their respective officers as of the day and year first above written.

INITIAL BENEFICIARY:

MHC CAPITAL DST, LLC, a Delaware limited liability company

By: _____
Name: _____
Its: Authorized Signatory

DELAWARE TRUSTEE:

WILMINGTON SAVINGS FUND SOCIETY, FSB

By: _____
Name: _____
Its: Authorized Signatory

SIGNATORY TRUSTEE:

MHC AFFORDABLE HOUSING TRUST MANAGER, LLC, a Delaware limited liability company

By: _____
Name: _____
Its: Authorized Signatory

EXHIBIT A

OWNERSHIP RECORDS

NAME OF INVESTOR	**PERCENTAGE OF INTERESTS**
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	

[Signature of Investors Follows]

Form of Signature Page for Investors

MHC AFFORDABLE HOUSING DST

Amended and Restated Trust Agreement

Investor Signature Page

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Amended and Restated Trust Agreement of MHC Affordable Housing DST dated December 7, 2021, by and among MHC Capital DST, LLC, a Delaware limited liability company, as Initial Beneficiary, MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company, as Signatory Trustee, and Wilmington Savings Fund Society, FSB, as Delaware Trustee (the "**Trust Agreement**"), as may be further amended or supplemented from time to time, and hereby covenants and agrees to be bound by the Trust Agreement as an Owner. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

Signature:_____

Name:_____

Address:_____

_____

Date: _____

EXHIBIT B

FORM OPERATING AGREEMENT FOR LLC CREATED PURSUANT TO SECTION 9.03(a) OF THIS AGREEMENT

OPERATING AGREEMENT
OF
MHC Affordable Housing, L.L.C.

THIS OPERATING AGREEMENT (this "**Agreement**") of MHC Affordable Housing, L.L.C., a Delaware limited liability company (the "**Company**"), is made and entered into as of _____ (the "**Effective Date**"), by and among MHC Affordable Housing DST, a Delaware statutory trust (the "**DST**" or the "**Trust**"), MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company (the "**Signatory Trustee**" or "**Manager**"), and the persons whose names are set forth on Exhibit A of this Agreement (the "**Members**").

RECITALS:

WHEREAS, pursuant to the Amended and Restated Trust Agreement of the DST dated December 7, 2021 (the "**Trust Agreement**"), MHC Affordable Housing Trust Manager LLC, a Delaware limited liability company, is the signatory trustee of the DST, and the Members collectively own all of the beneficial interests in the DST (the Members in such capacity the "**Owners**");

WHEREAS, the DST owns the real estate located at 23500 S. Keystone, Clinton Township, Michigan 48036; 430 South Byron, Homer, Michigan 49245; 1362 East M-89, Otsego, Michigan 49078; 7940 S. Circle Dr., Parma, Michigan 49269; 687 10th St. and 1066 Miller Rd., Plainwell, Michigan 49080; 17748 Rock Creek Rd., Thompson, Ohio 44086; 3 South Outer Dr., Vienna, Ohio 44473; 2808 Tod Ave. SW, Warren, Ohio 44485; and 153 Lilac Lane, Slippery Rock, Pennsylvania 16057 (the "**Real Estate**"), the improvements located thereon, and certain incidental additional assets associated with the Real Estate (the Real Estate and all such additional assets collectively the "**Trust Property**"), which property is subject to the Loan Documents and the Master Lease;

WHEREAS, the Signatory Trustee has determined that, to conserve and protect the Trust Property, the DST must be terminated as provided in Sections 9.02 and 9.03 of the Trust Agreement; and

WHEREAS, pursuant to Section 9.03(a) of the Trust Agreement, the Company shall become the owner of the Trust Property (such property in the hands of the Company the "**Company Property**") which shall remain subject to the Loan Documents and the Master Lease, the Signatory Trustee shall become the manager of the Company, the Owners shall become Members of the Company, and the Trust shall be terminated, and that such transaction shall be characterized pursuant to Section 3821 of the Delaware Statutory Trust Act and Section 18-214 of the Delaware Limited Liability Company Act (the "**Act**") as a conversion of the Trust into the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

ARTICLE I
FORMATION OF COMPANY

1.1 Authority. The Company has been formed in accordance with the requirements of the Act and MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company, has been designated the manager of the Company (the "**Manager**"). The Manager shall have the authority to perform such other filings, recordings and actions and will comply with all formation requirements under the Act and the laws of such other states in which the Company elects to do business.

1.2 Membership; Rights and Obligations. Upon the consummation of the transactions described in the Recitals, the Members will be members of the Company. Except as otherwise provided herein, the rights and obligations of the Company and the Members will be governed by the Act.

1.3 Name. The name of the Company is "**MHC Affordable Housing, L.L.C.**" and its affairs will be conducted under the Company name or such other name(s) as the Manager may select. The Manager will execute and file with the proper offices any and all certificates required by the fictitious name or assumed name statutes of the states in which the Company elects to do business. The Company will have the exclusive ownership of and right to use the Company name.

1.4 Purposes of the Company. The purposes of the Company are: (i) to manage and dispose of, finance and refinance the Company Property; (ii) to assume and to satisfy the obligations of the DST and the Signatory Trustee as set forth in the Loan Documents and the Master Lease; and (iii) to engage in such other activities, enterprises, ventures and undertakings permitted under this Agreement and/or the Act that are necessary or appropriate to the foregoing purposes.

1.5 Characterization. It is the intention of the Manager and the Members that the Company constitutes a partnership for federal, state and local income tax purposes. Each Member will report its Membership Interest in a manner consistent with the foregoing, and neither the Manager nor any Member will take any action inconsistent with the foregoing.

1.6 Principal Office of the Company. The principal office of the Company shall be 316 W. 2nd Street, Ste. 1104, Los Angeles, CA 90012, or at such other place as the Manager may designate. The Company may have other offices in such place or places as selected by the Manager.

1.7 Registered Office and Registered Agent. The name and address of the registered agent of the Company in the State of Delaware is Wilmington Savings Fund Society, FSB. The Manager may from time to time in accordance with the Act change any of the Company's registered agents and/or registered offices and designate a registered agent and registered office in each state the Company is required to maintain or appoint one.

1.8 Term of Existence of the Company. The term of the Company commenced upon the filing of its Certificate of Formation with the Secretary of State of Delaware and will be perpetual unless sooner terminated as provided in Article VIII.

ARTICLE II
MEMBERSHIP INTERESTS; CAPITAL CONTRIBUTIONS

2.1 Membership Interest. Each Member's percentage ownership interest in the Company shall be equal to such Member's beneficial ownership interest in the DST immediately prior to the transactions described in the Recitals. The amount of each Member's percentage ownership interest in the Company ("**Membership Interest**") is set forth opposite such Member's name on Exhibit A hereto.

2.2 Capital Contributions.

(a) Each Member will be credited with an initial capital contribution ("**Capital Contribution**") in the amount set forth opposite such Member's name on Exhibit A hereto.

(b) The Manager may request at any time that the Members make additional Capital Contributions to the Company on a pro rata basis in proportion to each Member's Membership Interest. The Members are not required to comply with any such request. The Manager shall adjust the Members' Capital Contributions and Membership Interests set forth on Exhibit A hereto to equitably reflect any additional capital contributions made by Members.

2.3 Subordination to Loan Documents. While the Loan Documents remain in effect, any and all rights of Members pursuant to the terms of this Agreement are subordinated to the rights of the Lender under the Loan Documents.

ARTICLE III
ACCOUNTING, ALLOCATIONS AND DISTRIBUTIONS

3.1 Books of Account.

(a) The Manager shall maintain the books of account of the Company.

(b) The books of account will be closed promptly after the end of each calendar year, which will be the Company's fiscal year ("**Fiscal Year**"). Promptly after the close of the Fiscal Year, the Company will cause to be prepared such partnership income tax and other returns required under applicable law and regulation, including any and all statements necessary to advise all Members promptly about their investment in the Company for federal income tax reporting purposes. The Manager will be responsible for the prompt filing and delivery of all such returns and statements. All elections and options available to the Company for tax purposes will be taken or rejected by the Company in the sole discretion of the Manager.

3.2 Capital Accounts. A separate capital account ("**Capital Account**") will be maintained for each Member. Each Member's initial Capital Account shall be equal to the amount set forth opposite such Member's name on Exhibit A hereto. Thereafter, each Member's Capital Account will, *inter alia*, be increased by (i) any amount of money contributed by such Member to the Company, (ii) the fair market value of any property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752) and (iii) allocations to such Member of Company income and gain (or items thereof), including income and gain exempt from tax; and decreased by (iv) the amount of money distributed to such Member (as a Member) by the Company, (v) the fair market value of property distributed to such Member (as a Member) by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section 752), (vi) allocations to such Member of expenditures of the Company described in Code Section 705(a)(2)(B) and (vii) allocations to such Member of Company loss and deduction (or items thereof).

3.3 Profit and Loss Allocations. Except as otherwise required by Code Section 704 and the Treasury Regulations thereunder, net profit or net loss of the Company, determined for income tax purposes, will be allocated to the Members pro rata with their Membership Interests.

3.4 Special Tax Allocations. In accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any asset contributed to the capital of the Company will, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at the time of contribution to the Company.

3.5 Distributions.

(a) Company "Cash Flow" for any Fiscal Year will consist of all cash received by the Company (other than as a capital contribution) less cash expenditures for Company debts, expenses, capital expenditures and reasonable reserves as determined by the Manager in its sole discretion.

(b) Company Cash Flow for any Fiscal Year will be distributed to the Members in proportion to their Membership Interests.

(c) No Member has the right to partition, or otherwise demand an in-kind distribution of, the Company Property. If the Company distributes Company Property to the Members, the fair market value of such property at the time of such distribution will be determined by the Manager in its sole discretion, and any such distribution will be made to the Members in proportion to their Membership Interests.

(d) No distribution shall be made to any Members, if such distribution would violate applicable law or constitute a default under the Loan Documents.

ARTICLE IV
RIGHTS, DUTIES, LIABILITIES AND RESTRICTIONS OF THE MANAGER

4.1 The Manager.

(a) Except solely as provided in Section 4.1(b) with respect to Major Decisions (as defined below), the Manager will have the sole and exclusive right to manage, control and conduct the affairs of the Company and to manage the Company Property. The Manager is specifically authorized to enter into a master lease and the asset management agreement having such terms substantially similar to those entered into by the Trust with third parties or Affiliates of the Manager.

(b) Notwithstanding the foregoing, after satisfaction of all of the Company's obligations with respect to the Loan or arising pursuant to the terms and conditions of the Loan Documents, the following actions (the "**Major Decisions**") will require the consent of Members holding a Majority of the Membership Interests: (i) dissolving and winding up the Company; or (ii) except as otherwise provided in Section 4.2, amending this Agreement; *provided, however,* subject to Section 4.3, this Agreement may be supplemented or amended by the Manager in its sole discretion to correct scrivener's errors, to clarify any ambiguities in this Agreement, to reflect transfers or issuances of Membership Interests or changes in the Capital Contributions of the Members, or to reflect any changes to or otherwise comply with securities and tax law. The consent of the Members to any Major Decision shall be determined as provided in Section 5.1.

4.2 Pre-Emptive Rights.

(a) The Manager shall, subject to Section 4.2(b), shall have the right to cause the Company to offer and sell Membership Interests, having such rights and subject to such obligations as may be determined by the Manager. Upon the issuance of such additional Membership Interest, the Manager shall be authorized to amend and restate this Agreement without the need of any further action by any existing Member to reflect the issuance of such additional Membership Interests.

(b) Prior to issuing any additional Membership Interests pursuant to Section 4.1(a), the Company shall first offer the additional Membership Interests to each Member in accordance with this Section 4.2(b). In the event the Manager determines that the Company shall issue additional Membership Interests, the Company shall give notice to each Member (the "**Offer Notice**") stating (i) a bona fide intention to offer additional Membership Interests (ii) the number of additional Membership Interests to be offered, and (iii) the price and terms, including distribution and voting rights, of such additional Membership Interests, upon which the Company proposes to offer such additional Membership Interests. By written notification to the Company within thirty (30) days after the Offer Notice is delivered, each Member may elect to purchase, at the price and on the terms specified in the Offer Notice, up to that portion of the additional Membership Interest which equals the proportion of existing Membership Interest then held by such Member bears to the existing Membership Interest held by all Members. In the event that a Member does not elect to purchase such Member's portion of the additional Membership Interests described in the Offer Notice, the Company may sell such additional Membership Interest to any Person at a price not less than, and upon terms no more favorable to such Person that those specified in the Offer Notice within such thirty-day period. If the Company does not enter into an agreement for the sale of such Additional Membership Interests during the ninety (90) day period following the expiration of the above referenced period, the additional Membership Interest may not be issued by the Company unless first re-offered to the existing Members in accordance with this Section 4.2(b).

4.3 Limitation on Authority; Separateness.

(a) Notwithstanding any other provision of this Agreement or any provision of law that otherwise so empowers the Company, the Manager or the Members, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, neither the Manager, the Members nor any other Person on behalf of the Company shall have any authority to do any

of the following without the Lender's prior written consent:

(i) perform any act in contravention of or constituting an event of default under the Loan Documents;

(ii) borrow money or incur indebtedness other than normal trade accounts payable and lease obligations in the normal course of business, or grant consensual liens on the Company's property other than in connection with the Loan;

(iii) to the fullest extent permitted by law, dissolve, wind-up or liquidate under Section 18-801 of the Act; and

(iv) sell, distribute in partition, lease, or otherwise dispose of, all or substantially all of its assets except simultaneously with a permitted repayment of the Loan.

(b) Notwithstanding any other provision of this Agreement, so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full and the lien of the mortgage has not been released, the Company shall (and the Manager and the Members shall cause the Company at all times to):

(i) observe statutory formalities with respect to the administration of the Company and in the conduct of the Company's activities; and

(ii) prepare separate financial statements and file its tax returns, if any, separate from those of any other Person, and not file consolidated tax returns with any other Person;

(c) Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Members or the Managers, so long as any obligation evidenced or secured by the Loan Document remains outstanding, neither the Members nor the Managers nor any other Person on behalf of the Company shall be authorized or empowered to, nor shall they permit the Company, to the fullest extent permitted by law, to take any action that might cause the Company to become insolvent, or to file a voluntary petition or otherwise initiate proceedings to be adjudicated bankrupt or insolvent, or to consent to the institution of bankruptcy or insolvency proceedings against the Company, or to file a petition seeking or consenting to reorganization or relief of the Company as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Company; or to seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Company or of all or any substantial part of the properties and assets of the Company, or to make any general assignment for the benefit of creditors of the Company, or to admit in writing the inability of the Company to pay its debts generally as they become due or to declare or effect a moratorium on the Company debt or to take any action in furtherance of any such action.

(d) Failure of the Company, or the Members or the Manager on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Manager.

4.4 Duties and Responsibilities of the Manager. The business and affairs of the Company shall be managed by or under the direction of the Manager and in connection therewith the Manager shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Company is organized. The Manager need not devote full time to the Company's business, but shall devote such timed as the Manager, in its discretion, deems necessary to fulfill the management responsibilities of the Manager.

4.5 Officers of the Company. The Manager may appoint one or more persons to serve as officers of the Company, in such capacities and with such delegated rights and powers as the Manager may approve; provided, however, that no such officer will have any different or greater rights and powers than the Manager. The Manager may provide that compensation be paid to persons who provide services to the Company as officers.

4.6 Expenditures by Manager. The Company will reimburse the Manager and its Affiliates for any costs and expenses reasonably incurred by them on behalf of the Company. Specifically, the Manager is authorized to enter into an asset management agreement with a third party or an affiliate of the Manager for a fee equal to 0.5% of the proceeds from the offering to sell beneficial interests in the Trust pursuant to the Private Placement Memorandum dated October 2021 (the "**Asset Management Fee**"), provided that the asset manager will defer payment of half of the Asset Management Fee until the aggregate occupancy of the Trust Property is 75%, at which time the reserve specifically established under the Loan Documents will be disbursed to the Company and the deferred portion of the Asset Management Fee will be paid to the asset manager.

4.7 Potential Conflicts. The Company may purchase goods or services from the Manager or its Affiliates. The Manager may engage in business ventures of any nature and description independently or with others, including, but not limited to, the business or businesses engaged in by the Company, and neither the Company nor any of the other Members will have any rights in or to such independent ventures or the profits derived therefrom.

4.8 Liability of Manager. The Manager will not be liable to any Member or the Company for honest mistakes of judgment, or for action or inaction, taken reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Company, or for losses due to such mistakes, action or inaction, or for the negligence, dishonesty or bad faith of any employee, broker or other agent of the Company. The Manager may consult with counsel and accountants in respect of Company affairs and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such counsel or accountants, provided that they will have been selected with reasonable care. The Members will look solely to the Company Property for the return of their capital and, if the assets of the Company remaining after payment or discharge of the debts and liabilities of the Company are insufficient to return such capital, they will have no recourse against the Manager for such purpose. Notwithstanding any of the foregoing to the contrary, the provisions of this Section will not relieve the Manager of any liability by reason of the gross negligence, willful misconduct or intentional wrongdoing or to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but will be construed so as to effectuate the provisions of this Section to the fullest extent permitted by law.

4.9 Indemnification. The Company agrees: (a) to reimburse the Manager for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the performance of their duties under this Agreement: (b) to the fullest extent permitted by law, to indemnify the Manager, its owners, officers, directors, members, employees, agents and other Affiliates (collectively the "**Manager Indemnified Parties**" and each a "**Manager Indemnified Party**") and hold the Manager Indemnified Parties harmless, in their individual capacities, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities (and not indemnified against by other Persons) which relate to or arise out of the operation of the Company (including this Agreement and all transactions and documents contemplated thereby) (all such items collectively the "**Indemnified Costs**"); and (c) to the fullest extent permitted by law, to advance to each such Manager Indemnified Party the Indemnified Costs incurred by such Manager Indemnified Party in defending any claim, demand, action, suit or proceeding arising out of the operation of the Company (including this Agreement and all transactions and documents contemplated thereby) prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Company of an undertaking by or on behalf of such Manager Indemnified Party, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Manager Indemnified Party is not entitled to indemnification pursuant to this Section 4.9.

4.10 Successor to Manager. If the Manager resigns, a successor manager will be selected by Members holding a Majority of the Membership Interests.

4.11 Tax Matters Member. The Manager will be the Company's Tax Matters Partner as defined in Code Section 6231(a)(7) (the "**TMP**"). The TMP will have the right to resign as such by giving 30 days written notice to the Members. Upon the resignation of the TMP, a successor TMP will be selected by the Manager. The TMP will employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Internal Revenue Service (the "**Service**") and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The Company will not be obligated to pay any compensation to the TMP in its capacity as such; provided, however, that all reasonable expenses incurred by the TMP in serving as the

TMP will be Company expenses and the TMP will be reimbursed by the Company in accordance with Section 4.6 above. The TMP will keep the Members informed of all administrative and judicial proceedings, as required by Code Section 6223(g), and will furnish to each Member who so requests in writing a copy of each notice or other communication received by the TMP from the Service, except such notices or communications as are sent directly to such Member by the Service.

ARTICLE V
MEMBERS

5.1 Powers of the Members. Except as otherwise provided in the Agreement, as to any matters on which the Members have a right to vote such vote shall require an affirmative vote of a Majority in Interests of the Members voting.

5.2 Liability. No Member will be personally liable for any of the debts of the Company or any of the losses thereof beyond the amount of such Member's Capital Contribution to the Company.

5.3 Meetings of the Members. A meeting of the Members may be called at any time by the Manager or by Members holding more than fifty-one percent (51%) of the Membership Interests. The meetings will be held at the Company's principal place of business or any other place designated by the Manager. The Manager will give the Members at least ten (10) days prior written notice stating the time, place and purpose of the meeting. At a meeting of the Members, the presence of Members holding more than fifty percent (50%) of the Membership Interests, in person or by proxy, will constitute a quorum. A Member may vote either in person or by written proxy signed by the Member or by his, her or its duly authorized attorney in fact. Persons present by telephone will be deemed to be present "in person" for purposes hereof.

5.4 Removal of Manager. Notwithstanding any other provision of this Agreement, a Manager can be removed and its successor chosen by Members holding at least seventy five percent (75%) of the Membership Interests for cause by giving written notice to the Manager. As used in the preceding sentence, "Cause" shall mean the willful misconduct, fraud or gross negligence of the Manager, as determined by a final, nonappealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, (a) so long as any obligation evidenced or secured by the Loan Documents remains outstanding and not discharged in full, the consent of the Lender shall also be required for removal of a Manager and appointment of a successor Manager, and (b) the removal of the Manager shall not be effective without the prior written consent of the Manager until the Manager and each of its Affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to the Loan.

ARTICLE VI
ASSIGNMENT PROVISIONS

6.1 Transfers by Members.

(a) Subject to Section 6.1 (b) and Section 6.2, a Member may Transfer some or all of its Membership Interests in the Company. For purposes hereof, "Transfer" means, when used as a noun, any sale, hypothecation, pledge, assignment, gift, or other transfer, be it voluntary or involuntary, to any person, inter vivo, testamentary, by operation of laws of devise and descent or other laws, and, when used as a verb, to sell, hypothecate, pledge, assign, gift, or otherwise transfer to any person, be it voluntarily or involuntarily, inter vivo, testamentary, by operation of the laws of devise or descent or any other laws.

(b) Notwithstanding anything contained herein to the contrary, no Transfer of any Membership Interest will be permitted if such Transfer would: (i) be in contravention of or constitute an event of default under the Loan Documents; (ii) result in a termination of the Company for federal income tax purposes that would have a material adverse effect on the Company or any of the Members; (iii) result in the Company not qualifying for an exemption from the registration requirements of any applicable federal or state securities laws; (iv) result in any violation of any applicable federal or state securities laws; (v) result in the Company having to register as an investment company under the Investment Company Act of 1940, as amended; (vi) require the Company, the Manager or any Affiliate of the Manager to register as an investment advisor under the Investment Advisers Act of

1940, as amended, or (vii) cause the Company Property to become "plan assets" (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Tile I of ERISA and Code Section 4975.

6.2 General Provisions. The following rules will apply to the Transfer of membership interests in the Company:

(a) no person will be admitted as a substitute member hereunder unless and until: (i) the assignment is made in writing, signed by the assignor and accepted in writing by the assignee, and a duplicate original of the assignment is delivered to and accepted by the Manager; (ii) the prospective assignee executes and delivers to the Company a written agreement, in form and substance satisfactory to the Manager, pursuant to which said person agrees to be bound by this Agreement; and (iii) an appropriate amendment hereto is executed and, if required, filed of record;

(b) the effective date of admission of a substitute member will be no earlier than the date that the documents specified in subsection (a) above are delivered to and accepted by the Manager;

(c) the Company and the Manager will treat the assignor of the assigned interest as the absolute owner thereof and will incur no liability for distributions made in good faith to such assignor prior to such time as the documents specified in subsection (a) above have been delivered to and accepted by the Manager;

(d) unless admitted as a substitute member to the Company by the Manager, the assignee or transferee of an interest in the Company hereunder will not be entitled to become or exercise any rights of a Member, but will, to the extent of the interest acquired, be entitled only to the predecessor Member's share of distributions from the Company. No person, including the legal representatives, heirs or legatees of a deceased Member, will have any rights or obligations greater than those set forth herein and no person will acquire an interest in the Company or become a Member except as permitted hereby. Substitute Members admitted pursuant to Section 6.2 (a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof;

(e) the costs incurred by the Company in processing an assignment (including attorney's fees) will be borne by the assignee, and will be payable prior to and as a condition of any distribution of cash or property; and

(f) upon the Transfer of a Membership Interest which satisfies Section 6.2, Exhibit A to this Agreement will be revised to reflect such Transfer.

ARTICLE VII
ADMISSION OF ADDITIONAL MEMBERS; RESIGNATIONS AND WITHDRAWALS

7.1 Admission of Additional Members.

(a) Subject to compliance with applicable securities laws, the Loan Documents and this Agreement, the Manager, in its sole discretion, may admit new Members in exchange for Capital Contributions by such persons to the Company in an amount as determined by the Manager in its sole discretion. The Members hereby grant the Manager the power of attorney to amend the Company's Articles of Organization and this Agreement to effect any issuance of Membership Interests pursuant this subsection. Upon the admission of any new Members to the Company, the Manager shall adjust the Members' Membership Interests set forth on Exhibit A hereto to equitably reflect the Capital Contributions made by new Members.

(b) Additional Members admitted pursuant to Section 7.1(a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof.

(c) No Member shall have any preemptive or similar rights to increase or maintain such

Member's Membership Interest in the Company.

7.2 Resignations and Withdrawals. A Member who withdraws from the Company will forfeit all Membership Interests and rights as a Member, including its right to receive any distributions from the Company and the right to vote. Upon the withdrawal of a Member, the Company will not have any obligation to purchase such Member's Membership Interests or any part thereof. The Manager shall adjust the Members' Membership Interests set forth on Exhibit A hereto to equitably reflect the withdrawal of a Member.

ARTICLE VIII
TERMINATION AND WINDING UP

8.1 Termination.

(a) The Company will terminate upon the earliest to occur of the following:

(i) The Manager and Members holding a Majority of the Membership Interests vote to terminate the Company or convert it into a different legal entity pursuant to Delaware Law; or

(ii) The Company's sale, exchange or other disposition of all of the Company Property.

(b) Notwithstanding the foregoing, or any other provision of this Agreement to the contrary, for so long as the Company's obligations under the Loan Documents remain outstanding, the Company may not be terminated without the prior written consent of the Lender.

(c) This Agreement generally and Article VIII in particular will govern the conduct of the parties during the winding up of the Company.

8.2 Liquidation Procedures. Upon termination of the Company, the Company's affairs will be wound up and the Company will be dissolved. A proper accounting will be made of the profit or loss of the Company from the date of the last previous accounting to the date of termination.

8.3 Liquidating Trustee. Upon the winding up of the Company, the Manager will act as the liquidating trustee or will appoint a liquidating trustee. The liquidating trustee will have full power to sell, assign and encumber the Company Property. All certificates or notices thereof required by law will be filed on behalf of the Company by the liquidating trustee.

8.4 Distribution on Winding Up. The proceeds of liquidation will be applied by the end of the taxable year in which the liquidation occurs or, if later, within ninety (90) days after the date of such liquidation, in the following order:

(a) first, to the creditors of the Company, in the priority and to the extent provided by law; and

(b) thereafter, to the Members in proportion to their Membership Interests.

8.5 No Dissolutions. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member (an "**assignee**") shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The Transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Membership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

ARTICLE IX
GENERAL PROVISIONS

9.1 Definitions. The following terms not otherwise defined herein will have the meanings ascribed to them below:

(a) "**Affiliate**" (whether or not such term is capitalized) shall mean, with respect to any specified Person any other Person owning beneficially, directly or indirectly, any ownership interest in such specified Person or directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(b) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(c) "**Control**" (whether or not such term is capitalized) when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, forty nine percent (49%) or more of the ownership interests.

(d) "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

(e) "**Interest Rate Protection Agreements**" shall mean any interest rate protection, swap, caps, floors, collars or other interest hedge agreements relating to the Loan.

(f) "**Lender**" or "**Lenders**" shall mean KeyBank National Association, and its successors and assigns with respect to the Loan.

(g) "**Loan**" or "**Loans**" shall mean the loan from Lender in the amount of $31,000,000, as evidenced and secured by the Loan Documents.

(h) "**Loan Documents**" shall mean any and all documents evidencing or securing the Loan or any assumptions thereof including, without limitation, any promissory note, mortgage, assignment of leases and rents, indemnity agreement, guaranty certificate, escrow agreement, consent or subordination agreement, Interest Rate Protection Agreements, or the functional equivalent of any of the aforementioned, and any and all other documents related to the Loan.

(i) "**Majority**" shall mean at least fifty-one percent (51%).

(j) "**Master Lease**" shall mean that certain Master Lease between the Trust, as landlord, and the Master Tenant, as tenant, with respect to the Real Estate.

(k) "**Master Tenant**" shall mean MHC Affordable Housing ML, LLC, a Delaware limited liability company.

(l) "**Person**" (whether or not such term is capitalized) shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

(m) "**Plan Asset Rules**" shall mean 29 Code of Federal Regulations Section 2510.3-101, as

amended from time to time.

(n) "**Section**" shall mean a section in this Agreement unless the context clearly indicates otherwise.

(o) "**Treasury Regulations**" shall mean U.S. Treasury Regulations promulgated under the Code.

9.2 Notices. All notices, offers or other communications required or permitted to be given pursuant to this Agreement will be in writing and will be considered as properly given or made upon personal delivery or on the third business day following mailing from within the United States by first class United States mail, postage prepaid, certified mail return receipt requested, and addressed to the address of the Company set forth in Section 1.6, if to the Company, and to the address beneath a Member's name on the signature pages hereto, if to a Member. Any Member may change its address by giving fifteen (15) days advance written notice stating its new address to the Manager. Commencing with the giving of such notice, such newly designated address will be such Member's address for purposes of all notices or other communications required or permitted to be given pursuant to this Agreement.

9.3 Third Party Reliance. Third parties dealing with the Company shall be entitled to conclusively rely on the signature of the Manager and/or any officer of the Company to bind the Company.

9.4 Successors. This Agreement and all the terms and provisions hereof will be binding upon and will inure to the benefit of all Members and their legal representatives, heirs, successors and permitted assigns, except as expressly herein otherwise provided.

9.5 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts to be performed entirely within such state, including all matters of construction, validity and performance. Each party to this Agreement acknowledges and agrees that, except solely for the Act, the laws of the State of Delaware or of any other state or authority having jurisdiction over the Company which pertain to limited liability companies shall not apply to this Agreement, and that the Act is the sole law pertaining to limited liability companies that applies to this Agreement. Each party to this Agreement agrees to only bring suit in a court located in Los Angeles, California, and consents to personal jurisdiction therein**.**

9.6 Counterparts. This Agreement may be executed in counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

9.7 Pronouns and Headings. As used herein, all pronouns will include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction. The headings, titles and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.8 Members Not Agents. Nothing contained herein will be construed to constitute any Member as the agent of another Member or in any manner to limit the Members in the carrying on of their own respective businesses or activities.

9.9 Entire Understanding. This Agreement constitutes the entire understanding among the Members and supersedes any prior understanding and/or written or oral agreements among them with respect to the Company.

9.10 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid by such court, will not be affected thereby.

9.11 Further Assurances. Each of the Members will hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof. Recognizing that the Company may find it necessary from time to time to establish to third parties, such as accountants, banks, mortgagees or the like, the then current

status of performance hereunder, each Member agrees, upon the written request of the Manager to furnish promptly a written statement of the status of any matter pertaining to this Agreement or the Company to the best of the knowledge and belief of the Member making such statements.

9.12 Benefits of Agreement. No Third-Party Rights. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member and nothing in this Agreement shall be deemed to create any right in any Person (other than the Manager with respect to indemnity under Section 4.9) not a party hereto. This Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person, except as provided in this Section 9.12.

9.13 Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, and not withstanding any provision in this Agreement to the contrary, each of the Members, and any additional and substitute members admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. No Member shall have any interest in any specific assets of the Company, and no Member shall have the status of a creditor with respect to any distribution pursuant to Section 3.5 hereof. The interest of each Member in the Company is personal property.

9.14 Power of Attorney. Each Member hereby constitutes and appoints the Manager, with full power of substitution and resubstitution, as his true and lawful agent and attorney in fact, with full power and authority in his name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) this Agreement, all certificates, documents and other instruments (including the Certificate of Formation of the Company), and all amendments thereof and hereof in accordance with the terms hereof which the Manager deems appropriate or necessary to form, qualify or continue the qualification of the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property, or to effect the termination and dissolution of the Company pursuant to the terms of this Agreement; (b) all documents and instruments which the Manager deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms and of the documents and instruments described in clause (a); (c) all conveyances, documents and other instruments which the Manager deems appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement or a transfer of Membership Interests pursuant to the terms of this Agreement; and (d) all instruments relating to the admission, withdrawal or substitution of any Member pursuant to the terms of this Agreement. Each Member authorizes the Manager to take any further action that the Manager shall consider necessary in connection with any of the foregoing, hereby giving the Manager full power and authority to do and perform each and every act or thing whatsoever requisite to be done in connection with the foregoing as fully as such Member might or could do personally, and hereby ratifies and confirms all that the Manager shall lawfully do, or cause to be done, by virtue thereof or hereof. The foregoing power of attorney is irrevocable and coupled with an interest and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the transfer of all or any portion of his Membership Interest and shall extend to such Member's heirs, successors, assigns and personal representatives.

9.15 Privacy of Information. Except other than as may be required under the Loan Documents or as may be required under the Act, the Company shall be prohibited from disseminating any information in respect of any Member including such Member's address, telephone number, e-mail address to another Member or to any other Person without the consent of the Manager, which may be exercised in its sole and absolute discretion.

9.16 Electronic Signature. This Agreement may be executed by the parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the parties, notwithstanding that all the parties are not signatories to the same counterpart. Such counterparts may be exchanged by facsimile transmission, by email delivery of a ".pdf" or similar format data file, or any electronic signature complying with the United States federal ESIGN Act of 2000, e.g., www.docusign.com, and the parties agree that the facsimiled or emailed copies of each party's respective signature(s) shall be binding on such party as if the same were an original signature. At the request of any party, a party executing and transmitting a facsimiled or emailed copy of this Agreement will execute and deliver an executed original of the same to the requesting party.

[SIGNATURE PAGE TO FOLLOW.]

COUNTERPART SIGNATURE PAGE
OPERATING AGREEMENT
OF
[_____], L.L.C.

IN WITNESS WHEREOF, the undersigned has executed this Operating Agreement this ____ day of _____, _____.

MANAGER:

MHC AFFORDABLE HOUSING TRUST MANAGER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: Authorized Signatory

MEMBER:

_____
Signature

_____
Print Name

_____
Address

_____
City, State & Zip Code

EXHIBIT A OF EXHIBIT B

NAME AND ADDRESS OF MEMBER	CAPITAL CONTRIBUTION	INITIAL CAPITAL ACCOUNT	MEMBERSHIP INTEREST
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			

EXHIBIT C

FORM OF MASTER LEASE

MHC CAPITAL
Real Estate Investments

MHC Affordable Housing DST, a Delaware statutory trust,

Landlord

and

MHC Affordable Housing ML, LLC, a Delaware limited liability company,

Tenant

MASTER LEASE

Dated as of December 7, 2021

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MASTER LEASE

THIS MASTER LEASE (this "**Lease**") is made and entered into as of December 7, 2021, by and between MHC Affordable Housing DST, a Delaware statutory trust, and its successors and assigns ("**Landlord**"), MHC Affordable Housing ML, LLC, a Delaware limited liability company, and its successors and assigns (the "**Tenant**").

RECITALS

A. Landlord owns a fee simple interest ("**Landlord's Fee Interest**") in (i) certain real property identified on and legally described on **Exhibits A-1** through **A-9** attached hereto and made a part hereof (the "**Land**"); (ii) the Improvements (as defined below); and (ii) all right, title and interest in and to any present and future easements, rights and appurtenances thereunto belonging and land lying in the bed of any street, road or highway (opened or unopened, existing or proposed, now vacated or hereafter vacated) in front of or adjoining the Land (the "**Appurtenances**"; together with the Land and the Improvements, the "**Property**").

B. Landlord desires to lease the Property to Tenant and Tenant desires to lease the Property from Landlord on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant hereby agree as follows:

ARTICLE 1
Definitions

Except as otherwise expressly set forth in this Lease, the following terms shall have the respective meanings assigned thereto in this Article 1:

"Act" has the meaning set forth in Section 10.2.

"Additional Rent" has the meaning set forth in Section 3.3.

"Alterations" has the meaning set forth in Section 11.1.

"**Annual Rent**" has the meaning set forth in Section 3.1.

"Appurtenances" has the meaning set forth in the Recitals.

"Base Rent" has the meaning set forth in Section 3.2(a).

"**Business**" means the business now or in the future operated by or on behalf of Tenant on the Property in accordance with Article 12.

"**Capital Repairs**" means the capital repairs and improvements set forth on Exhibit E attached hereto and made a part hereof.

"**Capital Repairs Reserve**" has the meaning set forth in Section 10.3(b).

"**Commencement Date**" means the date of this Lease.

"**Constructive Total Taking**" has the meaning set forth in Section 15.1.

"**CPI**" means the Consumer Price Index for all Urban Consumers (CPI-U), All Items, published by the United States Department of Labor, Bureau of Labor Statistics, for Los Angeles, California or, if unavailable, the region in which Los Angeles, California is included. If such index is no longer published at any time, CPI shall mean a comparable index selected by Landlord and reasonably acceptable to Tenant.

"**Depositary**" has the meaning set forth in Section 16.1.

"Equipment" shall mean all fixtures permanently attached to or incorporated in real property and shall include, but not be limited to, machinery, engines, dynamos, boilers, elevators, escalators, refrigerators, ranges, radiators, air-conditioning compressors, sprinklers, ducts, pipes, electrical wiring and fittings and plumbing, heating, ventilating, air-conditioning and electrical systems and equipment, except for Tenant Furnishings and other personal property that can be removed from the real property without permanent damage thereto.

"**Events of Default"** has the meaning set forth in Section 17.1.

"**Fee Lender**" means the lender of the Fee Loan, which as of the date hereof is KeyBank National Association and its successors and/or assigns.

"**Fee Loan**" means the $31,000,000 loan to be made by Fee Lender to Landlord on or after the date hereof and secured by a Fee Mortgage, including any amendment, modification, supplement, replacement or refinancing thereof, or any future loan made by a Fee Lender.

"**Fee Loan Documents**" shall mean, collectively, the documents evidencing and/or securing the Fee Loan.

"**Fee Mortgage**" means any mortgage or deed of trust constituting a lien upon Landlord's Fee Interest.

"Impositions" has the meaning set forth in Section 4.1.

"Improvements" means any structures or improvements now or hereafter erected or situated on the Land, the foundations and footings thereof, including, without limitation, the any and all fixtures, Equipment and machinery of every kind and nature whatsoever now or hereafter affixed or attached thereto, or now or hereafter used or procured for use in connection with the operation, use or occupancy thereof, and the appurtenances thereto.

"Indemnified Parties" has the meaning set forth in Section 18.1.

"Insurance Requirements" has the meaning set forth in Section 6.1.

"Land" has the meaning set forth in the Recitals.

"Landlord" has the meaning set forth in the Preamble.

"**Landlord's Fee Interest**" has the meaning set forth in the Recitals.

"**Lease Interest Rate**" has the meaning set forth in Section 13.1.

"**Lease Year**" means each calendar year occurring during the Term commencing on January 1 of each such year and ending on December 31 of each such year, except that (a) if the Term commences after January 1, there shall be a partial Lease Year from the Commencement Date through the next succeeding December 31, and (b) if the Term does not expire on the last day of a Lease Year, then there shall be a partial Lease Year which ends on the date of the termination of this Lease.

"**Leasehold Mortgage**" means any mortgage or deed of trust constituting a lien upon Tenant's interest in this Lease and the leasehold estate hereby created of which Landlord has written notice.

"**Leasehold Lender**" means the holder of the Leasehold Mortgage and its successors and assigns.

"**Legal Requirements**" has the meaning set forth in Section 6.1.

"**Liens**" has the meaning set forth in Section 7.1.

"**Loan**" means any loan to be made by a Leasehold Lender to Tenant on or after the date hereof and secured by the Leasehold Mortgage, including any amendment, modification, supplement, replacement or refinancing thereof, or any future loan made by a Leasehold Lender.

"**Loan Documents**" shall mean, collectively, the documents evidencing and/or securing the Loan.

"Mobile Home Community" means the mobile home communities identified on **Exhibits A-1** through **A-9**, which are currently operated on the Land and any Mobile Home Community operated on the Land in the future.

"**Mortgagees**" means, collectively, any Fee Lender and any Leasehold Lender.

"**Net Cash Flow**" has the meaning set forth in Section 3.2(c).

"**Original Term**" has the meaning set forth in Section 2.2.

"**Permitted Exceptions**" has the meaning set forth in Section 2.3.

"**Person**" means any individual, corporation, partnership, joint venture, estate, trust, unincorporated association or other entity, or any Federal, State, County or municipal government or any bureau, department or agency thereof.

"**Property**" has the meaning set forth in the Recitals.

"**Qualified Depositary**" has the meaning set forth in Section 5.3.

"**Rent**" has the meaning set forth in Section 3.1.

"**State**" means the state in which the Property is located.

"**Stated Rent**" has the meaning set forth in Section 3.2(b).

"**Stub Period**" has the meaning set forth in Section 3.2(b).

"**Sublease**" means any sublease, sub-sublease, any agreement, license, concession or similar agreement with respect to the use or occupancy of any part of the Property and all amendments, modifications, extensions and renewals thereof.

"**Subtenant**" means any subtenant, licensee, concessionaire or other user or occupant of any part of the Property under a Sublease.

"Taking" means the taking of all or any part of the Property, or the taking of all or any part of the Property for use or occupancy for a period exceeding 90 days, in each case as the result of the exercise of the power of eminent domain.

"Tenant" has the meaning set forth in the Preamble.

"**Tenant Furnishings"** has the meaning set forth in Section 11.2.

"Term" has the meaning set forth in Section 2.2.

ARTICLE 2
Demise of Property; Title and Condition

Section 2.1 Property. Landlord hereby demises and lets to Tenant, and Tenant hereby rents from Landlord, the Property, subject to the Permitted Exceptions.

Section 2.2 Term. The term of this Lease shall commence on the date hereof and shall expire, unless sooner terminated as hereinafter provided, on the tenth (10^{th}) anniversary of the date hereof (the "**Original Term**"). Provided that the Tenant is not in default hereunder as of the expiration of the Original Term or the renewal term, as applicable, this Lease shall automatically be renewed for three (3) successive five (5) year terms upon expiration of the Original Term or the renewal term, as applicable, on the same terms and conditions contained herein, provided that Tenant may elect not to renew by providing Landlord sixty (60) days' prior written notice prior to the expiration of the Original Term or renewal term (the Original Term, including all applicable extensions, is referred to herein as the "**Term**"). The Master Lease shall terminate upon a sale of the Property.

Section 2.3 Title and Condition. The Property is demised and let subject to (a) the state of title of the Property existing as of the date of this Lease; (b) any state of facts which an accurate

survey or physical inspection thereof might show; (c) all applicable zoning, subdivision and land use regulations, restrictions, rules and ordinances; (d) all applicable building restrictions and other laws and regulations now in effect of any governmental authority or any nature having jurisdiction over the Property; (e) the rights of any Persons in possession of the Property; (f) the condition of the Property as of the date hereof, without representation or warranty by Landlord; and (g) the matters set forth in **Exhibit B** hereto (collectively, the "**Permitted Exceptions**").

Section 2.4 Disclaimer. THE PREMISES IS LEASED TO AND ACCEPTED BY TENANT "AS IS" IN THEIR PRESENT CONDITION AND WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND BY LANDLORD. TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD BE DEEMED TO HAVE MADE ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED WITH RESPECT TO THE PROPERTY, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO (A) ITS FITNESS, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, (B) THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, (C) THE EXISTENCE OF ANY DEFECT, LATENT OR PATENT, (D) LANDLORD'S TITLE THERETO, (E) VALUE, (F) COMPLIANCE WITH SPECIFICATIONS, (G) LOCATION, (H) USE, (I) CONDITION, (J) MERCHANTABILITY, (K) QUALITY, (L) DESCRIPTION, (M) DURABILITY (N) OPERATION (0) THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, HAZARDOUS CONDITION OR HAZARDOUS ACTIVITY OR (P) COMPLIANCE OF THE PROPERTY WITH ANY LAW OR LEGAL REQUIREMENT; AND ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY TENANT. TENANT ACKNOWLEDGES THAT THE PROPERTY IS OF ITS SELECTION AND TO ITS SPECIFICATIONS AND THAT THE PROPERTY (AND THE TITLE THERETO) HAS BEEN INSPECTED BY TENANT AND IS SATISFACTORY TO IT. IN THE EVENT OF ANY DEFECT OR DEFICIENCY IN ANY OF THE PROPERTY OF ANY NATURE, WHETHER LATENT OR PATENT, LANDLORD SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). THE PROVISIONS OF THIS SECTION 2.4 HAVE BEEN NEGOTIATED, AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES BY LANDLORD, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT OR ARISING OTHERWISE.

Section 2.5 True Lease. Landlord and Tenant agree that this Lease is a true lease and does not represent a financing arrangement, partnership, joint venture, management or other arrangement. Each party shall reflect the transactions represented by this Lease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true lease" treatment rather than "financing", "partnership" or "management" treatment. Neither the Landlord nor the Tenant shall, at any time during the Term, undertake any of the following actions: (a) hold themselves out as partners, maintain joint books of account or other financial records or (b) file a partnership return in which the Landlord and the Tenant are identified as partners.

ARTICLE 3
Rent

Section 3.1 Rent. Rent is comprised of the following components: (a) the Base Rent set forth on **Exhibit C** and (b) the Stated Rent set forth on **Exhibit C**. For purposes of this Lease, the total amount of Base Rent and Stated Rent payable in respect of a Lease Year is referred to as the "**Annual Rent**." Base Rent, Stated Rent and any Additional Rent payable hereunder shall sometimes be collectively referred to as "**Rent**."

Section 3.2 Payment of Rent. Monthly installments of Base Rent and Stated Rent are payable as follows:

(a) The "**Base Rent**" shall be payable in arrears on the first day of each month or no later than such other day as requested by Landlord. Notwithstanding the foregoing, Landlord hereby directs Tenant, and Tenant hereby agrees, to pay such Base Rent directly to the Fee Lender or as otherwise required pursuant to the Fee Loan Documents on Landlord's behalf in satisfaction of the Landlord's payment obligations under the Fee Loan Documents (including, without limitation, debt service payments and monthly escrow payments for taxes and insurance), which shall be made by Tenant in accordance with the terms of the Fee Loan Documents. The foregoing direction is merely for the convenience of and as an accommodation to Landlord and in no manner constitutes an assumption by Tenant of any of Landlord's obligations under the Fee Loan Documents. Tenant acknowledges that the Landlord has obtained the Fee Loan from the Fee Lender pursuant to the Fee Loan Documents and that Fee Lender has been granted certain rights in respect of the Landlord's right to receive the Base Rent under this Lease and agrees that the right of the Landlord to request payment of Base Rent on a date other than the 1st of the month may be exercised by the Fee Lender on the Landlord's behalf.

(b) The "**Stated Rent**" shall be payable in arrears on or before the 15th day of each month at the office of the Landlord (or such other address as the Landlord may specify in writing). With respect to the timing of the first payment of Stated Rent: (i) if the Term commences on or before the 15th day of a month, the first payment of Stated Rent shall be paid in respect of the portion of the first month beginning on the first day of the Term and ending on the last day of such month (the "**Stub Period**"), and shall be paid in arrears on or before the 15th day of the first full calendar month in the Term; and (ii) if the Term commences after the 15th day of a month, the first payment of Stated Rent shall be paid in respect of the Stub Period and the following month, and shall be paid in arrears on or before the 15th day of the second calendar month that begins after the commencement of the Term. Notwithstanding the foregoing, Landlord reserves the right to direct Tenant, and Tenant hereby agrees, to pay such portion of the Stated Rent directly to the Fee Lender or as otherwise required pursuant to the Fee Loan Documents on Landlord's behalf in satisfaction of the Landlord's payment obligations under the Fee Loan Documents not otherwise funded by the Base Rent. In the event Landlord so directs Tenant, Tenant shall pay the designated portion of the Stated Rent to Fee Lender in accordance with the terms of the Fee Loan Documents. The foregoing direction is merely for the convenience of and as an accommodation to Landlord and in no manner constitutes an assumption by Tenant of any of Landlord's obligations under the Fee Loan Documents.

(c) Notwithstanding the foregoing, the Tenant may defer payment of all or any portion of Stated Rent (other than the portion of the Stated Rent that Landlord directs Tenant to pay directly to the Lender pursuant to Section 3.2(b)) as long as Base Rent and all other operating costs and Impositions for which the Tenant is responsible under this Lease are timely paid by the Tenant and all other Net Cash Flow is paid to the Landlord, it being understood and agreed that in such event, any payment of Net Cash Flow to the Landlord shall be treated as a partial payment of Stated Rent. Any unpaid portion of Stated Rent shall accrue and be payable out of future Net Cash Flow and shall accrue interest at the rate of 5% per annum until repaid. "**Net Cash Flow**" means, for each month of the Term, the positive difference between (i) gross revenue from the Property, reduced by Base Rent, and (ii) all operating costs and Impositions for such month. For the avoidance of doubt, the Tenant is obligated to pay all Base Rent, operating costs and Impositions regardless of Net Cash Flow. If an Event of Default exists hereunder, any accrued and unpaid Stated Rent shall become immediately due and payable without regard to any Net Cash Flow limitation. Any deferred Stated Rent that is not paid prior to the expiration or earlier termination of this Lease shall be payable in full (subject to the terms of the Fee Loan Documents) no later than 91 days after the Loan is repaid in full or the Property is sold or exchanged by the Landlord.

(d) On the date hereof, Tenant shall deposit an amount equal to Seven Hundred Fifty Thousand and 00/100 Dollars ($750,000.00) into an interest-bearing deposit account maintained with Fee Lender during the term of the Fee Loan to cover the Stated Rent and such funds and such account shall be governed by the terms with respect thereto set forth in the Fee Loan Documents.

Section 3.3 Additional Rent. All charges payable by Tenant under this Lease including, without limitation, taxes, insurance, utilities and maintenance obligations of any nature, other than Base Rent and Stated Rent, are "**Additional Rent**." Additional Rent shall be due and payable, either to the Landlord or to third parties as provided herein, beginning with the Commencement Date or earlier as expressly provided herein. Tenant shall pay as Additional Rent any money required to be paid and all other charges required to be paid, whether or not the same is designated as Additional Rent. Unless otherwise provided for herein, all Additional Rent shall be paid with the next monthly installment of Base Rent.

Section 3.4 Payment of Rent; Net Lease. All Rent shall be paid to Landlord at the address of Landlord set forth in Section 23.1, or at such other address as Landlord shall designate to Tenant in writing, in lawful money of the United States, in immediately available funds at the place of payment, without notice or demand and without abatement, deduction or set-off of any amount whatsoever, except as expressly set forth herein. No payment by Tenant or receipt by Landlord of an amount less than the Rent due shall be deemed to be other than on account of the earliest stipulated Rent. No endorsement or statement on any check or any letter accompanying any check or payment shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of Rent or pursue any other remedy available to Landlord. This Lease shall be construed to be an absolute "triple net lease," and under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected or required to make any payment of any kind or be under any other obligation or liability of any kind in connection with the Property (including, without limitation, tenant improvements, maintenance, repair or replacements) or to perform any of Tenant's obligations hereunder. This Lease is entered

into by Landlord for the express purpose of providing Landlord with net income from Rent, free and clear of any and all expenses, fees, assessments, charges, and impositions attributable to the Property. In addition to Rent, Tenant shall pay all insurance premiums, operating and maintenance charges, and any other charges, costs and expenses arising out of, or in any way connected with the Property occurring during the Term, unless otherwise expressly provided in this Lease. In the event of the non-payment of all or any portion of such charges, costs and expenses, Landlord shall have the same rights and remedies as provided in this Lease for failure of Tenant to pay Rent. The parties agree that this Lease is not terminable for any reason by the Tenant, except as expressly provided herein. Tenant shall in no event be entitled to any abatement or reduction of Rent or other monetary sums payable hereunder, except as expressly herein provided, notwithstanding any present or future law to the contrary.

Section 3.5 Late Charges. Tenant's failure to pay Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges that may be imposed on Landlord by any mortgage or trust deed encumbering the Property. Therefore, if Landlord does not receive any Rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

Section 3.6 Interest on Past Due Obligations. Any amount owed by Tenant to Landlord which is not paid within ten (10) days after it becomes due shall bear interest at the Lease Interest Rate. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease.

Section 3.7 Operating and Other Reports. Tenant agrees to provide Landlord, promptly following Tenant's receipt thereof, with copies of all operating statements and/or financial reports received from any property manager or asset manager or provided to the Leasehold Lender. Tenant shall provide Landlord (i) within sixty (60) days after the end of each calendar quarter and sixty (60) days after the end of each calendar year, operating statements with respect to the Property, certified on behalf of Tenant by the property manager or asset manager that is managing the Property on behalf of Tenant as fairly presenting the results of operations of the Property for the period covered thereby, and (ii) such other financial reports and operating statements with respect to the Property as Landlord may reasonably request.

Section 3.8 Books and Records. Tenant shall (a) keep, or cause to be kept accurate records and books of account of the income and expenses of the Property and shall permit Landlord, by its authorized representatives, agents, accountants and attorneys, to enter and inspect the Property and examine such records and books of account and to discuss the affairs, finances and accounts of Tenant relating to the Property with its duly authorized representatives, all at such reasonable times as may be requested by Landlord, provided that Landlord does not unreasonably interfere with the operations on the Property, and (b) furnish to Landlord from time to time such other information relating to the Property as Landlord may reasonably request.

ARTICLE 4
Impositions

Section 4.1 Impositions. Subject to Article 8, Tenant shall pay and discharge, or cause to be paid and discharged, before any fine, penalty, interest or cost attaches thereto, all fees, charges or assessments payable with respect to the Property during the Term under any recorded document and all taxes, assessments, water and sewer rates, personal property taxes, and all other governmental charges or levies, general and special, ordinary and extraordinary, foreseen or unforeseen, of any kind or nature whatsoever, now or hereafter assessed, levied, confirmed, imposed or which become a lien upon, or which become payable with respect to, any part of the Property during the Term (collectively, "**Impositions**"). Tenant shall, no later than ten (10) days after the applicable due date, furnish to Landlord official receipts or other satisfactory evidence of payment of the same. If by law any Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), Tenant may pay such Imposition (together with accrued interest on the unpaid balance thereof) in installments as the same respectively become due and before any fine, penalty, interest or cost attaches thereto. Any Imposition relating to a fiscal year of the taxing authority, a part of which period is included within the Term and a part of which is included in a period of time before the Commencement Date or after the termination of this Lease, shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed or become a lien upon or become payable in respect of the Property during the Term) be adjusted between Landlord and Tenant so that Landlord shall pay the portion of such Imposition applicable before the Commencement Date or after the termination of this Lease, and Tenant shall pay the remainder thereof. The term Imposition shall also include (a) all charges, fees, license fees, business license fees, commercial rent taxes. Levies, penalties and assessments which are levied by any authority having the direct or indirect power to tax, including any city, county, state, or federal government, or any school, agriculture, lighting, drainage, or other improvement district thereof with respect to the Property, (b) any tax, surcharge, assessment, or service or other fee which shall be levied or collected in addition to or in lieu of real estate or personal property taxes, (c) any excise, sales, transaction, privilege, or other tax or levy, however denominated, imposed upon or measured by the Rent reserved under this Lease or Landlord's business of operating the Property, or revenues derived therefrom, including withholding taxes (other than those for Federal or State income taxes), (d) any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Property by any governmental entities, (e) any tax imposed upon the transaction or based upon a reassessment of the Property due to a change in ownership or transfer of all or part of Landlord's or Tenant's interest in the Property, (f) any charge, fee, levy or tax replacing any tax previously included within the definition of Impositions, and (g) any tax or excise on rents, gross receipts tax, transaction privilege tax or other tax, however described, which is levied or assessed against Landlord in respect to the Rent or other charges reserved under this Lease or as a result of Landlord's receipt of such rents or other charges accruing under this Lease, including withholding taxes. Landlord and Tenant recognize the possibility of changes and/or limitations on the amount of taxes which can be assessed on land, buildings and improvements, including the Property. Landlord and Tenant further recognize that there may be imposed new forms of taxes, assessments, charges, levies or fees, or there may be an increase in certain existing taxes, assessments, charges, levies or fees placed on, or levied in connection with the ownership, leasing, occupancy or operation of the Property. All such new or increased taxes, assessments, charges, levies or fees which are in lieu of, or imposed or increased as a result of, or arising out of any change in the structure of, the current tax system, or for the purpose of funding

special assessment districts theretofore funded by taxes, shall also be included within the meaning of Impositions.

Section 4.2 Exception. Notwithstanding anything to the contrary contained herein, nothing in this Lease shall require Tenant to pay any franchise, corporate, estate, inheritance, succession, income or transfer tax of Landlord.

Section 4.3 Evidence. The certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition showing non-payment of any Imposition shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill.

Section 4.4 Landlord's Right of Intervention. Landlord reserves the right to participate in any proceedings initiated by Tenant pursuant to Section 8.1 to contest the amount or validity or application, in whole or in part, of any Impositions, but Landlord shall not be subjected to any liability for the payment of any costs or expenses in connection therewith whether or not Landlord so participates or takes an affirmative part in the conduct of such proceedings, and Tenant shall control the resolution of such proceedings.

ARTICLE 5
Insurance

Section 5.1 Insurance. Tenant shall at all times maintain, or cause to be maintained, for the mutual benefit of Landlord and Tenant at all times during the Term, such insurance as shall be required by any Leasehold Lender from time to time, provided, however, that Tenant shall, at all times, maintain at a minimum, the insurance required by **Exhibit D** attached hereto and incorporated herein.

Section 5.2 Policies. Except for worker's compensation and employer's liability insurance, all insurance policies maintained or caused to be maintained by Tenant pursuant to Section 5.1 shall name Landlord, Fee Lender, Tenant and Leasehold Lender as the insureds as their respective interests may appear. All insurance maintained or required to be maintained pursuant to Section 5.1 shall be in such form and shall be issued by responsible insurers licensed to do business in the State and reasonably approved by Landlord. Tenant shall deliver to Landlord certificates of insurance evidencing the insurance maintained or caused to be maintained by Tenant pursuant to Section 5.1 immediately upon receipt from the insurers, and all new and renewal binders or certificates replacing any such policies shall be delivered to Landlord by the insurers pursuant to the terms of the applicable policies at least five (5) days before the date of expiration of any such policy. Upon Landlord's request, Tenant shall deliver to Landlord certificates and/or binders of policies for all insurance maintained or caused to be maintained by Tenant pursuant to Section 5.1. The requirements of this Section 5.2 shall be subject in all respects to insurance requirements of any Leasehold Mortgage.

Section 5.3 Qualified Depositary. All policies of the type referred to in Section 5.1(a) shall provide for any loss thereunder to be payable to any Leasehold Lenders, as their respective interests may appear, pursuant to a standard non-contributory first mortgagee endorsement substantially equivalent to the New York standard mortgagee endorsement. The loss, if any,

payable under any such insurance policies shall be adjusted by Tenant (subject to approval of final settlement by Landlord and each Leasehold Lender, to the extent of their respective interests in such proceeds) and shall be paid to a bank or trust company (a "**Qualified Depositary**") having an office in the State, and having a combined capital and surplus aggregating at least $100,000,000 (increasing in proportion to increases in the CPI during the Term) selected by Tenant and reasonably approved by Landlord, or if there is a Leasehold Lender, to such Leasehold Lender. Any proceeds paid to a Qualified Depositary or Leasehold Lender shall be held by such Qualified Depositary or Leasehold Lender, as the case may be, to be paid in accordance with the provisions of Article 16.

Section 5.4 Separate Insurance. Tenant shall not take out separate insurance with respect to the Improvements concurrent in form or contributing in the event of loss with that required by this Article unless the same shall contain a standard non-contributory endorsement, with loss payable to Landlord, the Qualified Depositary and the Leasehold Lenders, as their interests may appear. All policies under this Article shall contain endorsements that the rights of the insured to receive and collect the proceeds shall not be diminished because of any additional insurance carried by Tenant on Tenant's own account.

Section 5.5 No affect on Indemnity Obligations. The requirements of this Article shall not be deemed or construed to negate or modify Tenant's obligations to defend and indemnify Landlord pursuant to the provisions of this Lease, or to negate or modify Tenant's obligations to restore the Property following a Taking or casualty pursuant to this Lease.

Section 5.6 Waiver of Subrogation Rights. Landlord and Tenant hereby each release the other party, and such other party's owners, members, managers, shareholders, beneficial interest holders, partners, agents, employees, officers, directors and authorized representatives, from any claims such releasing party may have for damage to the Property, personal property, improvements and alterations of such party in or about the Property to the extent the same is covered by a policy of insurance insuring such party: provided, however, that this waiver shall be ineffective unless consented to by the insurance company or companies issuing the insurance policies required to be maintained by Tenant under this Agreement and shall be ineffective as to any such damage not covered by insurance required to be carried hereunder or, if greater in amount, insurance actually carried.

ARTICLE 6
Compliance with Laws, Etc.

Section 6.1 Legal Requirements; Insurance Requirements. Subject to Article 8, Tenant shall comply with, or cause to be complied with, (a) all requirements relating to the Property's use and occupancy, including without limitation, planning, zoning, subdivision, environmental, toxic and hazardous waste, health, fire safety, handicapped access and any other applicable federal, state and local statutes, laws, ordinances, rules and regulations, as well as any and all encumbrances, covenants, conditions, and restrictions, foreseen or unforeseen, ordinary as well as extraordinary, that may affect the design, construction, existence or use or manner of use of the Property or any portion thereof (collectively, the "**Legal Requirements**"), and (b) the requirements of all policies of insurance from time to time in force with respect to the Property as required by Article 5, and of the insurers of such policies (collectively, the "**Insurance Requirements**"), whether or not

compliance therewith shall necessitate changes to the Improvements, interior or exterior, structural or otherwise, or interfere with the use and enjoyment of the Property or any part thereof.

Section 6.2 Permits and Licenses. Tenant shall procure, maintain and comply with, or cause to be procured, maintained or complied with, all permits, licenses and other authorizations required for any use of the Property or any part thereof.

Section 6.3 Hazardous Materials. Tenant hereby represents, warrants, covenants and agrees to and with Landlord that all operations or activities upon, or any use or occupancy of the Property, or any portion thereof by Tenant, and any tenant, subtenant or occupant of the Property, or any portion thereof, shall throughout the Term be in all material respects in compliance with all existing and future federal, state and local laws and regulations governing, or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal of any hazardous or toxic substances, materials or wastes ("**Hazardous Substances**"), including, but not limited to, those substances, materials, or wastes now or hereafter listed in the United States Department of Transportation Hazardous Materials Table at Section 49 CFR 172.101 or by the Environmental Protection Agency in Section 40 CFR Part 332 and amendments thereto, or such substances, materials or wastes otherwise now or hereafter regulated under any applicable federal, state or local law.

ARTICLE 7
Mechanic's Liens

Section 7.1 Liens. Subject to Article 8, Tenant shall not create, or suffer or permit to be filed, any mechanic's, materialmen's, vendor's or similar liens (collectively, the "**Liens**") against the Property or any part thereof, or against the estate of Landlord or Tenant therein, by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding any interest in the Property or any part thereof by, through or under Tenant. If any Lien shall at any time be filed against the Property. Tenant shall, within thirty (30) days after notice of the filing thereof, cause the same to be fully discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such Lien to be discharged within such thirty (30) day period, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such Lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such Lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances with such amounts to be reimbursed by Tenant to Landlord as Additional Rent within ten (10) business days after written request therefor.

Section 7.2 No Consent.

(a) Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent of or request by Landlord, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement. Alteration or repair of the Property or any part thereof, nor as giving Tenant the right, power or authority to contract for or permit the rendering of any

services or the furnishing of any materials that would give rise to the filing of any such Lien against the Property or any part thereof, or against the estate of Landlord therein.

(b) NOTICE IS HEREBY GIVEN THAT LANDLORD WILL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT, OR TO ANYONE HOLDING AN INTEREST IN THE PROPERTY (OR ANY PART THEREOF) THROUGH OR UNDER TENANT, AND THAT NO MECHANIC'S OR OTHER LIENS OR ANY SUCH LABOR, SERVICE OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN THE PROPERTY.

ARTICLE 8
Permitted Contests

Section 8.1 Contests. Tenant may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Impositions, Legal Requirements, Insurance Requirements or Liens; provided, however, that (a) in the case of unpaid Impositions or Liens, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and the Property, (b) neither the Property nor any rent therefrom nor any part thereof or interest therein would be in any danger of being sold, forfeited, attached or lost, (c) in the case of Legal Requirements, Landlord would not be in any danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings, (d) in the case of Insurance Requirements, the coverage required by Article 5 shall not be impaired or interrupted, and (e) Tenant shall have furnished such security, if any, as may be required in the proceedings or as Landlord may reasonably require to assure the discharge of such Impositions or Liens or compliance with such Legal Requirements or Insurance Requirements upon the termination of such proceedings.

Section 8.2 Authorizations: Indemnity. Landlord shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such proceedings and, if reasonably requested by Tenant, shall join as a party therein. Tenant shall indemnify, defend and hold Landlord and the Indemnified Parties harmless against any liability, claim, action, damage, cost or expense (including attorneys' fees and costs) of any kind arising from or relating to any such contest pursuant to Section 8.1 and any loss resulting therefrom. Tenant shall reimburse the Landlord for any losses, damages and reasonable out of pocket expenses suffered or incurred by the Landlord as a result of (a) Landlord's compliance with the provisions of the first sentence of this Section 8.2, (b) any failure of Tenant to pay any Imposition or Lien required to be paid by Tenant herein, or (c) any failure of Tenant to perform any Legal Requirement or Insurance Requirement required to be performed by Tenant herein.

ARTICLE 9
Utilities

Section 9.1 Utilities. Tenant shall arrange all utility service and pay or cause to be paid all charges, fees and taxes for heat, water and sewer, gas, electricity, steam, light, telephone or any other communication or utility service used in or rendered or supplied to the Property or any part thereof (including all costs of maintenance and repairs).

ARTICLE 10
Repairs and Maintenance

Section 10.1 Maintenance. Tenant shall, at its sole cost and expense, take good care of the Property, or cause the same to be done, and shall keep and maintain, or cause to be kept and maintained, the Property, including all sidewalks, stairwells, roof areas, driveways and private rights-of-way located on the Land or adjacent thereto, at all times and in good, clean order, condition and repair, free of accumulation of dirt, rubbish, snow and ice, so as to maintain the Property in a condition appropriate for properties similar in construction, use and class in the State. Tenant shall not cause or permit any waste, damage or injury to the Property or any part thereof.

Section 10.2 Repairs. Tenant shall promptly make, or cause to be made, all repairs, maintenance and replacements to and of the Improvements, interior and exterior, structural and otherwise, ordinary and extraordinary, foreseen or unforeseen, of every nature, kind and description, as may be necessary to maintain the Improvements and all Equipment in a condition appropriate for buildings of similar construction, use and class in the State; provided, however, that Tenant shall in any event make all repairs necessary to avoid any structural damage or injury to the Improvements. All such repairs shall be done in compliance with the requirements of Section 11.1. Tenant hereby waives the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Lease or hereafter enacted. When used in this Section, "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments, including, without limitation, structural and non-structural repairs. All repairs made by Tenant shall be at least equal in quality to the original work and shall be made by Tenant in accordance with all Legal Requirements. Tenant shall, at Tenant's sole cost and expense, promptly comply or cause compliance with or remove or cure any violation of any and all present and future Legal Requirements, including, without limitation, the Americans With Disabilities Act, as amended from time to time and the rules and regulations promulgated thereunder (collectively, the "**Act**"), and all recommendations of the insurance services office and/or Landlord's insurance carrier now or hereafter in effect relative to the use and occupancy of the Property and the transaction of the business of Tenant, whether the compliance, curing or removal of any such violation and the costs and expenses necessitated thereby shall have been foreseen or unforeseen, ordinary or extraordinary, and whether or not the same shall be presently within the contemplation of Landlord or Tenant or shall involve any change of governmental policy, or require structural or extraordinary repairs, alterations or additions by Tenant and irrespective of the costs thereof.

Section 10.3 Capital Repair Requirements. During the Term, at its sole cost and expense, Tenant shall make or cause to be made, in a good and workmanlike and lien-free manner, the Capital Repairs in accordance with the requirements set forth in this Article 10. Tenant acknowledges that the Fee Loan Documents require the completion of certain Capital Repairs within fifteen (15) months of the Commencement Date and Tenant hereby agrees to complete such Capital Repairs within such time period required under the Fee Loan Documents and to provide Landlord the information and materials required to be delivered to Fee Lender under the Fee Loan Documents in connection with such Capital Repairs. On or prior to the Commencement Date, Tenant shall deposit $5,200,000 in a reserve account (the "**Capital Repairs Reserve**") maintained with Fee Lender. The Capital Repairs Reserve shall be in the Tenant's name and shall not be pledged to Fee Lender and shall not otherwise secure the Fee Loan. Tenant shall use the funds in the Capital Repairs Reserve to fund the Capital Repairs. For avoidance of doubt, if the funds in

the Capital Repairs Reserve are insufficient to fully fund the Capital Repairs, Tenant shall be responsible for funding the remainder.

ARTICLE 11
Alterations

Section 11.1 Alterations.

(a) Tenant shall not make (or permit anyone else to make) any modifications, improvements, alterations, additions or installations in or to the Property (collectively, "**Alterations**") without Landlord's prior written consent, which consent may not be unreasonably withheld. Along with any request for Landlord's consent and before commencement of the Alterations or delivery of any materials, If the cost of the Alterations will exceed $1,000,000 for any single Property or $10,000,000 in the aggregate for all of the Property in any twelve (12) month period, increasing annually in proportion to increases in CPI (the "**Alterations Cap**"), Tenant shall furnish Landlord with plans and specifications, names and addresses of contractors, copies of contracts, necessary permits and licenses, insurance certificates evidencing insurance reasonably required by Landlord, evidence of safety programs, an indemnification in such form and amount as may be reasonably satisfactory to Landlord, , a performance and payment bond executed by a commercial surety reasonably satisfactory to Landlord and in an amount equal to the cost of the Alterations and the payment of all liens for labor and material arising therefrom, and such other information concerning the Work as Landlord may reasonably request. All Alterations shall be done only by contractors reasonably approved by Landlord. Upon completion of the Alterations, Tenant shall furnish Landlord with contractor's affidavits or unconditional lien releases and full and final waivers of liens, and receipted bills covering all labor and materials expended and used. Notwithstanding anything to the contrary contained herein, Tenant shall not remove mobile homes from the Property except in the ordinary course of business and if such removed mobile homes are replaced by mobile homes of equal or greater value.

(b) Tenant will notify Landlord in writing ten (10) days prior to commencing any Alterations. Tenant shall keep the Property free from any Liens arising out of any Alterations, subject to Section 8.1. The Alterations shall comply with all Insurance Requirements and all Legal Requirements and shall be constructed in a good and workmanlike manner. Tenant shall permit Landlord to inspect construction operations in connection with the Alterations at any time, provided that Landlord shall not unreasonably interfere with such construction or the operations on the Property. Landlord shall have the right to immediately cease construction operations if Tenant fails to meet the requirements of this Section.

Section 11.2 Tenant Furnishings. All Alterations and all building service Equipment made or installed by or on behalf of Tenant, other than movable trade fixtures, furniture and furnishings of Tenant, any Subtenants under Subleases and any other occupants claiming an interest in the Property by, through or under Tenant (collectively, **"Tenant Furnishings"),** shall immediately upon completion or installation thereof become subject to this Lease and, upon expiration or earlier termination of the Term, shall become the property of Landlord, subject to the terms of this Lease, without payment therefor by Landlord.

ARTICLE 12
Use; Management; Inspection by Landlord and Leasehold Lenders

Section 12.1 Use. Subject to Section 12.2, Tenant shall use the Property only for the operation of a Mobile Home Community and any uses ancillary thereto. Any other proposed use of the Property must have the prior written approval of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, and the Leasehold Lender, if required under the Loan Documents. Landlord makes no warranties regarding the suitability or fitness of the Property for Tenant's proposed development and use, including, but not limited to, Tenant's right or ability to obtain permits or any other approvals or entitlements from any government entity having jurisdiction over the Property.

Section 12.2 No Offensive Use. Tenant shall not use or allow the Property or any part thereof to be used or occupied for any unlawful or immoral purpose or for any dangerous or noxious trade or business, or in violation of any certificate of occupancy affecting the use of the Property or any part thereof.

Section 12.3 Entry. Landlord and any Leasehold Lender, or their authorized representatives, shall have the right to enter and inspect the Property at all reasonable times during normal business hours for the purpose of inspecting the same, and Tenant shall permit Landlord and its authorized representatives to enter the Property at all reasonable times during usual business hours for the purpose of exhibiting the same to prospective purchasers or any Fee Lender; provided, however, that no such entry shall unreasonably interfere with the conduct of Tenant's business thereon. Notwithstanding the foregoing, Landlord and any Leasehold Lender shall have access to the Property at any time in connection with any emergency.

ARTICLE 13
Landlord's Right to Perform Tenant's Covenants

Section 13.1 Landlord's Right. If Tenant shall at any time fail to make any payment or perform any other act on its part to be made or performed under this Lease, Landlord, after not less than ten (10) days' notice (except in case of emergency or the expiration of any insurance policy) to Tenant, may, but shall not be obligated to, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith may pay expenses and employ counsel. All such reasonable sums and expenses paid by Landlord shall be deemed to be Additional Rent payable by Tenant hereunder and shall be payable to Landlord on demand together with interest thereon from the date such sums or expenses were paid by Landlord at a rate at all times equal to the lesser of (a) the "Prime Rate" in effect from time to time (as published in the "Money Rates" section of The Wall Street Journal or, if such section or publication no longer is available. such other publication as determined by Landlord and Tenant) plus five percent (5%) or (b) the maximum amount allowed by law (the "**Lease Interest Rate**").

Section 13.2 No Merger. Notwithstanding anything to the contrary herein contained, Landlord's estate in the Property and the leasehold estate therein created hereby shall not merge without the prior written consent of Landlord, Tenant, Fee Lender and all Leasehold Lenders, but shall always remain separate and distinct, notwithstanding the union of such estates either in Landlord or Tenant or in a third party by purchase or otherwise.

ARTICLE 14
Damage to or Destruction of Improvements

Section 14.1 Damage. In case of damage to or destruction of the Improvements by fire or otherwise, Tenant, at its sole cost and expense, shall promptly give notice thereof to Landlord and shall promptly restore, repair, replace or rebuild the same as nearly as possible to the value and condition thereof immediately prior to such damage or destruction, except that if such damage or destruction occurs during the last eighteen (18) months of the Term, Tenant shall have no obligation to so restore, repair, replace or rebuild and the provisions of Sections 16.3 and 16.5 shall apply. Such restoration, repair, replacement or rebuilding shall be done in compliance with the requirements of Section 11.1.

Section 14.2 No Abatement of Rent or Termination. Except as otherwise expressly provided in this Article, no destruction of or damage to the Property or any part thereof, whether such damage or destruction be partial or total or otherwise or be covered by insurance or not, shall entitle or permit Tenant to surrender or terminate this Lease or shall relieve Tenant from liability to pay in full the Rent and other sums and charges payable by Tenant hereunder, or from any of its obligations under this Lease. Tenant hereby waives any rights now or hereafter conferred upon it by statute or other law to surrender this Lease or to quit or surrender the Property or any part thereof, or to receive any suspension, diminution, abatement or reduction of the rent or other sums and charges payable by Tenant hereunder on account of any such destruction or damage.

ARTICLE 15
Condemnation

Section 15.1 Definitions. For purposes of this Lease, the following terms shall have the following meanings:

(a) "**Fee Estate**" means Landlord's right, title and interest in, to and under this Lease and, subject to this Lease, in and to the Property, including Landlord's reversionary right to the personal property located on the Land upon the termination of this Lease.

(b) "**Leasehold Estate**" means Tenant's rights, title and interest in, to and under this Lease, the leasehold estate in the Property arising under this Lease, and all goodwill and income, and revenue associated therewith.

(c) "**Constructive Total Taking**" means a Taking of such scope that in the reasonable judgment of Tenant the untaken portion of the Property is insufficient to permit restoration of the Improvements such that Tenant can reasonably operate its business on the Property.

(d) "**Aggregate Property Award**," paid in connection with any Taking, means the aggregate award(s) payable on the basis of, or attributable to, the Taking of the whole or any portion of the Property, the Fee Estate, the Leasehold Estate; and, in the case of a Taking which is less than a Taking of the entire Property or a Constructive Total Taking, such "Aggregate Property Award" shall include any award (or portion thereof) payable on the basis of restoration or other work necessitated by, or arising out of, such Taking.

Section 15.2 Award of Total Condemnation. If, at any time during the Term, there shall occur a Taking of the entire Property or a Constructive Total Taking, then the following provisions shall apply:

(a) This Lease and the Term shall terminate and expire on the earlier of (i) the date that title to the property so taken or condemned shall pass to the taking or condemning authority or (ii) the date the taking or condemning authority takes possession of the property so taken ("**Date of the Taking**") and all Rent provided to be paid by Tenant shall be apportioned and paid to the Date of the Taking.

(b) The entire Aggregate Property Award in connection with such Taking shall be (w) paid to the Depositary, in trust, and shall be held by the Depositary in accordance with this Section 15.2, (x) allocated between Landlord and Tenant in proportion to the respective fair market value of the Fee Estate and the Leasehold Estate on the Date of Taking (such values to be determined in accordance with Article 20 below), except that any portion of the Aggregate Property Award specifically allocated, pursuant to the terms thereof, to relocation costs, furniture, fixtures and equipment, lost business income and other items of loss, with respect to property interests owned by Tenant, that are specific to Tenant but do not constitute part of the Leasehold Estate or the Fee Estate, shall be first allocated to Tenant before allocating the remaining portion of the Aggregate Property Award in accordance with the foregoing, (y) any portion of the amount thereof allocated to the Leasehold Estate shall be disbursed to the Leasehold Lender for payment of the outstanding balance due on account of the Leasehold Mortgage, and if more than one, in the order of their relative priorities, with any remaining portion being paid to Tenant and (z) any portion of the amount thereof allocated to the Fee Estate shall be disbursed to the Fee Lender for payment of the outstanding balance due on account of any mortgage or deed of trust encumbering the Property, and if more than one, in the order of their relative priorities, determined pursuant to an intercreditor agreement or other agreement among the Mortgagees, with any remaining portion being paid to Landlord.

Section 15.3 Partial Condemnation. In the event of a Taking constituting less than a Constructive Total Taking, the Rent shall be justly abated in proportion to the amount of the Property so taken and Tenant shall promptly restore, repair, replace and rebuild that portion of the Property not so taken to a complete architectural unit or units and as nearly as possible to the value and condition thereof immediately prior to such Taking; provided, however, that if such Taking occurs during the last eighteen (18) months of the Term, Tenant shall have no obligation to so restore, repair, replace or rebuild and the provisions of Sections 16.3 and 16.5 shall apply unless otherwise required by the Loan Documents, and provided further that Rent will not be abated if a minor Taking occurs that does not adversely affect the use or operation of the Property. Such restoration, repair, replacement or rebuilding shall be done in compliance with the requirements of Section 11.1.

Section 15.4 Award for Partial Condemnation. In the event of a Taking constituting less than a Constructive Total Taking, the Aggregate Property Award in connection with such Taking shall be paid to the Depositary, in trust, and shall be held and disbursed by the Depositary as follows:

(a) first, the Depositary shall reimburse each of Tenant and the Leasehold Lender for its reasonable out-of-pocket costs incurred in collecting the award (and retain for itself its reasonable out-of-pocket costs incurred in holding and disbursing the award in accordance herewith);

(b) second, the balance of such award, up to the amount reasonably necessary to perform the work required to restore the Improvements, or cause the same to be restored, as nearly as may reasonably be practicable, to the condition they were in immediately preceding the Taking (the "**Condemnation Restoration Work**") (as determined by an architect or engineer selected by the Tenant, and reasonably acceptable to Landlord and the Leasehold Lender(s) and inclusive of the costs required to render the operation of Tenant's business on the Property economically viable)) shall be held by the Depositary as a restoration fund with respect to the Condemnation Restoration Work pursuant to the provisions of Article 16 hereof, and shall be applied and disbursed as provided in Article 16 hereof;

(c) third, an amount equal to the discounted present value of the abatement of Rent pursuant to Section 15.3, if any, over the then-remaining Lease Term plus the value of Landlord's reversionary interest in the portion of the Property subject to the Taking shall be disbursed to Landlord;

(d) fourth, an amount equal to the fair market value of the Improvements (excluding the value of Landlord's reversionary interest therein) or otherwise to the Leasehold Estate on the Date of Taking (such values to be determined in accordance with Article 20 below), shall be disbursed to the Leasehold Lender for payment of the outstanding balance due on account of the Leasehold Mortgage, and if more than one, in the order of their relative priorities, with any remaining portion being paid to Tenant; and

(e) fifth, the balance of such award shall be disbursed to the Fee Lender for payment of the outstanding balance due on account of any Fee Mortgage, and if more than one, in the order of their relative priorities, determined pursuant to an intercreditor agreement or other agreement among Mortgagees, with any remaining portion being paid to Landlord.

Section 15.5 Temporary Taking. If a Taking of all or any part of the Property for a limited period shall occur, this Lease shall not terminate, Rent shall not be abated, and Tenant shall be entitled to receive the entire amount of any award made for such Taking, whether paid by way of damages, rent or otherwise. In the event of such a Taking for a period which extends beyond the date herein specifically fixed for the expiration of the Term, Tenant shall be entitled to receive that portion of any award made for such Taking allocable to the period of time from the date of such Taking to the date herein specifically fixed for the expiration of the Term and Landlord shall be entitled to receive the balance of such award. Upon the expiration of any such Taking for a limited period during the Term, Tenant shall promptly restore the Improvements, or cause the same to be restored as nearly as may be reasonably practicable to the condition they were in immediately prior to such Taking. Such restoration work shall be done in compliance with the requirements of Section 11.1. The foregoing shall in all respects be subject to the terms of the Loan Documents.

Section 15.6 Waiver of Rights. Tenant waives the protection of any statute, code or judicial decision which grants to Tenant a right to terminate this Lease or to any compensation (except as expressly provided herein) in the event of a Taking.

Section 15.7 Cooperation. In each such proceeding, Landlord and Tenant agree to execute any and all documents that may be required to facilitate collection of the award(s) in such proceeding.

Section 15.8 Notice. If Landlord or Tenant shall receive notice of any proposed or pending condemnation proceeding affecting any part of the Property, the party receiving such notice shall promptly notify the other party of the receipt and contents thereof.

ARTICLE 16
Application of Insurance Proceeds and Condemnation Awards

Section 16.1 Depositary. Unless an Event of Default shall have occurred and be continuing or Tenant shall not be obligated to restore, repair, replace or rebuild the Improvements pursuant to Section 14.1, 15.2 or 15.3 all proceeds payable under any insurance policy for any damage or destruction and all awards payable by reason of a Taking that are paid to a Qualified Depositary or, if there is a Leasehold Lender, the Leasehold Lender (the "**Depositary**") shall be paid by the Depositary to Tenant, upon request, to reimburse Tenant for expenditures made in restoring, repairing, replacing or rebuilding the Improvements so damaged, destroyed or taken, payment thereof to be made as the work progresses against receipt by the Depositary and Landlord of proof reasonably satisfactory to Landlord and any Leasehold Lender that (a) the work, to the extent performed, has been satisfactorily accomplished substantially in accordance with the applicable plans; (b) the amount requested has either been paid by or on behalf of Tenant or is justly due to Persons who have rendered services or furnished materials in connection with the work; (c) no Liens have been filed against the Property that have not been removed, subject to Section 8.1: (d) there is no outstanding indebtedness in connection with such work other than such as will be discharged in full from the amounts requested; and (e) Tenant has complied with all of the conditions to the release of such proceeds set forth in any Leasehold Mortgage (provided that nothing in this Section 16 shall modify or excuse Tenant's obligations under Section 14 to restore the Improvements regardless of the sufficiency or availability of insurance proceeds). If Landlord or a Leasehold Lender determines that the amount of the proceeds or award remaining after payment of the amount requested will be insufficient to pay in full for the completion of the restoration, repair, replacement or rebuilding, Tenant shall promptly deposit with the Depositary the amount of any deficiency, to be held and disbursed by the Depositary in accordance with the provisions of this Section 16.1.

Section 16.2 Balance to Tenant. Upon receipt by the Depositary of a certificate of the architect certifying to the completion of the restoration, repair, replacement or rebuilding of the Property so damaged, destroyed or taken and the payment of the cost thereof in full, the balance of any monies not required to be disbursed pursuant to Section 16.1 shall be disbursed to Tenant or if a Leasehold Lender shall exist, as required by the terms of the applicable Leasehold Mortgage.

Section 16.3 Payment. If an Event of Default shall have occurred and be continuing prior to the time for receipt of any such proceeds or awards by Tenant pursuant to this Article, or if

Tenant is not be obligated to restore, repair, replace or rebuild the Improvements pursuant to Section 14.1, 15.2 or 15.3, such proceeds or award shall be paid by the Depositary to or for the account of any Leasehold Lender which shall have notified Landlord that it holds a Leasehold Mortgage, or if there be no Leasehold Lender or if no Leasehold Lender shall have exercised its rights under Article 17, such proceeds or award shall be paid to or for the account of Landlord or Fee Lender upon Landlord's direction so to do.

Section 16.4 Depositary Charges. The Depositary shall have the right to deduct from any such proceeds or awards its reasonable charges for acting as Depositary hereunder.

Section 16.5 Obligation to Raze Improvements. If Tenant is not obligated to restore, repair, replace or rebuild the Improvements pursuant to Section 14.1, 15.2 or 15.3, then Tenant, at Landlord's election, shall nevertheless be obligated to raze the Improvements and leave the Property in a clean and safe condition no later than ninety (90) days after any damage or destruction and may receive funds from the Depositary to pay for the reasonable cost thereof.

ARTICLE 17
Default Provisions - Conditional Limitations

Section 17.1 Events of Default. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Property is conditioned upon such performance. Any one or more of the following events shall be an "**Event of Default**":

(a) default shall be made in the payment to Landlord when due of any item of Rent or Additional Rent and such default shall continue for a period of ten (10) days after written notice from Landlord;

(b) default shall be made in the performance or observance of any covenant contained in Section 4.1 or 5.1 and such default shall continue for a period of five (5) days after written notice of such default by Landlord to Tenant;

(c) default shall be made in the performance or observance of any other covenant or agreement on the part of Tenant to be performed or observed hereunder, and such default shall continue for a period of thirty (30) days after written notice of such default by Landlord to Tenant or, in the event Tenant commences to cure such default within such period of thirty (30) days and thereafter proceeds with diligence and continuity to cure such default, for such longer period as may be necessary for Tenant to cure the same with all due diligence not to exceed ninety (90) days after the date of Landlord's notice;

(d) any representation or warranty made by Tenant in this Lease or in any notice, certificate, report or other information furnished in writing in connection with any of the foregoing to Landlord shall be false in any material respect on the date as of which made;

(e) if Tenant, by operation of law or otherwise, violates the provisions of Article 19 hereof relating to assignment, sublease, mortgage or other transfer of Tenant's interest in this Lease or in the Property or in the income arising therefrom;

(f) Tenant, by operation of law or otherwise, violates the provisions of Section 6.3 relating to compliance with environmental laws and such violation shall continue for more than fifteen (15) days after notice from Landlord and demand for cure; or

(g) (i) if Tenant makes a general assignment or general arrangement for the benefit of creditors: (ii) a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Tenant and is not dismissed within thirty (30) days; (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease and possession is not restored to Tenant within thirty (30) days; or (iv) if substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial or nonjudicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines that any of the acts described in this subsection does not constitute an Event of Default and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the difference between the Rent (or any other consideration) paid in connection with such assignment or sublease and the Rent payable by Tenant hereunder.

Section 17.2 Landlord's Remedies. On the occurrence of an Event of Default and at any time thereafter, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as otherwise specifically set forth herein) or demand for possession whatsoever: (i) with ten (10) days prior written notice, terminate this Lease, in which event Tenant shall immediately surrender the Property to Landlord; (ii) with ten (10) days prior written notice, terminate Tenant's right to occupy and possess the Property and re-enter and take possession of the Property (without terminating this Lease); (iii) enter the Property and do whatever Tenant is obligated to do under the terms of this Lease and Tenant agrees to reimburse Landlord on demand for any reasonable expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action; and (iv) exercise all other remedies available to Landlord at law or in equity, including, without limitation, injunctive relief of all varieties.

(a) If Landlord elects to terminate this Lease, then, notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord the sum of all Rent accrued to the date of such termination. If Landlord elects to take possession of the Property and terminate Tenant's right to occupy the Property without terminating this Lease, Landlord shall have the right to enforce all its rights and remedies under this Lease, including the right to recover all Rent as it becomes due under this Agreement. In addition, Tenant shall be liable for and shall pay to Landlord on demand, an amount equal to (i) the reasonable and documented out-of-pocket costs of recovering possession of the Property, (ii) the reasonable and documented out-of-pocket costs of removing and storing Tenant's and any other occupant's (except for all permitted Subtenants) Property located therein, (iii) the reasonable and documented out-of-pocket costs of repairs to the Property accruing only during the period in which Tenant occupied the Property, and (iv) the reasonable and documented out-of-pocket costs of collecting any of the foregoing amounts from Tenant. Notwithstanding the foregoing, Landlord shall use reasonable efforts to mitigate all damages and costs resulting from any actions taken under this Lease.

(b) If Landlord elects to re-enter or take possession of the Property after an Event of Default, Tenant hereby waives notice of such re-entry or repossession and of Landlord's intent to re-enter or retake possession. Landlord may, without prejudice to any other remedy which Landlord may have, expel or remove Tenant and any other person who may be occupying said Property or any part thereof (subject to the rights under Section 19.3 for certain Subtenants under certain Subleases). All of Landlord's remedies shall be cumulative and not exclusive. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

(c) This Section shall be enforceable to the maximum extent not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion. No act by Landlord or Landlord's agents during the Term shall be deemed an acceptance of an attempted surrender of the Property, and no agreement to accept a surrender of the Property shall be valid unless made in writing and signed by Landlord. No re-entry or taking of possession of the Property by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such termination is given to Tenant.

(d) Damages under this Section 17.2 shall be the following:

(i) the amount of any rent deficiency, to the extent that the payment of rent by the Subtenant is deficient to pay the Rent, all reasonable and documented legal expenses and other related reasonable and documented out-of-pocket costs incurred by Landlord following Tenant's Event of Default;

(ii) all reasonable and documented out-of-pocket costs incurred by Landlord in restoring the Property to good order and condition; and

(iii) any other damages available to Landlord under applicable law. including but not limited to (A) the cost of deferred maintenance and necessary repairs and (B) the worth at the time of the award of the amount of any unpaid rent for the balance of the Term after subtracting the amount of such rental loss the Tenant proves could be reasonably avoided, each after the time of award. The "worth at the time of the award" in the immediately preceding sentence is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco or its successor at the time of award plus four percent (4%).

Section 17.3 No Right of Redemption. If Landlord shall enter into and repossess the Property by reason of the Event of Default, then Tenant hereby covenants and agrees that Tenant shall not claim the right to redeem or re-enter the Property or restore the operation of this Lease, and Tenant hereby waives any right to such redemption and re-entry under any present or future law, and does hereby further, for any party claiming through or under Tenant, expressly waives its right, if any, to make payment of any sum or sums of rent, or otherwise, of which Tenant shall have been in default under any of the covenants of this Lease, and to claim any subrogation to the rights of Tenant under this Lease, or any of the covenants thereof, by reason of such payment.

Section 17.4 No Reinstatement Right. No receipt of monies by Landlord from Tenant after the termination or cancellation of this Lease in any lawful manner shall reinstate, continue or extend the Term, or affect any notice given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent then due, or operate as a waiver of the right of Landlord to recover possession of the Property by proper suit, action, proceeding or remedy. Tenant agrees that, after the service of notice to terminate or cancel this Lease, or the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Property, Landlord may demand, receive and collect any monies due, without in any manner affecting such notice, proceeding, suit, action, order or judgment, and any and all such monies collected shall be deemed to be payment on account of the use and occupation or Tenant's liability hereunder.

Section 17.5 No Waiver. The failure of Landlord to insist in any one or more instances upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such a covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by Landlord of Rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Landlord.

Section 17.6 Remedies Not Exclusive. All the rights and remedies herein given to Landlord for the recovery of the Property because of the Event of Default by Tenant in the payment of any sums which may be payable pursuant to the terms of this Lease or the right to reenter and take possession of the Property upon the happening of any Event of Default, or the right to maintain any action for rent or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative rights and remedies, and no one of them, whether exercised by Landlord or not, shall be deemed to be in exclusion of any of the others.

Section 17.7 Notice: Opportunity to Cure. If Landlord shall become entitled to serve a notice of election to end the Term upon the occurrence of an Event of Default pursuant to Section 17.2, Landlord will, before serving such notice, give to each Leasehold Lender which shall have notified Landlord in writing that it holds a Leasehold Mortgage a further written notice that a specified default remains unremedied and that Landlord is entitled to serve notice of election to end the Term, and each such Leasehold Lender shall have the right to remedy any such default within (x) thirty (30) days after service of such notice with respect to a monetary default or (y) forty-five (45) days after the service of such notice with respect to a non-monetary default; provided, however, that if, in the case of a notice to a Leasehold Lender with respect to a non-monetary default, such Leasehold Lender shall within such period of forty-five (45) days:

(a) notify Landlord of its election to proceed with due diligence to acquire possession of the Property or to foreclose its Leasehold Mortgage or otherwise to extinguish Tenant's interest in this Lease; and/or

(b) deliver to Landlord an instrument in writing, duly executed and acknowledged, wherein such Leasehold Lender shall agree that:

(i) during the period that such Leasehold Lender or a receiver of rents and profits appointed upon application of such Leasehold Lender shall be in possession of the Property and/or during the pendency of any such foreclosure or other proceedings and until the interest of Tenant in this Lease shall terminate, as the case may be, it will pay or cause to be paid to Landlord on the dates when due all sums from time to time becoming due under this Lease as Rent;

(ii) if delivery of possession of the Property shall be made to such Leasehold Lender, to its nominee or designee, whether voluntarily or pursuant to any foreclosure or other proceedings or otherwise, such Leasehold Lender shall, promptly following such delivery of possession, perform or cause such nominee or designee to perform, as the case may be, all the covenants and agreements herein contained on Tenant's part to be performed to the extent that Tenant shall have failed to perform the same to the date of delivery of possession, as aforesaid, except such covenants and agreements which cannot with the exercise of due diligence be performed by such Leasehold Lender or such nominee or designee, it being understood that the time to perform such covenants and agreements shall be extended for such period of time as may be necessary to permit such Leasehold Lender or such nominee or designee to perform the same with the exercise of due diligence; and

(iii) pay, within thirty (30) days following the date that Leasehold Lender receives service of Landlord's notice as provided above, all Rent that is due, owing and unpaid as of such date:

then Landlord's right to serve a notice of election to end the Term as provided in Section 17.2 shall be waived, conditioned upon such Leasehold Lender's performance of any obligations undertaken pursuant to any notice given under the foregoing clauses (a) through (c) above. Nothing herein contained shall be deemed to require any Leasehold Lender to continue with any foreclosure or other proceedings or, in the event such Leasehold Lender shall otherwise acquire possession of the Property, to continue such possession, if the Event of Default in respect of which Landlord shall have given the notice provided for in this Section shall be remedied. If prior to any sale pursuant to any proceeding brought to foreclose any Leasehold Mortgage, or if prior to the date on which Tenant's interest in this Lease shall otherwise be extinguished, the Event of Default in respect of which Landlord shall have given the notice provided for in this Section 17.7 shall have been remedied and possession of the Property shall be restored to Tenant, the obligation of the Leasehold Lender pursuant to the instrument referred to in clause (b) of this Section 17.7 shall be null and void and of no further effect. Notwithstanding anything to the contrary contained herein, if an Event of Default by Tenant under this Lease is of such a nature that it is incapable of cure by the Leasehold Lender with the exercise of due diligence (e.g., the bankruptcy of Tenant), then Leasehold Lender shall not be required to cure such Event of Default hereunder so long as the Leasehold Lender shall have paid all Rent due to Landlord hereunder and shall have cured or is curing in accordance with Section 17.7(b)(ii) any other Events of Default by Tenant hereunder that are susceptible to cure by the Leasehold Lender with the exercise of due diligence. Nothing herein

contained shall affect the right of Landlord, upon the subsequent occurrence of any Event of Default, to exercise any right or remedy herein reserved to Landlord, provided that Landlord must satisfy the notice provisions set forth in this Section 17.7.

Section 17.8 New Lease. Upon the termination of this Lease pursuant to any of the provisions of this Article for any reason, including, but not limited to, an Event of Default, the rejection or disaffirmance of this Lease pursuant to any bankruptcy, insolvency or other law affecting creditors' rights, Landlord shall give prompt notice thereof to any Leasehold Lender which shall have notified Landlord in writing that it holds a Leasehold Mortgage. Landlord shall, on written request of the Leasehold Lender made at any time within thirty (30) days after the giving of such notice by Landlord, enter into a new lease with such Leasehold Lender or its nominee or designee (which may be another Leasehold Lender) having the same status and priority as this Lease within twenty (20) days after receipt of such request, which new lease shall be effective as of the date of such termination of this Lease for the remainder of the Term, upon the same terms, covenants, conditions and agreements as are herein contained; provided, however, that such Leasehold Lender shall (a) contemporaneously with the delivery of such request pay to Landlord all Rent that Landlord has specified as due in any notice to such Leasehold Lender; (b) pay to Landlord at the time of the execution and delivery of such new lease any and all Rent which would have been due hereunder from the date of termination of this Lease (had this Lease not been terminated) to and including the date of the execution and delivery of such new lease, together with all expenses, including reasonable attorneys' fees, incurred by Landlord in connection with the termination of this Lease and the execution and delivery of such new lease, less the net amount of all sums received by Landlord from any occupancy of any part or parts of the Property up to the date of commencement of such new lease; and (c) on or prior to the execution and delivery of such new lease, agree in writing that promptly following the delivery of such new lease, such Leasehold Lender or its nominee or designee will perform or cause to be performed all of the other covenants and agreements herein contained on Tenant's part to be performed to the extent that Tenant shall have failed to perform the same to the date of delivery of such new lease, except such covenants and agreements which cannot with the exercise of due diligence be performed by such Leasehold Lender or such nominee or designee. In connection with the new lease, Landlord shall assign to such Leasehold Lender or its nominee all of Landlord's interest, if any, in any existing Sublease of the Property and all attornments given by the Subtenant, provided that Leasehold Lender or its nominee shall assume in writing all of Landlord's obligations under such Sublease. In connection with any such new lease, Landlord shall, by quitclaim deed, convey to Leasehold Lender or its nominee title to the Improvements, if any, which become vested in Landlord as a result of termination of the Lease. Nothing herein contained shall be deemed to impose any obligation on the part of Landlord to deliver or warrant physical possession of the Property to such Leasehold Lender or its nominee or designee unless Landlord at the time of the execution and delivery of such new lease shall have obtained physical possession thereof. The provisions of this Section shall survive the termination, rejection or disaffirmance of this Lease and shall continue in full force and effect thereafter to the same extent as of this Section were a separate and independent contract made by Landlord, Tenant and the Leasehold Lender. The aforesaid agreement of Landlord to enter into a new lease with the Leasehold Lender shall be deemed a separate agreement between Landlord and such Leasehold Lender, separate and apart from this Lease as well as a part of this Lease, and shall be unaffected by the rejection of this Lease in any bankruptcy proceeding by any party.

Section 17.9 Right to Cure. No notice of termination of this Lease shall be effective as against any Leasehold Lender that shall have notified Landlord that it holds a Leasehold Mortgage unless Landlord has complied with Section 17.7 and such Leasehold Lender shall not have remedied the underlying default as provided in that Section. Tenant irrevocably authorizes and directs Landlord to accept, and Landlord shall accept, performance by a Leasehold Lender of any of the terms, covenants or provisions on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

Section 17.10 Limitation. Notwithstanding anything to the contrary contained herein, Landlord's rights and remedies, and Tenant's obligations, shall in all cases be subject to and limited by Section 25.1(a) below.

ARTICLE 18
Indemnity

Section 18.1 Indemnity. Tenant shall indemnify, protect, defend and hold harmless Landlord, its affiliates and their trustees, directors, shareholders, beneficiaries, limited and general partners, officers, lenders, managers, members, employees, agents, successors or assigns (collectively, the "**Indemnified Parties**") from and against any and all claims, actions, damages, penalties, liens, liability, loss, cost or expense, including, without limitation, reasonable attorneys' fees and costs (including those incurred in enforcing this provision) arising from or relating to (i) the use or operation of the Property, (ii) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease; (iii) bodily injury, personal injury or property damage occurring at the Property, even if resulting from the negligent act or omissions of Landlord or the Indemnified Parties; (iv) Tenant's Alterations; or (v) the acts or omissions of Tenant or Tenant's employees, representatives, agents, contractors, or licensees. Tenant's indemnity and defense obligations will be triggered by the mere assertion of a claim, without regard to whether or not the claim has merit or whether or not it is alleged that the claim was caused by Tenant's negligence or wrongful act. However, without limiting Tenant's defense obligations, Tenant will not be obligated to indemnify Landlord if a court of competent jurisdiction renders a final judgment that any such matter was caused by Landlord's gross negligence or willful misconduct. The obligations of Tenant under this Section and Section 18.2 shall survive termination of this Lease.

Section 18.2 Notice: Defense. In case any action or proceeding is brought against Landlord or Indemnified Parties and such a claim is a claim from which Tenant is obligated to indemnify Landlord pursuant to this Section, Tenant, upon notice from Landlord, shall resist and defend the action or proceeding by counsel reasonably satisfactory to Landlord.

Section 18.3 Contest. Should any of the Indemnified Parties be entitled to indemnification under Section 18.1 as a result of a claim by a third party and Tenant shall fail to assume the defense of such claim, such Indemnified Party may at the expense of Tenant contest (or, with the prior consent of Tenant, settle) such claim; provided, however, that no such contest need be made and settlement or full payment of any such claim may be made without the consent of Tenant (with Tenant remaining obligated to indemnify such Indemnified Party under Section 18.1) if an Event of Default shall have occurred and be continuing or if, in the opinion of

such indemnified Party's counsel, such claim is meritorious or the defendant has no valid defense to such claim.

ARTICLE 19
Assignment, Subletting and Mortgaging

Section 19.1 Assignment, Etc. Subject to the terms of the Loan Documents and Section 19.7 with respect to a change in a property manager of the Business, this Lease may be assigned by Tenant without the consent of Landlord on one or more occasions to any Person authorized under the law of the State to own and convey real property and shall be subject to the jurisdiction of the courts of the State.

(a) Notwithstanding anything to the contrary contained in this Section 19.1, no assignment of this Lease shall be effective unless there shall be delivered to Landlord, as a condition precedent to such assignment, a duplicate original of an assignment and assumption of this Lease reasonably acceptable to Landlord in recordable form containing the name and address of the assignee. No assignment by Tenant will release Tenant from its obligations under this Lease, except (i) if an assignor assigns to any assignee that is permitted under the Loan Documents or that has owned other properties similar to the Property for at least three (3) years prior to the date of the assignment, then such assignor shall be released from liability for any obligations accruing after the effective date of such assignment or (ii) if a Leasehold Lender forecloses under its Leasehold Mortgage or accepts a deed in lieu of foreclosure, such Leasehold Lender shall be released from liability upon any subsequent assignment of its interest hereunder, then Tenant shall be released from liability for any obligations accruing after the effective date of such assignment or transfer, as applicable.

Section 19.2 Leasehold Mortgage.

(a) Landlord shall have no obligation to subordinate its fee interest, directly or indirectly, in the Property at any time or under any circumstances. Tenant shall have the right to mortgage, assign, pledge, hypothecate or otherwise encumber all or any portion of Tenant's leasehold interest in the Property as security for any indebtedness or other obligation of Tenant, without Landlord's consent, provided that the amount of indebtedness secured by all Leasehold Mortgages outstanding at any time may not exceed the eighty-five percent (85%) of the then existing fair market value of Tenant's leasehold estate in the Property (provided, in each case, that the indebtedness so secured does not provide for negative amortization). Except as permitted under the foregoing sentence, Tenant shall not mortgage, assign, pledge, hypothecate or otherwise encumber all or any portion of Tenant's leasehold interest in the Property as security for any indebtedness or other obligation of Tenant without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. The execution and delivery of any such mortgage shall not be deemed to constitute an assignment or transfer of this Lease or of any interest herein nor shall any Leasehold Lender, as such, be deemed to be an assignee or transferee of this Lease or of any interest herein so as to require such Leasehold Lender to assume the performance or observance of any of the terms, covenants or conditions on the part of Tenant to be performed or observed hereunder. Except as otherwise specifically set forth herein, each such mortgage shall be subject and subordinate to all of the terms, covenants, conditions and restrictions set forth in this Lease, but shall have the benefits granted to Leasehold Lenders hereunder.

(b) Any Leasehold Lender may enforce its legal rights under its Leasehold Mortgage and acquire title to Tenant's interest in the Property in any lawful manner. If a Leasehold Lender shall acquire title to Tenant's interest in the Property, provided that such Leasehold Lender has remedied all outstanding monetary defaults under the Lease (including, without limitation, by paying Landlord any past due rent or other expenses due from Tenant under the Lease), such Leasehold Lender shall be deemed to be Tenant's successor and assignee under the Lease (notwithstanding anything in this Lease prohibiting or restricting assignment by the Tenant or establishing conditions under which an assignment by the Tenant would be permitted) and shall be entitled to all rights, benefits and privileges of the Tenant under this Lease. In such event, Landlord and Leasehold Lender shall be bound to each other under all of the terms, covenants and conditions of the Lease for the balance of the Term, all without the need to execute any further instruments on the part of Landlord, Tenant or such Leasehold Lender to make such succession and assignment effective and binding upon Landlord; provided, however, that (i) Leasehold Lender or its direct successors or assigns shall not be (1) personally liable for any action or omission of Tenant occurring prior to the date on which such Leasehold Lender acquires title to Tenant's interest in the Property, provided that Landlord shall not be precluded from taking action against Tenant in accordance with the terms of this Lease, or (2) personally bound by amendment or modification of the Lease made without such Leasehold Lender's advance written consent (which consent shall not be unreasonably withheld, conditioned or delayed) or deemed consent, and (ii) notwithstanding (1) and (2) above, Landlord shall not be precluded from exercising any other right under the Lease.

Section 19.3 Subleases. All Subleases of portions of the Property made by Tenant shall contain, and if not included therein shall be deemed to contain, provisions substantially as follows:

> "The tenant covenants and agrees that if, by reason of a default under any underlying lease (including an underlying lease through which the landlord derives its leasehold estate in the Property), such underlying lease and the leasehold estate of the landlord in the premises demised hereby is terminated, the tenant will, at the written request of the then holder of the reversionary interest in the premises demised by this lease, attorn to such holder and will recognize such holder as the tenant's landlord under this lease, provided that such holder must agree not to disturb the tenant's possession and not to terminate this lease. The tenant agrees to execute and deliver, at any time and from time to time, upon the request of the landlord or of the lessor under such underlying lease, any instrument which may be necessary or appropriate to evidence such attornment, and the tenant hereby irrevocably appoints the landlord or such lessor under such underlying lease as the attorney-in-fact of the tenant to execute and deliver for and on behalf of the tenant any such instrument. The tenant hereby further waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give the tenant any right of election to terminate this lease or to surrender possession of the premises demised hereby in the event any proceeding is brought by the lessor under any underlying lease to terminate the same, and agrees that unless and until any such lessor, in connection with any such proceeding, shall elect to terminate this

lease and the rights of the tenant hereunder, this lease shall not be affected in any way whatsoever by any such proceeding.

"This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases (excluding mortgages encumbering fee title to the land and property of which demised premises are a part) and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument of subordination shall be required by any ground or underlying lessor or by any mortgagee, affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, tenant shall execute promptly any certificate that landlord may request."

The Subtenant must also agree to indemnify, defend and hold Landlord harmless to the same extent as provided in Article 18 above. Nothing contained in this Article shall be deemed to prevent Tenant from subleasing the entire Property without the consent of Landlord, provided that the requirements of this Article (including, without limitation, Sections 19.1(b), 19.3 and 19.7, as applicable) are met.

Section 19.4 [Intentionally Deleted].

Section 19.5 Lease Prior. Tenant agrees that Landlord shall have the right, at one or more times during the Term, to encumber the Landlord's Fee Interest and to assign this Lease. However, any Fee Mortgage now or hereafter placed upon the Landlord's Fee Interest by Landlord, its successors or assigns, and all amendments, replacements, renewals and extensions thereof, shall be subject and subordinate to this Lease. For so long as any Fee Mortgage is in effect, provided that Tenant is given written notice thereof and information regarding the provision of notice to the Fee Lender: (i) no amendment to this Lease shall become effective without the written consent of the Fee Lender, which consent shall not be unreasonably withheld, conditioned or delayed, (ii) Tenant shall not terminate this Lease following a default by Landlord unless the Fee Lender is given notice of such default and an opportunity to cure the default, in accordance with the provisions of Section 17.7 hereof as if Tenant were "Landlord" and the Fee Lender were "Leasehold Lender"), (iii) Tenant shall deliver to Fee Lender copies of all notices of default sent by Tenant to the Landlord, concurrently with its delivery of such notices to Landlord; (iv) except with Fee Lender's prior written consent, Tenant shall not prepay Base Rent or Stated Rent for more than one (1) month, (v) Tenant shall attorn to Fee Lender following a foreclosure of the Fee Mortgage and, in connection therewith, Fee Lender shall not disturb Tenant's possession of the Property or be entitled to terminate the Lease (except to the extent the holder of the Landlord's interest under the Lease is entitled to do so in accordance with the terms of the Lease); (vi) following Tenant's receipt from Fee Lender of a demand that Tenant pay all Rent directly to the Fee Lender, Tenant shall comply with such demand, with no duty of inquiry as to the existence of any default under the Fee Mortgage (and Landlord shall hold Tenant harmless from and against any and all claims, demands, costs or other liabilities by reason of Tenant's compliance with such demand); and (vii) upon request made by Fee Lender from time to time, Tenant shall provide (or

shall cause an authorized agent of Tenant to provide), within a reasonable period of time following receipt of such request, an estoppel certificate to Fee Lender, as provided in Section 24.1.

Section 19.6 Tenant's Notice of Default. Tenant agrees to give any Fee Lender, using the same delivery methods set forth in Article 23, a copy of any notice of default served upon Landlord simultaneously with the delivery of notice to Landlord, provided that prior to such notice Tenant has been notified, in writing of the address of such Fee Lenders. Tenant further agrees that if Landlord fails to cure said default within the time period prescribed in this Lease, then such Fee Lender shall have an additional thirty (30) day period to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within said 30-day period such Fee Lender has commenced and is diligently pursuing remedies to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued, provided that Tenant may exercise any other remedy available at law if such default is not cured within ninety (90) days after such notice of default is served upon Landlord.

ARTICLE 20
Appraisal

Section 20.1 Appraisal. In each instance under this Lease where it is necessary to resort to appraisal to determine the fair market value or fair rental value of the Property or this Lease or any part thereof or interest therein, the party desiring such appraisal may serve notice on the other party appointing a Person who is a duly qualified real estate appraiser who is a member of MAI or its equivalent having not less than ten (10) years experience in such capacity in the State with respect to similar mobile home communities, and the other party within fifteen (15) days after service of such notice shall appoint, by notice to the first party, a Person having similar qualifications to act as appraiser on its behalf. If the other party fails to notify the first party of the appointment of the second appraiser within such period of time, the first appraiser shall determine the fair market value. If the two appraisers cannot agree on the fair market value, they shall appoint a third appraiser having similar qualifications. If such two appraisers are unable to agree on such third appraiser within ten (10) days after their appointment, then either party may request such appointment by the local director of the American Arbitration Association from a list of at least ten (10) appraisers jointly selected by Landlord and Tenant or, in the event of his inability, failure or refusal to make such appointment within ten (10) days after the expiration of such 10-day period, either party may apply to a Judge of the courts of the State, in the County in which the Property is located for appropriate legal or equitable relief and the other party shall not raise any objection as to the court's power and jurisdiction to entertain the application and grant appropriate relief. In the event of the failure, refusal or inability to act of any appraiser, his or her successor shall be appointed within ten (10) days by the party which originally appointed him or her (or in the event of such party's failure so to do, or in the case of the third appraiser, his or her successor shall be appointed in the manner hereinbefore provided). The decision of the appraiser so designated shall be conclusive and binding upon the parties. Each party shall pay the fees and expenses of the appraiser appointed by such party and the fees and expenses of the third appraiser shall be borne equally by the parties. If any dispute is to be resolved by arbitration, each Leasehold Lender that has provided notice to the parties that it holds a Leasehold Mortgage shall have the right to participate in such proceeding and shall be given notice of same at least ten (10) days prior to its commencement.

ARTICLE 21
Quiet Enjoyment

Section 21.1 Quiet Enjoyment. Tenant, upon performing and observing the covenants, agreements and conditions of this Lease on its part to be performed and observed, shall and may peaceably and quietly hold, occupy and enjoy the Property during the term of this Lease without hindrance or molestation by or from anyone claiming by, through or under Landlord.

ARTICLE 22
Surrender at End of Term

Section 22.1 Surrender. Upon the expiration or earlier termination of this Lease, or upon a re-entry by Landlord upon the Property pursuant to Article 17, Tenant shall surrender the Property to Landlord together with all Alterations thereto and replacements thereof, in good order and condition, except for reasonable wear and tear, in compliance with all Legal Requirements, and free of all Subleases, occupancies, liens and encumbrances and shall promptly deliver to Landlord all parking lease files, plans, records and registers and all other papers and documents which may be necessary or appropriate for the proper operation and management of the Property, all of which shall, upon such expiration or termination, be and become the sole property of Landlord. Tenant hereby waives any notice now or hereafter required by law in connection with any vacation of the Property. If the Property is not surrendered at the end of the Term or sooner termination thereof, Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Property, including, without limitation, claims made by any succeeding tenants founded on such delay and any reasonable attorneys' fees resulting therefrom. Upon expiration or termination of the Term, title to the personal property located on the Land shall vest in Landlord without further act of the parties. Tenant shall execute any instruments reasonably requested by Landlord to confirm such vesting of title including, without limitation, a bill of sale, quit claim deed or any other instrument of conveyance or otherwise requested by Landlord.

Section 22.2 Tenant Retaining Possession. If Tenant remains in possession of the Property after expiration of the Term, and without the execution of a new lease, but with Landlord's written consent, Tenant shall be deemed to be occupying the Property as a tenant from month-to-month, subject to all the provisions, conditions and obligations of this Lease insofar as the same can be applicable to a month-to-month tenancy, except that the Rent shall be escalated to one hundred fifty five percent (150%) of the Rent payable by Tenant immediately prior to the expiration of this Lease. If Tenant remains in possession after expiration of the Term and without Landlord's written consent, Tenant shall be deemed to be occupying the Property without claim of right, and Tenant shall pay Landlord for all costs arising out of loss or liability resulting from delay by Tenant in so surrendering the Property as above provided and shall pay a charge for each day of occupancy in an amount equal to double the Rent (on a daily basis) payable by Tenant under this Lease immediately prior to the expiration of this Lease.

Section 22.3 Deliveries. On the expiration or earlier termination of this Lease, or upon a re-entry by Landlord upon the Property pursuant to Article 17, Tenant shall deliver to Landlord: (a) executed copies of all Subleases and any service and maintenance contracts then affecting the Property, (b) true and complete maintenance records for the Property, (c) all original licenses and permits then pertaining to the Property, (d) permanent certificates of occupancy (or similar final

approvals of applicable governmental authorities) then in effect for the Improvements, (e) all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment installed in any part of the Property, together with a duly executed assignment thereof to Landlord, and (f) any and all other documents of every kind and nature whatsoever which may be necessary for the maintenance, operation and management of the Property. Tenant and its Subtenants shall be entitled to remove Tenant Furnishings during the Term or upon expiration of the same, or, if the Term shall end prior to the date herein specifically fixed for such expiration, within a period not exceeding thirty (30) days thereafter, and upon the expiration or earlier termination of this Lease, if Landlord so requests, Tenant shall be obligated to so remove the same. Tenant shall repair any and all damage to the Property resulting from or caused by such removal.

ARTICLE 23
Notices

Section 23.1 Notices. All notices and other communications hereunder shall be in writing and shall he deemed to have been properly given or made when sent by United States registered or certified mail, postage prepaid, return receipt requested or by nationally recognized overnight air courier service, or personally delivered to a representative of the receiving party, or sent by facsimile (provided identical notice is also sent simultaneously by mail, overnight courier, or personal delivery as otherwise provided in this Section 23.1) addressed (a) if to the parties, at their respective addresses set forth below:

(i) if to Landlord:

MHC Affordable Housing DST
316 W. 2nd Street, Suite 1104
Los Angeles, California 90012
Attn: Kwame Granderson
Email: kgranderson@mhccapitalllc.com

(ii) if to Tenant:

MHC Affordable Housing ML, LLC
316 W. 2nd Street, Suite 1104
Los Angeles, California 90012
Attn: Kwame Granderson
Email: kgranderson@mhccapitalllc.com

or at such other address as any of such parties may from time to time designate in a notice to the other parties, with copies to any Leasehold Lender that has provided notice to such party that it holds a Leasehold Mortgage, and (b) if to a Leasehold Lender, at such address as such Leasehold Lender may from time to time designate in a notice to Landlord and Tenant complying with the requirements of this Article. Delivery of such notice will be effective upon actual delivery or upon refusal of or inability to deliver.

ARTICLE 24
Estoppel Certificates

Section 24.1 Tenant Certificates. Tenant shall, within fifteen (15) days after notice to Tenant by Landlord, execute, acknowledge and deliver to Landlord and Fee Lender a certificate stating (a) that Tenant knows of no condition or event which constitutes an Event of Default or which, with notice or lapse of time or both, would constitute an Event of Default, or, if any such condition or event exists, specifying the nature and period of existence thereof and what action Tenant is taking or proposes to take with respect thereto, (b) that this Lease is unmodified and in full force and effect (or, if modified, stating the modifications and certifying that as so modified, this Lease is in full force and effect), and (c) such other matters as may be reasonably requested.

Section 24.2 Landlord Certificates. Landlord shall, within fifteen (15) days' after notice to Landlord by Tenant or a Leasehold Lender, execute, acknowledge and deliver to Tenant or such Leasehold Lender, as the case may be, a certificate stating (a) that Landlord knows of no condition or event which constitutes an Event of Default or which, with notice or lapse of time or both, would constitute an Event of Default, or, if any such condition or event exists, specifying the nature and period of existence thereof, (b) that this Lease is unmodified and in full force and effect (or, if modified, stating the modifications and certifying that as so modified, this Lease is in full force and effect), and (c) such other matters as may be reasonably requested.

ARTICLE 25
Limitation of Liability

Section 25.1 Limitation.

(a) Notwithstanding anything in this Lease to the contrary, upon the occurrence of an Event of Default under this Lease, (i) Landlord may proceed solely against Tenant's interest in the Property and the income and profits thereof, (ii) the lien of any judgment so entered by Landlord, or the entry of any decree, against Tenant, its successors and assigns, shall be restricted to the Property and the income and profits thereof including insurance proceeds (subject to the terms of Articles 14 and 16) or condemnation proceeds (subject to the terms of Articles 15 and 16), and (iii) the judgment index and docket will be so noted to the extent permitted by law. Except to the extent otherwise expressly provided in this Lease, no personal liability or responsibility is assumed by or at any time shall be asserted or enforced against Tenant, any trustee, shareholder, officer, or limited or general partner thereof, or their respective heirs, successors or assigns, on account of any covenant, warranty, undertaking or agreement in this Lease contained. The provisions of this Section 25.1(a), however, shall not: (a) limit or impair Landlord's right to terminate this Lease, or Tenant's right of possession, if an Event of Default should occur: (b) limit or impair the enforceability of this Lease; (c) prevent the failure of Tenant to pay or perform its obligations hereunder from constituting an Event of Default; or (d) limit or impair the indemnification obligations of any person obligated under any Sublease.

(b) Notwithstanding anything to the contrary contained in this Lease, it is expressly understood and agreed by and between the parties hereto that: (i) the recourse of Tenant or its successors or assigns against Landlord with respect to any alleged breach by or on the part of Landlord of any representation, warranty, covenant, undertaking or agreement contained in the

Lease or otherwise arising out of Tenant's use of the Property (collectively "**Landlord's Lease Undertakings**") shall extend only to Landlord's Fee Interest and not to any other assets of Landlord; and (ii) except to the extent of Landlord's Fee Interest, no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof is assumed by, or shall be asserted or enforceable against Landlord or any of Landlord's directors, officers, employees, agents, members, managers, partners, beneficiaries, trustees, representatives, successors or assigns. The term "**Landlord**" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners of the Property at the time in question, and in the event of any transfer or conveyance, the then grantor shall be automatically freed and released from all personal liability accruing from and after the date of such transfer or conveyance as respects the performance of any covenant or obligation on the part of Landlord contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall be binding on the Landlord, its successors and assigns, only during and in respect to their respective successive periods of ownership. In the event of a sale or conveyance by Landlord of the Property, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions herein contained and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. This Lease shall not be affected by any such sale or conveyance, and Tenant agrees to attorn to the purchaser or grantee, which shall be personally obligated on this Lease only so long as it is the owner of Landlord's interest in and to this Lease. This Section shall inure to the benefit of Landlord's successors and assigns and their respective principals.

ARTICLE 26
Miscellaneous

Section 26.1 Remedies Cumulative. Subject to Section 25.1(a), the specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may be lawfully entitled in case of any Event of Default. The failure of Landlord to insist in any one or more cases upon the strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Landlord of Rent with knowledge of the occurrence of an Event of Default shall not be deemed a waiver thereof, and no waiver, change, modification or discharge by either party hereto of any provision in this Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party against whom such waiver, change, modification or discharge is sought. In addition to the other remedies in this Lease provided, Landlord shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any of such covenants, conditions or provisions.

Section 26.2 Severability. If any term or provision of this Lease or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 26.3 Successors and Assigns. Subject to the restrictions on transfer contained herein, the covenants and agreements herein contained shall bind and inure to the benefit of Landlord and Tenant, and their respective successors and assigns.

Section 26.4 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 26.5 Short Form Lease. Landlord and Tenant shall execute and deliver, and Tenant shall record at its sole cost, a short form of this Lease in form reasonably acceptable to Landlord, Tenant and Leasehold Lender.

Section 26.6 Utility, Service Agreements. Tenant may grant such utility and service easements with respect to the Property as are reasonably required in connection with the development of the Property in accordance with the terms of this Lease, subject to Landlord's reasonable approval, and Landlord shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other right or privilege upon the written request of Tenant.

Section 26.7 Leasehold Lender a Third Party Beneficiary. The provisions of this Lease which are stated to apply to a Leasehold Lender are for the benefit of such Leasehold Lender and may be relied upon and shall be enforceable by such Leasehold Lender as if such Leasehold Lender were a party to this Lease.

Section 26.8 Broker. Tenant represents and warrants that it has not had any dealings with any realtors, brokers or agents in connection with the negotiation of this Lease and agrees to indemnify, protect, defend (with legal counsel acceptable to Landlord) and hold Landlord harmless from the failure to pay any realtors, brokers or agents and from any cost, expense or liability for any compensation, commission or changes claimed by any other realtors, brokers or agents claiming by, through or on behalf of it with respect to this Lease and/or the negotiation hereof.

Section 26.9 Attorneys' Fees. In the event of any action or proceeding between Landlord and Tenant arising from or relating to the interpretation or enforcement of this Lease or any default hereunder, the prevailing party in such action or proceeding shall be entitled to recover from the other party all of its reasonable attorneys' fees and costs incurred therein, including, without limitation, any costs whether incurred in connection with litigation, mediation, arbitration, other alternative dispute processes, administrative proceedings and bankruptcy proceedings, and any and all appeals from any of the foregoing.

Section 26.10 No Partnership or Joint Venture. This Lease shall not be deemed or construed to create or establish relationship or partnership or joint venture or similar relationship or arrangement between Landlord and Tenant hereunder.

Section 26.11 Entire Agreement. This Lease contains all the agreements and understandings relating to the leasing of the Property and the obligations of Landlord and Tenant in connection with such leasing. Landlord has not made and Tenant is not relying upon any warranties, representations, promises or statements by Landlord or any agent of Landlord except as expressly set forth in this Lease. This Lease supersedes any and all prior agreements and understandings between Landlord and Tenant and alone expresses the agreement of the parties.

Section 26.12 Modifications or Amendments. This Lease can only be modified or amended by an agreement in writing signed by the parties hereto. No receipt of money by Landlord from Tenant or any other person after termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Property shall reinstate, continue or extend the Term or affect any such notice, demand or suit, or imply consent for any action for which Landlord's consent is required, unless specifically agreed to in writing by Landlord. Any amounts received by Landlord may be allocated to any specific amounts due from Tenant to Landlord as Landlord determines. No amendment, modification, restatement or voluntary cancellation of this Lease shall be effective unless approved in writing by each Leasehold Lender then holding a Leasehold Mortgage. Following a default under the Leasehold Mortgage, Landlord shall, at the request of any Leasehold Lender, agree to amend the terms of this Lease from time to time, so long as any such amendment does not change the amount of Rent payable hereunder or the term hereof or otherwise materially adversely affect the rights or increase the obligations of Landlord hereunder.

Section 26.13 Tenant Obligations Survive Termination. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease shall survive the expiration or earlier termination of the Term hereof, including all obligations concerning the condition of the Property.

Section 26.14 Time of Essence. Time is of the essence in the performance of all covenants and conditions of Landlord and Tenant hereunder.

Section 26.15 Electronic Signatures. This Agreement may be executed by the parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the parties, notwithstanding that all the parties are not signatories to the same counterpart. Such counterparts may be exchanged by facsimile transmission, by email delivery of a ".pdf" or similar format data file, or any electronic signature complying with the United States federal ESIGN Act of 2000, e.g., www.docusign.com, and the parties agree that the facsimiled or emailed copies of each party's respective signature(s) shall be binding on such party as if the same were an original signature. At the request of any party, a party executing and transmitting a facsimiled or emailed copy of this Agreement will execute and deliver an executed original of the same to the requesting party.

Section 26.16 Documents. Tenant shall execute a Non-Recourse Carveout Guaranty, an Environmental Indemnity Agreement, and a Collateral Assignment and Subordination of Master Lease in favor of Fee Lender as of the date hereof. Tenant shall deposit all rent received by tenants in a lockbox account in accordance with the Fee Loan Documents and shall enter into an account control agreement with Fee Lender as of the date hereof in connection therewith.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed as of the day and year first above written.

LANDLORD:

MHC AFFORDABLE HOUSING, DST,
a Delaware statutory trust

By: _____
Name: _____
Its: _____

TENANT:

MHC AFFORDABLE HOUSING ML, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT A-1

LEGAL DESCRIPTION

EXHIBIT A-2

LEGAL DESCRIPTION

EXHIBIT A-3

LEGAL DESCRIPTION

EXHIBIT A-4

LEGAL DESCRIPTION

EXHIBIT A-5

LEGAL DESCRIPTION

EXHIBIT A-6

LEGAL DESCRIPTION

EXHIBIT A-7

LEGAL DESCRIPTION

EXHIBIT A-8

LEGAL DESCRIPTION

EXHIBIT A-9

LEGAL DESCRIPTION

EXHIBIT B

PERMITTED EXCEPTIONS

EXHIBIT C

RENT

Lease Year	Base Rent	Annual Gross Stated Rent*	Total Annual Rent	Estimated Annual Gross Stated Rent as % of Equity
Lease Years 1 and 10	The "Annual Note Payments"**	$2,159,067	To be calculated based on total of Base Rent and Stated Rent when determined	6.1%

* Before distribution of Stated Rent to Investors, the Trust will incur Delaware trustee fees, bank fees, tax return preparation charges and other expenses currently estimated to be $25,000 per year.

** "**Annual Note Payments**" shall mean the aggregate payments falling due during each Lease Year under Fee Loan Documents. Notwithstanding the foregoing, if at any time during the Term the amount of the Annual Note Payments or the then-annual debt service, as applicable, changes for any reason (for example, as a result of payment of additional principal, payment in full of any financing affecting the Property, or a resizing of the debt), then in such event the Base Rent and Stated Rent shall be equitably adjusted to take such change into account.

The expected schedule of Rent for the Renewal Terms is as follows:

Renewal Term 1 The Total Annual Rent for each Lease Year of Renewal Term 1 shall be equal to the sum of the Stated Rent for the last Lease Year of the Original Term (calculated on a full year basis) plus the then-annual debt service applicable in each year of Renewal Term 1, with a floor equal to the Total Annual Rental payable during the final Lease Year of the Original Term and a maximum equal to 1.05 times the Total Annual Rental during the final Lease Year of the Original Term.

Renewal Term 2 The Total Annual Rent for each Lease Year of Renewal Term 2 shall be equal to the sum of the Stated Rent for the final Lease Year of the Renewal Term 1 (calculated on a full year basis) plus the then-annual debt service applicable in each year of Renewal Term 2, with a floor equal to the Total Annual Rental payable during the final Lease Year of Renewal Term 1 and a maximum equal to 1.05 times the Total Annual Rental during the final Lease Year of Renewal Term 1.

Renewal Term 3 The Total Annual Rent for each Lease Year of Renewal Term 3 shall be equal to the sum of the Stated Rent for the final Lease Year of the Renewal Term 2 (calculated on a full year basis) plus the then-annual debt service applicable in each year of Renewal Term 3, with a floor equal to the Total Annual Rental payable during the final Lease Year of Renewal Term 2 and a maximum equal to 1.05 times the Total Annual Rental during the final Lease Year of Renewal Term 2.

EXHIBIT D

INSURANCE REQUIREMENTS

Tenant shall at all times maintain, or cause to be maintained, for the mutual benefit of Landlord, Tenant, any Fee Lender and any Leasehold Lender, at all times during the Term, such insurance as shall be required by any Leasehold Lender and any Fee Lender from time to time, provided, however, that Tenant shall, at all times, maintain at a minimum, the following insurance:

(a) Insurance against loss or damage by fire, lightning, wind and such other perils as are included in a standard "all-risk" or "special causes of loss" form and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy. Such insurance shall be in an amount equal to the then full replacement cost of the Improvements, with a full replacement cost endorsement.

(b) Flood insurance if any part of the Improvements are located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994 (and any amendment or successor act thereto) in an amount at least equal to the full replacement cost of the Improvements.

(c) Comprehensive General Liability or Commercial General Liability insurance, including a broad form comprehensive general liability endorsement and coverage for broad form property damage, contractual damages, personal injuries (including death resulting therefrom) and a liquor liability endorsement if liquor is sold on the Property, containing minimum limits of liability of $1 million for both injury to or death of a person and for property damage per occurrence and $2 million in the aggregate, together with not less than $10 million excess and/or umbrella liability insurance, which liability limits will be subject to adjustment not more than once every five (5) years based and such adjustment shall be commercially reasonable for similar projects in the State.

(d) Worker's compensation insurance with respect to any employees of Tenant, as required by any governmental authority or legal requirement.

(e) During any period of repair or restoration, builder's "all risk" insurance.

(f) Rental loss and/or business interruption insurance for a period of 12 months in an amount at least equal to the Rent hereunder. The amount of such rental loss insurance shall be increased from time to time to reflect increased Rent payable hereunder.

All Policies (i) shall be issued by companies approved by Landlord and licensed to do business in the state where the Property is located, with a claims paying ability rating of "A" or better by Standard & Poor's Ratings Services (which requirement shall be deemed satisfied if a reinsurer having the requisite rating issues a "cut-through" endorsement) and a rating of "A:VIII" or better in the current Best's Insurance Reports; (ii) shall be maintained throughout the Term without cost to Landlord; (iii) shall contain a Non-Contributory Standard Beneficiary Clause and

a Beneficiary's Loss Payable Endorsement, or their equivalents, naming Landlord, Fee Lender and any Leasehold Lender as the persons to which all payments made by such insurance company shall be paid; and (iv) shall contain a waiver of subrogation against Landlord, Fee Lender and any Leasehold Lender.

EXHIBIT E

CAPITAL REPAIRS

	Gun River		Parkway Village		Arbor Village		Villager		New Village		Rustic Pines		Brady Hills		Watson		Four Seasons		Total	
HOME																				
Units in Setup/Hookup	5.00	$ 53,000.00	6.0	$ 80,132.00	2.00	$ 3,000.00	0.00		3.00	$ 3,720.00	0.00		0.00		2.00	$ 4,200.00	0.00			
Units in Renovation	0.00		8.0	$ 120,000.00	7.00	$ 105,000.00	18.00	$ 270,000.00	18.00	$ 270,000.00	10.00	$ 150,000.00	9.00	$ 135,000.00	12.00	$ 180,000.00	3.00	$ 45,000.00		
Units on the Market	0.00		0.0		1.00		6.00		1.00		1.00		1.00		0.00		0.00			
Demos	1.00	$ 4,500.00	6.0	$ 27,000.00	1.00	$ 4,500.00	3.00	$ 13,500.00	3.00	$ 13,500.00	0.00	$ -	7.00	$ 31,500.00	13.00	$ 58,500.00	8.00	$ 36,000.00	42	
Sub-Total	**6.00**	**$ 57,500.00**	**20.00**	**$ 227,132.00**	**11.00**	**$ 112,500.00**	**27.00**	**$ 283,500.00**	**25.00**	**$ 287,220.00**	**11.00**	**$ 150,000.00**	**17.00**	**$ 166,500.00**	**27.00**	**$ 242,700.00**	**11.00**	**$ 81,000.00**	155	**$ 1,608,052.00**
New Units																				
Purchase	6.96	**$ 313,200.00**	9.9	**$ 447,300.00**	11.05	**$ 497,250.00**	2.40	**$ 108,000.00**	0.50	**$ 22,500.00**	3.67	**$ 165,150.00**	1.05	**$ 47,250.00**	6.10	**$ 274,500.00**	4.28	**$ 192,600.00**	46	**$ 2,067,750.00**
Setup		$ 119,016.00		$ 203,173.60		$ 165,750.00		$ 35,064.00		$ 7,270.00		$ 46,678.73		$ 16,520.70		$ 95,404.00		$ 52,002.00		**$ 740,879.03**
CAP EX																				
Roads		$ 10,800.00		$ 21,600.00		$ 30,000.00		$ 45,000.00		$ 12,000.00				$ 16,000.00		$ 10,686.00		$ 30,000.00		
Trees		$ 600.00		$ 6,000.00		$ 21,600.00		$ 3,000.00		$ 6,000.00		$ 9,960.00		$ 15,600.00		$ 16,389.00		$ 3,000.00		
Attrition Repairs	5.16	$ 41,280.00	4.23	$ 33,840.00	4.05	$ 32,400.00	3.54	$ 28,320.00	2.49	$ 19,920.00	2.43	$ 19,440.00	4.17	$ 33,360.00	2.97	$ 23,760.00	4.74	$ 37,920.00	29	
General Park Maintenance		$ 25,000.00		$ 25,000.00		$ 25,000.00		$ 15,000.00		$ 25,000.00		$ 25,000.00		$ 25,000.00		$ 25,000.00		$ 25,000.00		
		$ 77,680.00		**$ 86,440.00**		**$ 109,000.00**		**$ 91,320.00**		**$ 62,920.00**		**$ 54,400.00**		**$ 89,960.00**		**$ 75,835.00**		**$ 95,920.00**		**$ 743,475.00**
Ground Lease Reserve																				**$ 750,000.00**
Purchase of Existing Home Portfolio net of floorplan lending																				**$ 2,100,175.00**
																				$ 8,010,331.03
																				Purchase of New Homes all or partially funded by loans (FirstBank, 21st Mor $ (2,067,750.00)
Net Cash at Close																				**$ 5,942,581.03**

EXHIBIT D-1

FINANCIAL FORECAST (DST)

MHC CAPITAL
Real Estate Investments

PRO FORMA

	Year 1	Year 2	Year 3	Year 4	Year 5
INCOME					
Stated Rent	$ 2,159,067	$ 2,159,067	$ 2,159,067	$ 2,159,067	$ 2,159,067
Debt Service	$ 806,000	$ 806,000	$ 1,224,500	$ 1,781,866	$ 1,781,866
	$ 2,965,067	**$ 2,965,067**	**$ 3,383,567**	**$ 3,940,932**	**$ 3,940,932**
EXPENSES					
Debt Service	$ 806,000	$ 806,000	$ 1,224,500	$ 1,781,866	$ 1,781,866
Operating Reserve	$ 32,855	$ 32,855	$ 32,855	$ 32,855	$ 32,855
Miscellaneous	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Total Uses	**$ 888,855**	**$ 888,855**	**$ 1,307,355**	**$ 1,864,721**	**$ 1,864,721**
NET INCOME	**$ 2,076,211**	**$ 2,076,211**	**$ 2,076,211**	**$ 2,076,211**	**$ 2,076,211**
DISTRIBUTION	**$ 2,075,069**	**$ 2,075,069**	**$ 2,075,069**	**$ 2,075,069**	**$ 2,075,069**
CASH ON CASH	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**

EXHIBIT D-2

FINANCIAL FORECAST
(MASTER TENANT)

MHC CAPITAL
Real Estate Investments

CASH FLOW SUMMARY (UNLEVERAGED)

Year Ending			2022	2023	2024	2025	2026
		Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Acquisition Cost		**($31,866)**	$0	$0	$0		
Cap Ex Cost		($6,675)	($313)	($313)	($313)	($313)	$0
Gross Income		**Current**					
Total Projected Market Rents		$4,418	$7,040	$7,251	$7,469	$7,693	$7,924
Other Income (Late Fees, Pets, Etc.)		$49	$50	$52	$53	$55	$57
Add'l Site Rev		$842	$896	$968	$1,021	$1,022	$1,052
Scheduled Base Rental Income		$5,309	$7,986	$8,271	$8,544	$8,769	$9,033
Abandoned Home Site Inc.			$229	$458	$458	$458	$458
Total Potential Gross Revenue		$5,309	$8,215	$8,729	$9,001	$9,227	$9,490
Attrition			($211)	($211)	($211)	($218)	($238)
General Vacancy			($2,172)	($1,871)	($1,737)	($1,789)	($1,843)
Effective Gross Income		$5,309	$5,832	$6,647	$7,053	$7,221	$7,410
Expenses			104.2%	103.4%	106.1%	102.4%	102.6%
Operating Expenses		($2,406)	($2,508)	($2,592)	($2,751)	($2,816)	($2,890)
Offsite Management Fees	5.0%	($265)	($292)	($332)	($353)	($361)	($371)
Total Operating Expenses		($2,672)	($2,799)	($2,924)	($3,103)	($3,177)	($3,260)
% of Effective Gross Income		50%	48%	44%	44%	44%	44%
Net Operating Income		**$2,637**	**$3,033**	**$3,722**	**$3,950**	**$4,044**	**$4,150**
Home Income		$304	$416	$576	$637	$713	$859
Capital Expenditures							
Capital Reserves ($100 per lot)		$0.00	$0	$0	($170)	($170)	($170)
Asset Management Fee	0.25%		($82)	($82)	($82)	($82)	($82)
Cash Flow from Operations:		**($38,541)**	**$3,366**	**$4,216**	**$4,334**	**$4,505**	**$4,756**
Value @ Stabilization					**$92,937**		
Cap Rate @ Stabilization	**4.25%**						

EXHIBIT E

TAX OPINION OF SPECIAL TAX COUNSEL

MHC CAPITAL
Real Estate Investments

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

October 26, 2021

MHC Affordably Housing DST
a Delaware Statutory Trust
c/o MCH Capital II, LLC
316 W. 2nd Street
Suite 1104
Los Angeles, California 90012

Dear Ladies and Gentlemen:

MCH Capital II, LLC, a Delaware limited liability company (the "Company"), and MHC Affordably Housing DST, a Delaware statutory Trust (the "Trust"), have retained Polsinelli PC as special tax counsel to address certain federal income tax consequences and render opinions (the "Opinion") on specific federal income tax issues in connection with the proposed transaction described in the Private Placement Memorandum (the "Memorandum"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined have the meanings set forth in the Memorandum.

In formulating our Opinion, we have reviewed the following documents:

(i) the Trust Agreement of the Trust dated January 29, 2021 (the "Initial Trust Agreement"), entered into between Wilmington Savings Fund Society, FSB, as co-trustee (the "Delaware Trustee"), MHC Affordable Housing Trust Manager, LLC, as co-trustee (the "Signatory Trustee," and together with the Delaware Trustee the "Trustees"), MHC Capital II, LLC, as the initial depositor of the Trust (the "Depositor"), and the Amended Trust Agreement of the Trust dated as of November 1, 2021 (the "Trust Agreement"), entered into between the Delaware Trustee, the Signatory Trustee, MHC Capital DST, LLC, a Delaware limited liability company (the "Initial Beneficiary") and the Investors;

(ii) the Purchase Agreement for the real estate and improvements located at Arbor Village MHC, 7940 S. Circle Dr. Parma, Michigan 49269, Brady Hills MHC, 153 Lilac Lane Slippery Rock, Pennsylvania 16057, Four Seasons MHC, 3 South Outer Dr. Vienna, Ohio 44473, Gun River East MHC, 687 10th St. Plainwell, Michigan 49080, Gun River West MHC, 1066 Miller Rd, Plainwell, Michigan 49080, New

Village Estates MHC, 430 South Byron Homer, Michigan 49245, Parkway Village MHC, 23500 S. Keystone, Clinton Township, MI 48036, Rustic Pines MHC, 17748 Rock Creek Rd., Thompson, Ohio 44086, Villager MHC, 2808 Tod Ave. SW, Warren, Ohio 44485 and Watson MHC, 1362 East M-89, Otsego, Michigan 49078 (collectively, the "Real Estate");

(iii) the draft loan documents (the "Loan Documents") with respect to the loan (the "Loan") between the Trust, as borrower, and KeyBank National Association, as lender (the "Lender");

(iv) the Call Agreement between MHC Capital DST, LLC, a Delaware limited liability company and the Investors (the "Call Agreement");

(v) the Asset Management Agreement between the Trust and MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company (the "Asset Management Agreement"), which is an affiliate of the Sponsor;

(vi) the Ground Lease (the "Master Lease") between the Trust and MHC Affordable Housing ML, LLC, a Delaware limited liability company (the "Master Tenant") and an affiliate of the Sponsor, pursuant to which the Master Tenant will ground lease the Properties from the Trust (the Master Lease, together with items (i) through (v), the "Transaction Document");

(vii) applicable provisions of the Code, final, temporary and proposed Treasury Regulations promulgated thereunder, judicial decisions, Revenue Rulings and other interpretative releases of the IRS; and

(viii) such other materials and documents as we considered relevant.

Our Opinion is expressly based upon certain assumptions, factual information and representations that have been provided to us, including the following: (i) the Interests will be acquired by the Investors directly from the Trust and the Depositor's interest in the Trust will be reduced in proportion to the amount of such acquisitions; (ii) none of the Depositor, the Trust, the Trustees or any Investor has made or will make an election, or has taken or will take any other action, that would cause the Trust to be classified as an association taxable as a corporation or as a partnership for federal income tax purposes; (iii) some or all of the Investors intend to use the proceeds from their sale or exchange of other real estate to acquire the Interests as part of transactions intended to qualify under Code Section 1031; (iv) the Transaction Documents

(without modification) are properly executed and delivered, and are enforceable in accordance with their terms; (v) all parties to the Transaction Documents and their affiliates will comply with all provisions of the Transaction Documents, and will take no action inconsistent with the Transaction Documents or any terms of this Opinion, including amending any Transaction Documents; (vi) there are no other Transaction Documents or other written or oral agreements or understandings inconsistent with or significant to the transactions contemplated herein, and any final Transaction Documents that were not final as of the date of our review will conform with the Transaction Document drafts we have reviewed in all material respects; (vii) all payments made to the Trust, the Trustees, the Master Tenant and the Asset Manager, and their affiliates will be at fair market value; (viii) the fees paid under the Master Lease and the Asset Management Agreement are consistent with the amounts of fees paid for similar services in the same general geographic area for similar services; (ix) the purchase price paid to acquire the Real Estate pursuant to the Purchase Agreement is at fair market value and the terms of the Purchase Agreement reflect arm's length terms; (x) to the knowledge of the Sponsor, the Lender is not related to any Investor, the Master Tenant, the Asset Manager, or any Trustee; (xi) neither the Master Tenant nor any party related to the Master Tenant or any other person holds any option to acquire any of the Real Estate; (xii) none of the Trust, the Trustee, the Master Tenant or the Asset Manager has entered into or will enter into any agreement or understanding with any other person or entity creating an agency or nominee relationship and none of the foregoing has been or will be represented as an agent or nominee of any person or entity in dealings with third parties; (xiii) neither the exchanged property nor the replacement property in any Code Section 1031 exchange involving the Interests is, or at any relevant time has been or will be, tax-exempt use property within the meaning of Code Section 470(e)(4)(A); (xiv) the Asset Management Agreement, when executed by the parties, will have terms substantially similar to those described in the Opinion; (xv) there is no written or oral agreement that would require Depositor to exercise its rights under the Call Agreement nor is Depositor under any economic compulsion to exercise such rights; (xvi) the exercise price set forth in the Call Agreement is reasonably anticipated to be the fair market value of the Interests during the period in which the purchase rights can be exercised by the Depositor under the Call Agreement; and (xv) the Trust has not opted out or will opt out of status as a separate legal entity pursuant to Section 3810(a)(2) of the Delaware Statutory Trust Act. We have assumed the accuracy and completeness of all documents and records that we have reviewed, the genuineness of all signatures, the authenticity of the documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as pro forma or reproduced copies.

Based upon our review of the Transaction Documents and based on the assumptions made herein, it is our opinion that the Investors, as owners of the Interests, should be treated as owning an undivided fractional interest in the Real Estate for purposes of Code Section 1031. Qualification

of a transaction pursuant to Code Section 1031 for an Investor involves issues based on numerous specific facts which are not and cannot be known to us. This Opinion addresses only whether the acquisition of an Interest can be treated as a direct acquisition of the Real Estate for purposes of Code Section 1031 and does not address all of the aspects of qualifying for non-recognition treatment under Code Section 1031.

This Opinion addresses only one aspect of qualifying under Code Section 1031, (i.e., whether the acquisition of an Interest can be treated as a direct acquisition of the Real Estate for purposes of Code Section 1031). We are not opining, among other things, as to whether some portion of the Real Estate may be "personal property" as opposed to "real property" for purposes of Code Section 1031, or as to whether any amounts paid by, or deemed paid by, the Investors with respect to certain costs or expenses of the offering, financing costs, and amounts paid to fund the reserve for capital expenses will be deemed to constitute other consideration received in the exchange or the acquisition of real estate. Finally, this Opinion does not address any state, local or non-United States income tax consequences, or any non-income tax consequences, of the transactions described herein.

DELAWARE STATUTORY TRUST ACT

Chapter 38 of Title 12 of the Delaware Code (the "Delaware Statutory Trust Act" or the "DSTA") provides rules for trusts formed thereunder ("Delaware Statutory Trusts"). Under the DSTA, a Delaware Statutory Trust is an unincorporated association which is created by a trust agreement or other governing instrument under which property is or will be held, managed, administered, controlled, invested, reinvested and/or operated, or business or professional activities for profit are carried on or will be carried on, by a trustee or trustees or as otherwise provided in the governing instrument for the benefit of such person or persons as are or may become beneficial owners or as otherwise provided in the governing instrument.

Section 3801 of the DSTA states that a Delaware Statutory Trust is required to file a certificate of trust in the office of the Secretary of State of the State of Delaware. Section 3810 of the DSTA also provides that unless otherwise provided in its certificate of trust and in its governing instrument, a Delaware Statutory Trust is a separate legal entity. Under Section 3807 of the DSTA, except in the case of a Delaware Statutory Trust that is a registered investment company under the Investment Company Act of 1940, as amended, a Delaware Statutory Trust shall at all times have at least one trustee which, in the case of a natural person, shall be a person who is a Delaware resident or which, in all other cases, has its principal place of business in Delaware. Section 3804 of the DSTA also provides that, unless otherwise provided in its certificate of trust and in its governing instrument, a Delaware Statutory Trust may sue and be sued, and the property of a

Delaware Statutory Trust is subject to attachment and execution as if it were a corporation. Under Section 3803 of the DSTA, except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the beneficial owners shall be entitled to the same limitation of personal liability extended to stockholders of Delaware corporations.

Section 3805 of the DSTA provides that, except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a beneficial owner shall have an undivided beneficial interest in the property of the Delaware Statutory Trust and shall share in the profits and losses of the Delaware Statutory Trust in the proportion (expressed as a percentage) of the entire undivided beneficial interest in the Delaware Statutory Trust owned by such beneficial owner. Section 3805 of the DSTA also provides the following: (i) no creditor of the beneficial owner shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust and (ii) no creditor of the trustee shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust with respect to any claim against, or obligation of, such trustee in its individual capacity and not related to the Delaware Statutory Trust. Section 3808 of the DSTA states that, except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the death, incapacity, dissolution, termination, or bankruptcy of a beneficial owner or a trustee shall not result in the termination or dissolution of a Delaware Statutory Trust. Section 3818 of the DSTA also states that, except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a Delaware Statutory Trust may acquire, by purchase, redemption, or otherwise, any beneficial interest in the Delaware Statutory Trust held by a beneficial owner of the Delaware Statutory Trust.

RELEVANT PROVISIONS IN THE TRUST AGREEMENT AND MASTER LEASE

A. Trust Agreement

Article I provides in part that all Interests in the Trust shall be of a single class.

Section 2.03 provides that the purpose of the Trust is: (i) to acquire and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of the Transaction Documents (as defined in the Trust Agreement); (iii) to conserve, protect, manage and dispose of the Real Estate; and (iv) to take such other actions as the Trustee deems necessary and advisable to carry out the foregoing. Section 2.03 also provides that the Trust shall hold the Trust Property solely for investment purposes (and not for the active conduct of a trade or business), that the Trustees, the Investors and their respective agents shall not provide non-customary services

with respect to the Real Estate, and that the Trust shall conduct no activities other than as specifically provided in Section 2.03.

Section 2.04 states that the Trustees are holding the Trust Property for the benefit of the Investors, subject to the obligations imposed on the Trust under the Master Lease, the Loan Documents and other relevant agreements. Section 2.04 further states that it is the intention of the parties to the Trust Agreement that the Trust constitute a Delaware Statutory Trust and that the Trust does not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. The Trust Agreement also provides that each Investor shall be treated for federal income tax purposes as if it holds a direct interest in the Real Estate and other Trust assets and agrees to report its Interest consistently with such characterization.

Section 2.05(a) prohibits the Trustees and the Investors from causing the Trust to perform any act in contravention of; or constituting an event of default under, the Loan Documents. Section 2.05(b) requires the Trustees and the Investors to maintain the separateness of the Trust by maintaining separate books, records, and bank accounts for the Trust, and holding the Trust out to third parties as a distinct legal entity, in order to prevent a substantive consolidation of the Trust with the bankruptcy of any other person, including any Investor or any affiliate of the Trust.

Section 3.01 provides that any proposed assignment, pledge, encumbrance or transfer by an Investor of part or all of its Interest is subject to the prior consent of the Statutory Trustee.

Section 4.02 directs the Statutory Trustee to distribute all available cash (other than the proceeds from the sale of the Interests) to the Investors in accordance with their "Percentages" (as such term is defined in the Trust Agreement), only retaining funds as required for a reasonable reserve as necessary to pay certain types of anticipated current and future Trust expenses. Undistributed cash may be invested only in short-term government obligations and in certificates of deposit or interest-bearing bank accounts with a bank or trust company having a minimum stated capital. All such obligations must mature prior to the next distribution to Investors and be held to maturity.

Section 5.01(a) states that the Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Investors, and no Investor shall have any liability for debts or obligations of any other Investor, nor have authority to act on behalf of any other Investor with respect to the Trust Property.

Section 5.01(c) provides that at such time as there is more than one Investor who holds Interests (in addition to the Depositor), the Trust "shall not constitute a business entity, but shall

instead constitute an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c) and a grantor trust within the meaning of Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 et seq.).

Section 5.02 provides that the Trust and not the Investors shall have legal title to Trust Property, and the Trust Agreement shall not be terminated by reason of the bankruptcy, death or other incapacity of any Investor, or the transfer by any Investor of any interest in the Trust Property. In addition, Section 5.02 provides that, except as otherwise provided in the Trust Agreement, the Investors shall not be liable for any liabilities or obligations of the Trust or the Trustees or for the performance of the Trust Agreement.

Section 5.04 provides that Investors do not have the right to demand or receive an in-kind distribution of the Trust Property from the Trust.

Section 5.07 provides that the Investors shall only have the right to receive distributions from the Trust as a result of the ownership or sale of Real Estate and shall not have the right or power to: (i) contribute additional assets to the Trust; (ii) be involved in any manner in the operation or management of the Trust or its assets; (iii) cause the Trust to negotiate or re-negotiate loans or leases; or (iv) cause the Trust to sell its assets and re-invest the proceeds of such sale.

Section 6.04 provides that the Trustees shall manage, control, dispose of or otherwise deal with the Trust Property, subject to the restrictions required by the Loan Documents or as otherwise provided in the Trust Agreement.

Section 7.02 authorizes the Statutory Trustee to take all actions necessary to conserve and protect the Trust Property, including, but not limited to: (a) acquiring, owning, conserving, protecting, and selling the Real Estate; (b) entering into and complying with the Master Lease, the Loan Documents and the other Transaction Documents; (c) conserving and maintaining the Real Estate in a manner consistent with the Trust's obligations under the Master Lease; (d) making distributions to the Investors; (e) entering into agreements for purposes of completing tax-free exchanges of real property with a qualified intermediary as defined in the Treasury Regulations under Section 1031 of the Code; (f) notifying the parties of any default in the Transaction Documents; and (g) re-negotiating the existing leases or entering into new leases with respect to the Real Estate or refinancing any debt secured by the Real Estate, but solely to the extent necessitated by the bankruptcy or insolvency of a Master Tenant.

Section 7.03 prohibits the Trustees from taking the following actions, if the effect of such actions would be that such actions constitute the exercise of a power under the Trust Agreement

to "vary the investment of the certificate holders" under Treasury Regulation Section 301.7701-4(c)(1): (a) acquire real estate, other than the Real Estate, or reinvest any monies from the sale of any of the Real Estate except in accordance with Section 4.02 of the Trust Agreement; (b) renegotiate the Loan, enter into new mortgage financing, renegotiate the Master Lease or enter into new leases except in the case of the Master Tenant's bankruptcy or insolvency; (c) make, other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Investors or any new investors in the Trust except as provided for in connection with the initial capitalization pursuant to the Memorandum; or (e) take any other action that in the reasoned opinion of tax counsel to the Trust should be expected to cause the Trust to be treated as a "business entity" for federal income tax purposes.

Sections 9.01 provides that the Trust will dissolve in accordance with Section 3808 of the Delaware Statutory Trust Act, and that each Investor's share of the Trust Property shall be distributed to the Investors pro rata in proportion to each Investor's percentage interest in the Trust, at the earlier of (a) December 31, 2069, or (b) upon the sale or other disposition of all of the Real Estate, provided that no obligation under the Loan Documents remains outstanding.

Sections 9.02 and 9.03 provide that, notwithstanding Section 9.01, if: (i) the Real Estate, or any portion thereof, is in jeopardy of being foreclosed upon due to a default on the Loan, (ii) the Real Estate, or any portion thereof, is subject to a casualty, condemnation or similar event that is not adequately compensated through insurance or otherwise sufficient to permit restoration of the Real Estate to the same condition as previously existed, or (iii) the Signatory Trustee determines that the Trust is at risk of losing all or a substantial portion of its investment in the Real Estate, and with respect to the events described in clauses (i), (ii), and (iii) above, the Signatory Trustee is prohibited from taking actions to cure or mitigate such events by reason of the restrictions set forth in Section 7.03 of the Trust Agreement, the Signatory Trustee shall terminate the Trust pursuant to Section 9.03. Under Section 9.03, if the Loan is outstanding and the Loan Documents prohibit a direct distribution of the Real Estate to the Investors, the Signatory Trustee will terminate the Trust by converting it into (or otherwise effecting the transfer of the Real Estate to) a Delaware limited liability company (the "Operating LLC") and converting or exchanging the Interest for an equivalent membership interest in the Operating LLC.

B. Master Lease

Prior to the closing of the Trust's acquisition of the Real Estate pursuant to the Purchase Agreement, the Master Tenant will acquire all of the personal property located in the real estate that is owned by the existing tenants (the "Master Tenant Property").

The subject of the Master Lease will be a ground lease of the Real Estate. The Master Lease provides that the initial term of the Master Lease is ten years, and that the Master Tenant has the option to renew the Master Lease (upon the terms and conditions set forth in the Master Lease and the Loan Documents) for three successive renewal terms of five years each.

The Master Lease sets forth the agreement of the Trust and the Master Tenant that the Master Lease is a true lease and not a financing arrangement, partnership, joint venture, management or other arrangement, and that all record keeping and reporting with respect to the Master Lease will be consistent therewith.

Under the Master Lease, the amount of rent payable for a year is equal to: (i) a base amount (the "Base Rent") equal to a specifically stated, nonadjustable amount; and (ii) an additional amount (the "Stated Rent") which, for each year, is the amount set forth on Exhibit B of the Master Lease.

The Master Lease provides that the Master Tenant may defer (but not eliminate) its obligation to pay Stated Rent so long as the Master Tenant pays all Base Rent and all Operating Costs and Impositions relating to the Real Estate. Any such deferred Stated Rent will bear interest at a rate of 5% per year, and is required to be paid no later than 91 days after the Loan is repaid or the Real Estate is sold or exchanged by the Trust.

Under the Master Lease, the Master Tenant is required, at its own cost, to acquire and maintain insurance in respect of the Real Estate in the amounts and against the risks described in the Loan Documents for the duration of the Master Lease.

In addition, the Master Tenant is responsible for all maintenance, repair and replacement with respect to the Real Estate at its own expense. The Loan Documents will require the Master Tenant to fund a reserve for capital expenses for which the Master Tenant is responsible under the Master Lease in the amount of $5,200,000 (the "Capital Expense Reserve"). The Capital Expense Reserve will be deposited in an account with the Lender. The Trust will establish a reserve to fund costs for which the Trust is responsible (the "Operating Reserve"). To the extent the Master Tenant uses reserves to pay expenses that are not the responsibility of the Trust, the Master Tenant will be required to replenish the Operating Reserve prior to the Trust's sale of the Real Estate.

The Master Lease provides that the if Master Tenant bears an expense that is an obligation of the Trust under the Master Lease, the Master Tenant may reduce Stated Rent in order to recover such advances and that any unreimbursed advances are required to be repaid to the Master Tenant

out of the proceeds of the sale or exchange of the Real Estate (if not fully reimbursed by the time of such sale).

The Master Tenant has the sole and exclusive right to manage, lease, operate, repair and maintain the Real Estate during the term of the Master Lease. Under the Master Lease, the Master Tenant may enter into subleases of the Real Estate with subtenants, but may not assign its rights and obligations under the Master Lease to any other person without the consent of the Trust. Master Tenant may not mortgage or otherwise pledge its interest in the Master Lease or in the amounts it receives from subtenants, except as required by the Lender in connection with its Loan to the Trust secured by the Real Estate.

Under the Master Lease, if any "Event of Default" occurs, the Trust can give notice of such default and terminate the Master Lease after giving notice. Pursuant to Section 16.01, an "Event of Default" includes, but is not limited to: (a) the failure by the Master Tenant to pay Rent; (b) the filing by the Master Tenant of a voluntary bankruptcy petition or the adjudication of the Master Tenant as a bankrupt or insolvent; (c) the mortgage or pledge by the Master Tenant of its interest in the Master Lease; (d) the termination by the Master Tenant of its business; or (e) any act or omission of the Master Tenant that results in the breach of any indenture, deed of trust, mortgage or similar instrument to which the Trust is a party or to which the Real Estate is bound or may be affected.

C. Call Agreement

The Call Agreement will be entered into by the Initial Beneficiary and each Investor. Under the Call Agreement, the Initial Beneficiary will have the right, but not the obligation to purchase all of the Interests held by an Investor (the "Call Right") during the period that begins on the third anniversary of the date on which the first investor acquires an interest, and ends on the fifth anniversary of such date (the "Exercise Period"). Under the Call Agreement, if the Call Right is not exercised during the Exercise Period, the Initial Beneficiary's rights under the Call Agreement are automatically terminated.

The Call Agreement provides that if the Call Right is exercised during the Exercise Period, the closing on the Initial Beneficiary's purchase of the Interest must occur within ninety (90) days from the date on which the Initial Beneficiary delivers written notice of its exercise of the Call Rights to the Investor (which must be within the Exercise Period. At the closing, the purchase price to be paid by the Initial Beneficiary in exchange for the Interest to be acquired pursuant to the Call Agreement is the amount required to provide the Investor with a ten and one-half percent (10.5%) internal rate of return on the purchase price paid by the Investor to acquire in Interest in the Offering (the "Exercise

Price"). We have assumed that there is no agreement or other circumstances that would compel the Initial Beneficiary to exercise the Call Rights. We have also assumed that Exercise Price is reasonably anticipated to be the fair market value of the Interests during the Exercise Period.

TAX ANALYSIS

Treatment of the Interests as Qualified Property for Purposes of Code Section 1031

Code Section 1031 provides that no gain or loss is recognized on the exchange of property held for productive use in a trade or business or for investment if such property is exchanged solely for property of like kind which is to be held either for the productive use in a trade or business or for investment.

Code Section 1031 does not apply to certain types of property, including stocks, bonds, notes, other securities or evidences of indebtedness or interest, partnership interests and certain trust interests. However, even though these types of interests do not qualify for like-kind exchange treatment, an exchange of such interests may still qualify under Code Section 1031 if the tax law disregards or looks through the legal form of ownership and treats the owner of the interests as directly owning the real property underlying such interests.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming other requirements of Code Section 1031 are satisfied, a taxpayer may exchange real property for a beneficial interest in a Delaware statutory trust such as the trust described in the ruling (the "DST") in a tax-free exchange under Code Section 1031. The holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the provisions of the trust agreement of the DST, although not all the facts described in the ruling are crucial to its holding. The facts as described in Revenue Ruling 2004-86 are as follows:

On January 1, 2005, A, an individual, borrows money from BK, a bank, and signs a 10-year note bearing adequate stated interest, within the meaning of Code Section 483. On January 1, 2005, A uses the proceeds of the loan to purchase Blackacre, rental real property. The note is secured by Blackacre and is nonrecourse to A.

Immediately following A's purchase of Blackacre, A enters into a net lease with Z for a term of 10 years. Under the terms of the lease, Z is to pay all taxes, assessments, fees, or other charges imposed on Blackacre by federal, state, or local authorities. In addition, Z is to pay all insurance, maintenance, ordinary repairs, and utilities relating to Blackacre. Z may sublease Blackacre. Z's rent is a fixed amount that may be adjusted by a formula described in the lease

agreement that is based upon a fixed rate or an objective index, such as an escalator clause based upon the Consumer Price Index, but adjustments to the rate or index are not within the control of any of the parties to the lease. Z's rent is not contingent on Z's ability to lease the property or on Z's gross sales or net profits derived from the property.

Also on January 1, 2005, A forms DST, a Delaware statutory trust described in the Delaware Statutory Trust Act, Del. Code Ann. title 12, §§ 3801 - 3824, to hold property for investment. A contributes Blackacre to DST. Upon contribution, DST assumes A's rights and obligations under the note with BK and the lease with Z. In accordance with the terms of the note, neither DST nor any of its beneficial owners are personally liable to BK on the note, which continues to be secured by Blackacre.

The trust agreement provides that interests in DST are freely transferable. However, DST interests are not publicly traded on an established securities market. DST will terminate on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but will not terminate on the bankruptcy, death, or incapacity of any owner or on the transfer of any right, title, or interest of the owners. The trust agreement further provides that interests in DST will be of a single class, representing undivided beneficial interests in the assets of DST.

Under the trust agreement, the trustee is authorized to establish a reasonable reserve for expenses associated with holding Blackacre that may be payable out of trust funds. The trustee is required to distribute all available cash less reserves quarterly to each beneficial owner in proportion to their respective interests in DST. The trustee is required to invest cash received from Blackacre between each quarterly distribution and all cash held in reserve in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee is permitted to invest only in obligations maturing prior to the next distribution date and is required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner has the right to an in-kind distribution of its proportionate share of trust property.

The trust agreement provides that the trustee's activities are limited to the collection and distribution of income. The trustee may not exchange Blackacre for other property, purchase assets other than the short-term investments described above, or accept additional contributions of assets (including money) to DST. The trustee may not renegotiate the terms of the debt used to acquire Blackacre and may not renegotiate the lease with Z or enter into leases with tenants other than Z, except in the case of Z's bankruptcy or insolvency. In addition, the trustee may make only minor non-structural modifications to Blackacre, unless otherwise required by law. The trust agreement

further provides that the trustee may engage in ministerial activities to the extent required to maintain and operate DST under local law.

On January 3, 2005, B and C exchange Whiteacre and Greenacre, respectively, for all of A's interests in DST through a qualified intermediary, within the meaning of Treasury Regulation Section 1.1031(k)-1(g). A does not engage in a Code Section 1031 exchange. Whiteacre and Greenacre were held for investment and are of like kind to Blackacre, within the meaning of Code Section 1031.

Neither DST nor its trustee enters into a written agreement with A, B, or C, creating an agency relationship. In dealings with third parties, neither DST nor its trustee is represented as an agent of A, B, or C.

BK is not related to A, B, C, DST's trustee or Z within the meaning of Code Section 267(b) or Code Section 707(b). Z is not related to B, C, or DST's trustee within the meaning of Code Section 267(b) or Code Section 707(b).

The IRS's conclusions in Revenue Ruling 2004-86 were as follows:

(1) The Delaware statutory trust described above is an investment trust, under Treasury Regulation Section 301.7701-4(c), that will be classified as a trust for federal tax purposes.

(2) A taxpayer may exchange real property for an interest in the Delaware statutory trust described above without recognition of gain or loss under Code Section 1031, if the other requirements of Code Section 1031 are satisfied.

The IRS noted that, under the facts of the Revenue Ruling 2004-86, if the DST's trustee had the power to do one or more of the following acts, it would be classified as a partnership or other business entity for federal income tax purposes: (i) dispose of Blackacre and acquire new property; (ii) renegotiate the lease with Z or enter into leases with tenants other than Z; (iii) renegotiate or refinance the obligation used to purchase Blackacre; (iv) invest cash received to profit from market fluctuations; or (v) make more than minor non-structural modifications to Blackacre not required by law.

In addition, the DST would not have qualified as an "investment" trust had it been able to (a) accept additional contributions of new cash or assets from existing or new owners, or (b) invest reserves and cash in investments other than short term government obligations, certificates of

deposit or interest bearing accounts that are held to maturity and that mature prior to the distribution of cash to the DST's owners.

Various facts in Revenue Ruling 2004-86 in our view are not determinative of the outcome, including (a) that Blackacre was subject to the note and lease prior to being contributed to the DST, (b) that each owner had a right to an in-kind distribution of the DST's property, and (c) that the persons who acquired interests in the DST pursuant to exchanges under Code Section 1031 acquired their interests indirectly from the original owner of the DST, rather than the DST itself.

In determining whether an Investor's acquisition of an Interest should be treated as the direct acquisition of the Real Estate for purposes of Code Section 1031, we have analyzed the following issues: (i) whether the Trust should be recognized an entity separate from its owners for federal income tax purposes; (ii) whether the Trust should be treated as an "investment trust" under Treasury Regulation Section 301.7701-4(c)(1); (iii) whether the Trust should be treated as a grantor trust for federal income tax purposes; (iv) whether the Master Lease adversely affects the Trust's status for federal income tax purposes; (v) whether the Fees to be paid under the Asset Management Agreement adversely affects the status for federal income tax purposes; (vi) whether the status of the Trust for federal income tax purposes is adversely affected by the application of various judicially created substance-over-form doctrines.

1. Classification of the Trust as an Entity Separate from the Investors for Federal Income Tax Purposes

The conclusion reached in Revenue Ruling 2004-86 is based upon the finding that the DST was an "investment trust" under Treasury Regulation Section 301.7701-4(c)(1). As a threshold issue, we cannot reach the conclusion that the Trust should be treated as an "investment trust" under Treasury Regulation Section 301.7701-4(c)(1) unless the Trust is recognized an entity separate from its owners for federal income tax purposes.

Under Treasury Regulation Section 301.7701-1(a)(1), whether an organization is an entity separate from its owners for federal tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law. Revenue Ruling 2004-86 states that, generally, when participants in a venture form a state law entity and avail themselves of the benefits of that entity for a valid business purpose, such as investment or profit, and not for tax avoidance, the entity will be recognized for federal income tax purposes.

Whether the Trust is treated as an entity separate from the Investors for federal income tax purposes depends upon its treatment under local law and the nature of the relationships created among the parties to the Trust pursuant to the Trust Agreement.

In Revenue Ruling 2004-86, after describing certain relevant provisions of the Delaware Statutory Trust Act, and after observing that the DST was "formed for investment purposes," the IRS concluded that the DST was an entity for federal income tax purposes. We believe that the Trust is substantially similar to the DST described in Revenue Ruling 2004-86. First, and most importantly, both the DST and the Trust are Delaware statutory trusts, subject to the provisions of the Delaware Statutory Trust Act. Second, Section 2.03 of the Trust Agreement provides that the purposes of the Trust are to acquire, conserve, protect, hold and manage the Real Estate for investment purposes, and to dispose of the Real Estate, which is consistent with the purpose of the DST in Revenue Ruling 2004-86 (i.e., "to hold property for investment"). Third, Sections 5.01(a) and 5.02 of the Trust Agreement provide that the Investors are not liable for any liabilities or obligations of the Trust or the Trustees or for the performance of the Trust Agreement; this provision is similar to provisions in the DST's trust agreement. Fourth, consistent with the DST's trust agreement, the Trust Agreement of the Trust does not purport to create an agency relationship between the Investors, on the one hand, and the Trust or the Trustees, on the other. Accordingly, the Trust should be treated as an entity separate from the investors for federal income tax purposes.

2. Classification of the Trust as "Investment" Trust Rather than as a Business Entity for Federal Income Tax Purposes

As noted above, the underlying rational of the conclusion reached in Revenue Ruling 2004-86 is that the DST was treated as an "investment trust" under Treasury Regulation Section 301.7701-4(c)(1). Under Treasury Regulation Section 301.7701-4(b), a trust may be classified as a business entity if it is an arrangement for profit-making activity with such activity being conducted either by the trustees (when the trust agreement expressly authorizes the trustee to engage in such activity) or by the beneficiary (when the trustee is merely an agent of the beneficiary and the beneficiary directs the trustee to engage in such activity). Treasury Regulation Section 301.7701-4(c)(1) provides on the other hand that a trust will be treated as an "investment" trust and not as a business entity if it has "a single class of ownership interests, representing undivided beneficial interests in the assets of the trust," and "there is no power to vary the investment of the certificate holders."

The DST in Revenue Ruling 2004-86 was held to be an "investment" trust and not a business entity. The courts and the IRS have considered the distinctions between an "investment" trust and a business entity on several other occasions.

In Commissioner v. Chase National Bank, 122 F. 2d 540 (2d Cir. 1941), a depositor transferred "units" consisting of the common stock of several corporations to a trust, and then sold those trust certificates to investors. The trustee was vested with all the rights of ownership of the shares except that the depositor controlled the voting rights of the shares and the trust instrument governed and restricted the disposal of the shares. Under the terms of the trust instrument, property deposited into the trust was held until some disposition of it was made consistent with the terms of the trust instrument. Further, distributions of currently available funds were required. No purchases were to be made by the trustee by way of reinvestment of funds or otherwise. The IRS argued that the trust was taxable as a corporation for federal income tax purposes. The court rejected the IRS's argument, holding that because the trust agreement required the trust property "to be held for investment and not to be used as capital in the transaction of business for profit like a corporation organized for such a purpose," the trust was prevented from becoming more than a "strict investment" trust. Id. at 543.

In Commissioner v. North American Bond Trust, 122 F.2d 545 (2d Cir. 1941), cert. denied, 314 U.S. 701 (1942), an opinion issued by the Second Circuit on the same day that it issued the Chase National Bank opinion, the court reached a different conclusion regarding the treatment of a trust for federal income tax purposes. In contrast to the terms of the trust instrument in the Chase National Bank case, the terms of the trust instrument in North American Bond Trust accorded the depositor the power "to take advantage of market variations to improve the investments of even the first investors." Id. at 546. This power arose in two ways. First, in making up new units, the depositor was not confined to the same bonds he had selected for the previous units. Second, the bonds of all units constituted a single pool in which each certificate holder shared according to his proportion of all the certificates issued. As a result, the money from new investors could be used to purchase new bond issues which would in turn reduce the existing certificate holders' interests in the old bond issues. Based on these facts, the court held that the depositor "had power, though a limited power, to vary the existing investments of all certificate holders at will..." (Id.), and accordingly that the trust was an association taxable as a corporation.

Revenue Ruling 75-192, 1975-1 C.B. 384, concerned a trust agreement that required the trustee to invest cash on hand between quarterly distribution dates in short term government obligations or in certificates of deposit issued by banks with minimum stated surplus and capital that mature prior to the following distribution date. The IRS concluded that, because the trust agreement restricted the trustee to a fixed return similar to that earned on a bank account, there was no opportunity to profit from market fluctuations. Accordingly, the power to invest in short term instruments described in Revenue Ruling 75-192 is not a power to vary a trust's investment.

In Revenue Ruling 79-77, 1979-1 C.B. 448, the IRS ruled that a trust formed to hold real property was an ordinary trust under Treasury Regulation Section 301.7701-4(a) and a "grantor trust" within the meaning of Subpart E of Subchapter J, Chapter 1 of the Code (i.e., Code Section 671 et seq.), and not a "business entity" within the meaning of Treasury Regulation Section 301-7701-4(b) (e.g., a partnership or an association taxable as a corporation), where the trustee's duties were limited to the following: (i) holding title to real estate; (ii) at the direction of the beneficiaries, signing a 20-year "triple net" lease (with renewal options) for the real estate; (iii) enforcing the lease; (iv) signing such other agreements as are approved by the beneficiaries; (v) approving minor alterations to the real estate; and (vi) distributing net income of the trust to the beneficiaries on a quarterly basis.[1]

In other situations, however, the IRS has determined that an arrangement formed to hold real estate was properly classified as a business entity. For example, in Revenue Ruling 78-371, 1978-2 C.B. 344, the heirs to certain real estate established a trust and transferred to the trust real estate subject to a net lease. The trust agreement expressly authorized the trustees to acquire additional real estate, to sell assets of the trust, to invest such sales proceeds in certain types of financial products, to borrow money, to mortgage and lease the trust property, and to build or remove improvements from the trust property without the knowledge or consent of the owners of the trust. The IRS concluded that the trustee's power to engage in extensive real estate operations and to invest the sales proceeds in financial products indicated that that the trust was not formed merely to protect and conserve the trust's property and ruled that the trust was taxable as a corporation.

Revenue Ruling 78-371 should be contrasted with Revenue Ruling 75-374, 1975-2 C.B. 261. In this ruling, the IRS addressed the level of joint business activity that would cause co-owners of real estate to be viewed as partners for tax purposes. The co-owners of an apartment project hired an unrelated management company to manage the apartment project; the management company negotiated and executed the leases for the apartment units, collected rents and other payments from tenants, and paid taxes, assessments and insurance premiums relating to the project. The management company performed (i) all services customarily performed in connection with the maintenance and repair of the apartment project (such as providing heat, air

1 See also Private Letter Ruling 9352008 (September 29, 1993), in which the IRS ruled that an ownership interest in real estate was merely an ownership interest in the real estate and not a partnership interest where the real estate was subject to a triple net lease: "mere co-ownership of an interest in real property without providing more than the customary services of maintenance and repair and collecting of rents will not render a co-ownership a partnership . . [The real estate] is already subject to a net lease, under which the lessee is responsible to pay all insurance premiums, general real estate taxes and special assessments, most of the utility expenses and a significant portion of the repair costs . . Therefore, co-ownership of [the real estate] . . . is not, in and of itself, a partnership."

conditioning, hot and cold water, unattended parking, normal repairs, trash removal and cleaning of service areas), and (ii) certain additional services such as attended parking, gas, electricity and other utilities. Customary tenant services were furnished by the management company to the tenants at no additional charge above the basic rental payments. The management company paid the costs incurred in providing the additional services and retained the charges paid by the tenants. The ruling concluded that the co-owners were not partners for tax purposes because the furnishing of customary services in connection with the maintenance and repair did not render the co-ownership a partnership. The IRS also found that the management company was not an agent of the co-owners because the co-owners did not share any of the profits realized from the rendition of the non-customary additional services by the management company. Based on IRS's conclusions in Revenue Ruling 75-374, Revenue Ruling 78-371 should not be applicable to situations in which owners of real estate (whether direct or indirect) share only in the proceeds from customary services provided to tenants.

We believe that the arrangements provided for under the Trust Agreement and the Master Lease are similar to the arrangements described in Chase National Bank and Revenue Rulings 2004-86, 79-77 and 75-192, and are distinguishable from the arrangements discussed in North American Bond Trust and Revenue Ruling 78-371. The Trust satisfies the "one class of interests" requirement because Article I of the Trust Agreement expressly states that the Interests are all of one class. Section 2.03 of the Trust Agreement provides that the Real Estate is held for investment purposes only and not for the active conduct of a trade or business, and that the Trust will only engage in activities that constitute customary services in connection with the maintenance and repair of the Real Estate. Section 2.04 of the Trust Agreement provides that (i) the Real Estate is held for the benefit of the Investors, (ii) it is the intention of the Trustees and the Investors that the Trust not constitute a business entity for tax purposes, and (iii) each Trustee and Investor agrees not to take any action inconsistent with the foregoing. Section 4.02 of the Trust Agreement requires the Trustees to distribute available cash monthly, and permits the Trustees to only invest cash in instruments described in Revenue Rulings 75-192 and 2004-86. Section 5.01(c) of the Trust Agreement provides that, from and after the admission of the first Investor (other than the Initial Beneficiary) to the Trust, the Trust "shall not constitute a business entity for federal tax purposes, but shall instead constitute an investment trust pursuant to Treasury Regulation Section 301.77014(c)." Section 7.03 of the Trust Agreement provides that, notwithstanding any other provision of the Trust Agreement, the Trustees shall not take certain specified actions, on their own behalf or on the instruction of the Investors, if the effect of such action would be to "vary the investment" of the Investors under Treasury Regulation Section 301.7701-4(c)(1). The Master Lease should be treated as a "triple net" lease pursuant to which the Master Tenant is responsible for all insurance (other than insurance that relates to Capital Expense items for which the Trust is responsible under the Master Lease), maintenance, ordinary repairs and utilities, and the Master Lease may not be

renegotiated unless the tenant becomes bankrupt or insolvent. Thus, the Trust should be treated as an "investment trust" for purposes of Treasury Regulation Section 301.7701-4(c)(1).

We have considered the differences between the facts with respect to the Trust and the facts set forth in Revenue Ruling 2004-86 and have concluded that such differences should not affect the classification of the Trust as an "investment" trust under Treasury Regulation Section 301.7701-4(c)(1).

A first potentially meaningful difference between the facts with respect to the Trust and the facts of Revenue Ruling 2004-86 is that Sections 9.02 and 9.03 of the Trust Agreement of the Trust directs the Signatory Trustee to terminate the Trust by converting it into a limited liability company and converting the interests into membership interests in the limited liability company in certain limited circumstances described therein, which are outside the control of the Signatory Trustee and which generally relate to the occurrence of events that threaten the Real Estate and that cannot be addressed by the Signatory Trustee due to the tax law limitations imposed on the actions of the Trust.

A second potentially meaningful difference between the facts with respect to the Trust and the facts of Revenue Ruling 2004-86 is that the Sponsor and/or certain principals of the Sponsor are expected to guarantee agreement with the Lender, pursuant to which the Sponsor and/or certain principals of the Sponsor, will guarantee certain obligations of the Trust with respect to the Loan in the event certain acts occur that are within the control of the Sponsor or its affiliates, including certain environmental liabilities. The payment obligations under the guarantee are triggered only upon the occurrence of certain events and are not an absolute guarantee of repayment of the Loan. We do not believe that the obligations imposed on the Sponsor and/or certain principals of the Sponsor should be treated as a loss sharing arrangement that would be treated as creating a partnership between a Trust (or the Investors) and the Sponsor (or its affiliates) for income tax purposes, or should otherwise be treated as compelling additional capital to be contributed to a Trust in the event the guaranty is triggered.

A third potentially meaningful difference between the facts with respect to the Trust and the facts of Revenue Ruling 2004-86 is that Sections 7.01(c) of the Trust Agreement provides that the Signatory Trustee (rather than the Trust) holds bare legal title to the Real Estate. This structure is in place for the sole and exclusive purpose of satisfying certain state law requirements that are resolved if bare legal title to property beneficially owned by a trust is held by a trustee of the trust. The Trust Agreement makes clear that the Signatory Trustee holds such bare legal title for the benefit of the Trust, and that the Signatory Trustee disclaims any tax, legal, or equitable interest in the Real Estate other than the interest in bare legal title to the Real Estate as is necessary to satisfy

applicable state law. In our view, this arrangement has no meaningful impact on the beneficial ownership of the Real Estate for tax purposes, and the Real Estate should be treated as beneficially owned by the Trust (and by the Investors) and not by the Signatory Trustee. Furthermore, such "trustee-as-titleholder" arrangements are expressly contemplated in the Treasury Regulations underlying the classification of fixed investment trusts. Accordingly, this arrangement has no impact on our opinion that an Interest should be treated as a direct interest in the Real Estate for purposes of Code Section 1031. See Treasury Regulation Section 301.7701-4(c)(2), Example (2) (trust classified as a trust where the "trustee holds bare legal title to the ... pool for the benefit of the certificate holders ....").

A fourth potentially meaningful difference between the facts with respect to the Trust and the facts of Revenue Ruling 2004-86 is that the Trust owns multiple properties whereas the DST in the Ruling owned a single property. We do not believe that multiple properties respectively subject to the Master Lease converts the arrangements here in question from the conservation of property for beneficiaries of ordinary trusts into the conduct of business by a business trust.

The differences described in the preceding paragraphs should not affect the classification of the Trust as an investment trust under Treasury Regulation Section 301.7701-4(c)(1) because such differences do not cause the Trust to have more than a single class of ownership interests and do not create a power to vary the investment of the Investors in the case of the Trust since they do not enable the Trust or any person acting on behalf of the Trust to take advantage of market fluctuations to improve the investment of the Investors.

3. Classification of the Trust as a "Grantor Trust" for Federal Income Tax Purposes

In Revenue Ruling 2004-86, the conclusion that the owners of the beneficial interests in the DST are , for federal income tax purposes, treated as owning a direct interest in the property held by the DST was based on the determination that the DST satisfied the Code requirements for qualification as a grantor trust. Under Code Section 671 et seq., where a grantor is treated as the owner of any portion of a trust (commonly referred to as a "grantor trust"), the grantor takes into account for federal income tax purposes the income and deductions which are attributable to that portion of the trust.

A grantor trust includes an organization that is properly classified as a trust for federal income tax purposes if the income of the organization may be distributed or held or accumulated for future distribution to the grantor in the discretion of the grantor or a nonadverse party or without the approval or consent of an adverse party. For this purpose, an adverse party is any person having

a substantial beneficial interest in the trust which would be adversely affected by the exercise or nonexercise of a power which he possesses respecting the trust. A nonadverse party is any person who is not an adverse party.

For purposes of this analysis, a grantor includes any person to the extent such person either creates a trust, or directly or indirectly makes a gratuitous transfer of property to a trust. A grantor also includes any person who acquires any interest in a trust from a grantor of the trust if the interest acquired is an interest in an investment trust. Treasury Regulation Section 1.671 -2(e)(1), (3).

Like the DST in Revenue Ruling 2004-86, the Trust satisfies the Code requirements for qualification as a grantor trust. Sections 2.04 of the Trust Agreement provides that each Investor is to be treated for federal income tax purposes as owning a direct interest in the property held by the underlying Trust. Sections 4.02 of the Trust Agreement provides that all available cash of the Trust is required to be distributed to the Investors pro rata in proportion to their percentage interests in the Trust. Sections 5.01(c) of the Trust Agreement provides that the Trust shall constitute a grantor trust. Thus, the Trust should be treated as a grantor trust and each of the holders of the Interest, including the Investors, should be treated as a grantor of such trust.

Section 671 of the Code provides that where a grantor is treated as the owner of any portion of a trust, there shall then be included in computing the taxable income of the grantor those items of income and deductions of the trust which are attributable to that portion of the trust to the extent that such items would be taken into account in computing taxable income of an individual. Under Code Section 671 a grantor includes in computing his taxable income those items of income and deductions which are attributable to or included in any portion of a trust of which he is treated as the owner. An item of income or deduction included in computing the taxable income of a grantor under Code Section 671 is treated for federal income tax purposes as if it had been received or paid directly by the grantor. Treasury Regulation Sections 1.671-2(a), (c).

In Revenue Ruling 2004-86, the IRS held that a person who is treated as the grantor of a grantor trust is considered to own its proportionate share of the assets of the trust for federal income tax purposes. Revenue Ruling 2004-86 went on to hold that an owner of a grantor trust that holds real property is considered to be the owner of an undivided interest in the real property held by the DST. As in Revenue Ruling 2004-86, each Investor should be treated as a grantor of a grantor trust, and thus, should be treated considered for federal income tax purposes to own its proportionate share of the Real Estate held by the Trust.

4. The Master Lease Should Not Affect the Status of the Trust For Tax Purposes.

A. *The Master Lease should not Constitute a Partnership for Income Tax Purposes*

Rent under the Master Lease is comprised of determined annual payment, as was the case in the fact pattern of Revenue Ruling 2004-86. Under the Master Lease, rent is comprised of (i) Base Rent, which is a nonadjustable, fixed annual payment; (ii) Stated Rent, which for each year is the amount set forth on Exhibit B of the Master Lease. Revenue Ruling 2004-86 does not set forth any analysis regarding the relevance of rent being a fixed or formulaically determined amount; rather, those elements of the lease described in Revenue Ruling 2004-86 are merely factual statements regarding the provisions of the subject lease. Accordingly it is our view that the IRS used the example of a fixed rental income stream to establish a "plain vanilla" arrangement so as to not have to address whether the payments provided for under the lease could create a partnership between the DST and the tenant.

As discussed below, we believe that the Master Lease should not constitute a partnership between the Trust and the Master Tenant for income tax purposes. The definition of "partnership" for federal income tax purposes is broad, and embraces unincorporated jointly-owned arrangements that are not partnerships under local law. Code Sections 761(a) and 7701(a)(2) define the term "partnership" as including a syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of the Code, a corporation or trust or estate. Whether or not a joint enterprise, such as the one between the Master Tenant and the Trust, is a partnership under state law is not determinative of its status for federal income tax purposes. Thus, a joint enterprise may be classified as a partnership for income tax purposes even though it is not a partnership under state law.

There is no specific factor or set of factors to determine when an arrangement (including a lease) constitutes a partnership for federal income tax purposes. However, courts have indicated that the most important factor is evidence that the participants in an arrangement intended to join together to carry on a business or venture and divide the profits therefrom. See, e.g., Commissioner v. Culbertson, 337 U.S. 733 (1949). As discussed in greater detail below, additional factors that courts have considered are sharing of net profits, losses, joint ownership of capital, joint participation in management and filing partnership tax returns. While it is reasonably clear what types of factors are likely to be considered by the courts and the IRS in determining whether a partnership exists for tax purposes, such factors are generally subjective and difficult to apply.

Ever since Commissioner v. Culbertson, in which the Supreme Court said a partnership exists when "considering all the facts ... the parties intended to join together in the ... conduct of [a joint] enterprise," the parties' intent is a primary indication of the existence of a partnership. The Master Tenant and the Trust have manifested no intent to form a partnership. Section 3.08 of the Master Lease clearly reflects the intent of the parties that the Master Lease is a "true lease," is not a partnership or joint venture or management arrangement, and the Master Tenant and the Trust will report the arrangement consistent with such characterization. This lack of intent to form a partnership is a strong indication that the Master Tenant and the Trust are not in a partnership.

As the Tax Court in Federal Bulk Carriers, Inc., v. Commissioner, 66 T.C. 283 (1976), aff'd 558 F.2d 128 (2d Cir. 1977), stated, another "central feature" of a partnership is that the parties have "a proprietary interest in the net profits of the enterprise coupled with an obligation to share its losses." Generally speaking, partners share net profits and losses, whereas non-partnership relationships do not provide for such sharing (although they may provide for a sharing of gross revenues). See, e.g., White's Iowa Manual Labor Inst. v. Commissioner, 66 T.C.M. 389 (1993); Harlan E. Moore Charitable Trust v. U.S., 70 AFTR 2d 93-5386; IRS Action on Decision 1994 001 (IRS will no longer litigate the status of leases providing for gross revenue sharing along with a sharing of certain expenses between tenant and landlord in the context of certain agricultural leases); but see Univ. Hill Foundation v. Commissioner, 51 T.C. 548, 569 (1969), rev'd on other grounds, 446 F.2d 701 (9th Cir. 1971), cert. denied, 405 U.S. 965 (1972) (lease providing for sharing of net profits between landlord and tenant respected as a lease and not recharacterized as partnership).

In this case, the economic relationships between the Trust and the Master Tenant should be viewed as consistent with the characterization of the Master Lease as a lease and not as a partnership or joint venture. First, Base Rent is an absolute and fixed obligation of the Master Tenant, and is payable without regard to the cash flow generated by the Real Estate. Second, the Stated Rent and other payments to be made to the Master Tenant pursuant to the provisions of the Master Lease should not constitute a share of net income from the Real Estate, but rather are payments of gross revenue from the Real Estate, and specifically are not contingent on the profitability of the Master Lease to the Master Tenant. Third, the Master Tenant is responsible for the operating costs of the Real Estate, and bears all of the risk associated with them. Accordingly, the Trust does not share in the losses, if any, incurred by the Master Tenant in its operation of the Real Estate, and the Master Tenant is at risk for and obligated to pay the operating expenses of the Real Estate without recourse to the Trust.

The Master Tenant may be directed to pay Base Rent over to the Lender in satisfaction of the Trust's obligations under the Loan Documents. The Master Tenant's obligation to pay Base

Rent does not constitute an assumption by the Master Tenant of the Trust's obligations under the Loan Documents. Rather, Base Rent is paid by the Master Tenant directly to the Lender as a matter of convenience.

Other elements of the relationship further indicate that the Master Tenant and the Trust are not in a partnership for tax purposes.

If parties combine their capital and services so that they are required to deal with each other to realize the economic benefits from the enterprise, the relationship could be characterized as a partnership. See, e.g., Bussing v. Commissioner, 88 T.C. 449 (1987). However, the Trust and the Master Tenant do not intend to pool their capital or their services. The Master Tenant did not contribute capital to the Trust's acquisition of the Real Estate and there is no provision in the Master Lease that suggests that it is being used by the Master Tenant to obtain an interest in the Real Estate. On the contrary, the Master Tenant at no time obtains an interest in the Real Estate, and any proceeds of the sale of the Real Estate, subject to market rate sales commissions payable to the Master Tenant or an affiliate which are calculated as a percentage of the gross sales price for the Real Estate, will be for the account of the Trust.

Another factor that courts have cited to demonstrate that parties are in a partnership is joint participation in management. Arthur Venneri Co. v. U.S., 340 F.2d 337 (Cl. Ct. 1965). The Master Tenant is solely responsible for operation and management of the Real Estate, and does not jointly manage the Real Estate with the Trust. The Trust's powers over the Real Estate are substantially limited, not only by the terms of the Master Lease (pursuant to which responsibility for day-to-day management of the Real Estate is vested in the Master Tenant), but also by the terms of the Trust Agreement, which impose strict limits on the actions that may be undertaken by the Trust with respect to the Real Estate. Because the Master Tenant and the Trust are not sharing in the management of the Real Estate, the "joint management" element is not present.

Finally, pursuant to Section 2.03 of the Master Lease, the Trust and the Master Tenant will not take other actions that courts have held to be indicative of a partnership, such as holding themselves out as partners, maintaining joint books or filing a partnership tax return. See, e.g., Luna v. Commissioner, 42 T.C. 1067 (1964).

B. *The Master Lease should not Constitute an Agency Arrangement or Management Contract for Income Tax Purposes*

The Master Lease should not be treated as an agency arrangement or management contract between the Trust and the Master Tenant for federal income tax purposes. Courts have consistently

held that the underlying substance of the transaction, and not the form of the contract itself, dictates whether a contract will be treated as agency arrangement or lessor-lessee relationship for federal income tax purposes. See e.g., Amerco v. Commissioner, 82 T.C. 654 (1984). In determining whether an arrangement should be treated as a lessor-lessee relationship or agency agreement, the IRS and the courts have established two key factors: (1) control over the use of the property; and (2) who bears the risk of loss over the use of such property. See, e.g., McNabb v. U.S., 47 AFTR 2d 81-513 (1980). Consistent with this case law, Code Section 7701(e) provides certain rules for the mirror image issue of when a service contract should be recharacterized as a lease. This Code section specifically provides that a contract that purports to be a service contract is to be construed as a lease if the contract is properly treated as a lease, taking into account all relevant factors including whether or not (a) the service recipient is in physical possession of the property, (b) the service recipient controls the property, (c) the service recipient has a significant economic or possessory interest in the property, (d) the service provider does not bear any risk of substantially diminished receipts or increased expenditures if there is nonperformance under the contract, (e) the service provider does not use the property concurrently to provide significant services to entities unrelated to the service recipient, and (f) the total contract price does not substantially exceed the rental value of the property for the contract period.

If a property owner retains control over the use of property and does not sufficiently transfer control to a lessee, the relationship could be characterized as an agency agreement. The issue of whether a lessee has sufficient control over the use of property is a fact-intensive inquiry, but factors such as day-to-day management activities, the ability to set the terms of a sublease, and control over funds tend to indicate the existence of a true lease. Mere retention of supervisory functions that are necessary to protect an owner's position as a lessor-owner of property should not, without more, result in characterization of a lease as an agency agreement. Freesen v. Commissioner, 84 T.C. 920 (1985).

In Amerco v. Commissioner, 82 T.C. 654, the Tax Court held that contracts between U-Haul and individuals who owned the trailers used in U-Haul's business were properly treated as true leases and not management agreements. Concerning the control factor, the court relied on the fact that U-Haul managed the day-to-day operations of the trailers, set the terms of leasing the trailers to the public, and had exclusive control over operating expenses. Id. The owners of the trailers retained the right to check on their property periodically and receive periodic reports from U-Haul, but such oversight did not amount to a level of control that would suggest a management contract. Id.

The arrangements provided in the Master Lease with respect to control of the Real Estate are consistent with its characterization under the foregoing authority as a lease and not as an agency

or management arrangement. As previously discussed, the Master Tenant is in physical possession of the Real Estate and is solely responsible for the operation and management of the Real Estate. Pursuant to the Master Lease, the Master Tenant is responsible for the day-to-day management of the Real Estate. To the extent that there are limits on the nature of the subleases that the Master Tenant may enter into, they are either consistent with the Trust's prudent management of its properties or mandated by the Lender (or both). These factors taken together are a strong indication that the Master Lease should not be treated as an agency or management arrangement.

In addition, the arrangements provided in the Master Lease with respect to the allocation of the risk of loss are consistent with its characterization as a lease and not as an agency or management arrangement. Arrangements in which the tenant bears the risk of loss, as opposed to the landlord, are likely to be respected as a true lease. Agreements which provide for rent payments only where the tenant has a net profit tend to be indicative of an agency agreement. Meagher v. Commissioner, TC Memo 1977-270 (noting "[i]f this contract were held to be a lease it would be a strange one, for the 'lessee' would be required to pay 'rent' only if its use of the property resulted in net profit."). However, agreements that provide for variable rent, as opposed to fixed rent, do not preclude an agreement from being treated as a true lease. McNabb, 47 AFTR 2d 81-513. In McNabb, the tenant's rent payments were set at thirty-five percent of the gross rentals from the property. Id. However, the tenant was responsible for paying all operating expenses out of its remaining percent share of the gross rentals and had no recourse against the landlord in the event that the operating expenses exceeded the tenant's share of gross rentals. Id. Thus, a lease which provides for variable rent based on gross revenue should not, by reason of the variable rent, be treated as an agency or management arrangement.

An obligation on the part of the landlord to indemnify a tenant for damages, losses or liabilities with respect to the property is also indicative of an agency relationship. In Meagher, the Tax Court determined that the owner retained the risk of loss with respect to the property because the property owner had agreed to defend, indemnify, and hold the tenant harmless from and against any and all loss, damage, or liability. TC Memo 1977-270. Under the terms of the contract, the tenant was authorized to deduct a portion of the rent payable to the landlord and reserve that amount to cover expenses associated with the use of the property. Id. The contract went one step further, however, providing that the owners of the property agreed to reimburse the tenant for any expenses incurred in excess of the amount held in the cash reserve allowance. Id.

In respect to the Master Lease, the Master Tenant has an unavoidable obligation to pay Base Rent, and it also has the unavoidable obligation to pay all Stated Rent without regard to the profitability of the Real Estate to the Master Tenant. In addition, the Trust has no obligation to reimburse the Master Tenant for any losses incurred related to the operation of the Real Estate.

Unlike the facts in Meagher, the Stated Rent, is payable regardless of the actual expenses incurred by the Master Tenant in operating the Real Estate, and do not create in form or in substance any indemnification obligation on the part of the Trust in favor of the Master Tenant.

C. Summary -- Characterization of the Master Lease

As described above, the Master Lease should not constitute a partnership or an agency/management arrangement for income tax purposes between the Trust and the Master Tenant. The Master Lease is an inherent element of the investment being acquired by Investors when they acquire an Interest in the Trust, and consistent with Revenue Ruling 2004-86 the Master Lease (including its provisions regarding Rent payment obligations) may not be amended except in the case of a Master Tenant bankruptcy or insolvency. Accordingly, the Master Lease should not affect the classification of the Trust as an "investment" trust under Treasury Regulation Section 301.7701-4(c)(1).

5. The Depositor's Rights under the Call Agreement Should Not Adversely Affect the Status of the Trust as a True Trust for Tax Purposes

Reported cases indicate that under certain circumstances, a transaction that involves a lease and a purchase option given to the lessor or an affiliate of the lessor can be recast for U.S. federal income tax purposes as a financing arrangement. (See, e.g., Frank Lyon Co. v. United States, 435 U.S. 561(1978), American Realty Trust v. United States, 498 F.2d 1194 (4th Cir. 1974); Estate of Franklin v. Commissioner, 544 F.2d 1045 (9th Cir. 1976); Hilton v. Commissioner, 74 T.C. 305 (1980), aff'd per curiam 671 F.2d 316 (9th Cir. 1982); Falsetti v. Commissioner, 85 T.C. 332 (1985). Among the factors considered in determining whether a lease that has a purchase option should be treated as a financing mechanism is the existence of "economic compulsion" on the part of the lessee to exercise the purchase option and the fairness of the purchase option. American Realty Trust v. United States, 498 F.2d 1194, 1199 (4th Cir. 1974).

In general, a lessee (or a party related to the lessee) will be treated as being obligated to exercise the purchase option if the purchase price allows the lessee to benefit from the appreciation in value of the property during the lease term. Estate of Franklin v. Commissioner, 544 F.2d 1045, 1049 (9th Cir. 1976). Reported cases indicate that in evaluating this issue, no such benefit should be found if the option exercise price is approximately equal to the estimated fair market value of the leased property at the time the option can be exercised, as reasonably determined at the time the lease is executed. Id.; Hilton v. Commissioner, 74 T.C. 305, 360 (1980), aff'd per curiam 671 F.2d 316 (9th Cir. 1982).

Under the Call Agreement, the Initial Beneficiary has the right, but not the obligation, to purchase the Interests only the Exercise Period. The Initial Beneficiary has represented that the Exercise Price is equal to the amount that the Initial Beneficiary and the Investors reasonably believe would equal the fair market value of the Interest during the Exercise Period. We believe that the terms of the Call Agreement do not create an economic compulsion on the part of the Initial Beneficiary to exercise the Call Right. Accordingly, in our view, the Call Agreement should not cause the transactions contemplated by the Transaction Documents to be recast for U.S. federal income tax consequences as a loan or financing mechanism.

6. Certain Judicially Created Substance Over Form Doctrines Should Not Change the Foregoing Conclusions

Various judicially created doctrines of Federal tax common law may apply in appropriate circumstances. For example, the step transaction doctrine may result in the disregard or combination of one or more steps in a commercial transaction. The courts have applied three alternative tests in deciding whether to invoke the step transaction doctrine: (1) the "end result" test, under which purportedly separate transactions will be amalgamated into a single transaction if a series of formally separate steps are really prearranged parts of a single transaction intended from the outset to reach the ultimate result (see, e.g., King Enterprises Inc. v. United States, 418 F.2d 511 (Ct. Cl. 1969)); (2) the "mutual interdependence" test, which focuses on whether the steps are so interdependent that the legal relations created by one transaction would have been fruitless without a completion of the series (see, e.g., Redding v. Commissioner, 630 F.2d 1169 (7th Cir. 1980), cert. denied, 450 U. S. 913 (1981)); and (3) the "binding commitment" test, under which a series of transactions is collapsed if, at the time the first step is entered into, there was a binding commitment to undertake the later step (see, e.g., Commissioner v. Gordon, 391 U. S. 83 (1968)).

Commercial transactions may also be disregarded or recharacterized if they are found to be a sham. In addition, prior common law doctrines of business purpose and economic substance have now been codified in Code Section 7701(o). Under that provision, in the case of any transaction to which the economic substance doctrine is relevant, the transaction is treated as having economic substance only if the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer's economic position and the taxpayer has a substantial purpose (apart from Federal income tax effects) for entering into the transaction.

Neither these common law doctrines of tax law, nor Code Section 7701(o), eliminates the right of taxpayers to structure transactions in a manner that is advantageous to them from an income tax perspective. As Judge Learned Hand stated, "Any one may so arrange his affairs that

his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the Treasury; there is not even a patriotic duty to increase one's taxes." Helvering v. Gregory, 69 F.2d 806, 809 (2d Cir. 1934), aff'd Gregory v. Helvering, 55 S. Ct. 266 (1935). See also Grove v Commissioner, 490 F.2d 241, at 247 (2d Cir. 1973) ("We are not so naïve as to believe that tax considerations played no role in [the taxpayer's] planning. But foresight and planning do not transform a non-taxable event into one that is taxable."). Courts have held that, when evaluating transactions under common tax law doctrines, a transaction's form must be respected unless it fails to reflect the substance of the transaction. See, e.g., Grove, supra at 248 ("Useful as the step transaction doctrine may be, it cannot generate events which never took place just so an additional tax liability may be asserted."). In sum, as stated by the Tax Court, "Even if alternative explanations are available to account for the results of a transaction, [we] will not disregard the form of the transaction if it accounts for the transaction at least as well as alternative recharacterizations." Turner Broadcasting System Inc. et al. v. Commissioner, 111 T.C. 315, at 326 (1998).

Based upon our review of the Transaction Documents and relying on the assumption set forth herein, the economic substance doctrine should not apply. Each Investor's economic position changes in a meaningful way as it will be given an opportunity to own an interest in the Real Estate in a manner that that it might not otherwise be able to do on its own accord due to its respective individual financial restraints. In addition, the allocation of economic benefits and burdens associated with the Real Estate will correspond to the respective Interest held by each Investor. Similarly, based upon our review of the Transaction Documents and relying on the assumption set forth herein, the sham transaction doctrine should not apply. All of the component steps necessary to implement the proposed contractual arrangements will actually occur. In addition, the parties have a business purpose in undertaking the investment in the Interest and the transactions should be treated as having economic substance.

The step transaction doctrine should not apply because the Investors constitute a diverse, separate and unrelated group desiring to acquire in investment in the Real Estate as offered through the Trust. Based upon our review of the Transaction Documents and relying on the assumption set forth herein, the ultimate result of the contractual agreements (ownership of the Real Estate by an unrelated group of Investors) can only be achieved if the intermediate steps of (i) the Trust acquiring the Real Estate and (ii) offering the Interests for sale to Investors is first undertaken. Moreover, even if the IRS were to collapse the transaction steps together, the federal income tax results of the Trust's contractual arrangements should not significantly change (which, for federal income tax purposes is, in effect, a direct purchase of the Real Estate by the Investors).

Based on the foregoing analysis, the above-referenced judicially created substance-over-form doctrines should not change the foregoing conclusions.

CONCLUSION

Based on the facts and the authorities discussed above, we conclude that the acquisition of the Interests by the Investors should be treated as a direct acquisition of the Real Estate for purposes of Code Section 1031.

Qualification of a transaction pursuant to Code Section 1031 for an Investor involves issues based on numerous specific facts which are not and cannot be known to us; therefore, we give no opinion as to the ability of any Investor to effectuate a tax-deferred exchange of like-kind property under Code Section 1031. This Opinion addresses only one aspect of qualifying under Code Section 1031, i.e., whether the acquisition of an Interest can be treated as a direct acquisition of the Real Estate for purposes of Code Section 1031. We are not opining, among other things, as to whether some portion of the Real Estate may be "personal property" as opposed to "real property" for purposes of Code Section 1031, or as to whether any amounts paid by, or deemed paid by, the Investors with respect to certain costs or expenses of the offering, financing costs, and amounts paid to fund the reserve for capital expenses will be deemed to constitute other consideration received in the exchange or the acquisition of real estate. Finally, this Opinion does not address any state, local or non-United States income tax consequences, or any non-income tax consequences, of the transactions described herein.

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A number of issues discussed in this opinion have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurance can be given that the conclusions expressed herein will be accepted by the IRS, or, if contested, would be sustained by a court, or that legislative changes, or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Each prospective Investor must consult its own tax advisor about the tax consequences of an investment in the Interests.

This opinion is solely for your information and assistance with respect to the sale of Interests. Other than as set forth herein, this opinion may not be relied upon by any other person other than the party to whom it is addressed or for any other purposes, nor may it be quoted from or referred to or copies delivers to any other person without our advance written consent. This opinion is not applicable as to any individual tax consequences of an Investor or the individual

application of the Code Section 1031 rules to such Investor. Our willingness to render the opinion set forth herein neither implies, nor should be viewed as implying, any approval or recommendation of an investment in the Interests or the underlying Real Estate.

****

In rendering our opinion, we have considered the applicable provisions of the Code, final, temporary and proposed regulations thereunder, pertinent judicial authorities, interpretive rulings and revenue procedures issued by the IRS and such other authorities that we have considered relevant as of the date of this opinion. It should be noted that statutes, regulations, judicial decisions and administrative interpretations are subject to change at any time and, in some cases, with retroactive effect. This opinion will not be binding upon the IRS or the courts of applicable jurisdictions, which may disagree with all or any portion of the opinions expressed herein. We undertake no obligation to update the opinions expressed herein after the date of the opinion. This opinion does not address any other tax consequences of the acquisition of the Interests.

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Our opinion is not intended or written to be used, and it cannot be used, by any Investor for purposes of avoiding penalties that may be imposed under the Code. This opinion is written to support the promotion and marketing of the proposed transaction, and each prospective Investor should seek advice based on the Investor's particular circumstances from an independent tax advisor.

We are furnishing this opinion solely in connection with the sale of the Interests described herein. Accordingly, the Trust my only circulate this opinion in connection with the sale of the Interests to potential investors.

Very truly yours,

Polsinelli, P.C.

POLSINELLI, PC

EXHIBIT F

FORM OF CALL AGREEMENT

MHC CAPITAL
Real Estate Investments

CALL AGREEMENT

THIS CALL AGREEMENT ("Agreement") is made by and between MHC Capital DST, LLC, LLC, a Delaware limited liability company (the "Initial Beneficiary"), and any other person who subsequently signs this Agreement as an investor (each, an "Investor"; collectively, the "Investors") as of December 7, 2021 (the "Effective Date"). All terms not defined herein shall have the meaning set forth in the Amended and Restated Trust Agreement of MHC Affordable Housing DST, a Delaware statutory trust, dated as of the Effective Date (the "Trust Agreement").

RECITALS

WHEREAS, each Investor owns the beneficial interests (the "Interests") in MHC Affordable Housing, DST, a Delaware statutory trust (the "Trust"), set forth on Exhibit A attached hereto and made a part hereof and is a party to the Trust Agreement.

WHEREAS, the Investors and the Initial Beneficiary desire to enter into this Agreement to set forth an arrangement under which, during the Exercise Period (as defined below), the Initial Beneficiary has the right, but not the obligation, to purchase all of the Interests then held by each Investor and its transferees and assigns at the Exercise Price (as defined below), which the Initial Beneficiary and the Investors agree is a good-faith estimate of the fair market value of the Interest during the Exercise Period.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

1. Grant of Call Rights. The Investors hereby grants to the Initial Beneficiary the right, but not the obligation, to purchase each Investor's Interest pursuant to the terms and conditions of this Agreement (the "Call Right") during the period that begins on the third anniversary of the Effective Date and ends on the fifth anniversary of the Effective Date (the "Exercise Period"). Each Investor acknowledges and agrees that the Call Right shall apply both to all Interests held by each Investor at the time to Call Right is exercised in accordance with Section 2 and to all transferees and assigns of any Interests held by the Investor on the Effective Date.

2. Exercise of Call Rights. The Call Rights may be exercised by the Initial Beneficiary by providing written notice to the Investor at any time on or prior to the date on which the Exercise Period expires (the "Exercise Notice"). The Exercise Notice shall include a calculation of Exercise Price, as determined in accordance with Section 3.1.

3. Determination of the Exercise Price.

3.1 Upon delivery of the Exercise Notice pursuant to Section 2, the purchase price of the Interests shall be equal to the amount required for each Investor to receive a 10.5% IRR (as defined below) on the amount paid by each Investor to the Initial Beneficiary to acquire the Interest (the "Exercise Price"). For purposes of this Section 3.1, the term "IRR" shall mean the internal rate of return calculated on such reasonable basis as shall be determined by the Initial

Beneficiary using XIRR Microsoft Excel (or a successor product if same no longer exists) in the most recently available version of such software on the date of calculation..

3.2 As of the Effective Date, the Trust is the borrower of a Loan made to the Trust pursuant to the Loan Documents, which Loan is secured by a mortgage on the Real Estate. In addition, the Trust is also a party to a Master Lease, which, among other things, provides for the payment of rent by the master tenant under the Master Lease (the "Master Tenant") to the Trust in an amount that is determined independently of the rents received by the Master Tenant from the operation of the Property. The Initial Beneficiary and the Investors acknowledge and agree that because of the restrictions placed on the Trust under the Loan Documents and the structure of the Master Lease, the determination of the Exercise Price, which is based upon the formula set forth in Section 3.1 is a good-faith estimate of the fair market value of the Interest during the Exercise Period.

3.3 In the event the Trust engaged in a sale of the Real Estate to a party that is not an Affiliate of the Initial Beneficiary within the three-month period that begins on the date of the Closing (as defined below) (as determined without reference to the Extended Closing Date (as defined below)), the Exercise Price (and the Adjusted Exercise Price, if applicable) shall be increased to an amount that is equal to the amount of net sale proceeds that would have been distributed to the Investors in connection with such sale had the Call Rights not been exercised.

4. Closing.

4.1 Upon delivery of the Exercise Notice within the Exercise Period, the closing on the sale of the Interests by the Investors pursuant to this Agreement (the "Closing") shall occur on the date set forth by the Initial Beneficiary in the Exercise Notice, provided that such date be no more than ninety (90) days after the date on which the Exercise Notice is delivered to the Investors. At the Closing, the Initial Beneficiary shall purchase all, but not less than all, of the Interests held by each Investor (and the Interests held by each Investor's transferees and assigns) on the date of the Closing. At the Closing, the Initial Beneficiary shall transfer the Interests to the Initial Beneficiary free and clear of all encumbrances and restrictions, other than those imposed under the Loan Documents or the Trust Agreement; provided, however, in the event the Interests are subject to any encumbrances and restrictions, other than those imposed under the Loan Documents or the Trust Agreement, the Initial Beneficiary shall, at its option, purchase the Interest at the Closing for an amount equal to the Exercise Price less the reduction in value created by such restrictions, as determined in good faith by the Initial Beneficiary (the "Adjusted Purchase Price").

4.2 On or prior to the Closing, the Investors shall execute all documents that are reasonably requested by the Initial Beneficiary to effect such sale of Interests and the termination of each Investor's rights under the Trust Agreement; provided, however, that in the event an Investor fails to deliver such executed documents, the date on which the Exercise Price is determined shall remain the date for the Closing determined pursuant to Section 4.1 and shall not be adjusted to reflect the extension of the date on which the Closing (the "Extended Closing Date") occur due to an Investor's failure to execute and deliver such documents.

4.3 In the event that the Initial Beneficiary exercises its Call Rights in accordance with this Agreement, the consent of the Signatory Trustee, as required under Article

III of the Trust Agreement, shall be deemed granted. In addition, in the event that the consent of the Lender is required under the Loan Document for the transfer of each Investor's Interest to the Initial Beneficiary, the Signatory Trustee shall use commercially reasonable efforts to obtain such consent on or prior to the date of the Closing. The Signatory Trustee is a party to this Agreement solely in respect of this Section 4.3.

4.4 On the date of the Closing (or the Extended Closing Date if applicable), the Initial Beneficiary shall pay to each Investor in exchange for the Interests the Exercise Price (or the Adjusted Purchase Price, if applicable) by wire transfer of immediately available funds to an account designated in writing by each Investor.

5. Power of Attorney.

5.1 The Initial Beneficiary shall, after the exercise of any Call Rights pursuant to this Agreement, have a special and limited power of attorney as the attorney-in-fact for each Investor, with power and authority to act in the name and on behalf of each Investor to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Agreement and which may include by way of illustration but not by limitation, any instrument of conveyance or encumbrance, with respect to the Interests and/or the Property or any other instrument or document that may be required to effectuate the sale of the Interest to the Initial Beneficiary in accordance with this Agreement. For the avoidance of doubt, the parties hereto acknowledge and agree that the Initial Beneficiary may exercise its power and authority under this limited power of attorney immediately upon providing the applicable Investor written notice.

5.2 This power of attorney shall be irrevocable and shall survive an assignment by the Interests of all or any portion of its Interest. Furthermore, this power of attorney shall survive the bankruptcy, death, dissolution, liquidation, termination, incapacity or incompetency of any Investor.

5.3 The Initial Beneficiary shall promptly furnish to the applicable Investor a copy of any document executed by the Initial Beneficiary pursuant to the power of attorney.

6. Notices. All notices, requests, demands, consents and other communications to be given by any party to any other party under this Agreement shall be made in accordance with Section 11.02 of the Trust Agreement.

7. General Provisions.

7.1 Term of Agreement. The term of this Agreement shall commence as of the Effective Date and shall terminate simultaneously with the termination of the Trust Agreement. The bankruptcy, death, dissolution, liquidation, termination, incapacity or incompetency of any Investor shall not cause the termination of this Agreement.

7.2 Binding Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by arbitration in California before a sole arbitrator in accordance with the laws of the

State of Delaware. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. The arbitrator shall, in the award, allocate all of the costs of the arbitration (and the mediation, if applicable), including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail.

7.3 Attorneys' Fees. If any arbitration, action or proceeding is instituted between all or any of the parties to this Agreement arising from or related to or with this Agreement, the prevailing party or parties in such arbitration, action or proceeding shall be entitled to recover from the non-prevailing party or parties all of its or their costs of arbitration, action or proceeding, including, without limitation, attorneys' fees and costs as fixed by the court or arbitrator therein.

7.4 Governing Law and Venue. This Agreement and any disputes hereunder shall be governed and construed in accordance with the laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Delaware. With respect to any dispute whatsoever relating to the interpretation, validity or performance of this Agreement or any dispute arising out this Agreement, each party irrevocably submits to the exclusive jurisdiction and venue of the courts located in Los Angeles County in the State of Caolifornia and acknowledges and agrees that any arbitration required under Section 7.2 shall occur in such jurisdiction. Each party waives any right that such party may have to assert the doctrine of forum non conveniens, to assert that it is not subject to the jurisdiction of the aforesaid courts or to object to the venue to the extent any proceeding (or arbitration) is brought in accordance with this Section.

7.5 Modification. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by all the parties to this Agreement.

7.6 Headings. The section and other headings contained in this Agreement are for reference purpose only and shall not affect in any way the meaning or interpretation of this Agreement.

7.7 Successors in Interest. All provisions of this Agreement shall inure to the benefit of and shall be binding upon the successor-in-interest, and legal representatives of the parties hereto. In the event of a transfer of Interests permitted under Article III of the Trust Agreement or otherwise, the applicable Investor shall, as a condition of such transfer, require the transferee to execute a joinder to this Agreement and timely deliver the executed joinder to the Initial Beneficiary.

7.8 No Waiver. No act of the Initial Beneficiary shall be construed to be a waiver of any provision of this Agreement, unless such waiver is in writing and signed by the Initial Beneficiary.

7.9 Counterparts. This Agreement may be executed in counterparts, each of which, when taken together, shall be deemed one fully executed original.

7.10 Electronic Signature. This Agreement may be executed by the parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the parties, notwithstanding that all the parties are not signatories to the same counterpart. Such counterparts may be exchanged by facsimile transmission, by email delivery of a ".pdf" or similar format data file, or any electronic signature complying with the United States federal ESIGN Act of 2000, e.g., www.docusign.com, and the parties agree that the facsimiled or emailed copies of each party's respective signature(s) shall be binding on such party as if the same were an original signature. At the request of any party, a party executing and transmitting a facsimiled or emailed copy of this Agreement will execute and deliver an executed original of the same to the requesting party.

7.11 Time is of the Essence. Time is of the essence for each and every provision of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Call Agreement as of the date first set forth above.

INITIAL BENEFICIARY:

MHC CAPITAL DST, LLC,
a Delaware limited liability company

By: _____
Name: Kwame Granderson
Its: Authorized Signatory

Solely for purposes of Section 4.3 of this Agreement:

SIGNATORY TRUSTEE:

MHC AFFORDABLE HOUSING MANAGER, LLC,
a Delaware limited liability company

By: _____
Name: Kwame Granderson
Its: Authorized Signatory

Investor Signature Page

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Call Agreement (as may be amended and/or assigned, the "Call Agreement") dated December 7, 2021, by and among MHC Capital DST, LLC, a Delaware limited liability company, as Initial Beneficiary, MHC Affordable Housing Trust Manager, LLC, a Delaware limited liability company, as Signatory Trustee, and the Investors, as further described therein, to which this signature page is attached, and hereby covenants and agrees to be bound by the Call Agreement as an Investor. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Call Agreement.

Signature:_____

Name:_____

Address:_____

_____

Date: _____

EXHIBIT A

INVESTOR RECORDS

NAME OF INVESTOR	PERCENTAGE OF INTERESTS
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	
_____ _____ _____	

EXHIBIT G1-9

MANAGEMENT OVERVIEW & ANALYSIS

MHC CAPITAL
Real Estate Investments

PARKWAY VILLAGE

MHC CAPITAL
Real Estate Investments

Economic Analysis

Detroit MSA Area Demographics

The subject is located in the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area, hereinafter called the Detroit MSA, as defined by the U.S. Office of Management and Budget. The Detroit MSA is 3,891 square miles in size, and is the fourteenth most populous metropolitan area in the nation.

Population

The Detroit MSA has an estimated 2020 population of 4,361,870, which represents an average annual 0.2% increase over the 2010 census amount of 4,296,250. Detroit MSA added an average of 6,562 residents per year over the 2010 - 2020 period, and its annual growth rate is similar to that of the State of Michigan.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	8,263	8,310	8,393	0.1%	0.2%
3 mi. radius	59,743	63,318	65,376	0.6%	0.6%
5 mi. radius	170,086	179,852	185,565	0.6%	0.6%
Macomb County	840,978	877,280	898,058	0.4%	0.5%
Detroit MSA	4,296,250	4,361,870	4,406,503	0.2%	0.2%
Michigan	9,883,640	10,114,954	10,238,518	0.2%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Detroit MSA's population is projected to increase at a 0.2% annual rate from 2020 - 2025, equivalent to the addition of an average of 8,927 residents per year. The Detroit MSA growth rate is expected to be similar to that of Michigan, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Detroit MSA is 1,840,992 jobs. Since 2011, employment grew by 53,475 jobs, equivalent to a 3.0% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

The Detroit MSA's rate of change in employment outperformed the State of Michigan, which experienced an increase in employment of 1.9% or 76,050 over this period.

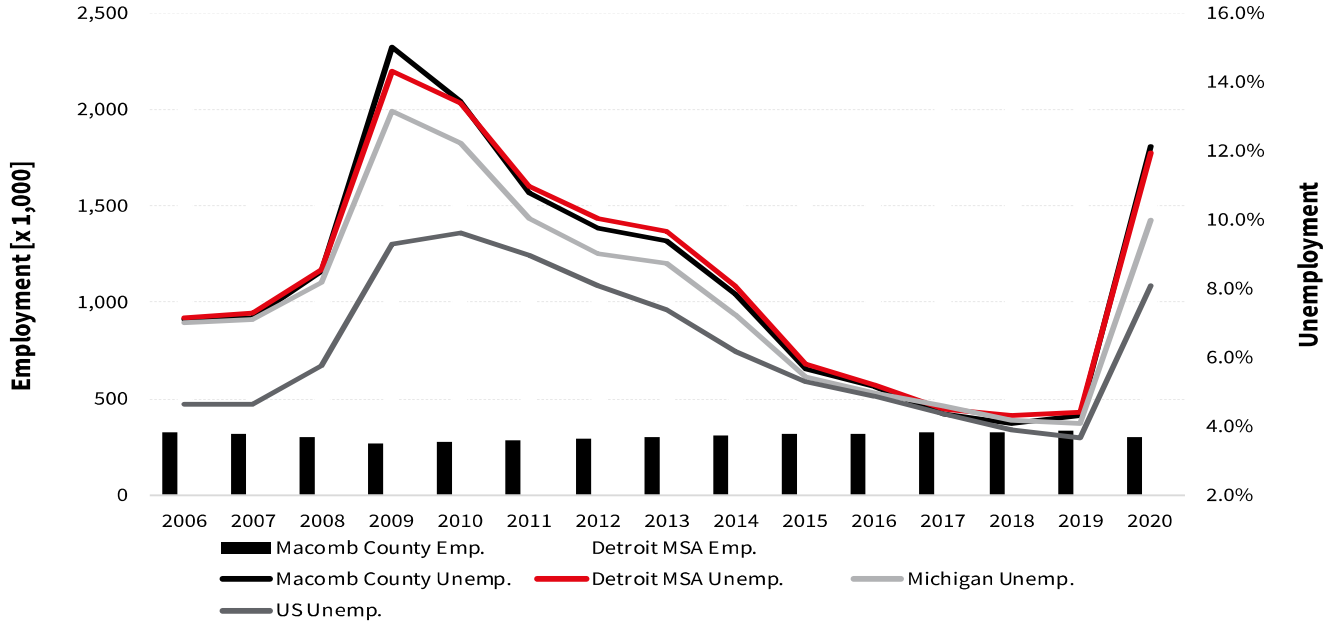
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Employment Trends

	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
Year	Macomb County	Change	Detroit MSA	Change	Michigan	Change	United States	Change	Macomb County	Detroit MSA	Michigan	United States
2006	322,199	-	2,001,517	-	4,328,767	-	136,435,417	-	7.1%	7.1%	7.0%	4.6%
2007	313,813	-2.6%	1,963,500	-1.9%	4,270,117	-1.4%	137,981,250	1.1%	7.2%	7.3%	7.1%	4.6%
2008	300,162	-4.4%	1,900,700	-3.2%	4,164,850	-2.5%	137,223,833	-0.5%	8.5%	8.5%	8.2%	5.8%
2009	269,614	-10.2%	1,743,325	-8.3%	3,873,783	-7.0%	131,296,083	-4.3%	15.0%	14.3%	13.1%	9.3%
2010	274,875	2.0%	1,738,133	-0.3%	3,867,208	-0.2%	130,345,000	-0.7%	13.4%	13.4%	12.2%	9.6%
2011	283,573	3.2%	1,787,517	2.8%	3,956,425	2.3%	131,914,417	1.2%	10.8%	11.0%	10.0%	9.0%
2012	290,608	2.5%	1,835,283	2.7%	4,038,342	2.1%	134,157,417	1.7%	9.8%	10.0%	9.0%	8.1%
2013	300,756	3.5%	1,869,567	1.9%	4,114,608	1.9%	136,363,833	1.6%	9.4%	9.7%	8.7%	7.4%
2014	306,863	2.0%	1,900,392	1.6%	4,186,642	1.8%	138,939,750	1.9%	7.9%	8.1%	7.2%	6.2%
2015	314,755	2.6%	1,938,867	2.0%	4,248,608	1.5%	141,824,917	2.1%	5.7%	5.8%	5.4%	5.3%
2016	320,677	1.9%	1,977,417	2.0%	4,326,467	1.8%	144,335,833	1.8%	5.2%	5.2%	5.0%	4.9%
2017	326,828	1.9%	2,008,433	1.6%	4,377,150	1.2%	146,607,583	1.6%	4.4%	4.5%	4.6%	4.4%
2018	329,713	0.9%	2,033,408	1.2%	4,426,050	1.1%	148,908,417	1.6%	4.1%	4.3%	4.2%	3.9%
2019	330,867	0.4%	2,043,550	0.5%	4,442,742	0.4%	150,904,750	1.3%	4.3%	4.4%	4.1%	3.7%
2020	298,061	-9.9%	1,840,992	-9.9%	4,032,475	-9.2%	142,184,833	-5.8%	12.1%	11.9%	10.0%	8.1%
10 Yr Change	**14,489**	**5.1%**	**53,475**	**3.0%**	**76,050**	**1.9%**	**10,270,417**	**7.8%**				
Avg Unemp. Rate 2011-2020									7.4%	7.5%	6.8%	6.1%
Unemployment Rate - Apr 2021									3.4%	3.7%	4.6%	5.7%

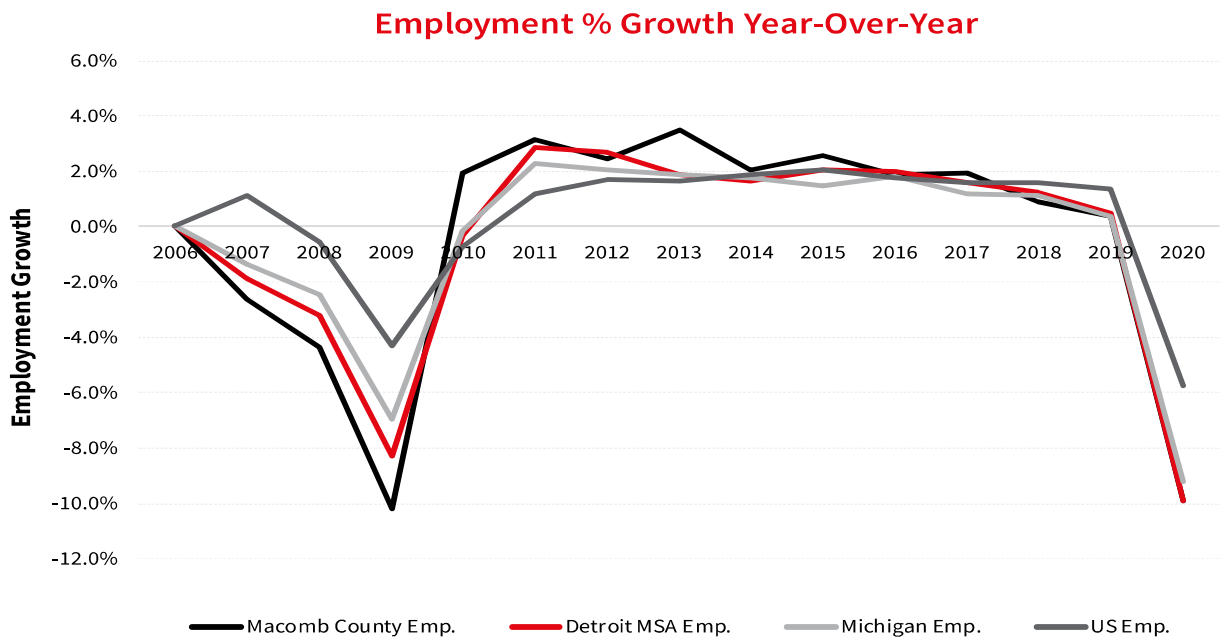
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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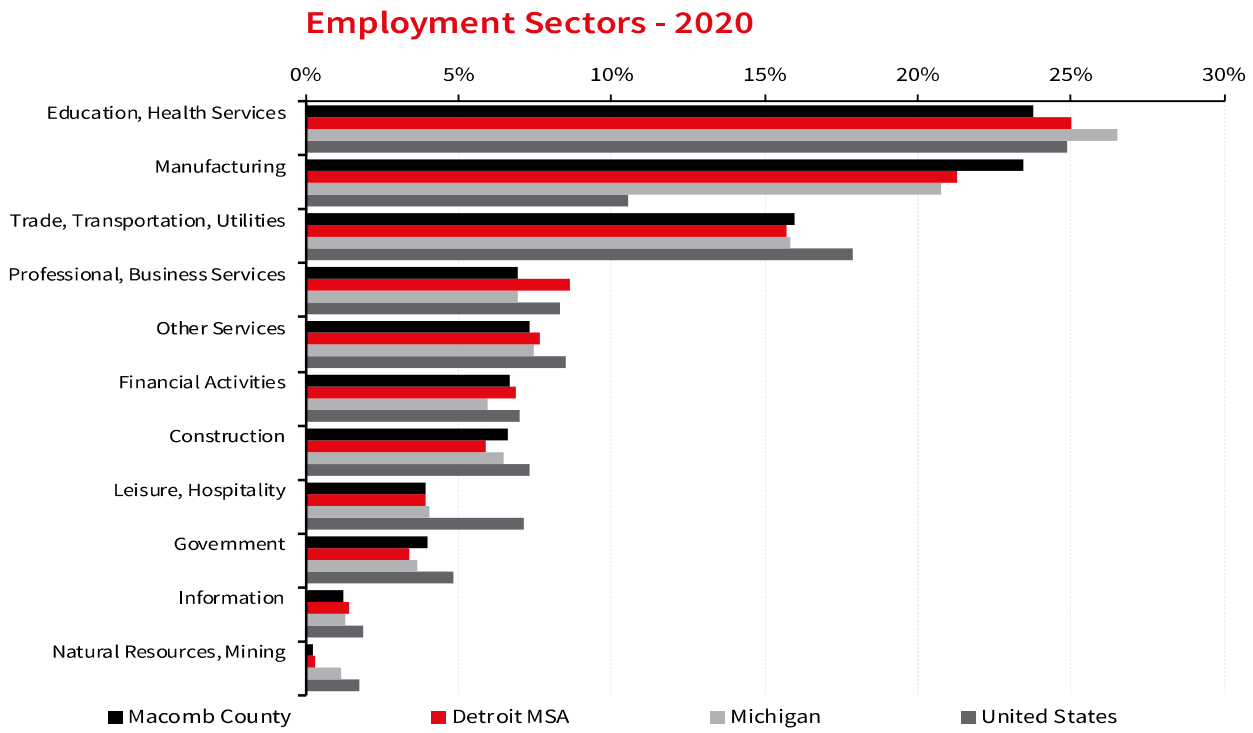
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Detroit MSA unemployment rate of 7.5% has been higher than the Michigan rate of 6.8%. In the latter half of the decade that trend has continued, as the Detroit MSA has consistently underperformed Michigan. Recent data shows that the Detroit MSA unemployment rate is 3.7%, in comparison to a 4.6% rate for Michigan, a positive sign for the Detroit MSA economy but one that must be tempered by the fact that the Detroit MSA has underperformed Michigan in the rate of job growth over the past two years.

Employment Sectors

The composition of the Detroit MSA job market is illustrated in the chart below, paired with that of Michigan. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Detroit MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Detroit MSA has a greater percentage employment than Michigan in the following categories:

1. Manufacturing - which accounts for 21.3% of Detroit MSA payroll employment compared to 20.7% for Michigan as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Professional, Business Services - which accounts for 8.6% of Detroit MSA payroll employment compared to 6.9% for Michigan as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Other Services - which accounts for 7.6% of Detroit MSA payroll employment compared to 7.5% for Michigan as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Financial Activities - which accounts for 6.9% of Detroit MSA payroll employment compared to 5.9% for Michigan as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

The Detroit MSA is underrepresented in the following categories:

1. Education, Health Services - which accounts for 25.0% of Detroit MSA payroll employment compared to 26.5% for Michigan as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

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2. Natural Resources, Mining - which accounts for 0.3% of Detroit MSA payroll employment compared to 1.1% for Michigan as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.
3. Construction - which accounts for 5.9% of Detroit MSA payroll employment compared to 6.5% for Michigan as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Government - which accounts for 3.4% of Detroit MSA payroll employment compared to 3.7% for Michigan as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.

Major Employers

The table below contains major employers in the Detroit MSA.

Major Employers - Detroit MSA

	Name	Employees
1	Ford Motor Co.	52,175
2	General Motors Corp.	47,400
3	Beaumont Health System	46,339
4	Chrysler Group LLC	45,613
5	University of Michigan	32,749
6	Henry Ford Health System	21,577
7	CHE Trinity Health	16,807
8	St. John Providence Health System	14,398
9	Detroit Medical Center	13,458
10	Rock Ventures	11,563
11	Quicken Loans	9,423
12	Blue Cross Blue Shield of Michigan	8,160
13	Comerica Bank	6,811
14	DTE Energy Co.	6,329
15	Oakwood Healthcare Inc.	6,260
16	Wayne State University	6,010
17	Ascension Michigan	5,474
18	Ascension	5,474
19	McLaren Health Care	4,607
20	U.S. Postal Services	4,195

Sources(s): Crain's Detroit Book of Lists, July 2017; Oakland County, 2018

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Detroit MSA ranks #14 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Detroit MSA than Michigan overall during the past nine years. The Detroit MSA has expanded at a 2.1% average annual rate while the State of Michigan has grown at a 1.8% rate. As the national economy improves, the Detroit MSA has been on par with Michigan. GDP for the Detroit MSA rose by 0.8% in 2019 while Michigan's grew by 0.8%.

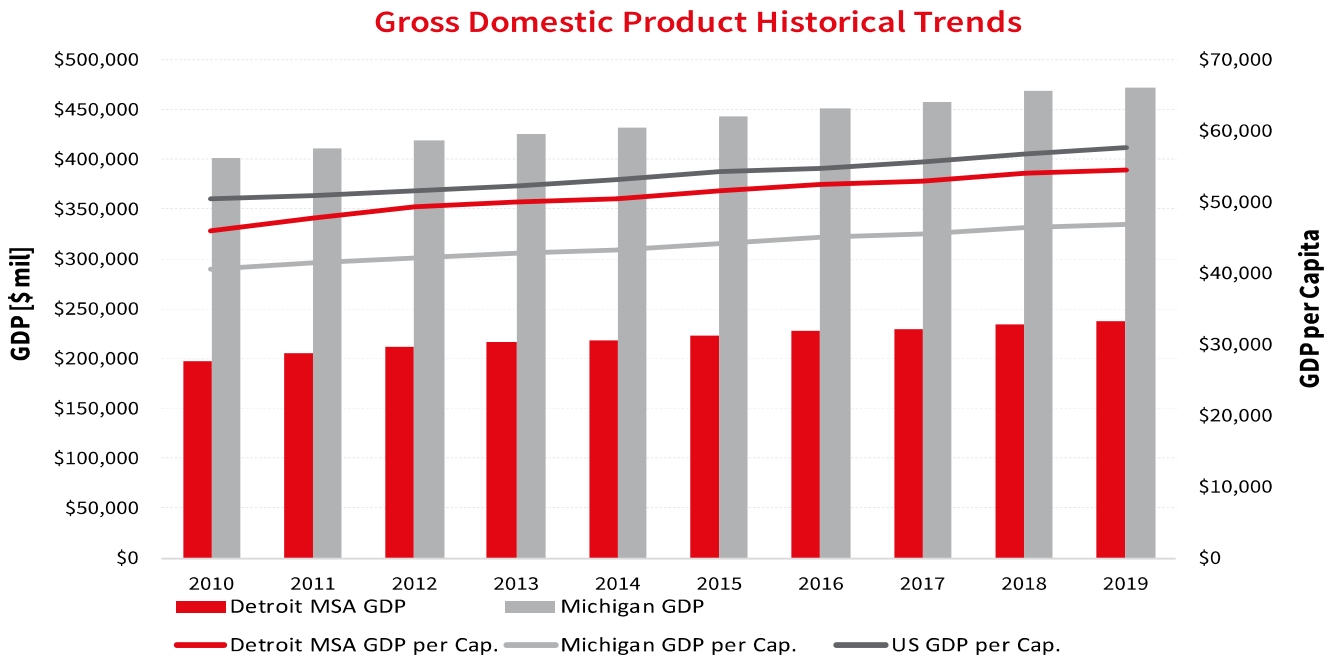
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The Detroit MSA has a per capita GDP of $54,437, which is 16.0% greater than Michigan's GDP of $46,736. This means that the Detroit MSA industries and employers are adding relatively much more value to the economy than their peers in Michigan.

Gross Domestic Product

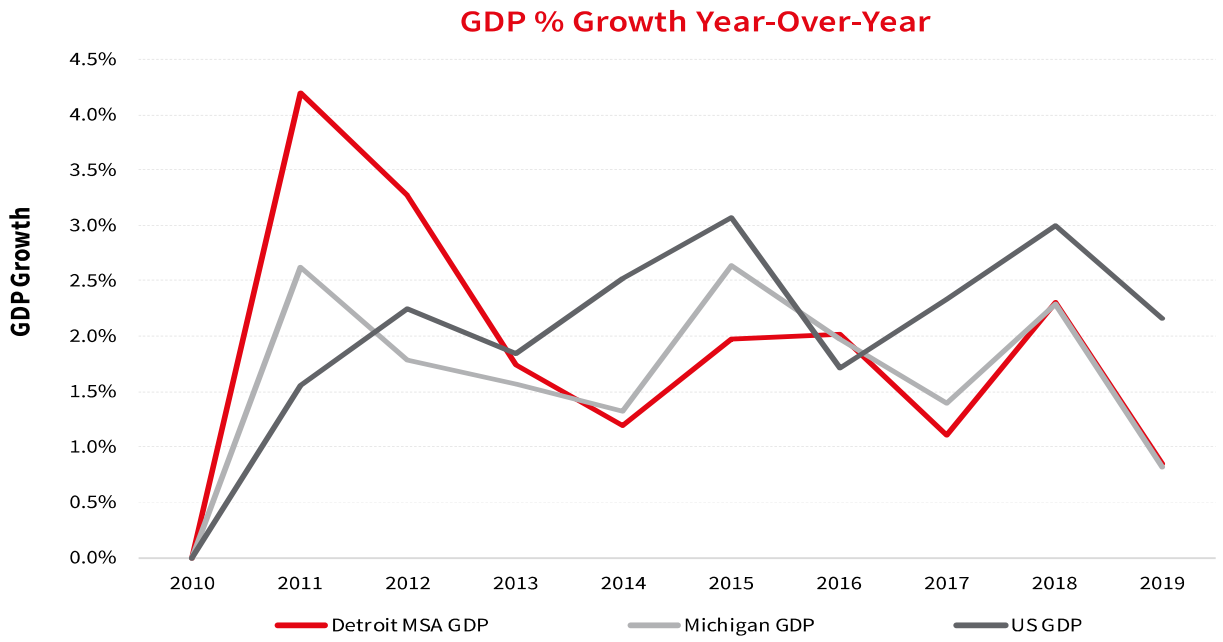
	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Detroit MSA	Change	Michigan	Change	United States	Change	Detroit MSA	Michigan	United States
2010	$197,226	-	$400,942	-	$15,598,753	-	$45,907	$40,566	$50,523
2011	$205,504	4.2%	$411,427	2.6%	$15,840,664	1.6%	$47,760	$41,530	$50,894
2012	$212,218	3.3%	$418,742	1.8%	$16,197,007	2.2%	$49,246	$42,170	$51,623
2013	$215,911	1.7%	$425,327	1.6%	$16,495,369	1.8%	$50,026	$42,733	$52,158
2014	$218,496	1.2%	$430,936	1.3%	$16,912,038	2.5%	$50,549	$43,197	$53,055
2015	$222,804	2.0%	$442,288	2.6%	$17,432,170	3.1%	$51,467	$44,232	$54,260
2016	$227,293	2.0%	$451,026	2.0%	$17,730,509	1.7%	$52,424	$45,002	$54,762
2017	$229,816	1.1%	$457,342	1.4%	$18,144,105	2.3%	$52,926	$45,527	$55,609
2018	$235,105	2.3%	$467,828	2.3%	$18,687,786	3.0%	$54,063	$46,464	$56,839
2019	$237,089	0.8%	$471,648	0.8%	$19,091,662	2.2%	$54,437	$46,736	$57,629
10 Yr Change	**$39,863**	**2.1%**	**$70,706**	**1.8%**	**$3,492,909**	**2.3%**	**$8,530**	**$6,169**	**$7,106**

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

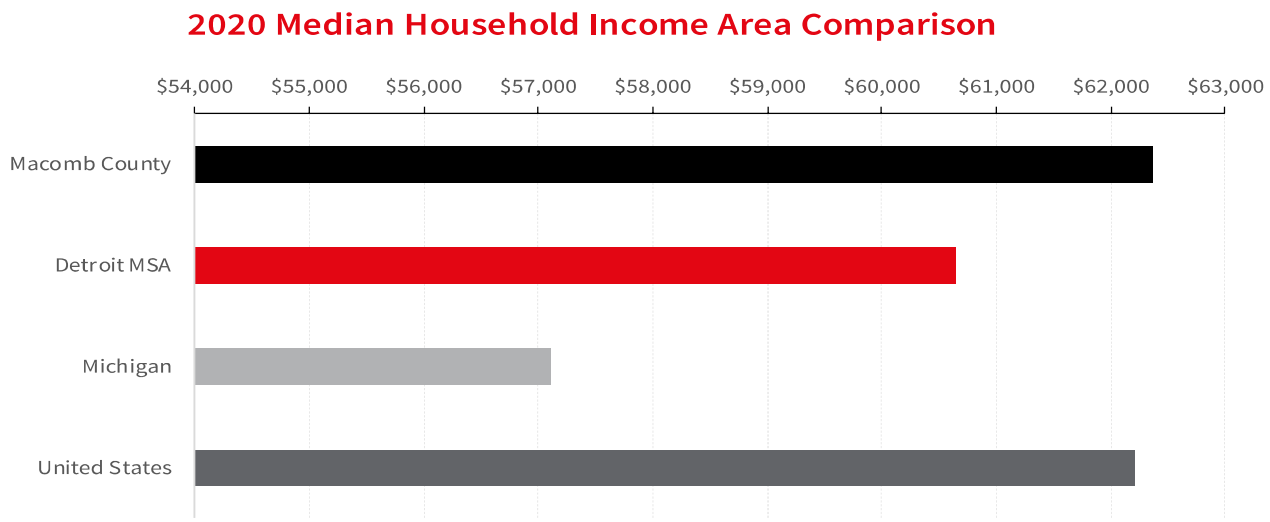
The Detroit MSA has a higher level of household income than Michigan. Median household income for the Detroit MSA is $60,645, which is 6.2% higher than Michigan.

Median Household Income

Area	Med. Household Income 2020 Est.	Med. Household Income 2025 Est.	Compound Ann. % Chng 2020 - 2025
Macomb County	$62,354	$67,025	1.5%
Detroit MSA	$60,645	$65,667	1.6%
Michigan	$57,108	$61,243	1.4%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

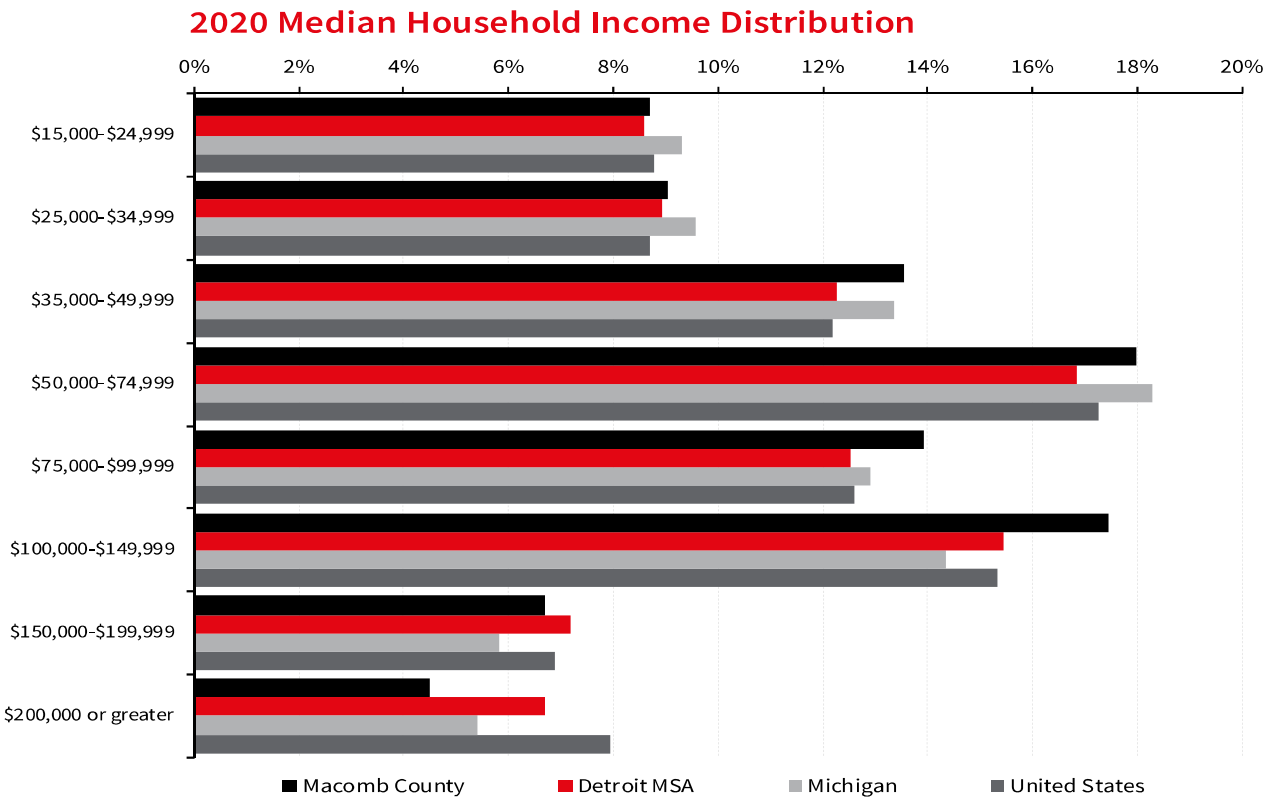
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Detroit MSA has a comparable concentration of households in the lower income levels than Michigan. Specifically, 29% of the Detroit MSA households are below the $35,000 level in household income as compared to 30% of Michigan households. A greater concentration of households exists in the higher income levels, as 42% of the Detroit MSA households are at the $75,000 or greater levels in household income versus 39% of Michigan households.

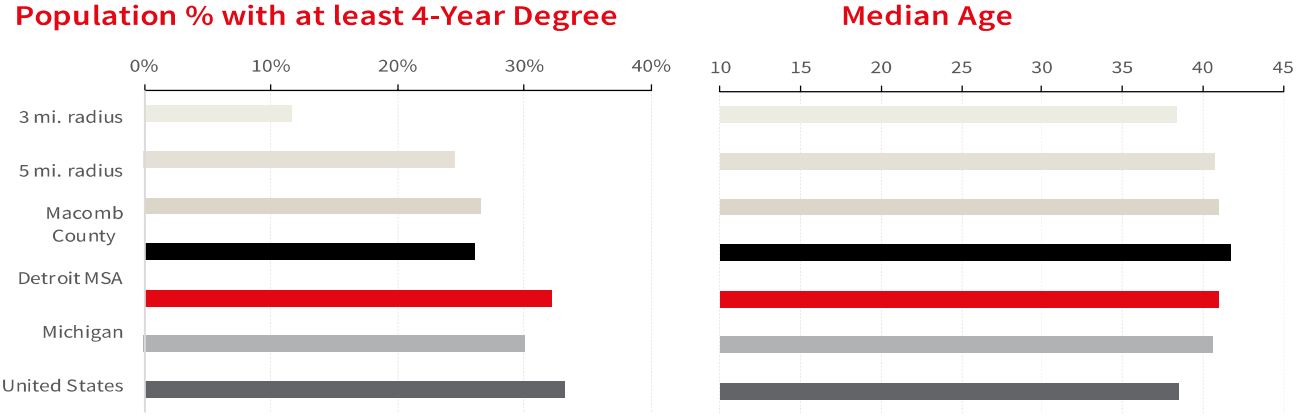
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Detroit MSA have a higher level of educational attainment than those in Michigan. An estimated 32.2% of the Detroit MSA residents are college graduates with four-year degrees or higher, while Michigan residents have an estimated 30.1% with at least a four-year degree. People in the Detroit MSA are similar in age to their peers in Michigan. The median age of both the Detroit MSA and Michigan is 41 years.



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

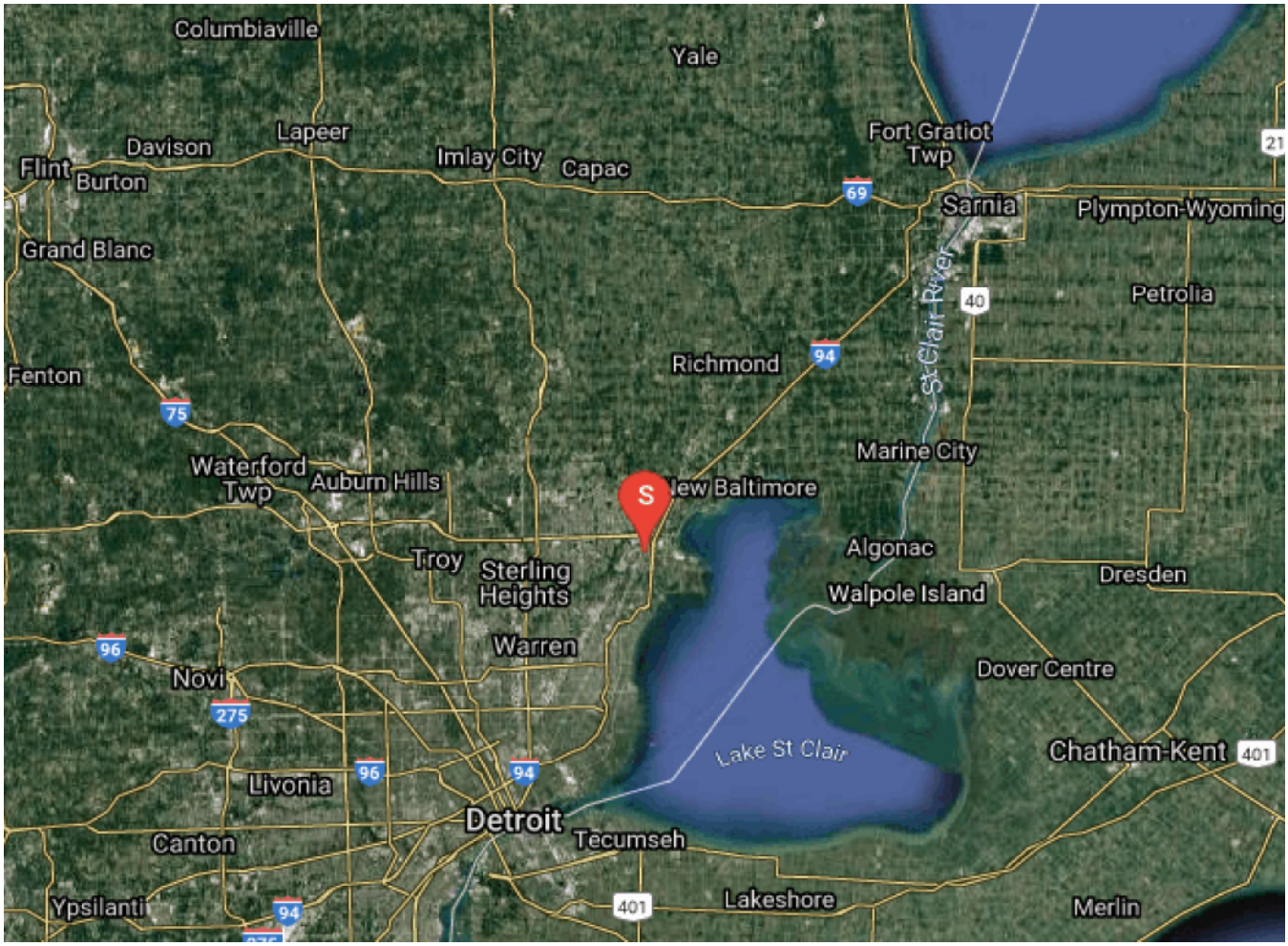
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Conclusion

The Detroit MSA's economy will benefit from a stable to slightly growing population base, and higher income and education levels. The Detroit MSA saw an increase in the number of jobs in the past 10 years, and it can be anticipated that employment growth will continue in the future. Furthermore, the Detroit MSA is well-positioned from being the fourteenth most populous metropolitan area in the country and having both a higher rate of GDP growth in the past nine years and a higher level of GDP per capita than Michigan overall. We project that the Detroit MSA’s economy will improve and employment will grow, strengthening the demand for real estate overall.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the northeast area of Clinton Township, MI. This area is part of the Clinton Township submarket and generally is delineated as follows:

North	Hall Road
South	E 14 Mile Road
East	Union Lake Road
West	Hayes Road

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Interstate 94, a major arterial that crosses the Detroit area in a northeast/southwest direction. Access to the subject from Interstate 94 is provided by Gratiot Avenue, and travel time from the major arterial to the subject is about 8 minutes. Overall, vehicular access is good.

Public transportation is provided by SMART and provides access to Macomb County. The nearest bus station is located at Gratiot + Patterson. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Oakland County International Airport is located about 32.5 miles from the property; travel time is about 48 minutes, depending on traffic conditions. The Detroit CBD, the economic and cultural center of the region, is approximately 26 miles from the property.

Demand Generators

Major employers include General Motors Co, Chrysler Group LLC and Ford Motor Co. These are located within 20 miles of the property and represent significant concentrations in the automobile manufacturing industry.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Macomb County	Detroit MSA	Michigan	United States
Population							
2010	8,263	59,743	170,086	840,978	4,296,250	9,883,640	308,745,538
2020	8,310	63,318	179,852	877,280	4,361,870	10,114,954	333,793,107
2025	8,393	65,376	185,565	898,058	4,406,503	10,238,518	346,021,282
Compound Chg 2010 - 2020	0.06%	0.58%	0.56%	0.42%	0.15%	0.23%	0.78%
Compound Chg 2020 - 2025	0.20%	0.64%	0.63%	0.47%	0.20%	0.24%	0.72%
Density	2,647	2,240	2,290	1,831	1,121	179	95
Households							
2010	3,657	24,210	68,209	331,667	1,682,111	3,872,508	116,716,292
2020	3,711	25,922	72,753	347,820	1,726,728	4,002,057	126,083,849
2025	3,754	26,820	75,326	356,686	1,750,626	4,062,968	130,658,485
Compound Chg 2010 - 2020	0.15%	0.69%	0.65%	0.48%	0.26%	0.33%	0.77%
Compound Chg 2020 - 2025	0.23%	0.68%	0.70%	0.50%	0.28%	0.30%	0.72%
Other Demographics							
Med. Household Income	$28,926	$58,882	$66,050	$62,354	$60,645	$57,108	$62,203
Avg. Household Size	2.2	2.4	2.4	2.5	2.5	2.5	2.6
College Graduate %	11.6%	24.4%	26.5%	26.0%	32.2%	30.1%	33.1%
Median Age	38	41	41	42	41	41	39
Owner Occupied %	50%	64%	71%	74%	69%	71%	64%
Renter Occupied %	50%	36%	29%	26%	31%	29%	36%
Med. Home Value	$67,326	$195,868	$206,463	$179,555	$190,259	$170,940	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 63,318, and the average household size is 2.4. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to exceed that of the Detroit MSA overall.

Median household income is $58,882, which is lower than the household income for the Detroit MSA as a whole. The populace within a three-mile radius has less formal college education than residents in the Detroit MSA, while median home values in the area are higher.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

Retail and Public Services

The nearest shopping facilities serving the area are located at Marketplace Boulevard, about 2.7 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Regional Shopping Center, located about 4.6 miles from the property. Restaurants, principally along major arterials such as Gratiot Avenue and Hall Road, are within a 4-minute travel time of the property. The closest lodging facilities are located within a 5-minute drive of the subject and include Hampton Inn & Suites, Holiday Inn Express & Suites and Fairfield Inn & Suites by Marriott.

The nearest fire and police stations are within 2 miles of the property. The closest elementary/middle school is 2 miles and the local high school is approximately 2 miles away. The closest colleges and universities are

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Oakland University and Macomb Community College. They offer various programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of MacArthur park.

Land Use

In the immediate vicinity of the subject, predominant land uses are residential and commercial. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	85%
Percent Developed by Land use	5% Condo; 55% Single Family; 10% Apartments; 30% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Mobile home park
South	Vacant land and retail use
East	Mobile home park
West	Retail use

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

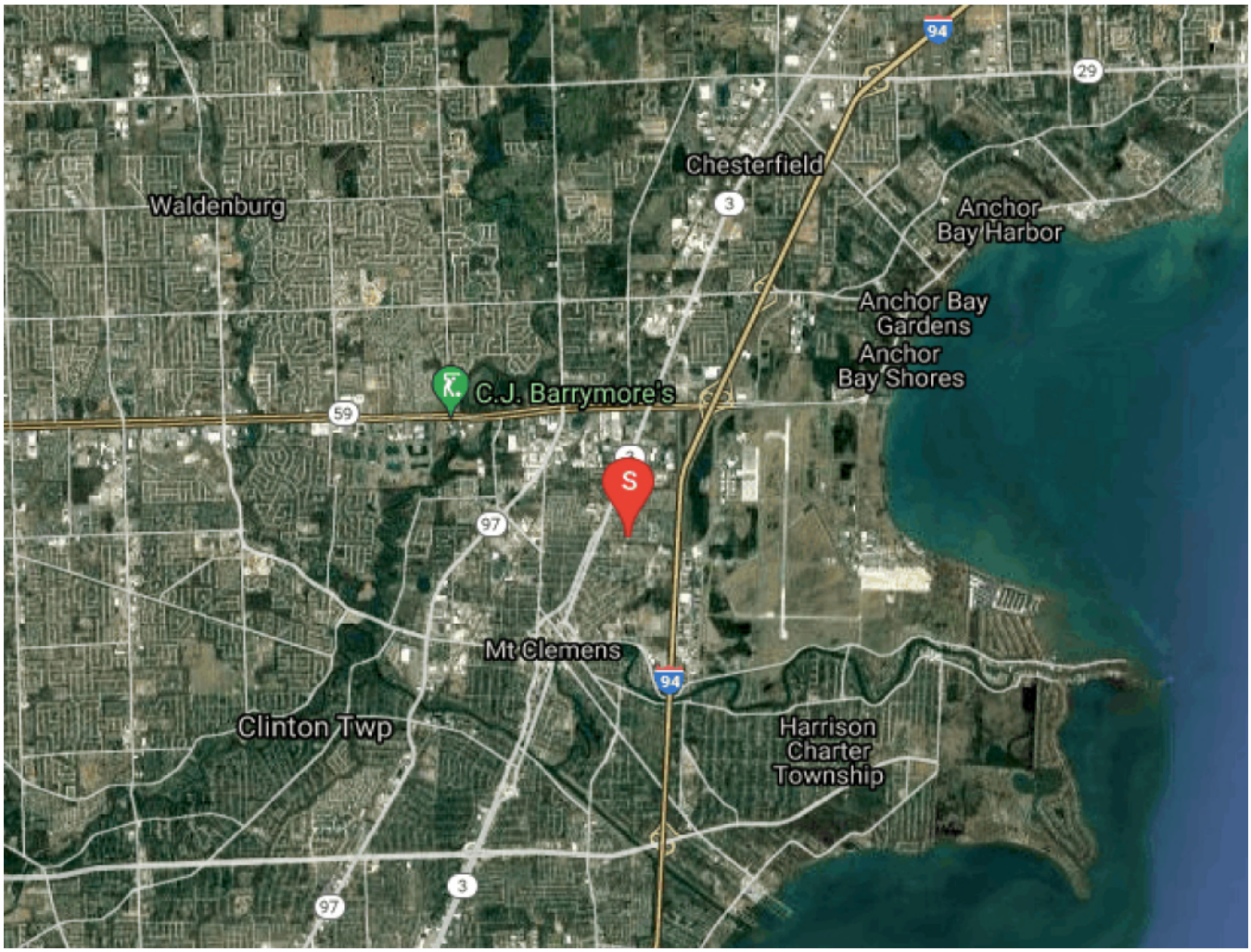
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transportation	Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Above Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



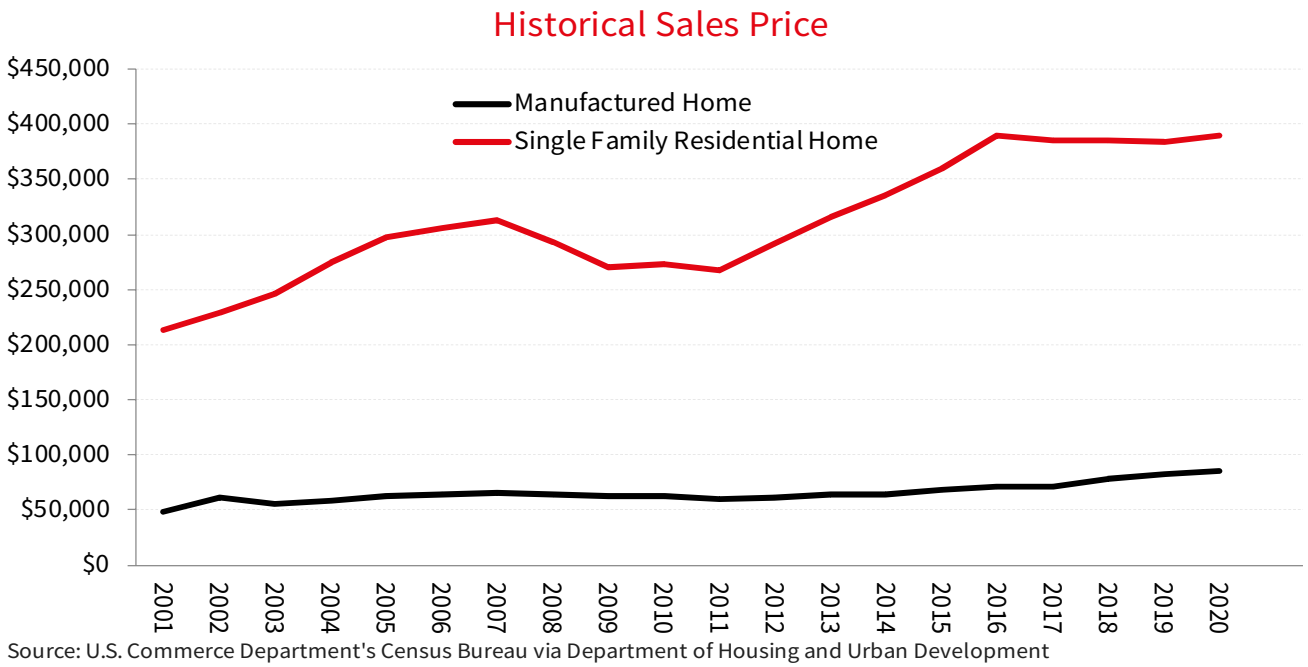
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

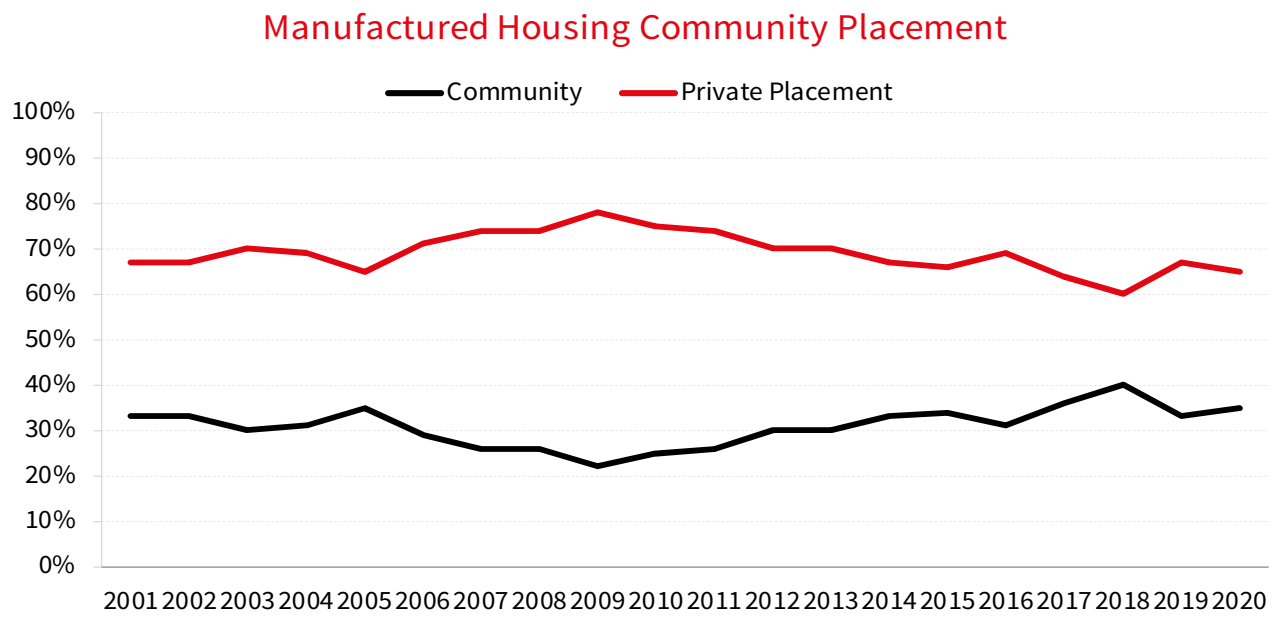


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

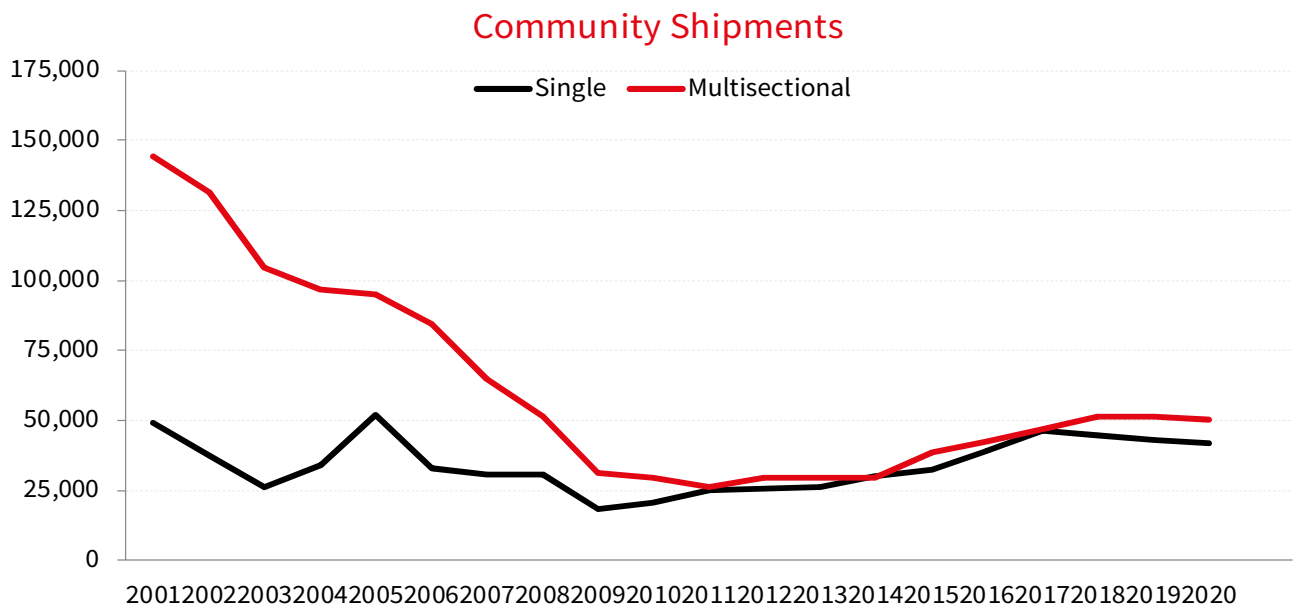


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

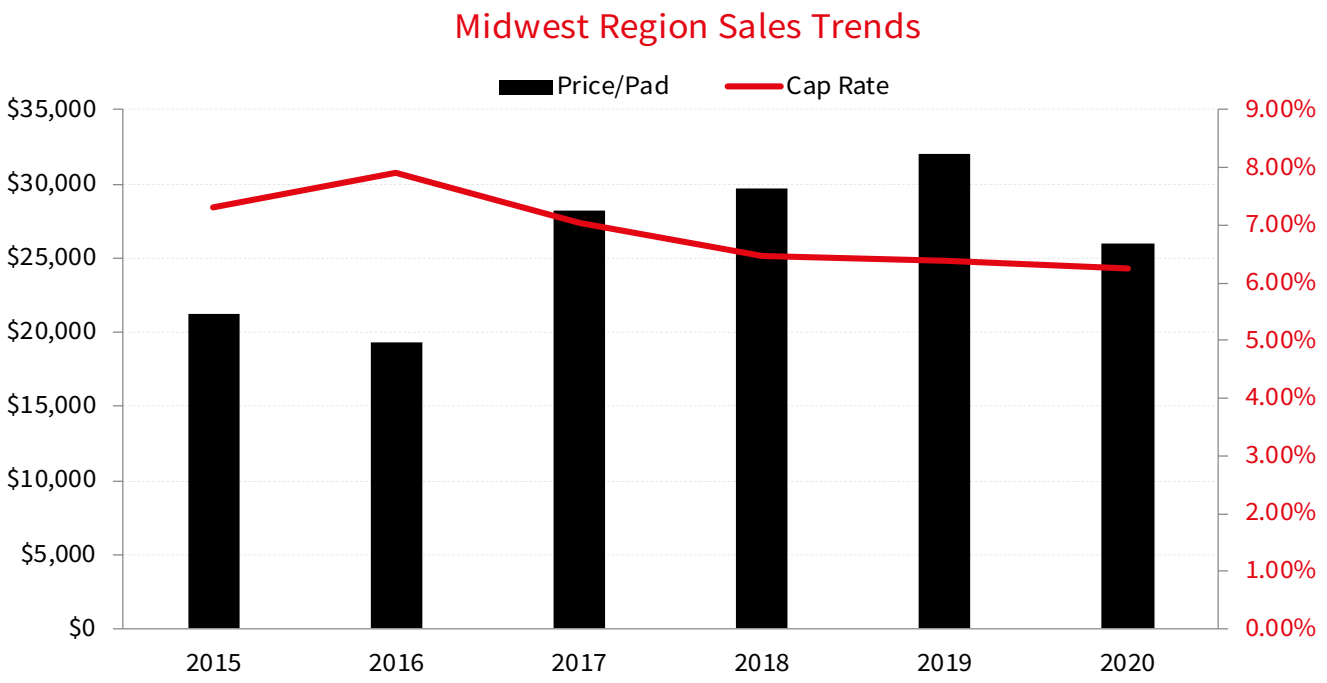
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

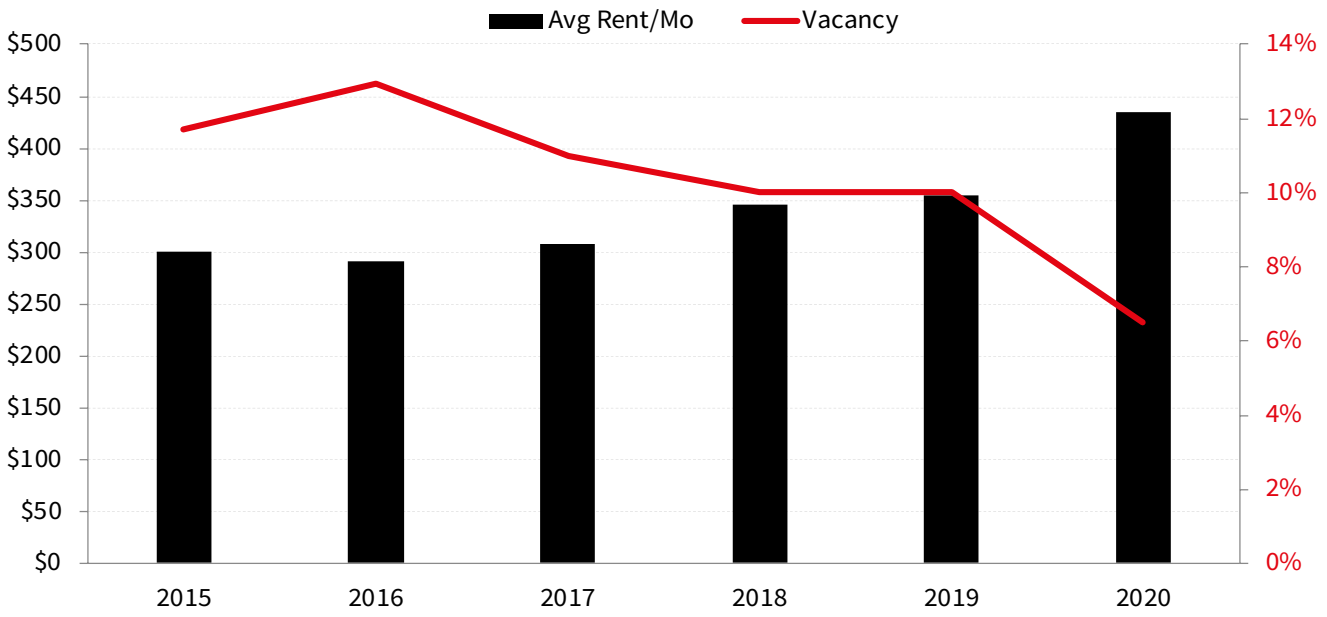
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$30,000	$206,463	-
Down Payment or Deposit	$3,000	$10,323	-
Amount Financed	$27,000	$196,140	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$357	$881	-
Taxes	$63	$430	-
Insurance	$9 - $10	$50	-
Site Rent	$435	-	-
Total Monthly Payment*	$863	$1,361	$600 - $800

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a strong value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Clinton Township, MI, located approximately 27.6 miles northeast of Detroit. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Willow Point MHP 43400 Lenfesty Dr Harrison Charter Township, MI 48045 Tenant-Paid Utilities:	0.0 Electric, Gas, Cable/Sat	1970	6/7/2021	284	84%	$485
2	Windsor Farms 23680 Sandpiper Dr Clinton Twp, MI Tenant-Paid Utilities:	0.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1960	6/7/2021	620	96%	$525
3	Clinton River 4125 Riverview Cir Mt Clemens, MI Tenant-Paid Utilities:	1.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1970	6/7/2021	131	97%	$485
4	Silver Springs 43600 Park Dr W Clinton Twp, MI Tenant-Paid Utilities:	1.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1998	6/7/2021	547	100%	$579
5	Westbrook 45013 Catalpa Blvd Macomb, MI Tenant-Paid Utilities:	2.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	2002	6/7/2021	354	97%	$600
6	Westbridge Manor 45301 Chateau Thierry Blvd Macomb, MI Tenant-Paid Utilities:	2.0 Water, Sewer, Electric, Gas, Cable/Sat	1970	6/7/2021	1,446	100%	$500
Weighted Market Average		1.0	1978		564	97%	$526
	Subject: Parkway Village	-	1970	-	242	58%	$336

The weighted average occupancy of the competitive properties is 97%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	48%	58%	62%	60%	58%	57%
Occupied Pads	116	141	150	145	141	
Absorbed Pads/Year		25	9	-5	-4	

Source: Borrower documents.

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Although requested, we were not provided with historical rental rate figures at the subject. The subject has historically had an average physical occupancy of 57% and is currently 58% occupied. Over the long run we anticipate the subject property to face a competitive market much like the peer group identified previously.

We are of the opinion that the subject property is operating with an occupancy which is below market levels and that there is upside to grow physical occupancy for a well-capitalized MHC operator that has the capital means to bring in new / used community owned homes and make them available for sale / rent. As such, we have projected absorption in our analysis to reach a stabilized occupancy.

As will be further discussed in the Income Capitalization Section of this report, we are of the opinion that the subject property has below market rents.

JLL Projection – As Is: We have projected vacancy based on in-place occupancy for the subject property. Therefore, we have projected our As Is stabilized occupancy at 58%. Our conclusion considers 42% for vacancy. We have separately projected collection loss in our analysis.

JLL Projection – Upon Stabilization: We have projected stabilized occupancy for the subject property at 89.3% (or 216 occupied sites). Our conclusion considers 10.7% (or 26 vacant sites) for vacancy. We have separately projected collection loss in our analysis.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

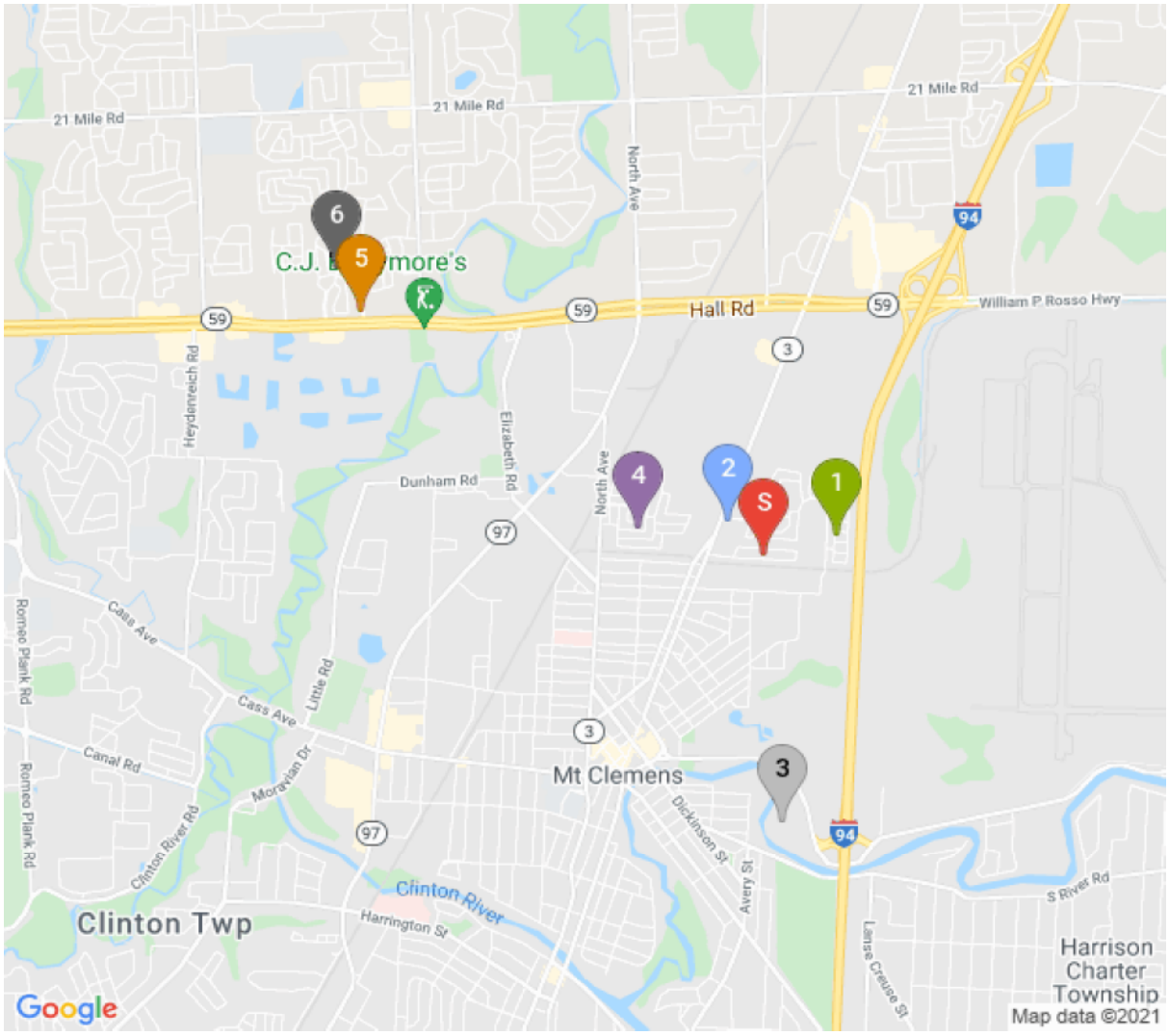
Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

The subject property has collected roughly 91% of rent over the last 3 months. We are of the opinion that rental collections are being slightly impacted as a result of COVID-19. As such, we have projected a temporary deduction for collection loss which is further discussed at the end of the Income Capitalization Approach Section of this report.

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Competitive Properties Map



S Parkway Village: 23500 S Keystone Way, Clinton Township, MI 48036

1 Willow Point MHP 43400 Lenfesty Dr, Harrison Charter Township, MI

2 Windsor Farms 23680 Sandpiper Dr, Clinton Twp, MI

3 Clinton River 4125 Riverview Cir, Mt Clemens, MI

4 Silver Springs 43600 Park Dr W, Clinton Twp, MI

5 Westbrook 45013 Catalpa Blvd, Macomb, MI

6 Westbridge Manor 45301 Chateau Thierry Blvd, Macomb, MI

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Property Analysis

Land Description and Analysis

Location

The property is located on the east side of Gratiot Avenue, exactly on its intersection with S Keystone Way.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
11-12-126-008	1,056,330	24.25
Total	1,056,330	24.25

Source: Public Records

Shape and Dimensions

The site is flag in shape. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	26099C0351J
Date	12/30/2020
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

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Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	Gratiot Ave
Frontage Feet	40 feet
Paving	Asphalt
Curbs	Yes
Sidewalks	Yes
Lanes	2 way, 2 lanes each way
Direction of Traffic	North/South
Condition	Average
Traffic Levels	Moderate
Signals/Traffic Control	Traffic light
Access/Curb Cuts	One
Visibility	Average

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Charter Township of Clinton
Sewer	Charter Township of Clinton
Electricity	DTE Energy
Natural Gas	Consumers Energy
Local Phone	Various

Zoning

The subject is zoned MH, Mobile Home Park District, by Clinton Charter Township, MI. The MH zone is intended to provide a suitable environment with adequate space and proper supporting facilities for families and persons to live in mobile home parks. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Clinton Charter Township, MI
Zoning Designation	MH
Description	Mobile Home Park District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Mobile home parks, Accessory structures customarily incidental to mobile home parks.

Category	Zoning Requirement
Minimum Lot Area	20 acres
Minimum Street Frontage (Feet)	None stated
Minimum Lot Width (Feet)	44 feet per mobile home lot.
Minimum Lot Depth (Feet)	90 feet per mobile home lot.
Minimum Setbacks (Feet)	Front - 15 feet; Side - 10 feet; Rear; 10 feet.
Maximum Building Height	25 feet or 2 stories.
Maximum Floor Area Ratio	None stated
Parking Requirement	2 concrete automobile parking spaces shall be required for each mobile home site.

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use that pre-dates the current zoning regulations.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include mobile home parks, Accessory structures customarily incidental to mobile home parks.. We are not aware of any other particular restrictions on development.

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Aerial Map



The subject property is outlined in red above.

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NEW VILLAGE

MHC CAPITAL
Real Estate Investments

Economic Analysis

Battle Creek MSA Area Demographics

The subject is located in the Battle Creek, MI Metropolitan Statistical Area, hereinafter called the Battle Creek MSA, as defined by the U.S. Office of Management and Budget. The Battle Creek MSA is 706 square miles in size, and ranks #310 in population out of the nation's 382 metropolitan areas.

Population

The Battle Creek MSA has an estimated 2020 population of 134,221, which represents an average annual 0.1% decrease over the 2010 census amount of 136,146. Battle Creek MSA lost an average of 193 residents per year over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Michigan.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	1,794	1,837	1,836	0.2%	0.0%
3 mi. radius	2,594	2,625	2,617	0.1%	-0.1%
5 mi. radius	4,298	4,285	4,256	0.0%	-0.1%
Battle Creek MSA	136,146	134,221	133,174	-0.1%	-0.2%
Michigan	9,883,640	10,114,954	10,238,518	0.2%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Battle Creek MSA's population is projected to decline at a 0.2% annual rate from 2020 - 2025, equivalent to the loss of an average of 209 residents per year. The Battle Creek MSA growth rate is expected to lag that of Michigan, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Battle Creek MSA is 52,400 jobs. Since 2011, employment declined by 2,833 jobs, equivalent to a 5.1% loss over the entire period. There were gains in employment in five of the past ten years despite the national economic downturn and slow recovery.

The Battle Creek MSA's rate of change in employment significantly underperformed the State of Michigan, which experienced an increase in employment of 1.9% or 76,050 over this period.

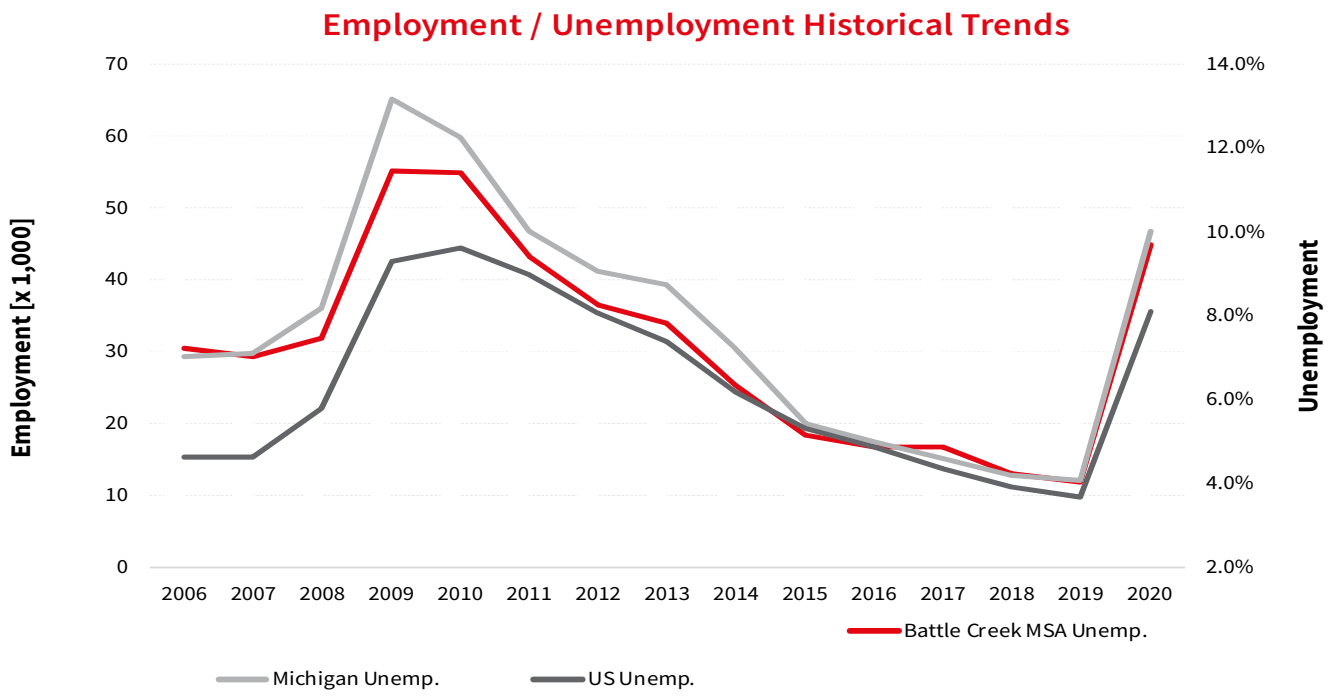
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Employment Trends

	Total Employment (Annual Average)						Unemployment Rate (Ann.		
Year	Battle Creek MSA	Change	Michigan	Change	United States	Change	Battle Creek MSA	Michigan	United States
2006	58,942	-	4,328,767	-	136,435,417	-	7.2%	7.0%	4.6%
2007	58,342	-1.0%	4,270,117	-1.4%	137,981,250	1.1%	7.0%	7.1%	4.6%
2008	57,458	-1.5%	4,164,850	-2.5%	137,223,833	-0.5%	7.5%	8.2%	5.8%
2009	54,767	-4.7%	3,873,783	-7.0%	131,296,083	-4.3%	11.5%	13.1%	9.3%
2010	54,917	0.3%	3,867,208	-0.2%	130,345,000	-0.7%	11.4%	12.2%	9.6%
2011	55,233	0.6%	3,956,425	2.3%	131,914,417	1.2%	9.4%	10.0%	9.0%
2012	55,658	0.8%	4,038,342	2.1%	134,157,417	1.7%	8.3%	9.0%	8.1%
2013	56,750	2.0%	4,114,608	1.9%	136,363,833	1.6%	7.8%	8.7%	7.4%
2014	57,975	2.2%	4,186,642	1.8%	138,939,750	1.9%	6.3%	7.2%	6.2%
2015	58,617	1.1%	4,248,608	1.5%	141,824,917	2.1%	5.2%	5.4%	5.3%
2016	59,125	0.9%	4,326,467	1.8%	144,335,833	1.8%	4.8%	5.0%	4.9%
2017	58,808	-0.5%	4,377,150	1.2%	146,607,583	1.6%	4.9%	4.6%	4.4%
2018	58,350	-0.8%	4,426,050	1.1%	148,908,417	1.6%	4.2%	4.2%	3.9%
2019	57,725	-1.1%	4,442,742	0.4%	150,904,750	1.3%	4.0%	4.1%	3.7%
2020	52,400	-9.2%	4,032,475	-9.2%	142,184,833	-5.8%	9.7%	10.0%	8.1%
10 Yr Change	**-2,833**	**-5.1%**	**76,050**	**1.9%**	**10,270,417**	**7.8%**			
Avg Unemp. Rate 2011-2020							6.5%	6.8%	6.1%
Unemployment Rate - Apr 2021							6.0%	4.6%	5.7%

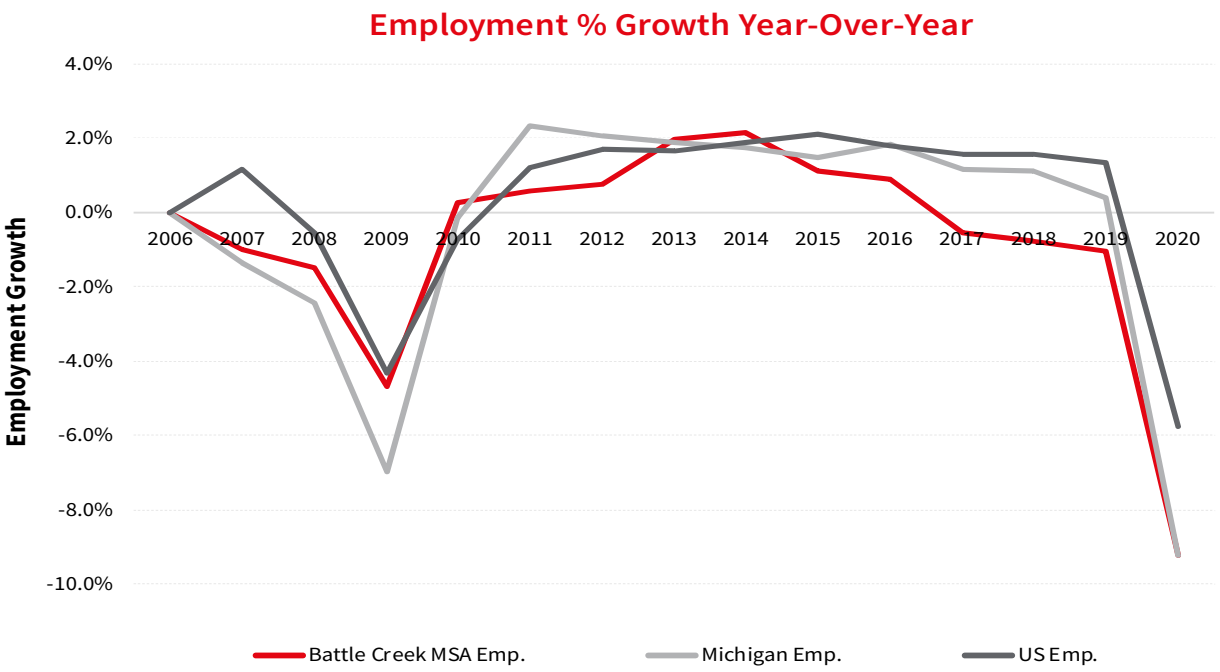
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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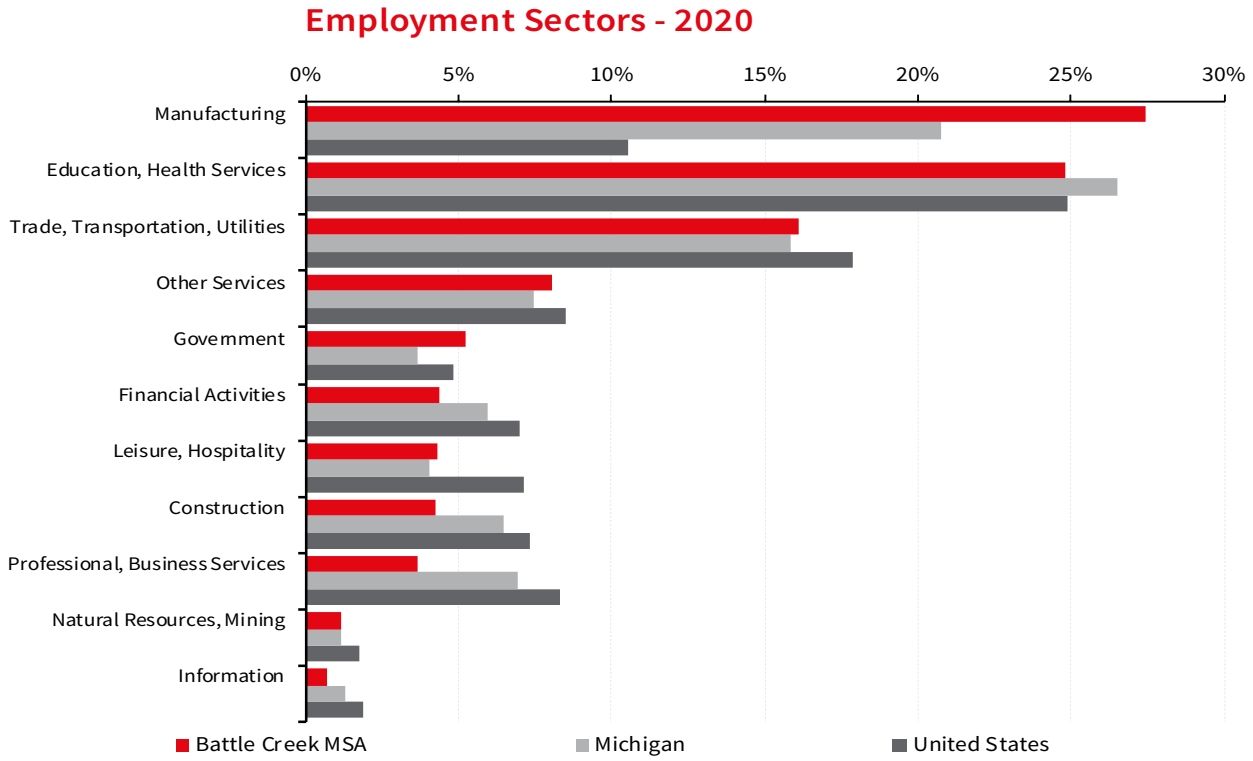
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Battle Creek MSA unemployment rate of 6.5% has been lower than the Michigan rate of 6.8%. In the latter half of the decade that trend has continued, as the Battle Creek MSA has consistently overperformed Michigan. Recent data shows that the Battle Creek MSA unemployment rate is 6.0%, in comparison to a 4.6% rate for Michigan, a negative sign for the Battle Creek MSA economy, although it should be noted the Battle Creek MSA and Michigan have sustained a similar pace of job growth over the past two years.

Employment Sectors

The composition of the Battle Creek MSA job market is illustrated in the chart below, paired with that of Michigan. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Battle Creek MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Battle Creek MSA has a greater percentage employment than Michigan in the following categories:

1. Manufacturing - which accounts for 27.4% of Battle Creek MSA payroll employment compared to 20.7% for Michigan as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Trade, Transportation, Utilities - which accounts for 16.1% of Battle Creek MSA payroll employment compared to 15.8% for Michigan as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Other Services - which accounts for 8.0% of Battle Creek MSA payroll employment compared to 7.5% for Michigan as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Government - which accounts for 5.2% of Battle Creek MSA payroll employment compared to 3.7% for Michigan as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.

The Battle Creek MSA is underrepresented in the following categories:

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1. Professional, Business Services - which accounts for 3.6% of Battle Creek MSA payroll employment compared to 6.9% for Michigan as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Construction - which accounts for 4.3% of Battle Creek MSA payroll employment compared to 6.5% for Michigan as a whole. This sector includes construction of buildings, roads, and utility systems.
3. Education, Health Services - which accounts for 24.8% of Battle Creek MSA payroll employment compared to 26.5% for Michigan as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
4. Financial Activities - which accounts for 4.4% of Battle Creek MSA payroll employment compared to 5.9% for Michigan as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Major Employers

The table below contains major employers in the Battle Creek MSA.

Major Employers - Battle Creek MSA

	Name	Employees
1	DENSO Manufacturing Michigan Inc.	3,535
2	Kellogg Co.	2,300
3	Firekeepers Casino	1,641
4	Veterans Administration Medical Center	1,581
5	Michigan Air National Guard	1,488
6	Bronson Battle Creek	1,273
7	Meijer Inc.	927
8	Kellogg Community College	920
9	II Stanley Co. Inc.	734
10	TRMI	715
11	Musashi Auto Parts Inc.	649
12	Duncan Aviation	623
13	McDonald's Restaurant	581
14	Post Foods	521
15	Family Fare	513
16	Johnson Controls	385
17	Janesville Acoustics	330
18	Hi-Lex Corp.	312
19	Systex Products Corp.	275
20	ASMO Manufacturig	233

Sources(s): Battle Creek Area Chamber of Commerce, 2018; Battle Creek Unlimited, 2017

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Battle Creek MSA ranks #295 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Battle Creek MSA than Michigan overall during the past nine years. The Battle Creek MSA has expanded at a 0.6% average annual

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rate while the State of Michigan has grown at a 1.8% rate. As the national economy improves, the Battle Creek MSA continues to underperform Michigan. GDP for the Battle Creek MSA rose by 0.8% in 2019 while Michigan's grew by 0.8%.

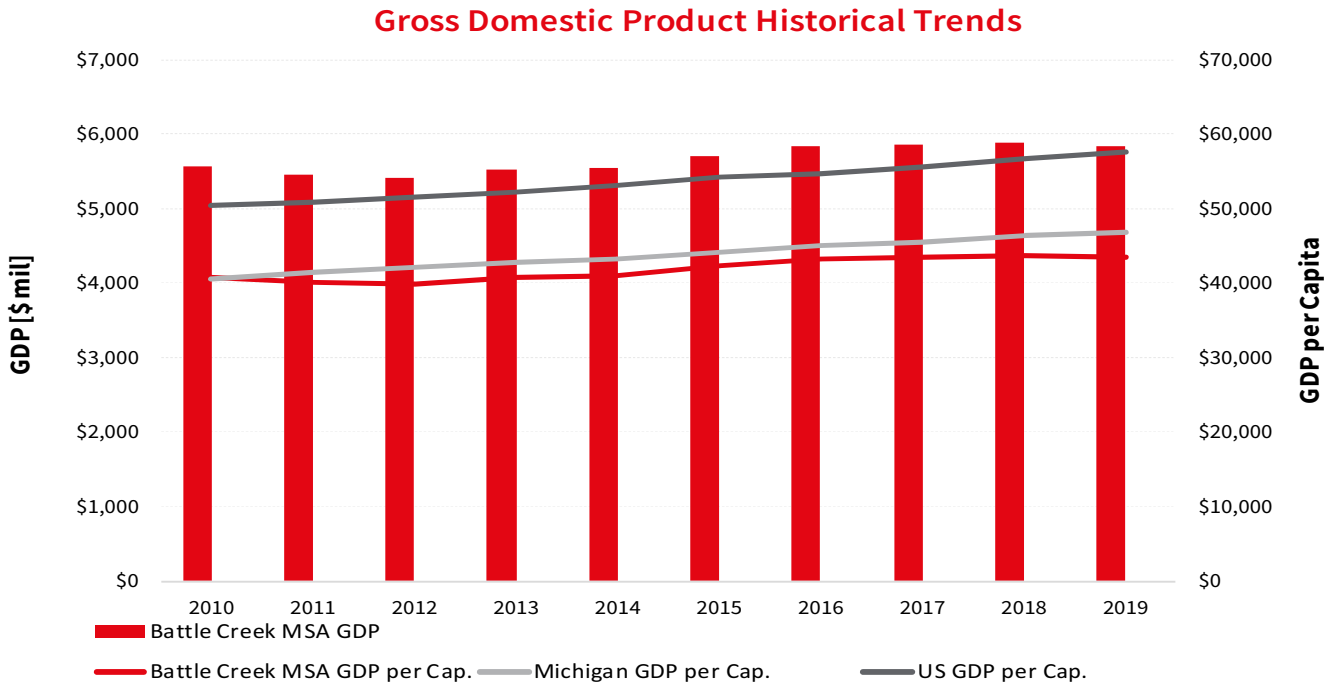
The Battle Creek MSA has a per capita GDP of $43,510, which is 7.0% less than Michigan's GDP of $46,736. This means that the Battle Creek MSA industries and employers are adding relatively less value to the economy than their peers in Michigan.

Gross Domestic Product

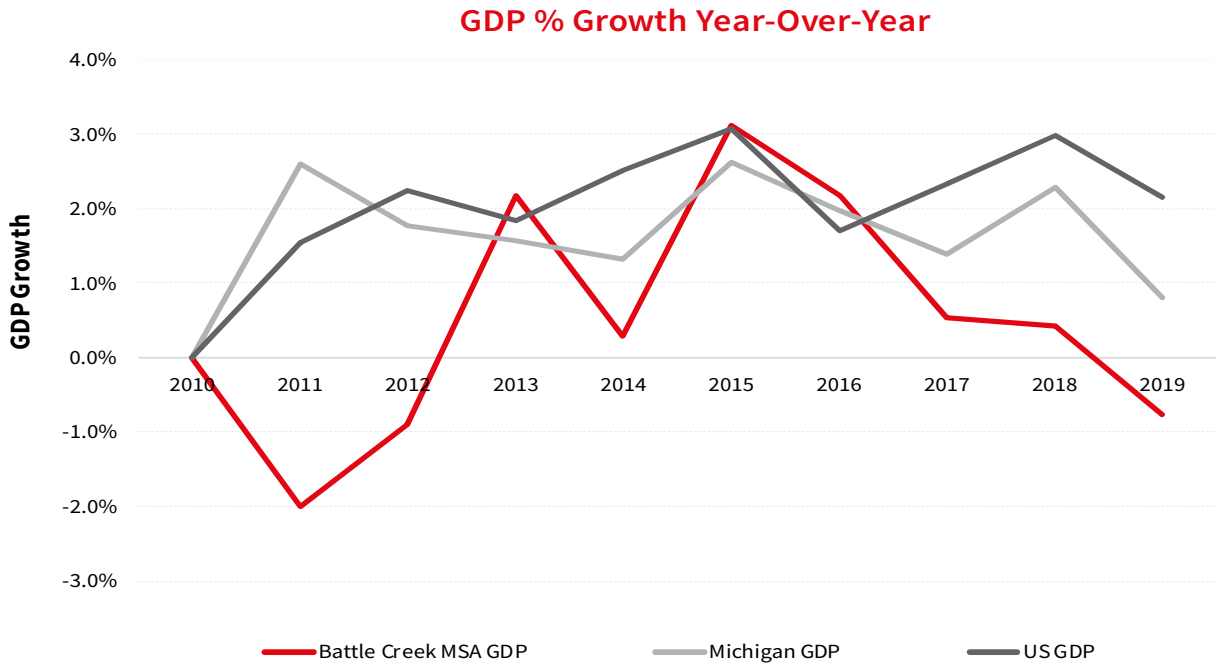
	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Battle Creek MSA	Change	Michigan	Change	United States	Change	Battle Creek MSA	Michigan	United States
2010	$5,565	-	$400,942	-	$15,598,753	-	$40,877	$40,566	$50,523
2011	$5,454	-2.0%	$411,427	2.6%	$15,840,664	1.6%	$40,119	$41,530	$50,894
2012	$5,405	-0.9%	$418,742	1.8%	$16,197,007	2.2%	$39,813	$42,170	$51,623
2013	$5,523	2.2%	$425,327	1.6%	$16,495,369	1.8%	$40,742	$42,733	$52,158
2014	$5,539	0.3%	$430,936	1.3%	$16,912,038	2.5%	$40,919	$43,197	$53,055
2015	$5,713	3.1%	$442,288	2.6%	$17,432,170	3.1%	$42,261	$44,232	$54,260
2016	$5,837	2.2%	$451,026	2.0%	$17,730,509	1.7%	$43,242	$45,002	$54,762
2017	$5,868	0.5%	$457,342	1.4%	$18,144,105	2.3%	$43,533	$45,527	$55,609
2018	$5,893	0.4%	$467,828	2.3%	$18,687,786	3.0%	$43,781	$46,464	$56,839
2019	$5,848	-0.8%	$471,648	0.8%	$19,091,662	2.2%	$43,510	$46,736	$57,629
10 Yr Change	**$283**	**0.6%**	**$70,706**	**1.8%**	**$3,492,909**	**2.3%**	**$2,633**	**$6,169**	**$7,106**

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



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Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

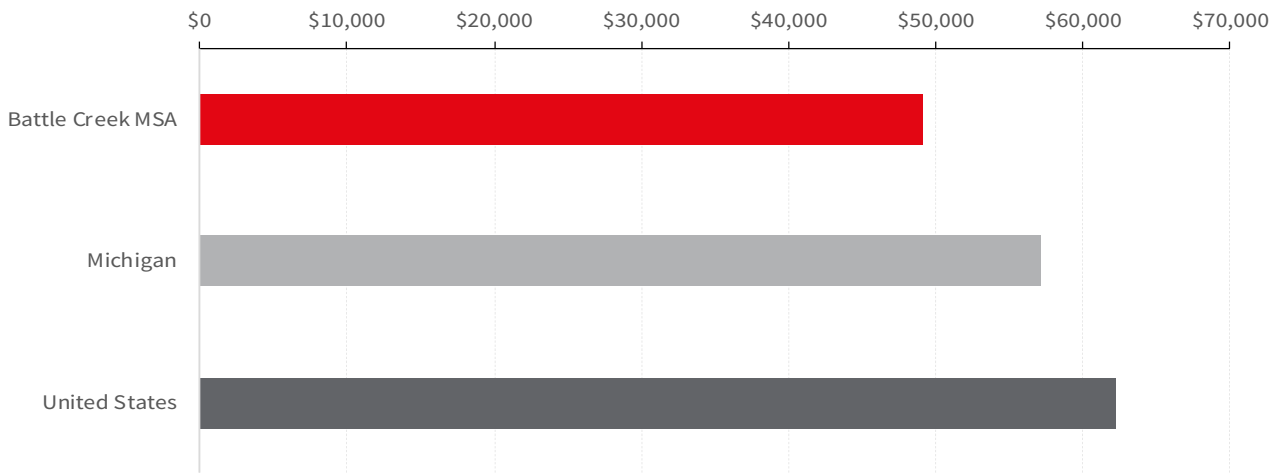
The Battle Creek MSA has a much lower level of household income than Michigan. Median household income for the Battle Creek MSA is $49,165, which is 13.9% less than Michigan.

Median Household Income

Area	Med. Household Income 2020 Est.	2025 Est.	Compound Ann. % Chng 2020 - 2025
Battle Creek MSA	$49,165	$51,555	1.0%
Michigan	$57,108	$61,243	1.4%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

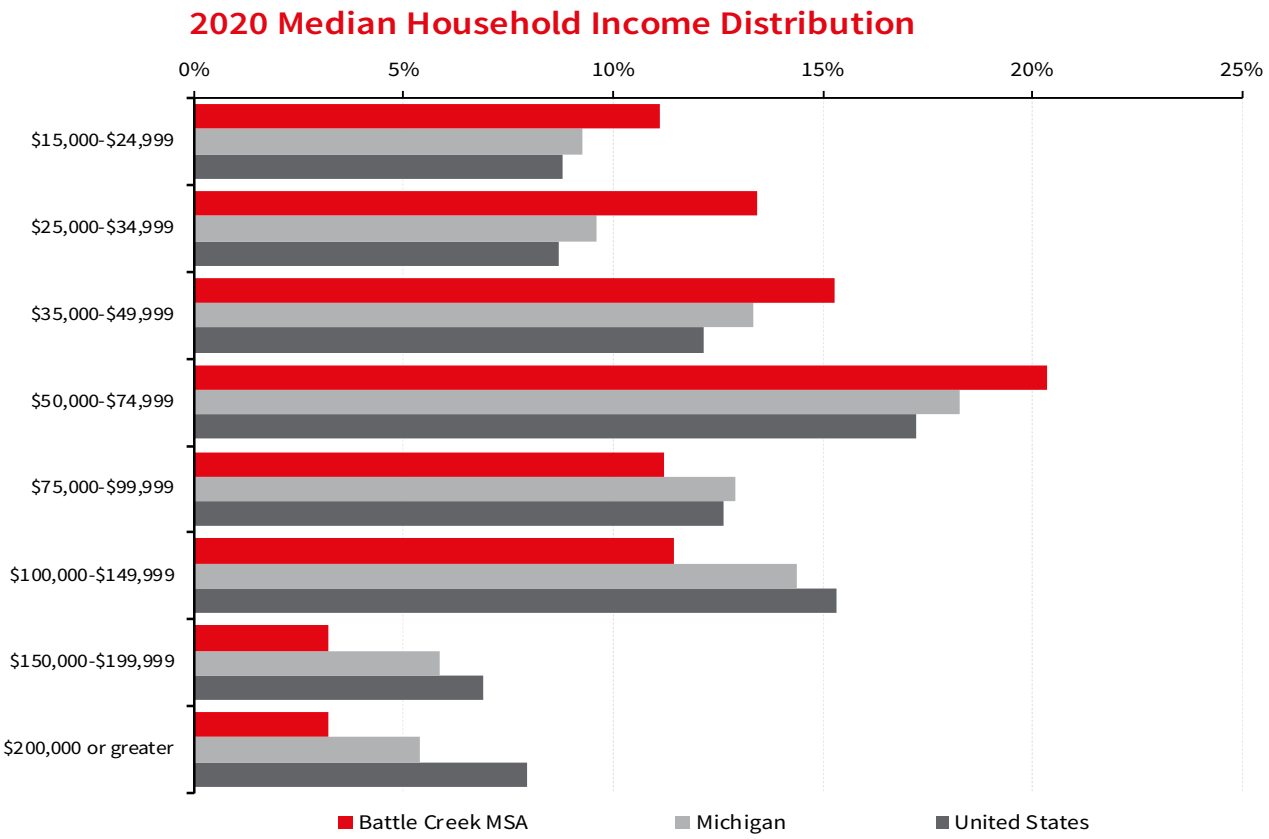
2020 Median Household Income Area Comparison



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Battle Creek MSA has a greater concentration of households in the lower income levels than Michigan. Specifically, 35% of the Battle Creek MSA households are below the $35,000 level in household income as compared to 30% of Michigan households. A substantially smaller concentration of households is apparent in the higher income levels, as 29% of the Battle Creek MSA households are at the $75,000 or greater levels in household income versus 39% of Michigan households.

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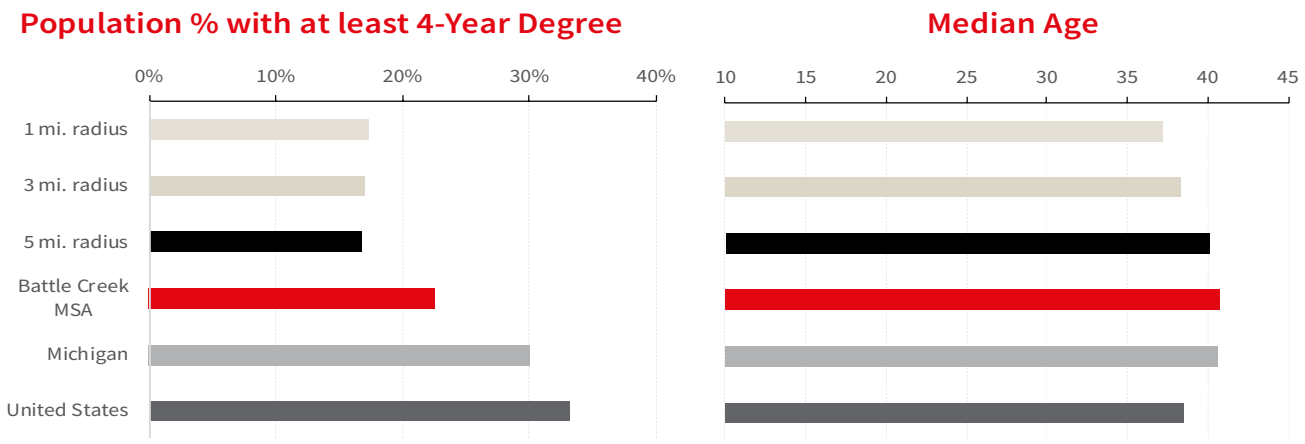


Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Battle Creek MSA have a lower level of educational attainment than those in Michigan. An estimated 22.5% of the Battle Creek MSA residents are college graduates with four-year degrees or higher, while Michigan residents have an estimated 30.1% with at least a four-year degree. People in the Battle Creek MSA are similar in age to their peers in Michigan. The median age of both the Battle Creek MSA and Michigan is 41 years.

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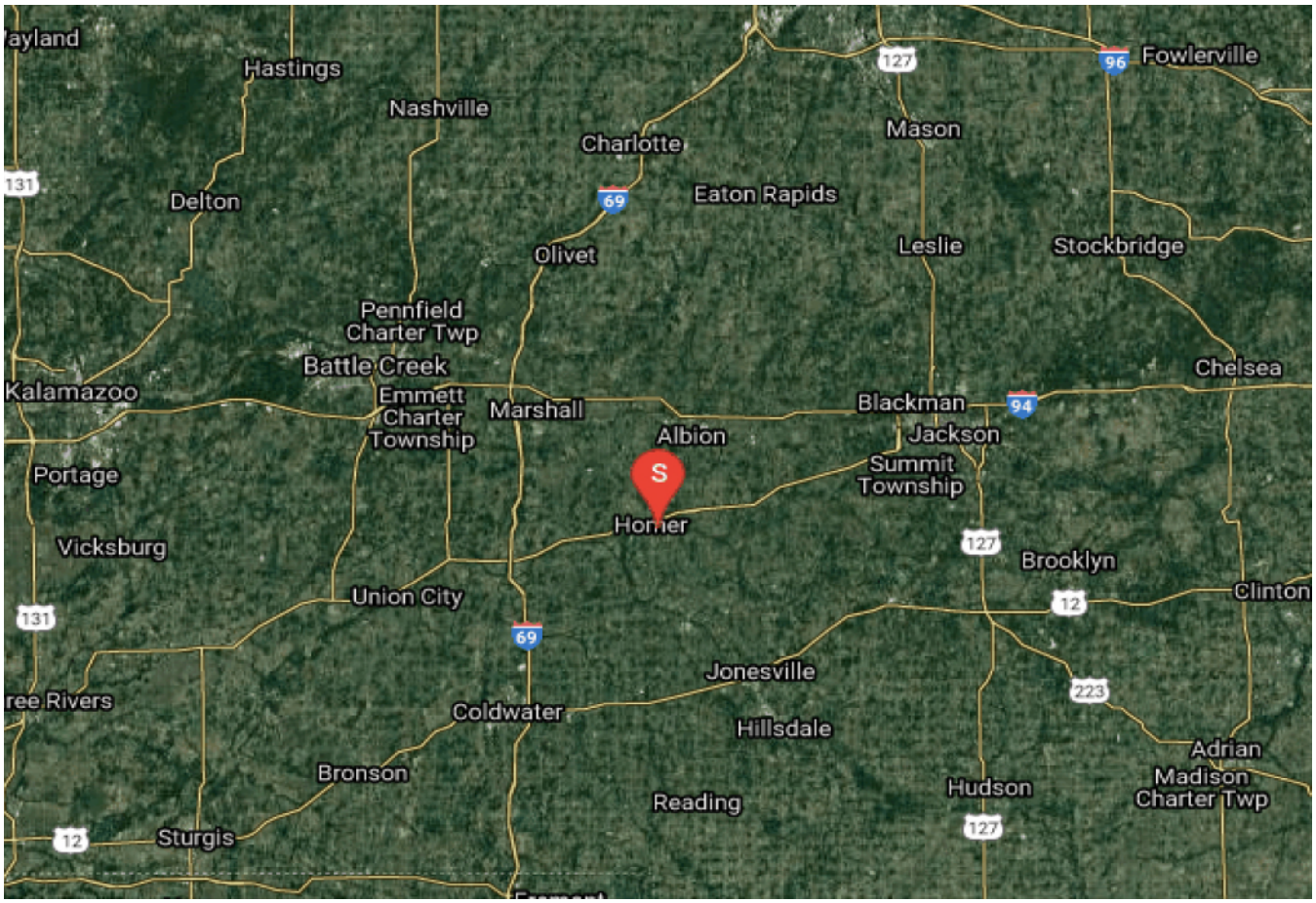
Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Battle Creek MSA's economy faces significant headwinds, with a declining population base, and lower income and education levels. Although employment did not grow during the past decade, the Battle Creek MSA has maintained a lower unemployment than Michigan. Despite the employment outlook, the Battle Creek MSA is facing challenges from lagging Michigan in both GDP growth in the past nine years and its GDP per capita.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the southeast area of Homer Village. This area is part of the Calhoun County and generally is delineated as follows:

North	W Baseline Hwy
South	S County Line Dr
East	Van Wert Rd
West	Armstrong Rd

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Interstate 194, a major arterial that crosses the Battle Creek metro area in a south direction. Access to the subject from Interstate 194 is provided by Interstate 94, and Interstate 69, and travel time from the major arterial to the subject is about 20 minutes. Overall, vehicular access is average.

Public transportation is not provided in the subject area. The subject has a walk score of 14 indicating a below average walkability factor. However, the primary mode of transportation in this area is the automobile.

The Battle Creek Executive Airport at Kellogg Field is located about 40 miles from the property; travel time is about 44 minutes, depending on traffic conditions. The Battle Creek CBD, the economic and cultural center of the region, is approximately 30 miles from the property.

Demand Generators

Major employers include Rennco, Homer Middle School and Homer Community High School. These are located within one mile of the property and represent significant concentrations in the industrial and educational industries.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Battle Creek MSA	Michigan	United States
Population						
2010	1,794	2,594	4,298	136,146	9,883,640	308,745,538
2020	1,837	2,625	4,285	134,221	10,114,954	333,793,107
2025	1,836	2,617	4,256	133,174	10,238,518	346,021,282
Compound Chg 2010 - 2020	0.24%	0.12%	-0.03%	-0.14%	0.23%	0.78%
Compound Chg 2020 - 2025	-0.01%	-0.06%	-0.14%	-0.16%	0.24%	0.72%
Density	585	93	55	190	179	95
Households						
2010	658	953	1,558	54,016	3,872,508	116,716,292
2020	672	964	1,560	53,921	4,002,057	126,083,849
2025	673	963	1,554	53,708	4,062,968	130,658,485
Compound Chg 2010 - 2020	0.21%	0.11%	0.01%	-0.02%	0.33%	0.77%
Compound Chg 2020 - 2025	0.03%	-0.02%	-0.08%	-0.08%	0.30%	0.72%
Other Demographics						
Med. Household Income	$45,553	$47,241	$50,364	$49,165	$57,108	$62,203
Avg. Household Size	2.7	2.7	2.7	2.4	2.5	2.6
College Graduate %	17.3%	17.0%	16.7%	22.5%	30.1%	33.1%
Median Age	37	38	40	41	41	39
Owner Occupied %	67%	69%	74%	68%	71%	64%
Renter Occupied %	33%	31%	26%	32%	29%	36%
Med. Home Value	$89,735	$95,775	$110,385	$117,146	$170,940	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 2,625, and the average household size is 2.7. Population in the area has risen since the 2010 census, but this trend is expected to reverse in the ensuing five years. The population within a three-mile radius is projected to contract at a rate similar to the Battle Creek MSA overall.

Median household income is $47,241, which is lower than the household income for the Battle Creek MSA as a whole. The populace within a three-mile radius has less formal college education than residents in the Battle Creek MSA, and median home values in the area are also substantially lower.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	14	Car-Dependent
Bike Score	47	Somewhat Bikeable

Source: Walkscore.com, updated 03/29/2021. Compiled by JLL Valuation & Advisory Services, LLC.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

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Retail and Public Services

The nearest shopping facilities serving the area are located at N Webster St, about 0.8 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Jackson Crossing, located about 25 miles from the property. Restaurants, principally along major arterials such as E Main St, and N Sophia St, are within a 3-minute travel time of the property. The closest lodging facilities are located within a 14 to 20- minute drive of the subject and include Courtyard by Marriott and Days Inn by Wyndham Albion.

The nearest fire and police stations are within 0.8 to 12.3 miles of the property. The closest elementary/middle school is half a mile away and the local high school is approximately half a mile away. The closest colleges and universities are within 10 to 15 miles. They offer business, health, IT, and engineering programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Grist Mill Park.

Land Use

In the immediate vicinity of the subject, predominant land uses are industrial, single-family residential, and agricultural. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10 to 50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	70%
Percent Developed by Land use	60% Single Family; 10% Apartments; 20% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Industrial
South	Agricultural
East	Land
West	Single Family Residential

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

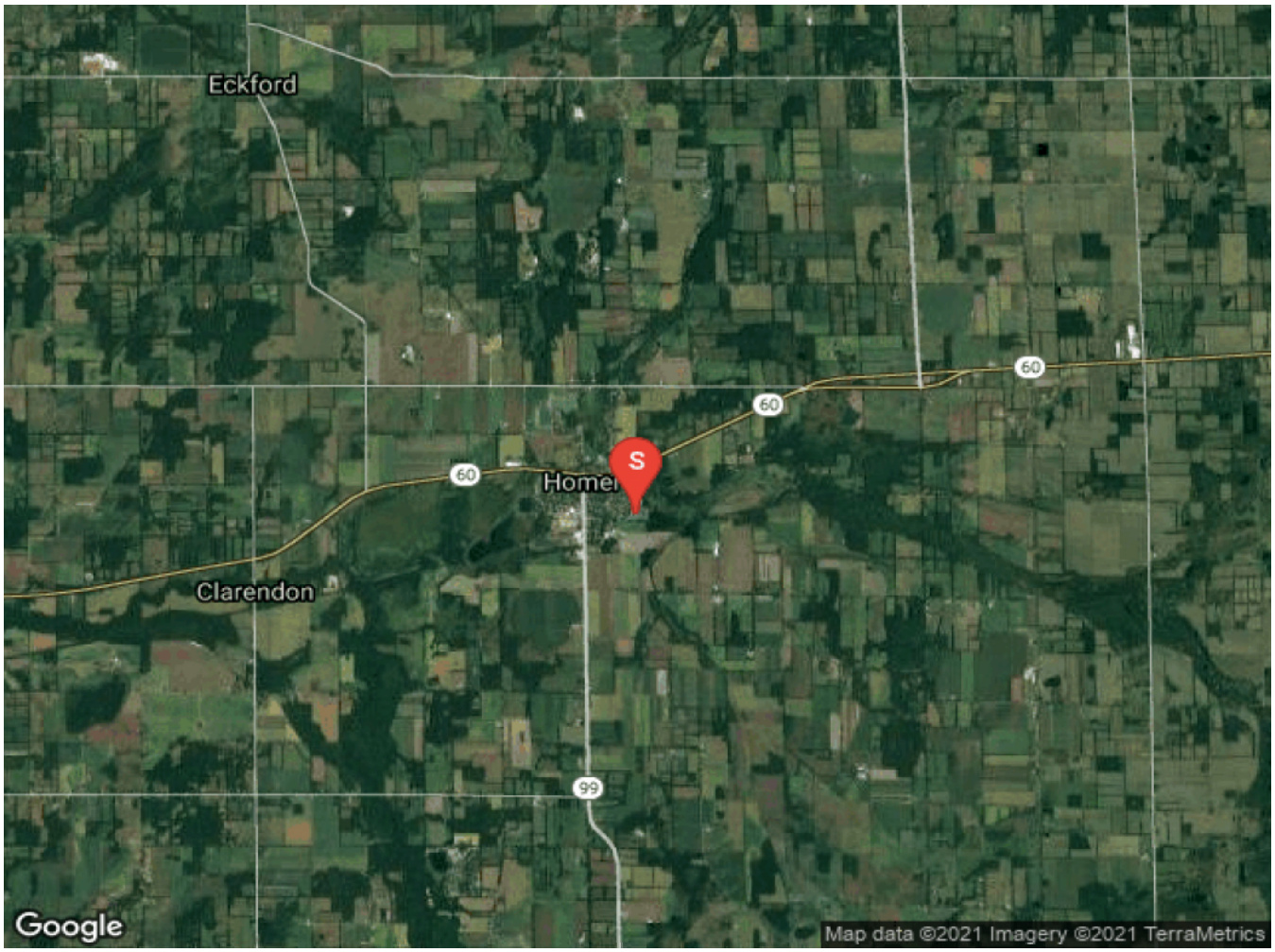
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Above Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



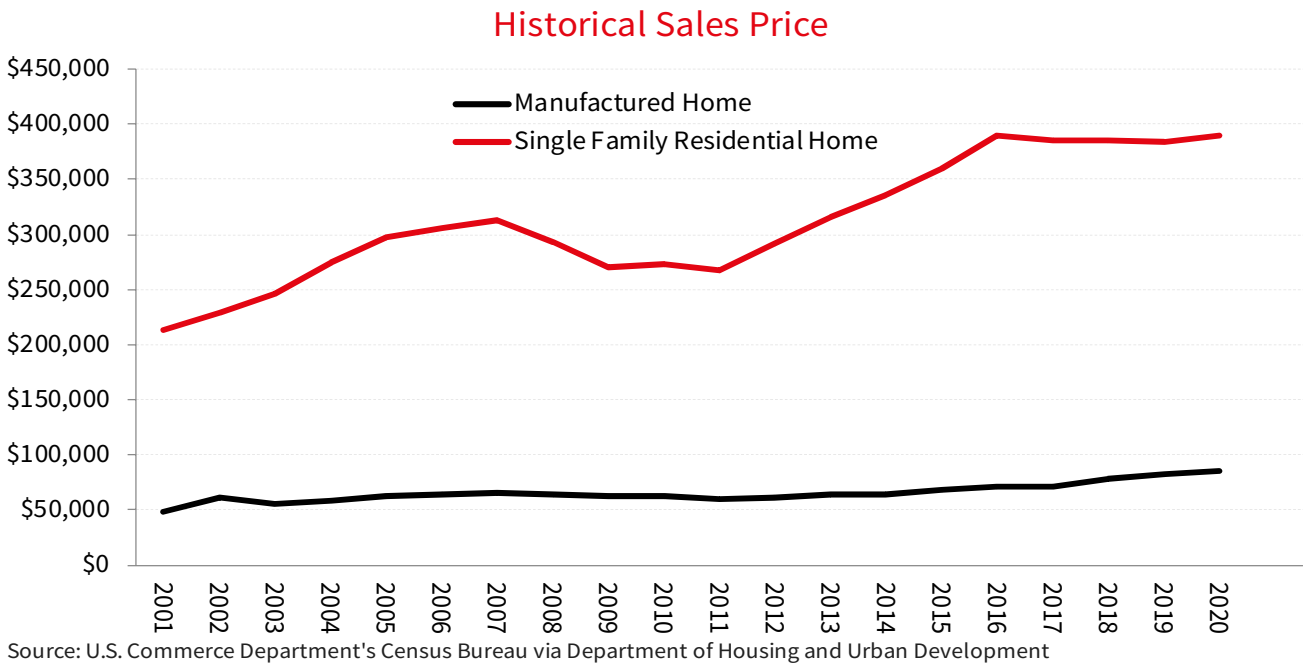
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

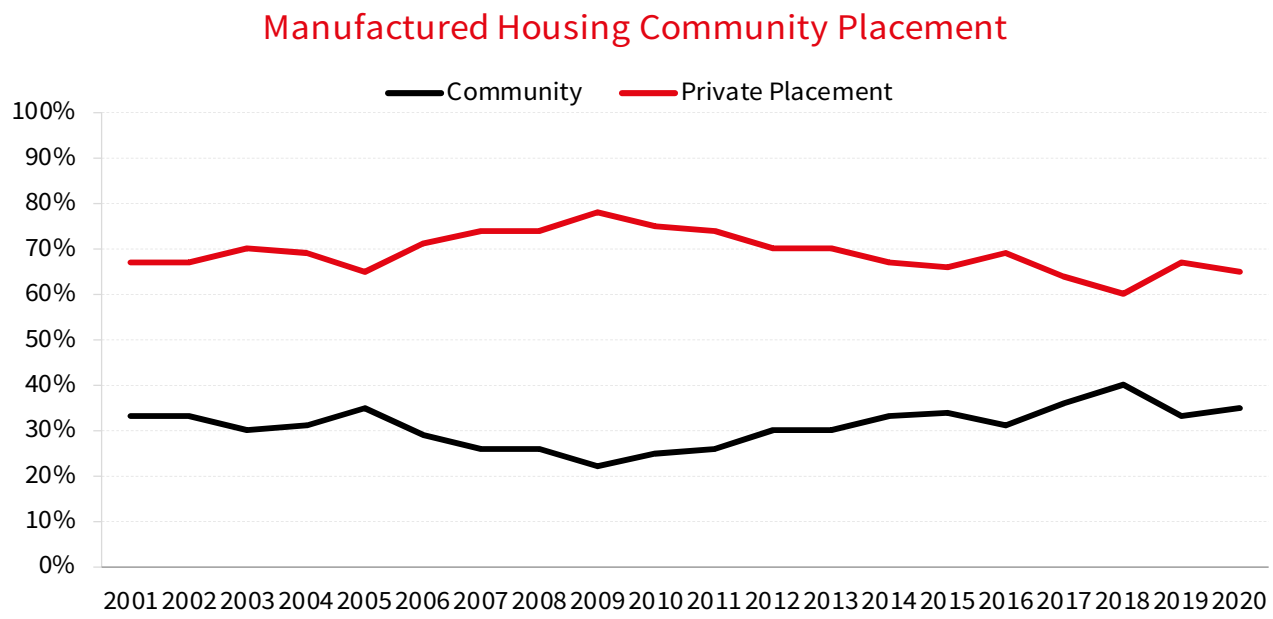


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

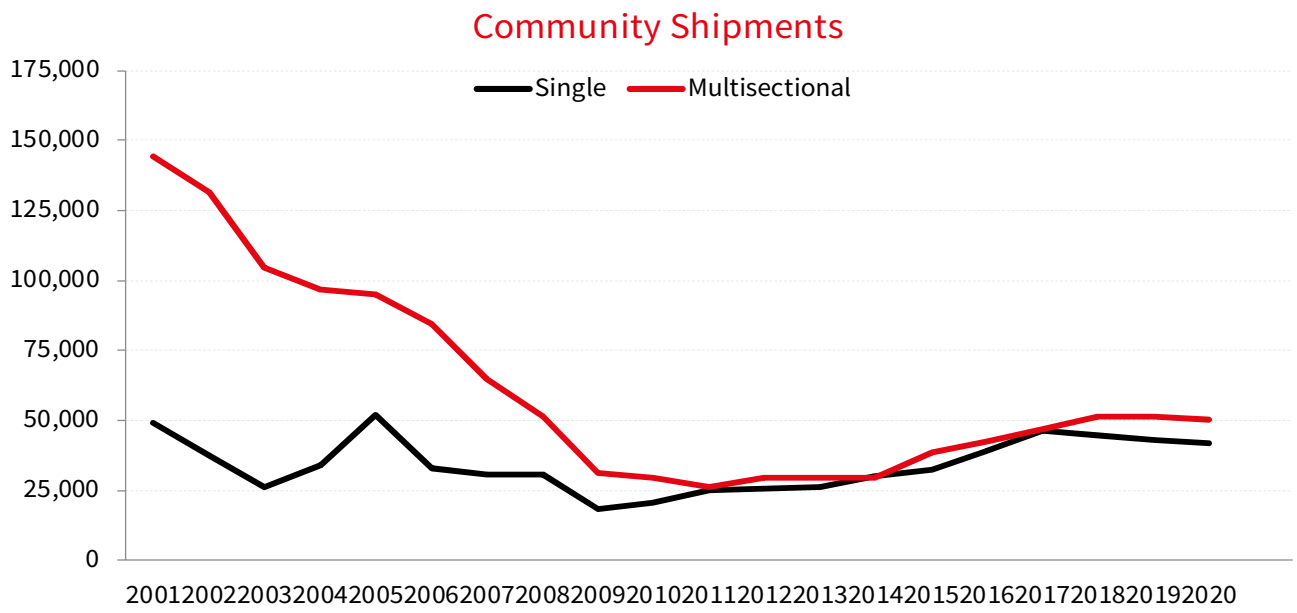


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

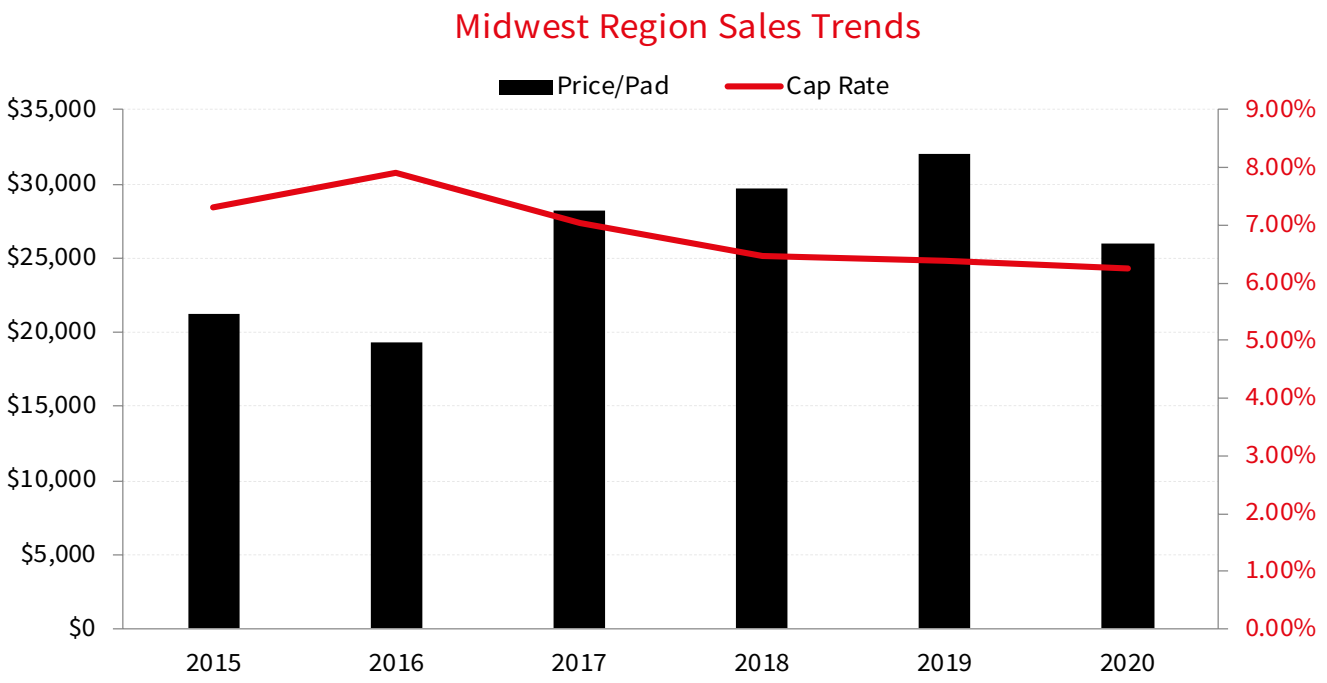
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

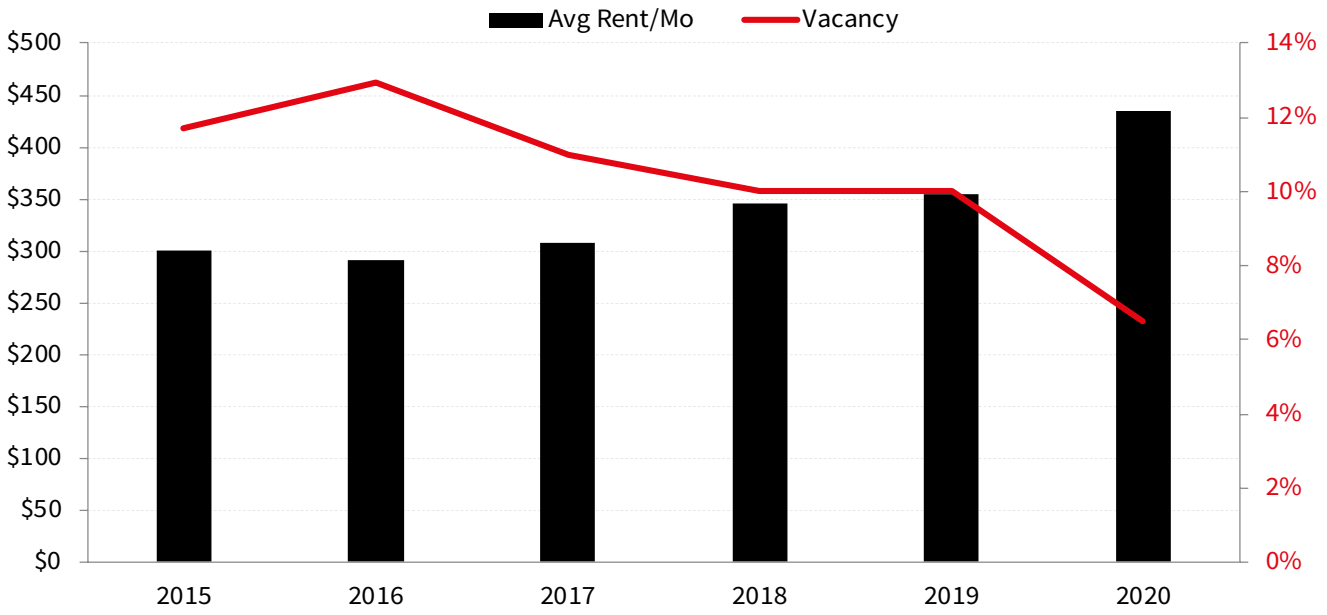
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$20,000	$110,385	-
Down Payment or Deposit	$2,000	$5,519	-
Amount Financed	$18,000	$104,866	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$238	$471	-
Taxes	$42	$230	-
Insurance	$9 - $10	$50	-
Site Rent	$340	-	-
Total Monthly Payment*	$629	$751	$600 - $800

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a reasonable value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Homer, located approximately 30 miles southeast of Battle Creek. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Twin Pine Manufactured Housing Community 2701 30 Mile Rd Albion, MI 49224 Tenant-Paid Utilities:	10.0 Sewer, Electric, Gas, Cable/Sat	1972	6/7/2021	73	70%	$375
2	Three Oaks Estates 7537 Red Oak Dr Concord, MI Tenant-Paid Utilities:	8.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1980	6/7/2021	40	99%	$355
3	Spruce Tree Mobile Home Park 14200 18 1/2 Mile Rd Marshall, MI Tenant-Paid Utilities:	12.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1970	6/7/2021	81	97%	$438
4	Windham Hills MHC 4020 County Farm Rd Jackson, MI Tenant-Paid Utilities:	19.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1996	6/7/2021	469	98%	$589
5	Jackson MHP 2240 Brooklyn Road Jackson, MI Tenant-Paid Utilities:	22.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1956	6/7/2021	70	93%	$360
6	Cozy MHC 1259 East McDevitt Rd Jackson, MI Tenant-Paid Utilities:	22.0 Electric, Gas, Cable/Sat	1956	6/7/2021	204	80%	$436
Weighted Market Average		15.5	1972		156	91%	$499
	Subject: New Village Mobile Home Park	-	1970	-	130	67%	$322

The weighted average occupancy of the competitive properties is 91%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	48%	56%	62%	64%	67%	59%
Occupied Pads	63	74	80	83	87	
Absorbed Pads/Year		11	6	3	4	

Source: Borrower documents.

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Although requested, we were not provided with historical rental rate figures at the subject. The subject has historically had an average physical occupancy of 59% and is currently 67% occupied. Over the long run we anticipate the subject property to face a competitive market much like the peer group identified previously.

We are of the opinion that the subject property is operating with an occupancy which is below market levels and that there is upside to grow physical occupancy for a well-capitalized MHC operator that has the capital means to bring in new / used community owned homes and make them available for sale / rent. As such, we have projected absorption in our analysis to reach a stabilized occupancy.

As will be further discussed in the Income Capitalization Section of this report, we are of the opinion that the subject property has below market rents.

JLL Projection – As Is: We have projected vacancy based on in-place occupancy for the subject property. Therefore, we have projected our As Is stabilized occupancy at 67%. Our conclusion considers 33% for vacancy. We have separately projected collection loss in our analysis.

JLL Projection – Upon Stabilization: We have projected stabilized occupancy for the subject property at 74.6% (or 110 occupied sites). Our conclusion considers 25.4% (or 20 vacant sites) for vacancy. We have separately projected collection loss in our analysis.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

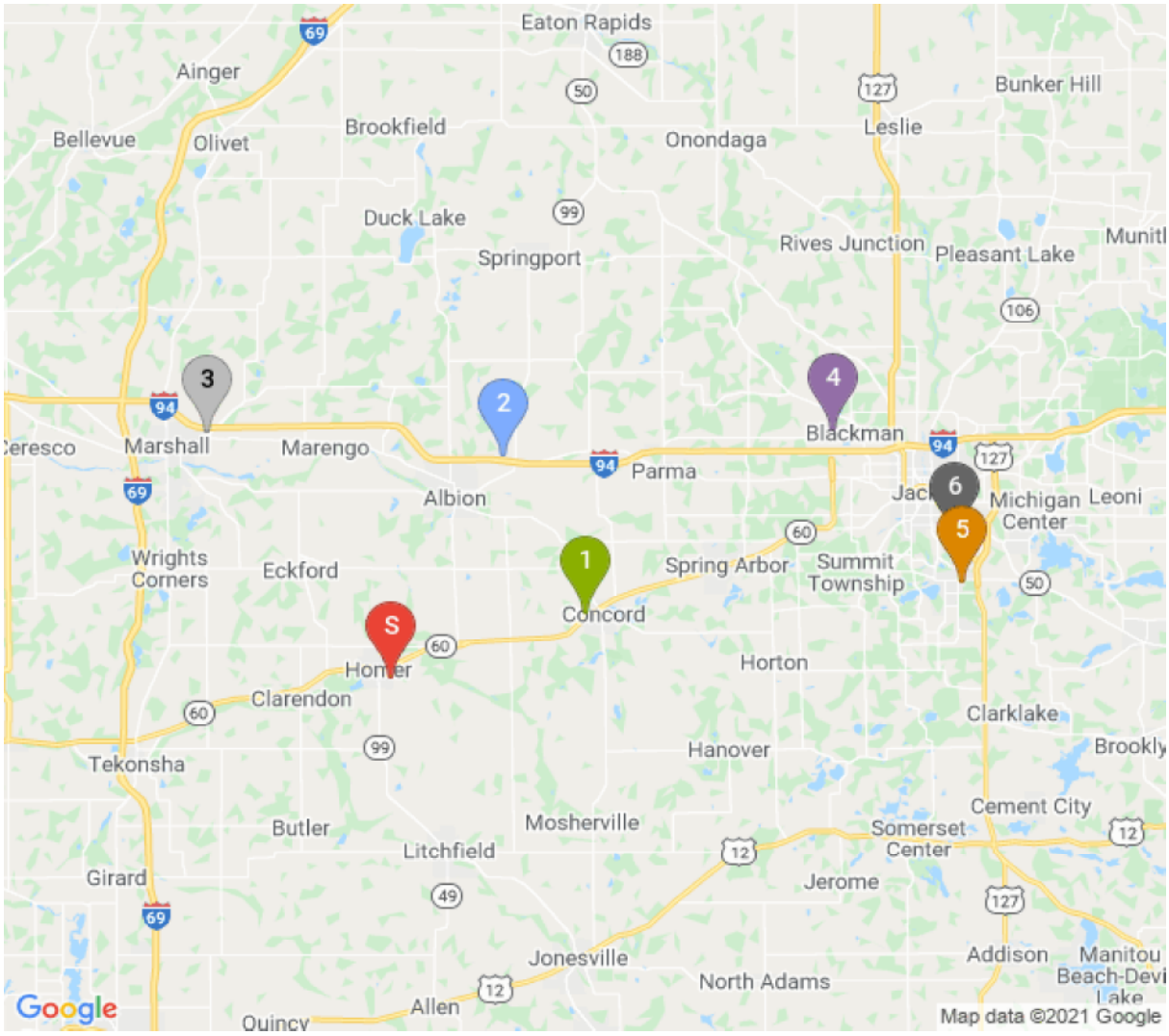
Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

The subject property has collected roughly 84% of rent over the last 3 months. We are of the opinion that rental collections are being slightly impacted as a result of COVID-19. As such, we have projected a temporary deduction for collection loss which is further discussed at the end of the Income Capitalization Approach Section of this report.

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Competitive Properties Map



S New Village Mobile Home Park: 430 S Byron St, Homer, MI 49245

1 Twin Pine Manufactured Housing Community 2701 30 Mile Rd, Albion, MI

2 Three Oaks Estates 7537 Red Oak Dr, Concord, MI

3 Spruce Tree Mobile Home Park 14200 18 1/2 Mile Rd, Marshall, MI

4 Windham Hills MHC 4020 County Farm Rd, Jackson, MI

5 Jackson MHP 2240 Brooklyn Road, Jackson, MI

6 Cozy MHC 1259 East McDevitt Rd, Jackson, MI

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Property Analysis

Land Description and Analysis

Location

The property is located on the east side of Bryon St approximately 704 feet south of its intersection with E Hamilton St.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
12-080-009-00	108,900	2.50
43-040-035-01	13,983	0.32
43-040-044-00	740,520	17.00
Total	863,403	19.82

Source: Public Records

Shape and Dimensions

The site is irregular in shape. Site utility based on shape and dimensions is average.

Topography

The site is level. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	26025C0418C
Date	4/4/2011
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are

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beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	S Byron Street	Elm Street
Frontage Feet	91	92
Paving	Asphalt	Asphalt
Curbs	Yes	Yes
Sidewalks	None	None
Lanes	2 way, 1 lane each way	2 way, 1 lane each way
Direction of Traffic	North/South	North/South
Condition	Average	Average
Traffic Levels	Low	Low
Signals/Traffic Control	None	None
Access/Curb Cuts	One	One

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Village Water
Sewer	Village Sewer
Electricity	Consumers Energy, Enbridge Energy Company
Natural Gas	Consumers Energy, Enbridge Energy Company
Local Phone	Various

Zoning

The subject is zoned MHP, Mobile Home Park, by Village of Homer. The MHP zone is intended to encourage the appropriate location and suitable development of mobile home parks that adheres to the standards of the State Mobile Home Commission Rules for the development. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Village of Homer
Zoning Designation	MHP
Description	Mobile Home Park
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	Not Likely
Permitted Uses	Mobile home park

Category	Zoning Requirement
Minimum Lot Area	5 acres
Parking Requirement	2 per site

Source: Chapter 152, Village of Homer Code of Ordinances

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include mobile home park. We are not aware of any other particular restrictions on development.

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Aerial Map



The subject property is outlined in red above.

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WATSON

MHC CAPITAL
Real Estate Investments

Economic Analysis

Allegan County Area Demographics

Allegan County is located in Otsego, Michigan. It is 825 square miles in size and has a population density of 147 persons per square mile.

Population

Allegan County has an estimated 2020 population of 121,283, which represents an average annual 0.9% increase over the 2010 census amount of 111,408. Allegan County added an average of 988 residents per year over the 2010 - 2020 period, and its annual growth rate is greater than that of the State of Michigan.

Population Trends

		Population		Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	3,567	3,798	3,919	0.6%	0.6%
3 mi. radius	14,226	14,868	15,244	0.4%	0.5%
5 mi. radius	20,198	21,151	21,703	0.5%	0.5%
Allegan County	111,408	121,283	126,225	0.9%	0.8%
Michigan	9,883,640	10,114,954	10,238,518	0.2%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, Allegan County's population is projected to increase at a 0.8% annual rate from 2020 - 2025, equivalent to the addition of an average of 988 residents per year. The Allegan County growth rate is expected to exceed that of Michigan, which is projected to be 0.2%.

Employment

The current estimate of total employment in Allegan County is 37,736 jobs. Since 2011, employment grew by 4,228 jobs, equivalent to a 12.6% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

Allegan County's rate of change in employment significantly outperformed the State of Michigan, which experienced an increase in employment of 1.9% or 76,050 over this period.

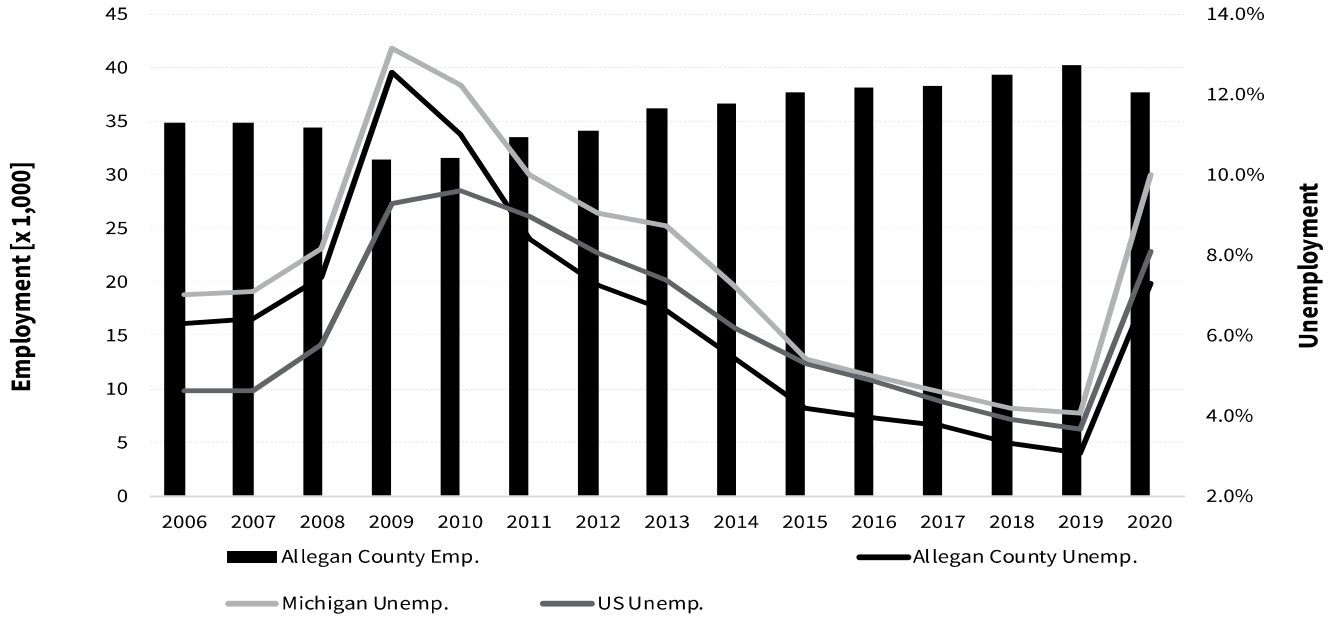
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Employment Trends

	Total Employment (Annual Average)						Unemployment Rate (Ann.		
Year	Allegan County	Change	Michigan	Change	United States	Change	Allegan County	Michigan	United States
2006	34,911	-	4,328,767	-	136,435,417	-	6.3%	7.0%	4.6%
2007	34,864	-0.1%	4,270,117	-1.4%	137,981,250	1.1%	6.4%	7.1%	4.6%
2008	34,364	-1.4%	4,164,850	-2.5%	137,223,833	-0.5%	7.5%	8.2%	5.8%
2009	31,484	-8.4%	3,873,783	-7.0%	131,296,083	-4.3%	12.6%	13.1%	9.3%
2010	31,544	0.2%	3,867,208	-0.2%	130,345,000	-0.7%	11.0%	12.2%	9.6%
2011	33,507	6.2%	3,956,425	2.3%	131,914,417	1.2%	8.4%	10.0%	9.0%
2012	34,140	1.9%	4,038,342	2.1%	134,157,417	1.7%	7.3%	9.0%	8.1%
2013	36,175	6.0%	4,114,608	1.9%	136,363,833	1.6%	6.6%	8.7%	7.4%
2014	36,626	1.2%	4,186,642	1.8%	138,939,750	1.9%	5.4%	7.2%	6.2%
2015	37,676	2.9%	4,248,608	1.5%	141,824,917	2.1%	4.2%	5.4%	5.3%
2016	38,155	1.3%	4,326,467	1.8%	144,335,833	1.8%	3.9%	5.0%	4.9%
2017	38,324	0.4%	4,377,150	1.2%	146,607,583	1.6%	3.7%	4.6%	4.4%
2018	39,348	2.7%	4,426,050	1.1%	148,908,417	1.6%	3.3%	4.2%	3.9%
2019	40,196	2.2%	4,442,742	0.4%	150,904,750	1.3%	3.1%	4.1%	3.7%
2020	37,736	-6.1%	4,032,475	-9.2%	142,184,833	-5.8%	7.3%	10.0%	8.1%
10 Yr Change	**4,228**	**12.6%**	**76,050**	**1.9%**	**10,270,417**	**7.8%**			
Avg Unemp. Rate 2011-2020							5.3%	6.8%	6.1%
Unemployment Rate - Apr 2021							4.3%	4.6%	5.7%

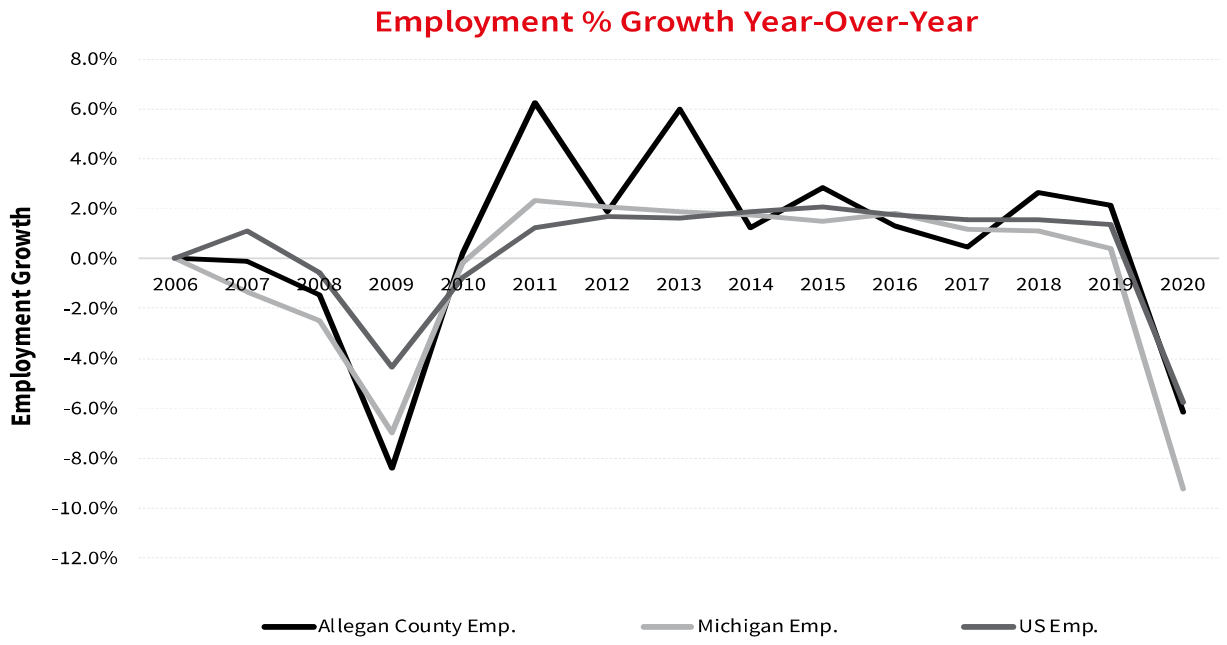
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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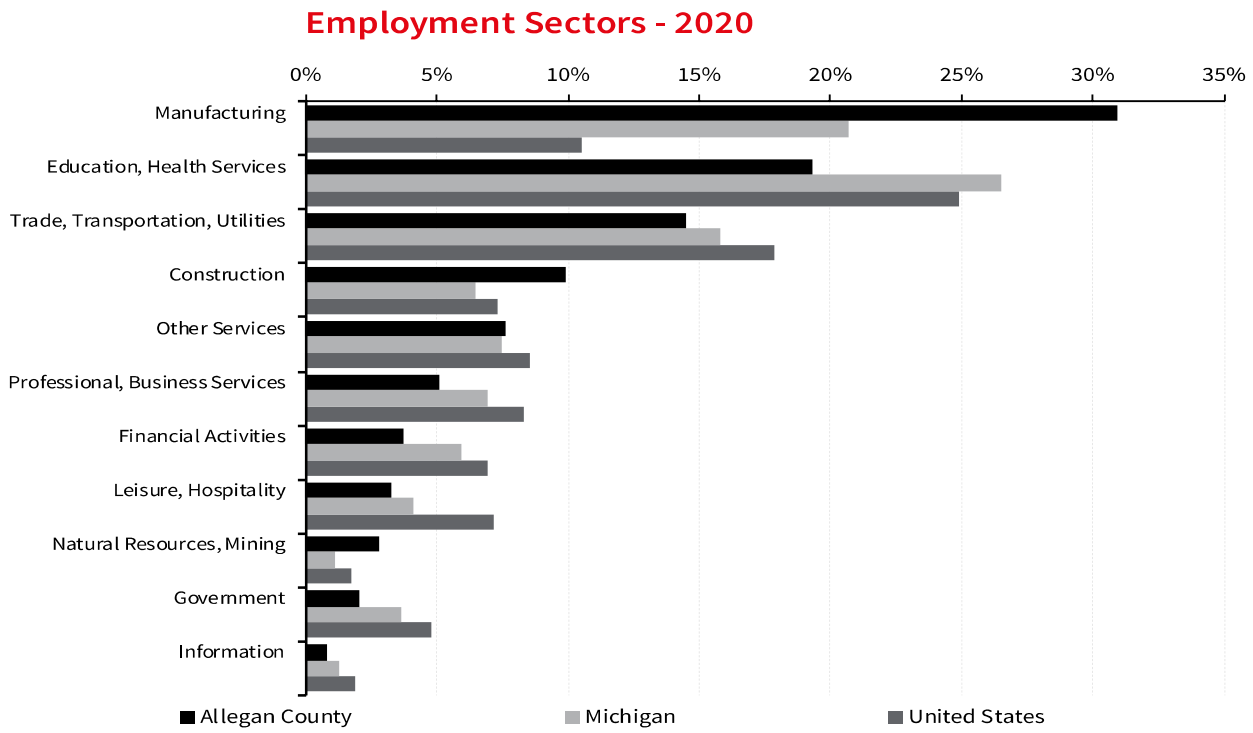
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Allegan County unemployment rate of 5.3% has been lower than the Michigan rate of 6.8%. In the latter half of the decade that trend has continued, as Allegan County has consistently overperformed Michigan. Recent data shows that the Allegan County unemployment rate is 4.3%, in comparison to a 4.6% rate for Michigan, a positive sign for Allegan County economy and one that is further magnified by the fact that Allegan County has outperformed Michigan in the rate of job growth over the past two years.

Employment Sectors

The composition of Allegan County job market is illustrated in the chart below, paired with that of Michigan. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Allegan County jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Allegan County has a greater percentage employment than Michigan in the following categories:

1. Manufacturing - which accounts for 31.0% of Allegan County payroll employment compared to 20.7% for Michigan as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Construction - which accounts for 9.9% of Allegan County payroll employment compared to 6.5% for Michigan as a whole. This sector includes construction of buildings, roads, and utility systems.
3. Other Services - which accounts for 7.7% of Allegan County payroll employment compared to 7.5% for Michigan as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Natural Resources, Mining - which accounts for 2.8% of Allegan County payroll employment compared to 1.1% for Michigan as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Allegan County is underrepresented in the following categories:

1. Education, Health Services - which accounts for 19.3% of Allegan County payroll employment compared to 26.5% for Michigan as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

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2. Financial Activities - which accounts for 3.7% of Allegan County payroll employment compared to 5.9% for Michigan as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Professional, Business Services - which accounts for 5.1% of Allegan County payroll employment compared to 6.9% for Michigan as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Government - which accounts for 2.0% of Allegan County payroll employment compared to 3.7% for Michigan as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.

Gross Domestic Product

Gross Domestic Product (GDP) data will be analyzed as a review of overall economic health.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the United States than Michigan overall during the past nine years. The United States has expanded at a 2.3% average annual rate while the State of Michigan has grown at a 1.8% rate. As the national economy improves, the United States continues to outperform Michigan. GDP for the United States rose by 2.2% in 2019 while Michigan's grew by 0.8%.

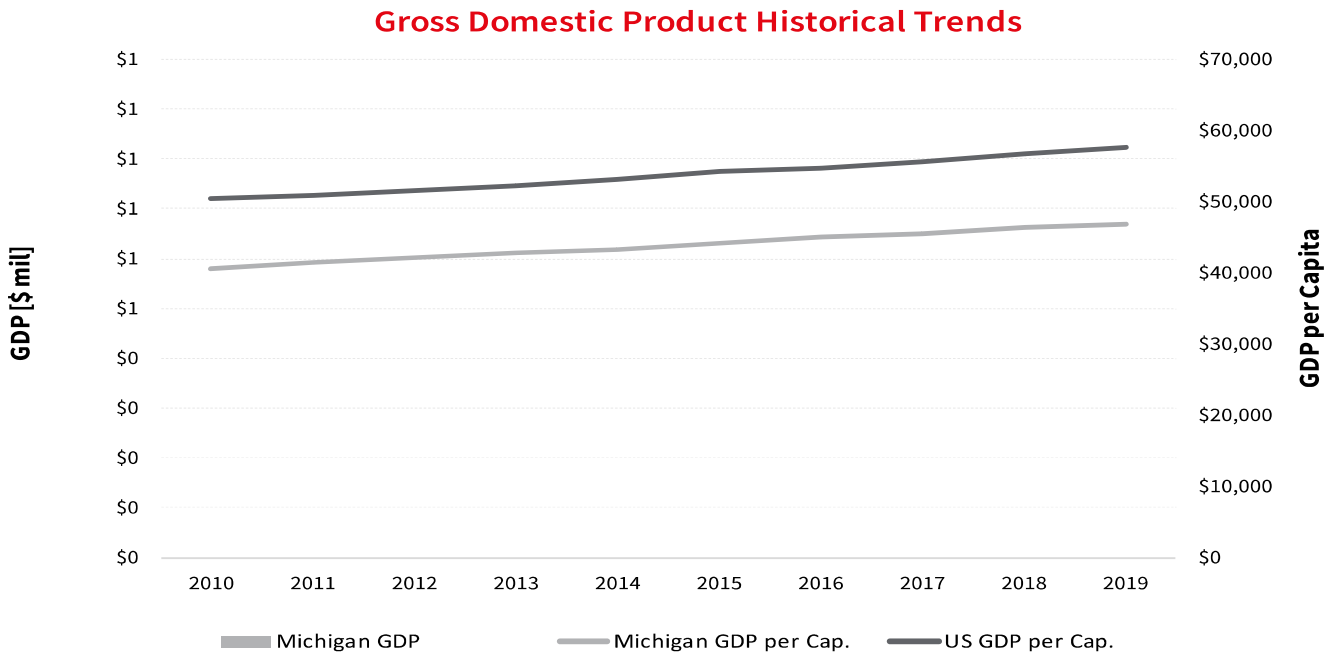
The United States has a per capita GDP of $57,629, which is 23.0% greater than Michigan's GDP of $46,736. This means that the United States industries and employers are adding relatively much more value to the economy than their peers in Michigan.

Gross Domestic Product

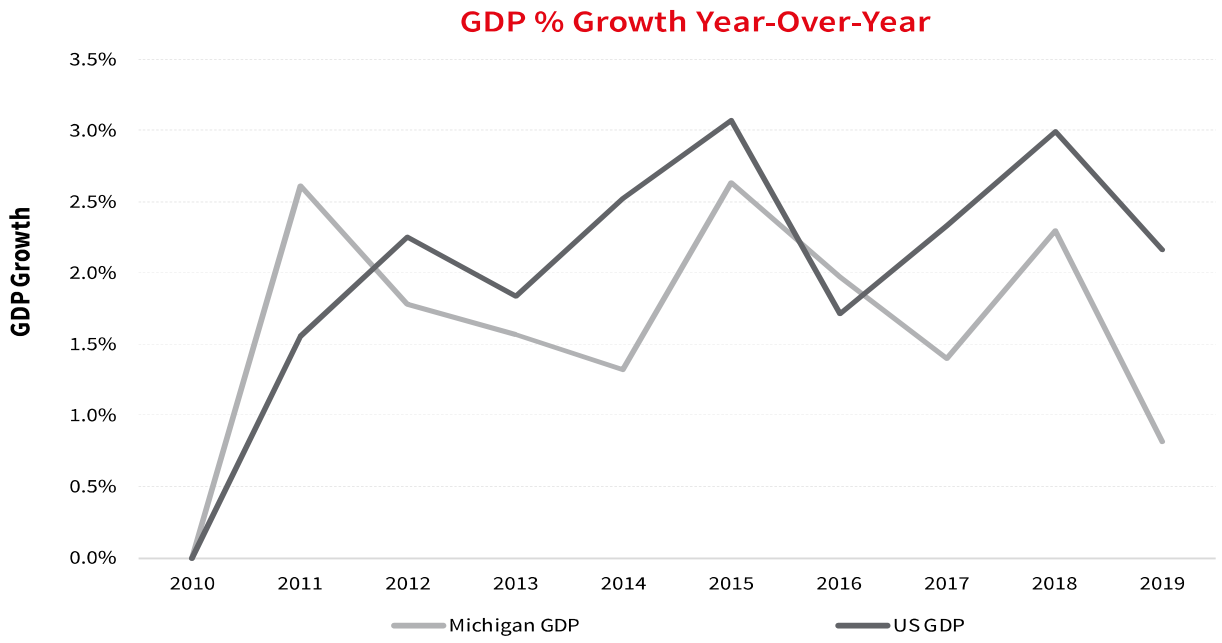
	Gross Domestic Product ($ mil)				GDP per Capita ($)	
Year	Michigan	Change	United States	Change	Michigan	United States
2010	$400,942	-	$15,598,753	-	$40,566	$50,523
2011	$411,427	2.6%	$15,840,664	1.6%	$41,530	$50,894
2012	$418,742	1.8%	$16,197,007	2.2%	$42,170	$51,623
2013	$425,327	1.6%	$16,495,369	1.8%	$42,733	$52,158
2014	$430,936	1.3%	$16,912,038	2.5%	$43,197	$53,055
2015	$442,288	2.6%	$17,432,170	3.1%	$44,232	$54,260
2016	$451,026	2.0%	$17,730,509	1.7%	$45,002	$54,762
2017	$457,342	1.4%	$18,144,105	2.3%	$45,527	$55,609
2018	$467,828	2.3%	$18,687,786	3.0%	$46,464	$56,839
2019	$471,648	0.8%	$19,091,662	2.2%	$46,736	$57,629
10 Yr Change	**$70,706**	**1.8%**	**$3,492,909**	**2.3%**	**$6,169**	**$7,106**

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

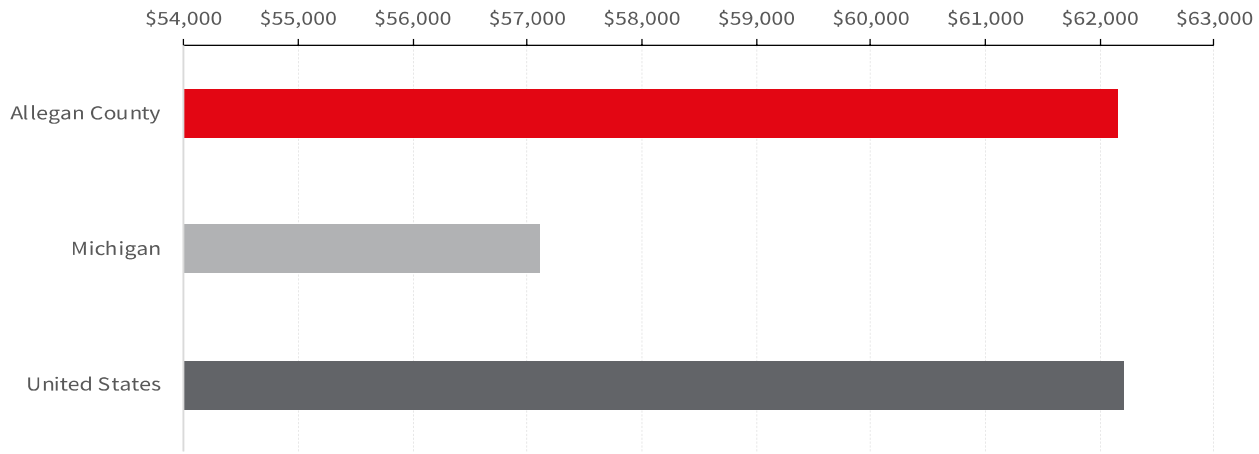
Allegan County has a higher level of household income than Michigan. Median household income for Allegan County is $62,146, which is 8.8% higher than Michigan.

Median Household Income

Area	Med. Household Income 2020 Est.	2025 Est.	Compound Ann. % Chng 2020 - 2025
Allegan County	$62,146	$67,678	1.7%
Michigan	$57,108	$61,243	1.4%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

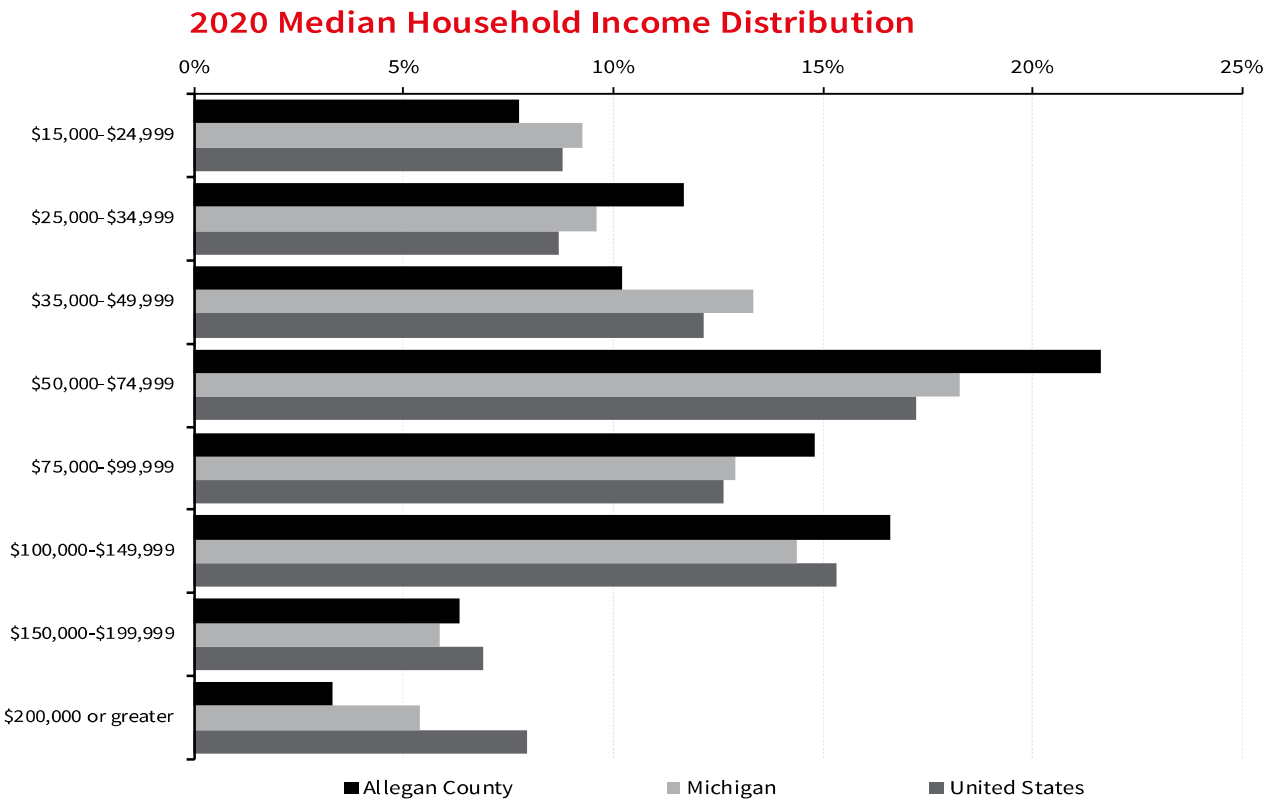
2020 Median Household Income Area Comparison



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Allegan County has a smaller concentration of households in the lower income levels than Michigan. Specifically, 27% of Allegan County households are below the $35,000 level in household income as compared to 30% of Michigan households. A greater concentration of households exists in the higher income levels, as 41% of Allegan County households are at the $75,000 or greater levels in household income versus 39% of Michigan households.

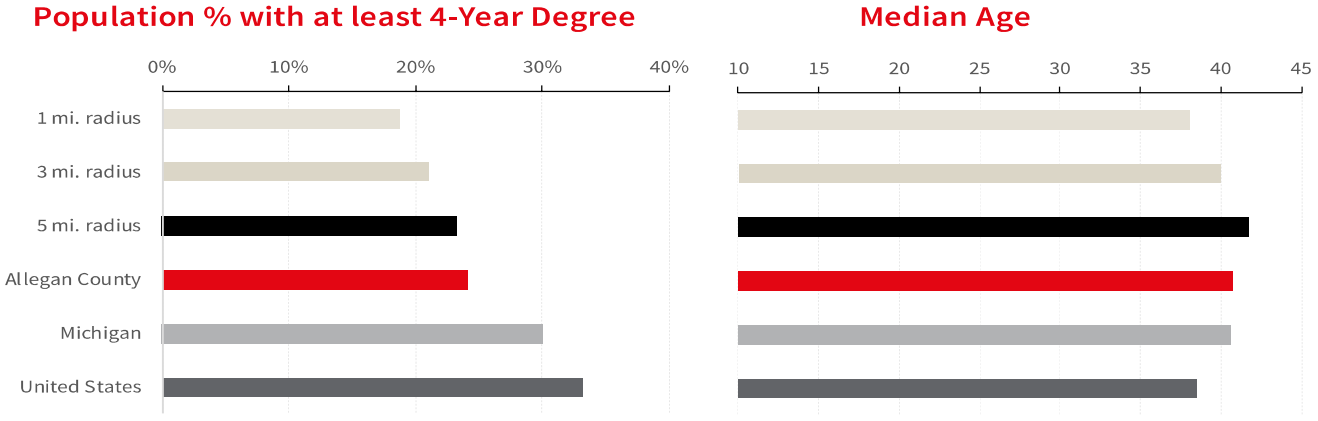
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of Allegan County have a lower level of educational attainment than those in Michigan. An estimated 24.1% of Allegan County residents are college graduates with four-year degrees or higher, while Michigan residents have an estimated 30.1% with at least a four-year degree. People in Allegan County are similar in age to their peers in Michigan. The median age of both Allegan County and Michigan is 41 years.



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

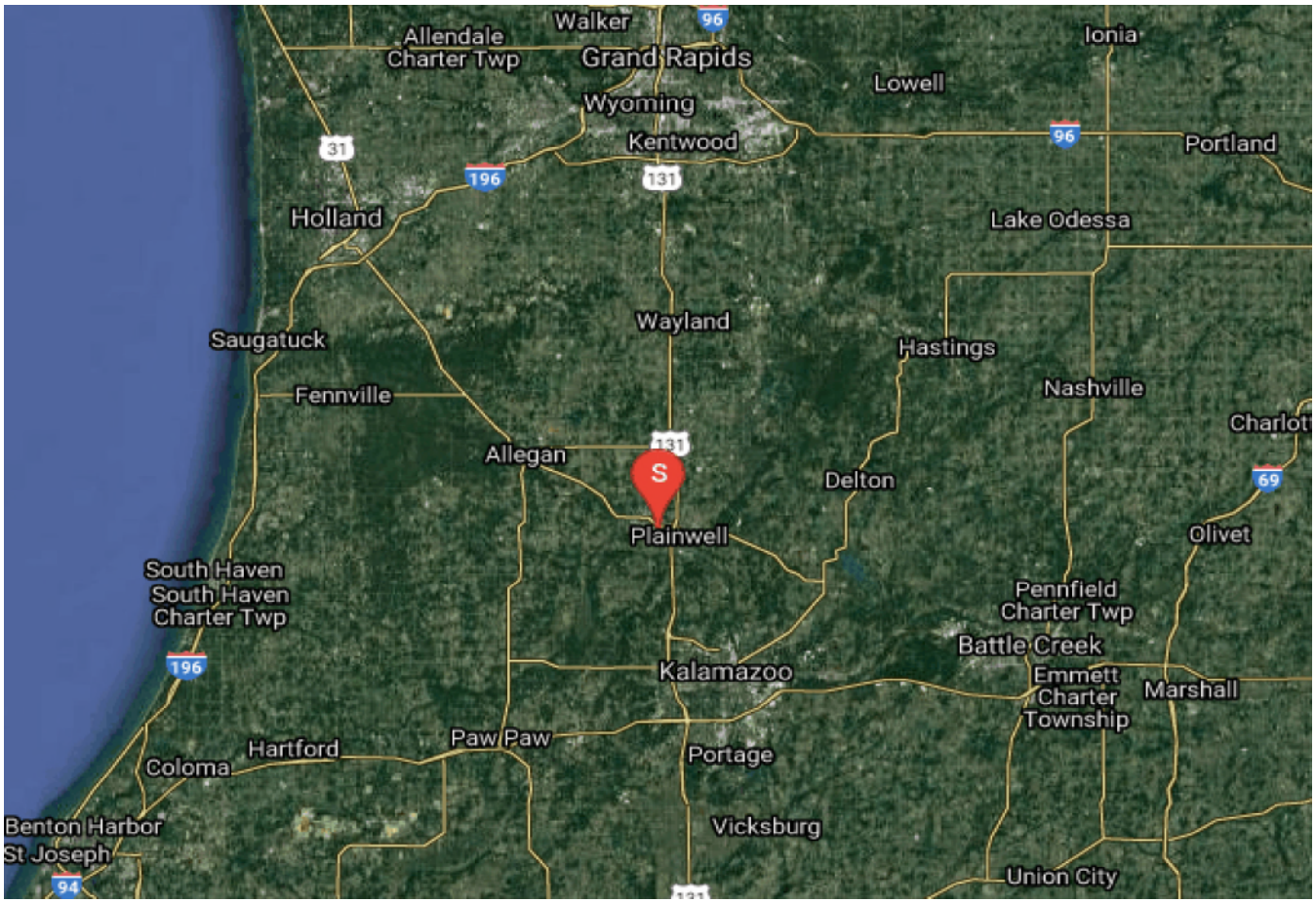
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Conclusion

Allegan County's economy will benefit from a growing population base and higher income levels. Allegan County saw an increase in the number of jobs in the past 10 years and has maintained a lower unemployment than Michigan during the past decade. We project that Allegan County's economy will improve and employment will grow, strengthening the demand for real estate overall.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the eastern area of Otsego Township, MI. This area is part of the Allegan County submarket and generally is delineated as follows:

North	City of Holland
South	Eagle Lake
East	Gun Lake
West	Lake Michigan

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by M-89, a major arterial that crosses the Otsego area in a northwest/southeast direction. Access to the subject from M-89 are provided by Watson Road and Gene Street, and travel time from the major arterial to the subject is about one minute. Overall, vehicular access is good.

Public transportation is provided by Allegan County Transportation (ACT) and provides access to Allegan County. The local market perceives public transportation as fair compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Kalamazoo/Battle Creek International Airport is located about 21.5 miles from the property; travel time is about 25 minutes, depending on traffic conditions. The Otsego CBD, the economic and cultural center of the region, is approximately 1.5 miles from the property.

Demand Generators

Major employers include Perrigo Company, Ascension Borgess Hospital and The Home Depot. These are located within 12 miles of the property and represent significant concentrations in the health care, biotechnology and hardware stores industries. In addition to its strong employment base, the area is easily accessible to the Kalamazoo CBD, and is within 17 minutes driving time. Access to employment centers in other submarkets is a major demand driver.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Allegan County	Michigan	United States
Population						
2010	3,567	14,226	20,198	111,408	9,883,640	308,745,538
2020	3,798	14,868	21,151	121,283	10,114,954	333,793,107
2025	3,919	15,244	21,703	126,225	10,238,518	346,021,282
Compound Chg 2010 - 2020	0.63%	0.44%	0.46%	0.85%	0.23%	0.78%
Compound Chg 2020 - 2025	0.63%	0.50%	0.52%	0.80%	0.24%	0.72%
Density	1,210	526	269	147	179	95
Households						
2010	1,458	5,636	7,893	42,018	3,872,508	116,716,292
2020	1,562	5,921	8,308	45,932	4,002,057	126,083,849
2025	1,616	6,082	8,541	47,870	4,062,968	130,658,485
Compound Chg 2010 - 2020	0.69%	0.49%	0.51%	0.89%	0.33%	0.77%
Compound Chg 2020 - 2025	0.68%	0.54%	0.55%	0.83%	0.30%	0.72%
Other Demographics						
Med. Household Income	$53,297	$55,691	$58,596	$62,146	$57,108	$62,203
Avg. Household Size	2.4	2.5	2.5	2.6	2.5	2.6
College Graduate %	18.7%	20.9%	23.2%	24.1%	30.1%	33.1%
Median Age	38	40	42	41	41	39
Owner Occupied %	73%	74%	79%	82%	71%	64%
Renter Occupied %	27%	26%	21%	18%	29%	36%
Med. Home Value	$134,016	$140,350	$152,881	$172,733	$170,940	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 14,868, and the average household size is 2.5. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to be less than that of Allegan County overall.

Median household income is $55,691, which is considerably lower than the household income for Allegan County as a whole. The populace within a three-mile radius has less formal college education than residents in Allegan County, and median home values in the area are also substantially lower.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

Retail and Public Services

The nearest shopping facilities serving the area are located at Plainwell Dam Road, about 0.7 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is North Kalamazoo Mall, located about 15.7 miles from the property. Restaurants, principally along major arterial such as Allegan Street are within a one-minute travel time of the property. The closest lodging facilities are located within a 5-minute drive of the subject and include Comfort Inn.

The nearest fire and police stations are within 1.6 miles of the property. The closest elementary/middle school is within a mile and the local high school is approximately 1.4 miles away. The closest colleges and

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universities are Western Michigan University and Kalamazoo College. They offer various programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Brookside park.

Land Use

In the immediate vicinity of the subject, predominant land uses are residential and commercial. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	70%
Percent Developed by Land use	60% Single Family; 10% Apartments; 30% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Retail uses
South	Single-family residential
East	Retail and Single-family residential
West	Single-family residential

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

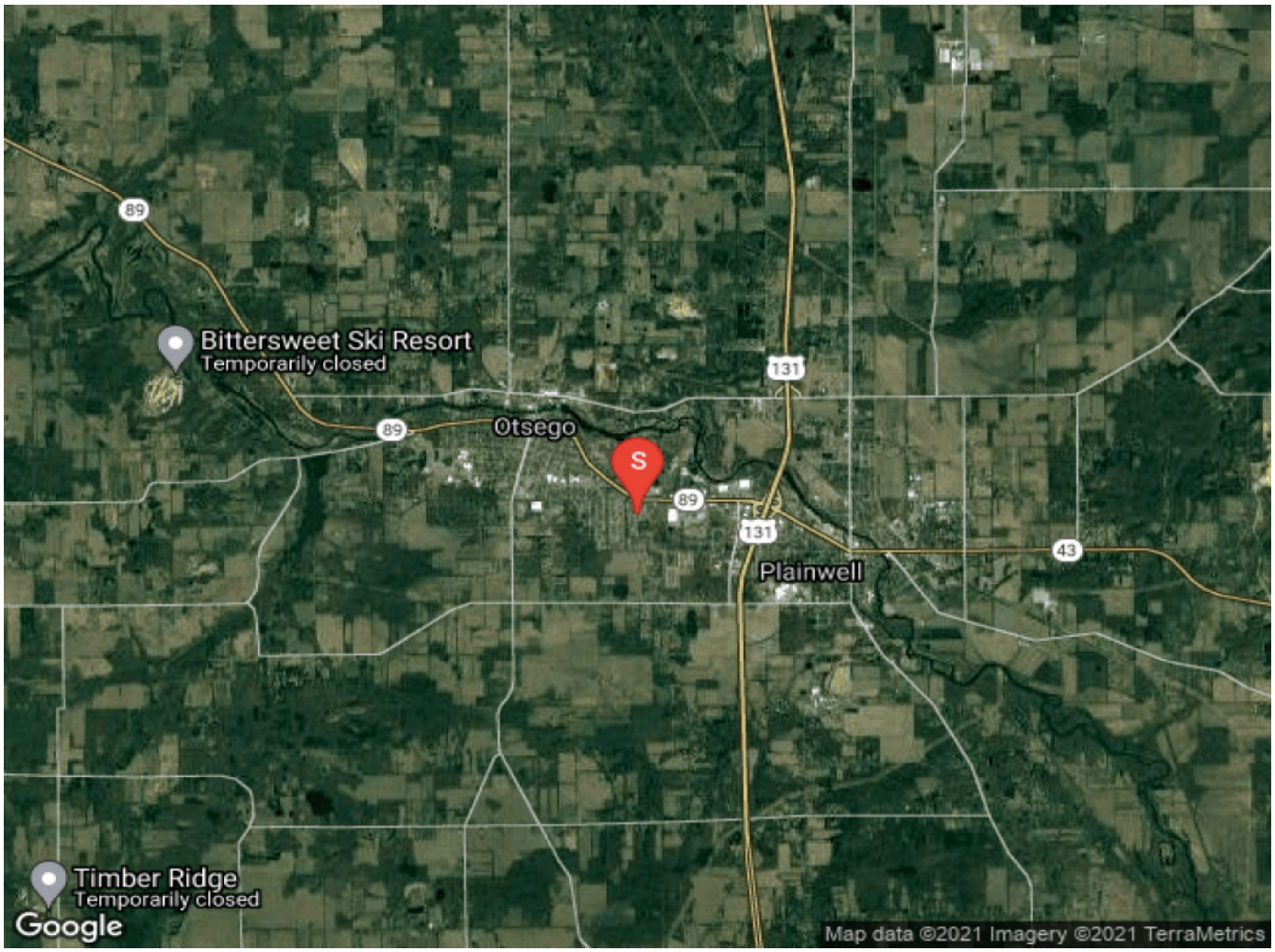
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transportation	Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Above Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



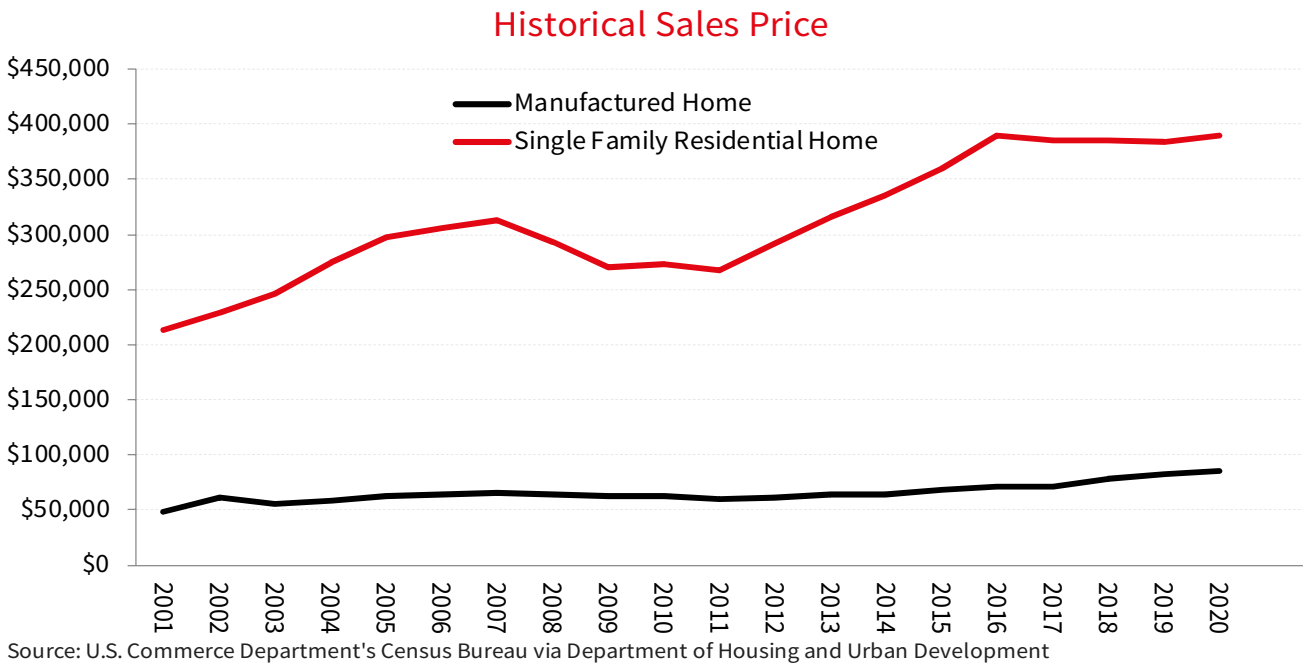
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

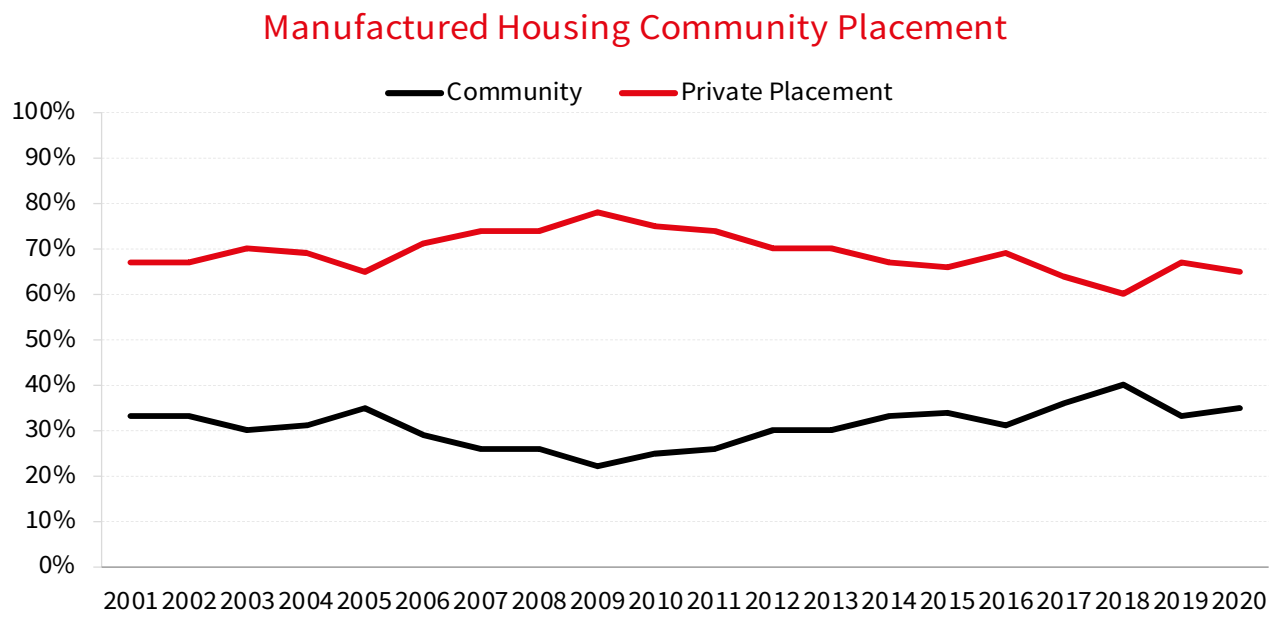


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

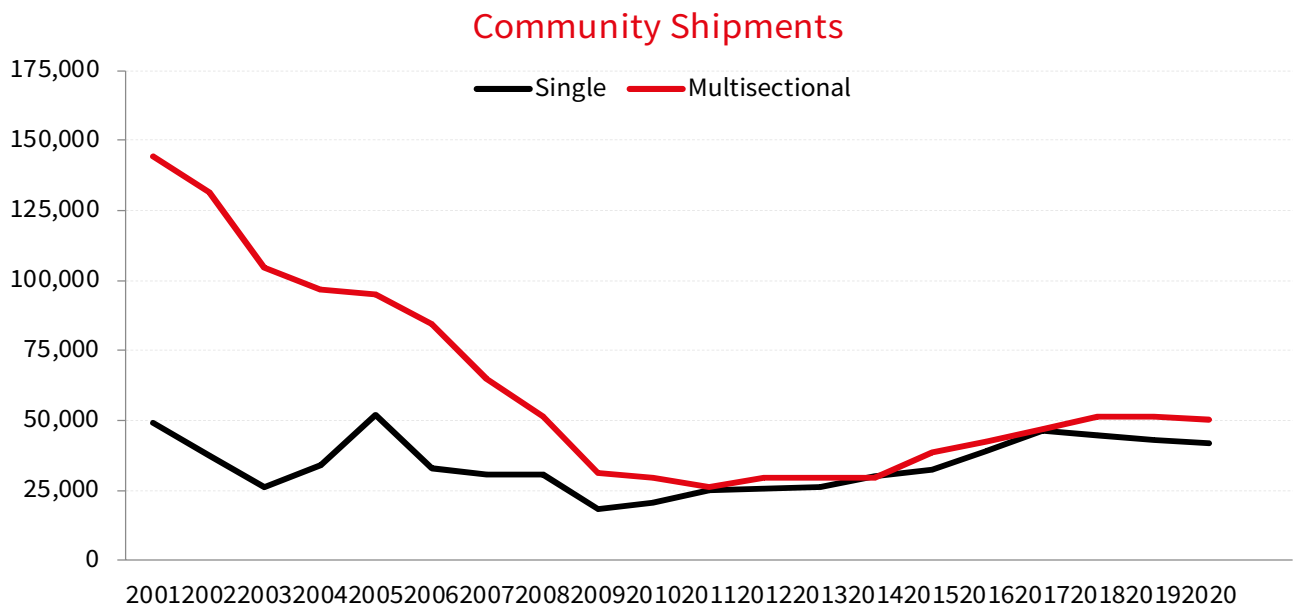


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

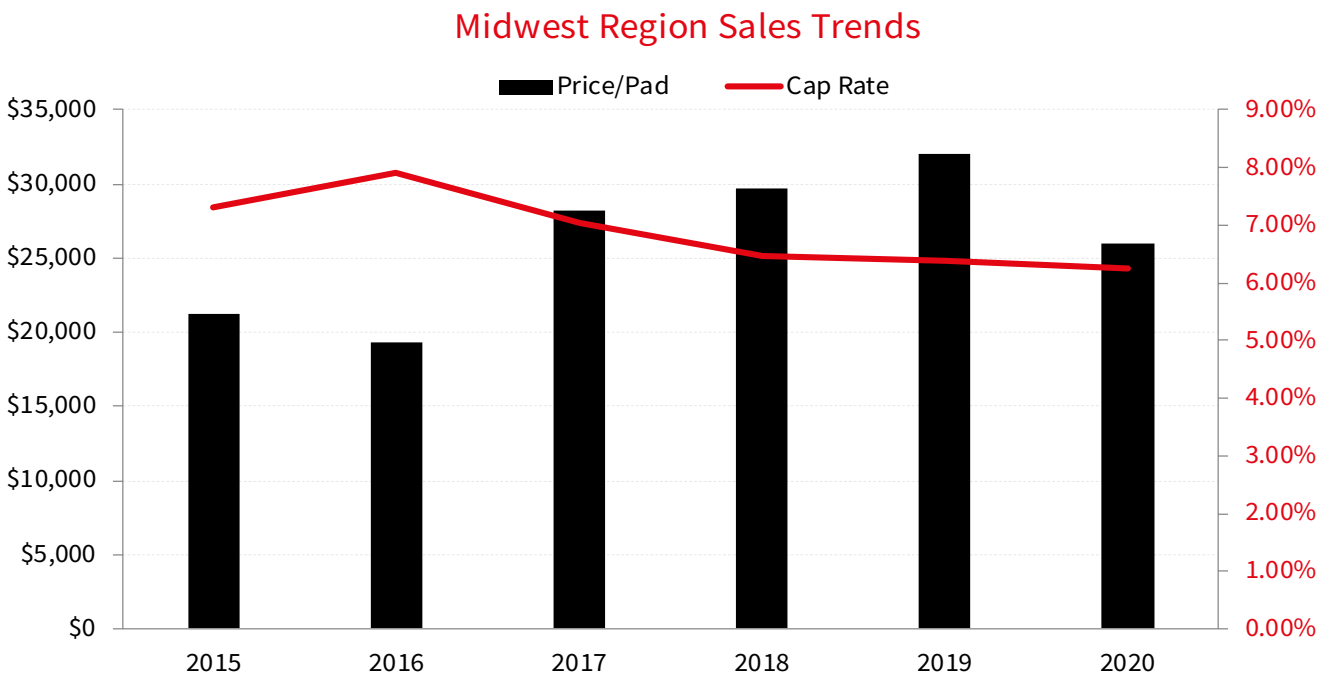
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

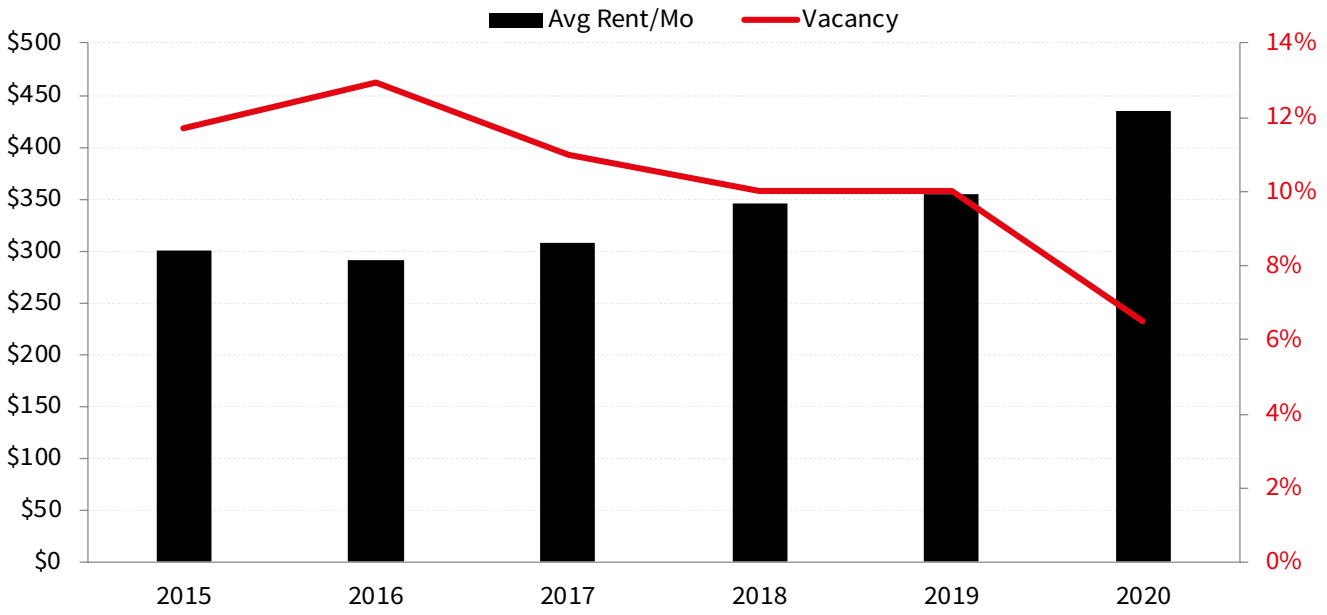
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$50,000	$152,881	-
Down Payment or Deposit	$5,000	$7,644	-
Amount Financed	$45,000	$145,237	-
Rate	10.0%	3.5%	-
Term (Years)	20	30	-
Monthly Mortgage Payment	$434	$652	-
Taxes	$104	$319	-
Insurance	$9 - $10	$50	-
Site Rent	$424	-	-
Total Monthly Payment*	$971	$1,021	$700 - $900

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a moderate value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Otsego Township, MI, located approximately 11.4 miles southeast of Allegan City, MI. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Hillcrest MHP 3208 Douglas Ave. Kalamazoo, MI 49004 Tenant-Paid Utilities:	9.0 Water, Sewer, Electric, Gas, Cable/Sat	1940	6/8/2021	150	96%	$487
2	Pine Crest Community LLC 278 Lesa Ave Plainwell, MI Tenant-Paid Utilities:	1.0 Water, Sewer, Electric, Gas, Cable/Sat	1960	6/7/2021	83	100%	$400
3	Royal Estates 8300 Ravine Rd. Kalamazoo, MI Tenant-Paid Utilities:	5.0 Electric, Gas, Cable/Sat	1969	6/7/2021	183	98%	$552
4	Lombardini Trailer Court 1202 M-89 Plainwell, MI Tenant-Paid Utilities:	1.0 Water, Sewer, Electric, Gas, Cable/Sat	1965	6/7/2021	50	100%	$435
5	Country Meadows MH 1249 M-222 Martin, MI Tenant-Paid Utilities:	6.0 Electric, Gas, Cable/Sat	1970	6/7/2021	64	80%	$395
Weighted Market Average		4.4	1961		106	96%	$480
	Subject: Watson Mobile Home Park	-	1960	-	164	61%	$347

The weighted average occupancy of the competitive properties is 96%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	56%	54%	55%	57%	61%	57%
Occupied Pads	92	89	91	93	100	
Absorbed Pads/Year		-3	2	2	7	

Source: Borrower documents.

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Although requested, we were not provided with historical rental rate figures at the subject. The subject has historically had an average physical occupancy of 57% and is currently 61% occupied. Over the long run we anticipate the subject property to face a competitive market much like the peer group identified previously.

We are of the opinion that the subject property is operating with an occupancy which is below market levels and that there is upside to grow physical occupancy for a well-capitalized MHC operator that has the capital means to bring in new / used community owned homes and make them available for sale / rent. As such, we have projected absorption in our analysis to reach a stabilized occupancy.

As will be further discussed in the Income Capitalization Section of this report, we are of the opinion that the subject property has below market rents.

JLL Projection – As Is: We have projected vacancy based on in-place occupancy for the subject property. Therefore, we have projected our As Is stabilized occupancy at 61%. Our conclusion considers 39% for vacancy. We have separately projected collection loss in our analysis.

JLL Projection – Upon Stabilization: We have projected stabilized occupancy for the subject property at 85.4% (or 140 occupied sites). Our conclusion considers 14.6% (or 24 vacant sites) for vacancy. We have separately projected collection loss in our analysis.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

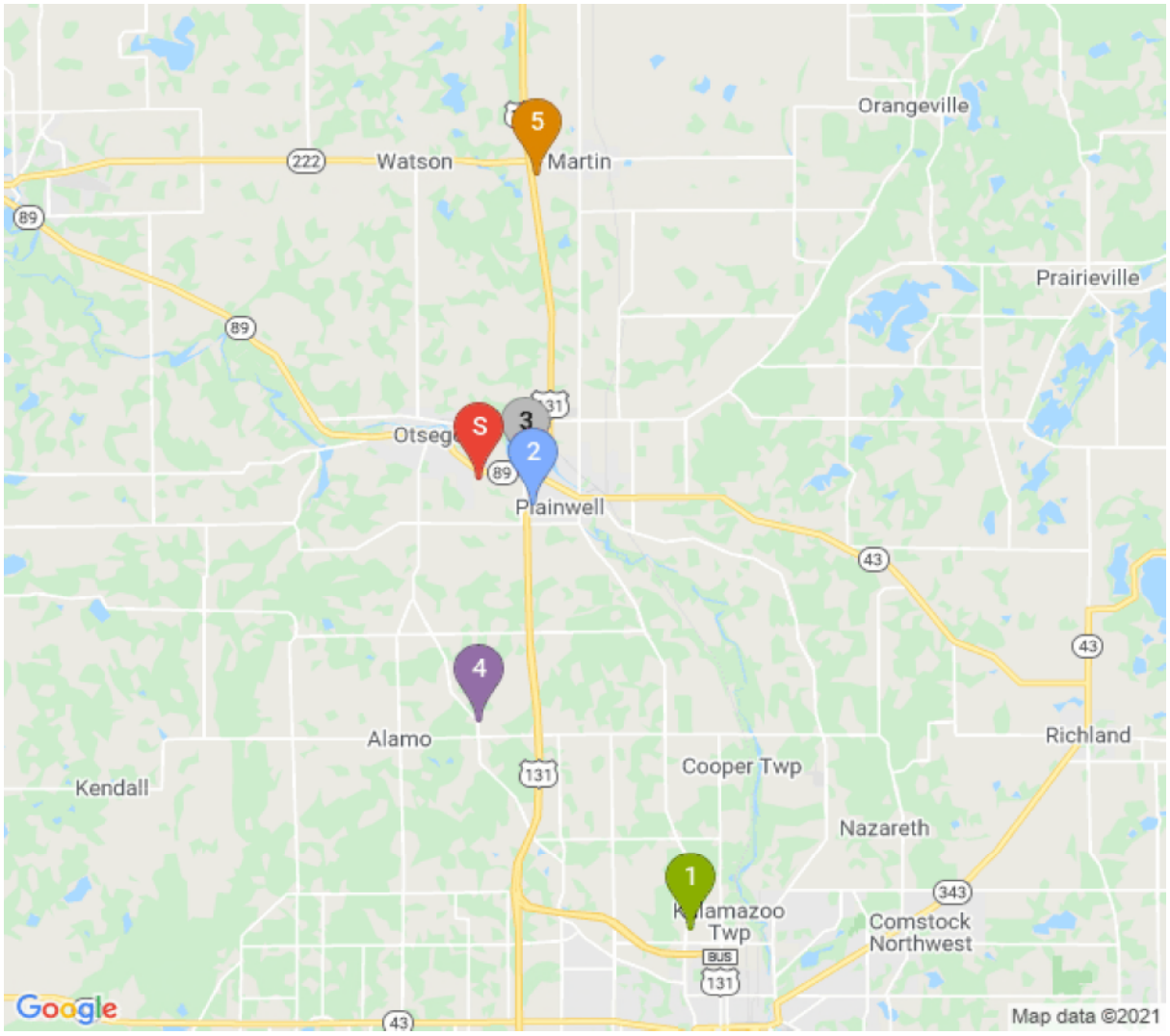
Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

Rent collections at the subject property have been 97% over the past three months. Since collections have not been materially impacted by COVID-19, we have not accounted for additional collection loss in our analysis.

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Competitive Properties Map



S Watson Mobile Home Park: 1362 M 89, Otsego, MI 49078

1 Hillcrest MHP 3208 Douglas Ave., Kalamazoo, MI

2 Pine Crest Community LLC 278 Lesa Ave, Plainwell, MI

3 Royal Estates 8300 Ravine Rd. , Kalamazoo, MI

4 Lombardini Trailer Court 1202 M-89, Plainwell, MI

5 Country Meadows MH 1249 M-222, Martin, MI

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Property Analysis

Land Description and Analysis

Location

The property is located on the south side of M-89 approximately 390 feet south of its intersection with Watson Road.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
17-025-070-00	1,150,507	26.41
17-025-073-00	82,416	1.89
Total	1,232,922	28.30

Source: Public Records

Shape and Dimensions

The site is irregular in shape. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	2607400025A
Date	9/30/1988
Zone	C
Description	Areas of minimal flooding
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are

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beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	E M-89 Hwy	13th St
Frontage Feet	340	430
Paving	Asphalt	Asphalt
Curbs	Yes	None
Sidewalks	Yes	None
Lanes	2 way, 2 lanes each way	2 way, 1 lane each way
Direction of Traffic	East/West	North/South
Condition	Good	Average
Traffic Levels	Moderate	Low
Signals/Traffic Control	None	Stop sign
Access/Curb Cuts	Two	One
Visibility	Average	Average

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Otsego Township Water Department
Sewer	Otsego Township
Electricity	Consumers Energy
Natural Gas	Consumers Energy
Local Phone	Various

Zoning

The subject is zoned RMH, Mobile Home Park District, by Otsego Township, MI. The RMH zone is intended to preserve the interests of alternate types of residential developments which should be permitted in every community and to protect the residents of any manufactured home type development. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Otsego Township, MI
Zoning Designation	RMH
Description	Mobile Home Park District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Manufactured home parks, Clubhouse, swimming pool, playgrounds, common areas and recreation facilities for the use of manufactured home park residents.

Category	Zoning Requirement
Minimum Lot Area	10 acres
Minimum Setbacks (Feet)	100 feet - any baseball/softball field; 25 feet - from the fence of a swimming pool; 20 feet -any part of an attached or detached structure of an adjacent manufactured home which is used for living purposes; 10 feet - on-site parking space of an adjacent manufactured home site; 50 feet from permanent park-owned structures.
Maximum Building Height	35 feet or (2-1/2) stories.
Parking Requirement	(2) usable off-street parking spaces for each dwelling unit.

Source: Otsego Township, MI - Zoning Ordinance

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use that pre-dates the current zoning regulations.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Surplus Land

The subject property has surplus land available for future expansion. We have considered the land surplus due to the large amount of land available in the local market and the minimal development activity.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

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Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include manufactured home parks, Clubhouse, swimming pool, playgrounds, common areas and recreation facilities for the use of manufactured home park residents.. We are not aware of any other particular restrictions on development.

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Aerial Map



The subject property is outlined in red above.

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ARBOR VILLAGE

MHC CAPITAL
Real Estate Investments

Economic Analysis

Jackson MSA Area Demographics

The subject is located in the Jackson, MI Metropolitan Statistical Area, hereinafter called the Jackson MSA, as defined by the U.S. Office of Management and Budget. The Jackson MSA is 702 square miles in size, and ranks #266 in population out of the nation's 382 metropolitan areas.

Population

The Jackson MSA has an estimated 2020 population of 160,044, which represents about the same population compared to the 2010 census amount of 160,248 over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Michigan.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	1,928	1,926	1,925	0.0%	0.0%
3 mi. radius	7,582	7,621	7,658	0.1%	0.1%
5 mi. radius	15,376	15,560	15,619	0.1%	0.1%
Jackson MSA	160,248	160,044	160,028	0.0%	0.0%
Michigan	9,883,640	10,114,954	10,238,518	0.2%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Jackson MSA's population will remain essentially the same from 2020 - 2025 without any appreciable growth or decline. The Jackson MSA growth rate is expected to lag that of Michigan, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Jackson MSA is 53,900 jobs. Since 2011, employment remained virtually constant, changing just 42 jobs over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

The Jackson MSA's rate of change in employment underperformed the State of Michigan, which experienced an increase in employment of 1.9% or 76,050 over this period.

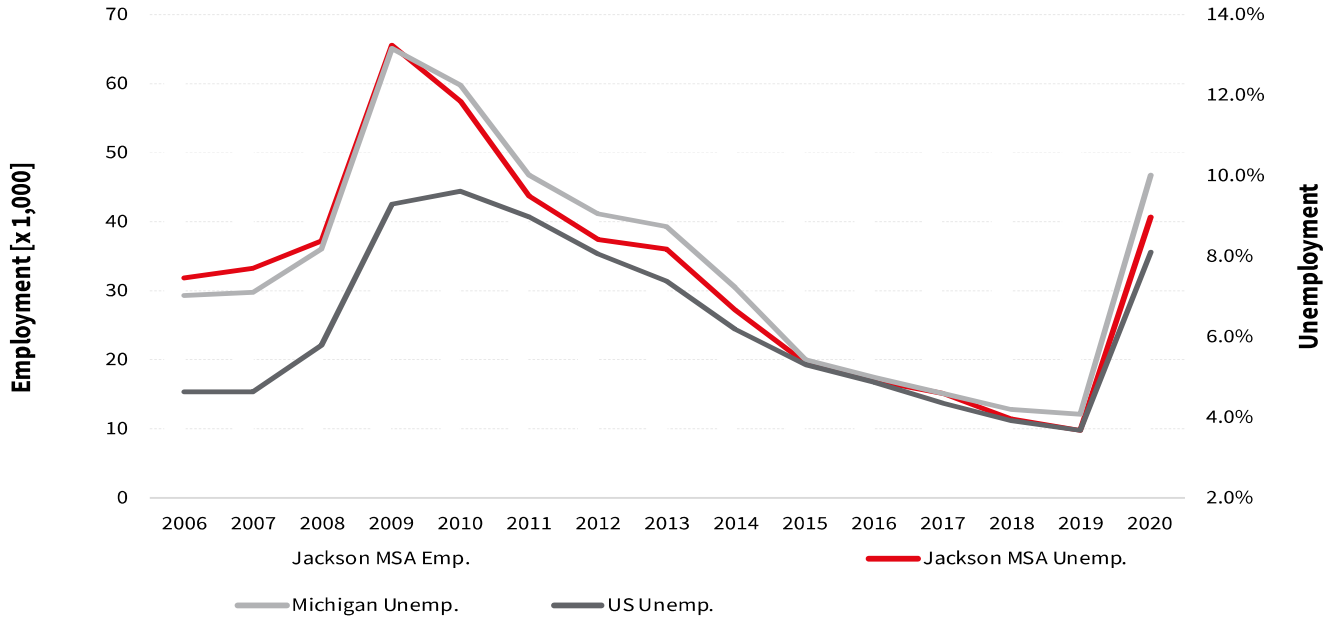
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Employment Trends

	Total Employment (Annual Average)						Unemployment Rate (Ann.		
Year	Jackson MSA	Change	Michigan	Change	United States	Change	Jackson MSA	Michigan	United States
2006	59,983	-	4,328,767	-	136,435,417	-	7.4%	7.0%	4.6%
2007	58,683	-2.2%	4,270,117	-1.4%	137,981,250	1.1%	7.7%	7.1%	4.6%
2008	57,517	-2.0%	4,164,850	-2.5%	137,223,833	-0.5%	8.4%	8.2%	5.8%
2009	54,258	-5.7%	3,873,783	-7.0%	131,296,083	-4.3%	13.2%	13.1%	9.3%
2010	53,433	-1.5%	3,867,208	-0.2%	130,345,000	-0.7%	11.8%	12.2%	9.6%
2011	53,942	1.0%	3,956,425	2.3%	131,914,417	1.2%	9.5%	10.0%	9.0%
2012	54,158	0.4%	4,038,342	2.1%	134,157,417	1.7%	8.4%	9.0%	8.1%
2013	54,942	1.4%	4,114,608	1.9%	136,363,833	1.6%	8.2%	8.7%	7.4%
2014	55,825	1.6%	4,186,642	1.8%	138,939,750	1.9%	6.7%	7.2%	6.2%
2015	56,400	1.0%	4,248,608	1.5%	141,824,917	2.1%	5.4%	5.4%	5.3%
2016	58,025	2.9%	4,326,467	1.8%	144,335,833	1.8%	4.9%	5.0%	4.9%
2017	58,067	0.1%	4,377,150	1.2%	146,607,583	1.6%	4.6%	4.6%	4.4%
2018	58,608	0.9%	4,426,050	1.1%	148,908,417	1.6%	4.0%	4.2%	3.9%
2019	58,783	0.3%	4,442,742	0.4%	150,904,750	1.3%	3.7%	4.1%	3.7%
2020	53,900	-8.3%	4,032,475	-9.2%	142,184,833	-5.8%	9.0%	10.0%	8.1%
10 Yr Change	**-42**	**-0.1%**	**76,050**	**1.9%**	**10,270,417**	**7.8%**			
Avg Unemp. Rate 2011-2020							6.4%	6.8%	6.1%
Unemployment Rate - Apr 2021							5.4%	4.6%	5.7%

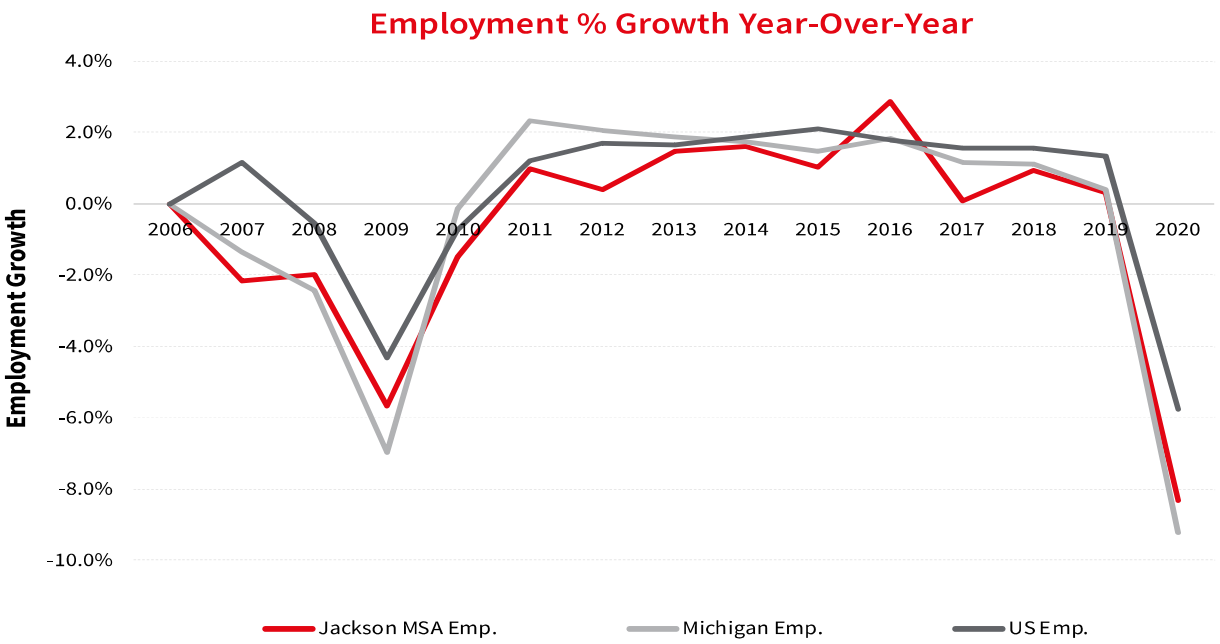
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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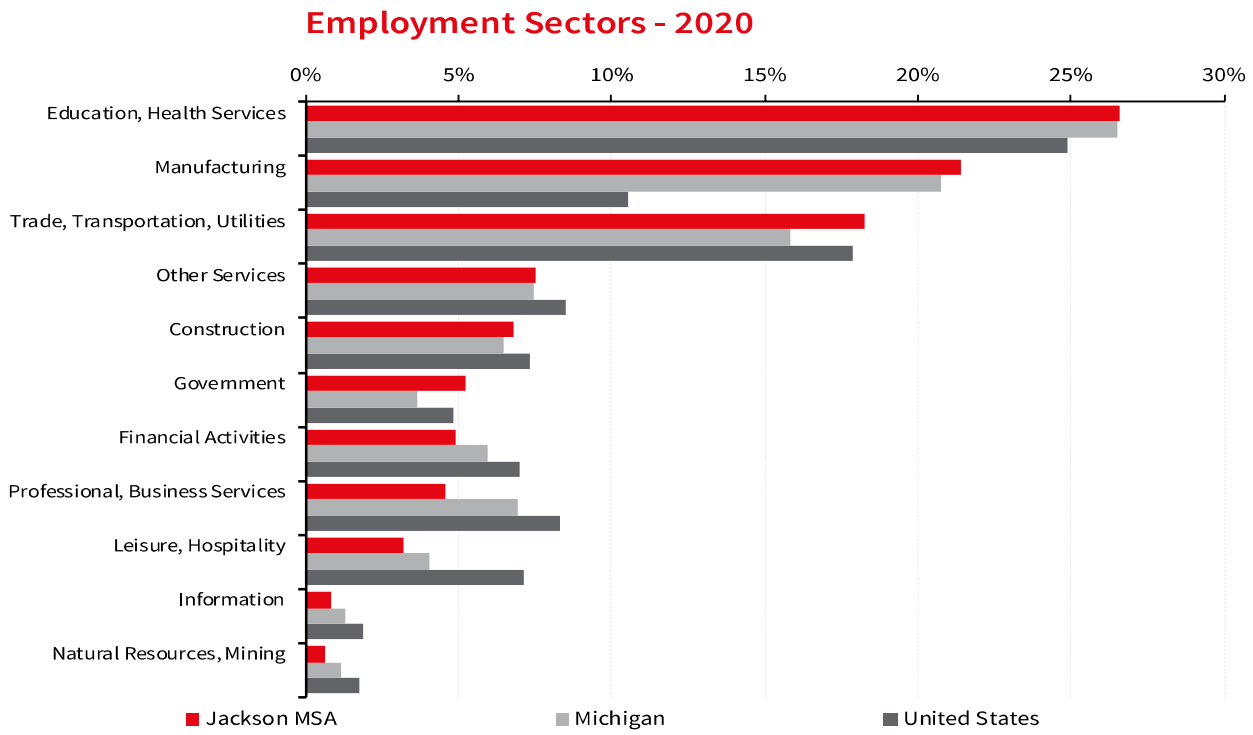
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Jackson MSA unemployment rate of 6.4% has been lower than the Michigan rate of 6.8%. In the latter half of the decade that trend has continued, as the Jackson MSA has consistently overperformed Michigan. Recent data shows that the Jackson MSA unemployment rate is 5.4%, in comparison to a 4.6% rate for Michigan, a negative sign for the Jackson MSA economy but one that must be tempered by the fact that the Jackson MSA has outperformed Michigan in the rate of job growth over the past two years.

Employment Sectors

The composition of the Jackson MSA job market is illustrated in the chart below, paired with that of Michigan. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Jackson MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Jackson MSA has a greater percentage employment than Michigan in the following categories:

1. Manufacturing - which accounts for 21.4% of Jackson MSA payroll employment compared to 20.7% for Michigan as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Trade, Transportation, Utilities - which accounts for 18.3% of Jackson MSA payroll employment compared to 15.8% for Michigan as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Construction - which accounts for 6.8% of Jackson MSA payroll employment compared to 6.5% for Michigan as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Government - which accounts for 5.2% of Jackson MSA payroll employment compared to 3.7% for Michigan as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.

The Jackson MSA is underrepresented in the following categories:

1. Professional, Business Services - which accounts for 4.6% of Jackson MSA payroll employment compared to 6.9% for Michigan as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

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2. Financial Activities - which accounts for 4.9% of Jackson MSA payroll employment compared to 5.9% for Michigan as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Leisure, Hospitality - which accounts for 3.2% of Jackson MSA payroll employment compared to 4.1% for Michigan as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Natural Resources, Mining - which accounts for 0.7% of Jackson MSA payroll employment compared to 1.1% for Michigan as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Major Employers

The table below contains major employers in the Jackson MSA.

Major Employers - Jackson MSA

	Name	Employees
1	Allegiance Health	4,100
2	Consumers Energy Co.	2,400
3	Michigan Department of Corrections	2,040
4	Great Lakes Caring	1,118
5	Michigan Automotive Compressor	1,100
6	TAC Manufacturing	990
7	Meijer Inc.	755
8	Eaton Aerospace Corp.	700
9	Jackson Community College	650
10	Wal-Mart Stores Inc.	568
11	Tenneco Automotive	510
12	Dawn Food Products	468
13	McDonald's Corp.	450
14	Gerdau Specialty Steel	385
15	Spring Arbor University	300
16	Anesthesia Business Consultants	284
17	Lifeways/Community Connections	275
18	Alro Steel Corp.	271
19	Melling Tool Co.	270
20	Royal Adhesives and Sealants	250

Sources(s): City of Jackson, 2017; The Enterprise Group of Jackson, 2016

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Jackson MSA ranks #297 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been about the same in the Jackson MSA compared to Michigan overall during the past nine years, both growing at about a 1.8% rate. As the national economy improves, the Jackson MSA growth has accelerated and outperformed the State of Michigan. GDP for the Jackson MSA rose by 1.3% in 2019 while Michigan's grew by 0.8%.

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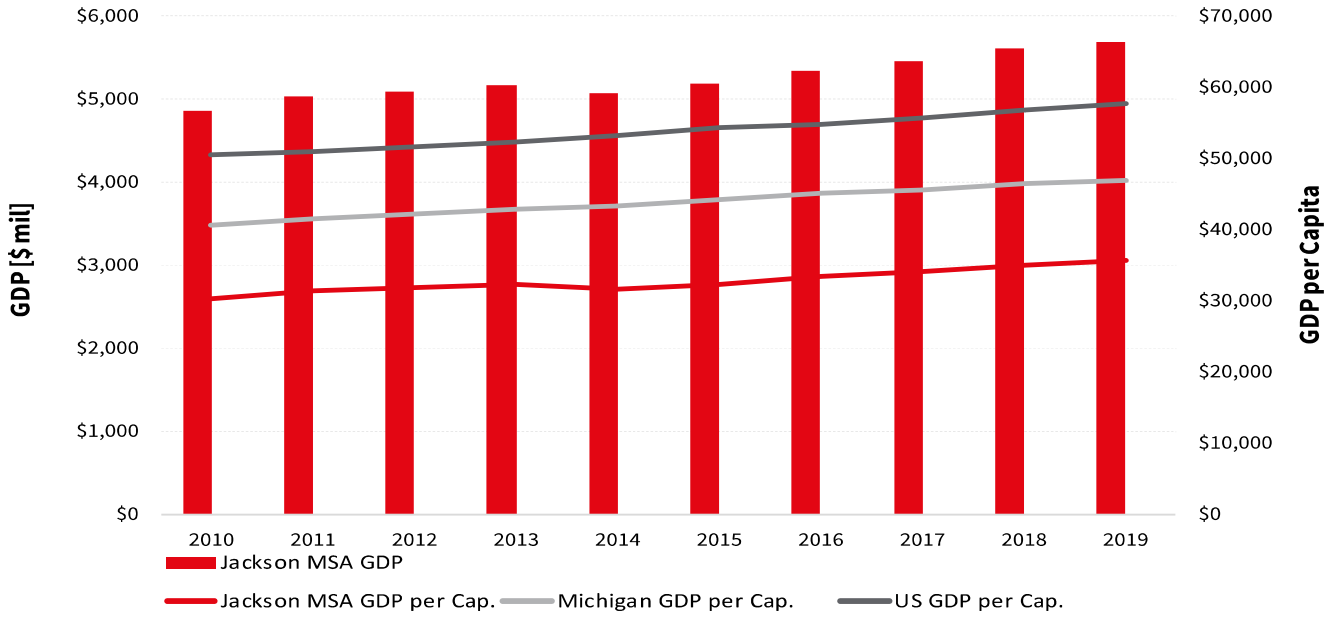
The Jackson MSA has a per capita GDP of $35,513, which is 24.0% less than Michigan's GDP of $46,736. This means that the Jackson MSA industries and employers are adding relatively much less to the economy than their peers in Michigan.

Gross Domestic Product

	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Jackson MSA	Change	Michigan	Change	United States	Change	Jackson MSA	Michigan	United States
2010	$4,850	-	$400,942	-	$15,598,753	-	$30,265	$40,566	$50,523
2011	$5,032	3.8%	$411,427	2.6%	$15,840,664	1.6%	$31,408	$41,530	$50,894
2012	$5,076	0.9%	$418,742	1.8%	$16,197,007	2.2%	$31,687	$42,170	$51,623
2013	$5,154	1.5%	$425,327	1.6%	$16,495,369	1.8%	$32,174	$42,733	$52,158
2014	$5,062	-1.8%	$430,936	1.3%	$16,912,038	2.5%	$31,602	$43,197	$53,055
2015	$5,173	2.2%	$442,288	2.6%	$17,432,170	3.1%	$32,301	$44,232	$54,260
2016	$5,342	3.3%	$451,026	2.0%	$17,730,509	1.7%	$33,363	$45,002	$54,762
2017	$5,456	2.1%	$457,342	1.4%	$18,144,105	2.3%	$34,075	$45,527	$55,609
2018	$5,611	2.8%	$467,828	2.3%	$18,687,786	3.0%	$35,049	$46,464	$56,839
2019	$5,684	1.3%	$471,648	0.8%	$19,091,662	2.2%	$35,513	$46,736	$57,629
10 Yr Change	**$834**	**1.8%**	**$70,706**	**1.8%**	**$3,492,909**	**2.3%**	**$5,248**	**$6,169**	**$7,106**

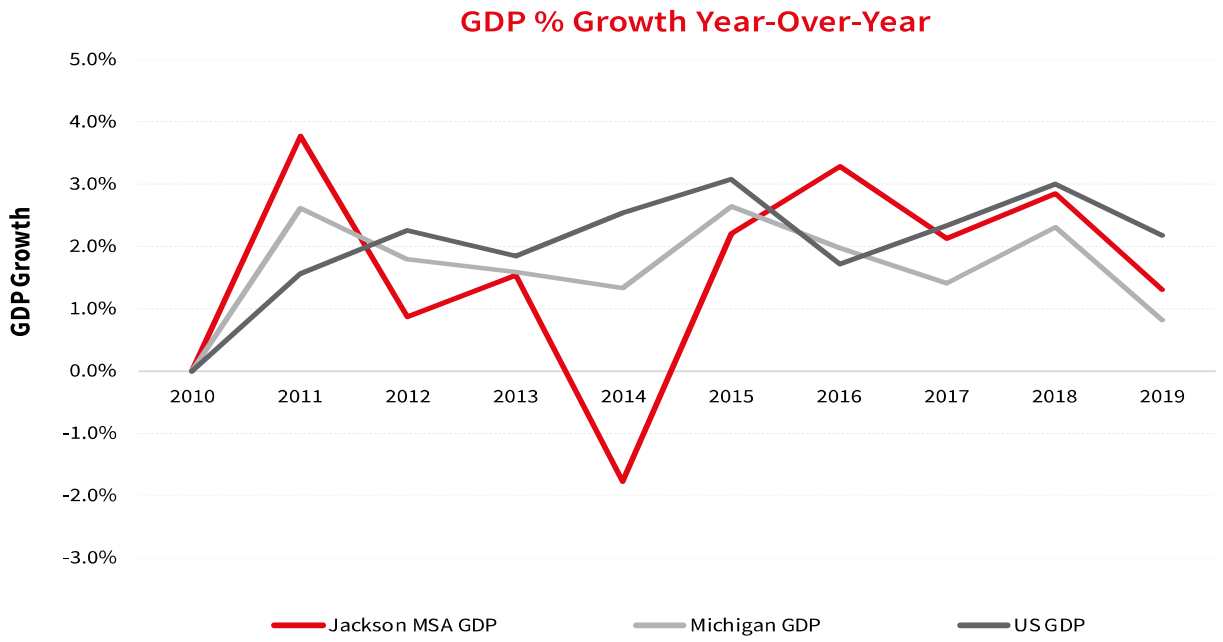
Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

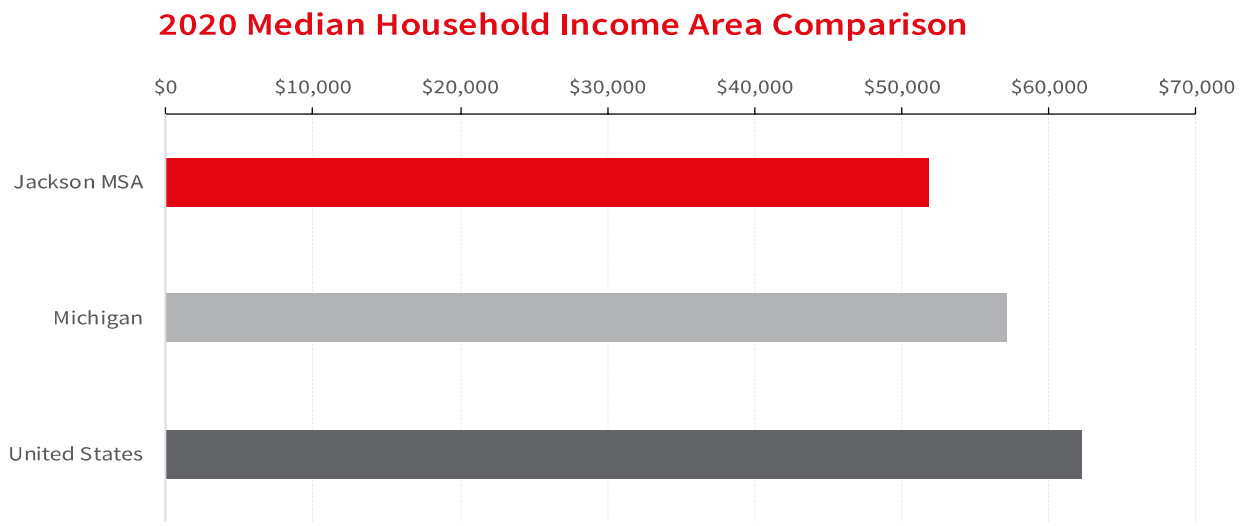
The Jackson MSA has a lower level of household income than Michigan. Median household income for the Jackson MSA is $51,772, which is 9.3% less than Michigan.

Median Household Income

Area	Med. Household Income 2020 Est.	Med. Household Income 2025 Est.	Compound Ann. % Chng 2020 - 2025
Jackson MSA	$51,772	$54,225	0.9%
Michigan	$57,108	$61,243	1.4%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

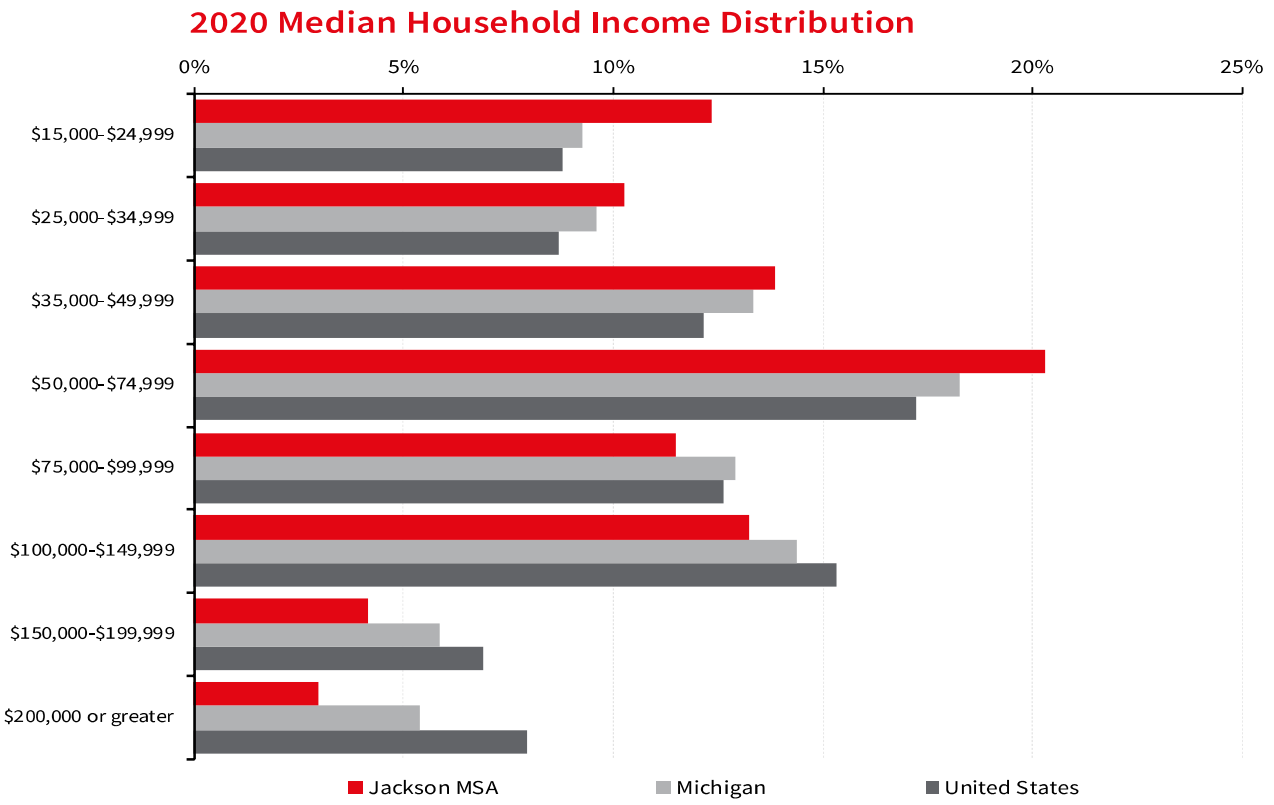
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Jackson MSA has a greater concentration of households in the lower income levels than Michigan. Specifically, 34% of the Jackson MSA households are below the $35,000 level in household income as compared to 30% of Michigan households. A smaller concentration of households exists in the higher income levels, as 32% of the Jackson MSA households are at the $75,000 or greater levels in household income versus 39% of Michigan households.

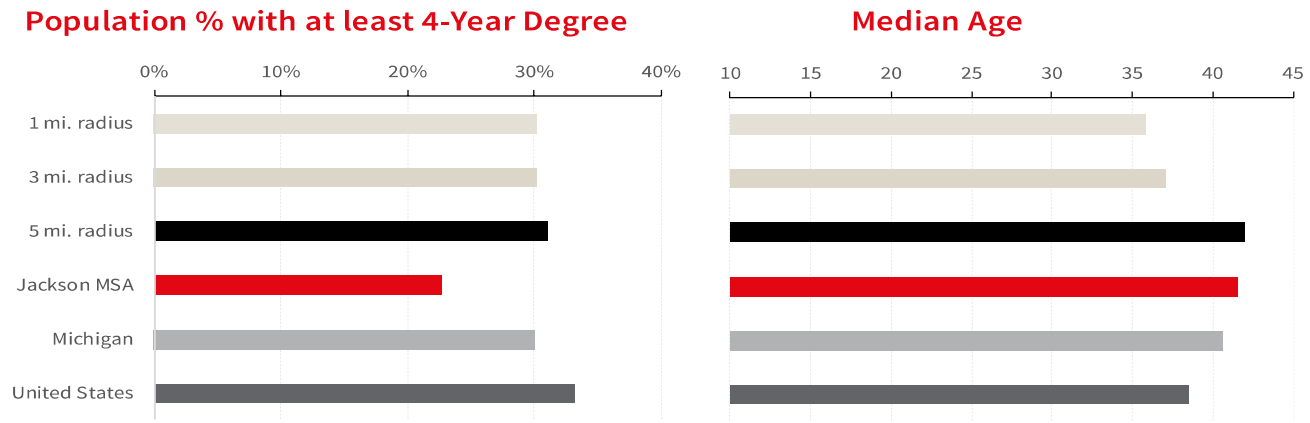
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Jackson MSA have a lower level of educational attainment than those in Michigan. An estimated 22.7% of the Jackson MSA residents are college graduates with four-year degrees or higher, while Michigan residents have an estimated 30.1% with at least a four-year degree. People in the Jackson MSA are slightly older than their peers in Michigan. The median age of the Jackson MSA is 42 years, while Michigan is 41 years.



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

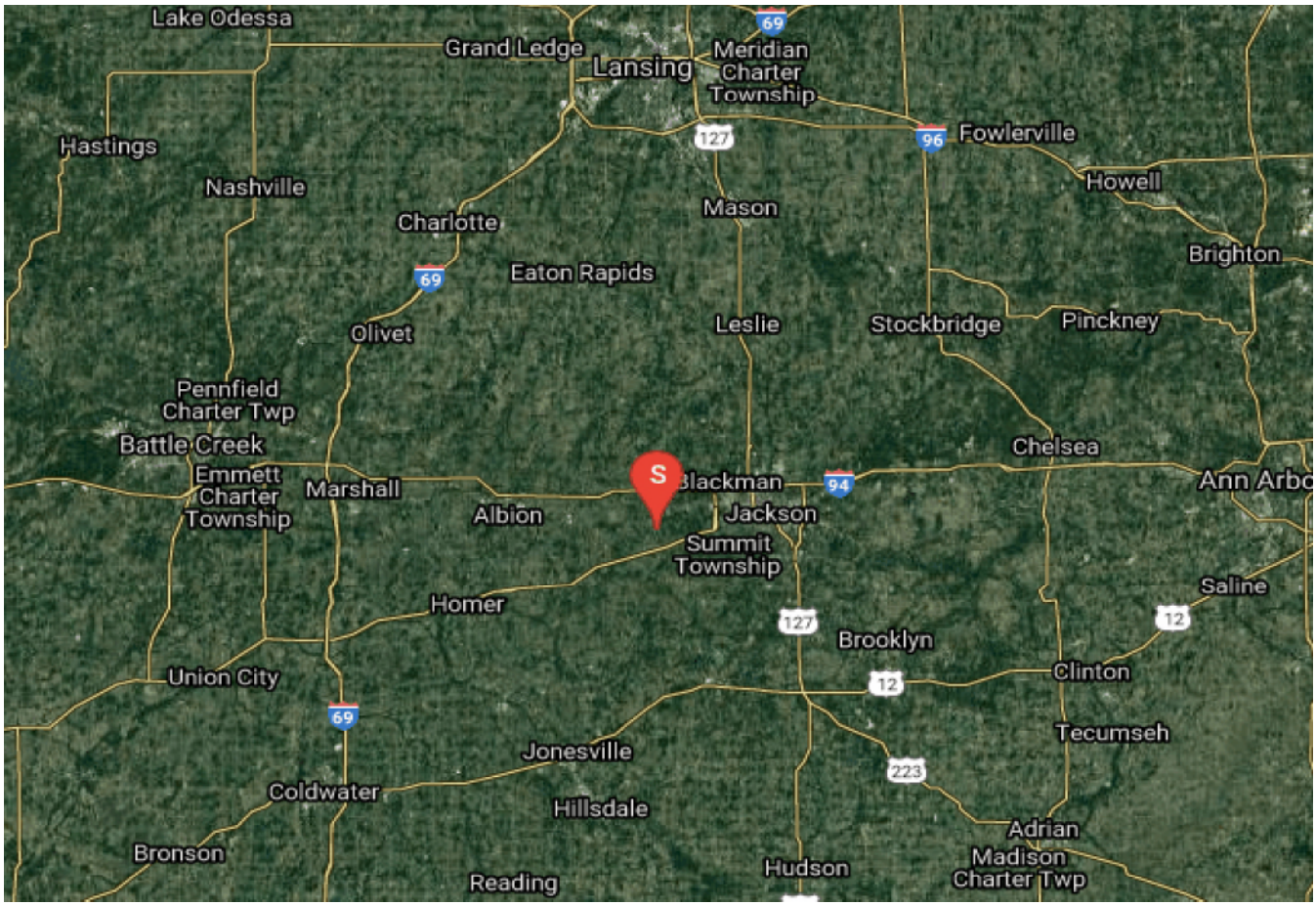
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Conclusion

The Jackson MSA's economy will benefit from a stable to slightly growing population base. Although employment did not grow during the past decade, the Jackson MSA has maintained a lower unemployment than Michigan. Despite the employment outlook, the Jackson MSA is facing challenges from lagging Michigan in both GDP growth in the past nine years and its GDP per capita. Considering all positive and negative factors, we project that growth in the Jackson MSA will be limited, resulting in a modest level of demand for real estate in general.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the north area of Spring Arbor Township, MI. This area is part of the Jackson County submarket and generally is delineated as follows:

North	Baseline Road
South	Vicary Road
East	Waterloo State Recreation Area
West	Albion City

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Interstate 94, a major arterial that crosses the Jackson City area in an east/west direction. Access to the subject from Interstate 94 is provided by S Dearing Road, and travel time from the major arterial to the subject is about 7 minutes. Overall, vehicular access is good.

Public transportation is provided by JATA and provides access to Jackson City and Jackson County. The local market perceives public transportation as fair compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Capital Region International Airport is located about 49 miles from the property; travel time is about 56 minutes, depending on traffic conditions. The Jackson City CBD, the economic and cultural center of the region, is approximately 9 miles from the property.

Demand Generators

Major employers include Henry Ford Allegiance Health, Consumers Energy and Michigan Department of Corrections. These are located within 10 miles of the property and represent significant concentrations in the health, energy and government industries.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Jackson MSA	Michigan	United States
Population						
2010	1,928	7,582	15,376	160,248	9,883,640	308,745,538
2020	1,926	7,621	15,560	160,044	10,114,954	333,793,107
2025	1,925	7,658	15,619	160,028	10,238,518	346,021,282
Compound Chg 2010 - 2020	-0.01%	0.05%	0.12%	-0.01%	0.23%	0.78%
Compound Chg 2020 - 2025	-0.01%	0.10%	0.08%	0.00%	0.24%	0.72%
Density	614	270	198	228	179	95
Households						
2010	680	2,452	5,490	60,771	3,872,508	116,716,292
2020	696	2,552	5,695	61,889	4,002,057	126,083,849
2025	698	2,573	5,739	62,131	4,062,968	130,658,485
Compound Chg 2010 - 2020	0.23%	0.40%	0.37%	0.18%	0.33%	0.77%
Compound Chg 2020 - 2025	0.06%	0.16%	0.15%	0.08%	0.30%	0.72%
Other Demographics						
Med. Household Income	$53,524	$58,848	$61,963	$51,772	$57,108	$62,203
Avg. Household Size	2.4	2.6	2.5	2.5	2.5	2.6
College Graduate %	30.2%	30.2%	31.0%	22.7%	30.1%	33.1%
Median Age	36	37	42	42	41	39
Owner Occupied %	74%	76%	78%	73%	71%	64%
Renter Occupied %	26%	24%	22%	27%	29%	36%
Med. Home Value	$147,973	$160,598	$166,091	$155,121	$170,940	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 7,621, and the average household size is 2.6. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. Despite the population growth within a three-mile radius, it is estimated the Jackson MSA overall will remain steady.

Median household income is $58,848, which is considerably higher than the household income for the Jackson MSA as a whole. The populace within a three-mile radius has more formal college education than residents in the Jackson MSA, and median home values in the area are also higher

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

Retail and Public Services

The nearest shopping facilities serving the area are located at Spring Arbor Road, about 2.8 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Westwood Mall, located about 8.6 miles from the property. Restaurants, principally along major arterials such as Spring Arbor Road and W Michigan Avenue, are within a 7-minute travel time of the property. The closest lodging facilities are located within a 14-minute drive of the subject and include Holiday Inn Express & Suites Jackson.

The nearest fire and police stations are within 2.5 miles of the property. The closest elementary/middle school is 2.8 miles and the local high school is approximately 1.5 miles away. The closest colleges and universities are

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Spring Arbor University and Baker College of Jackson. They offer various programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Harmony Park.

Land Use

In the immediate vicinity of the subject, predominant land uses are residential and vacant. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Rural
Predominant Housing Age (Both Ownership and Rental)	10-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	20%
Percent Developed by Land use	65% Single Family; 5% Apartments; 30% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Single-family and vacant land
South	Single-family and vacant land
East	Vacant land
West	Single-family and vacant land

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

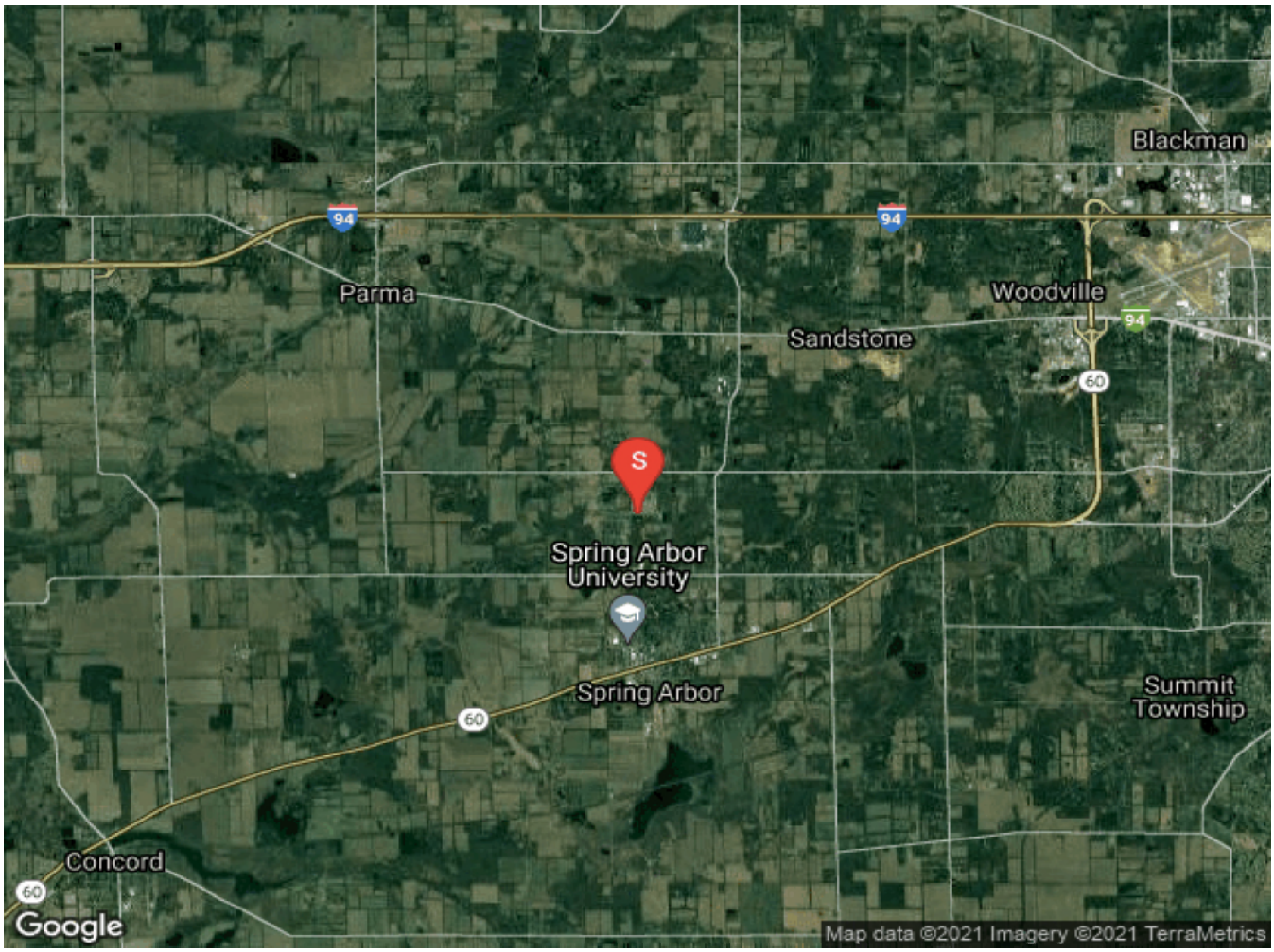
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transportation	Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Above Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



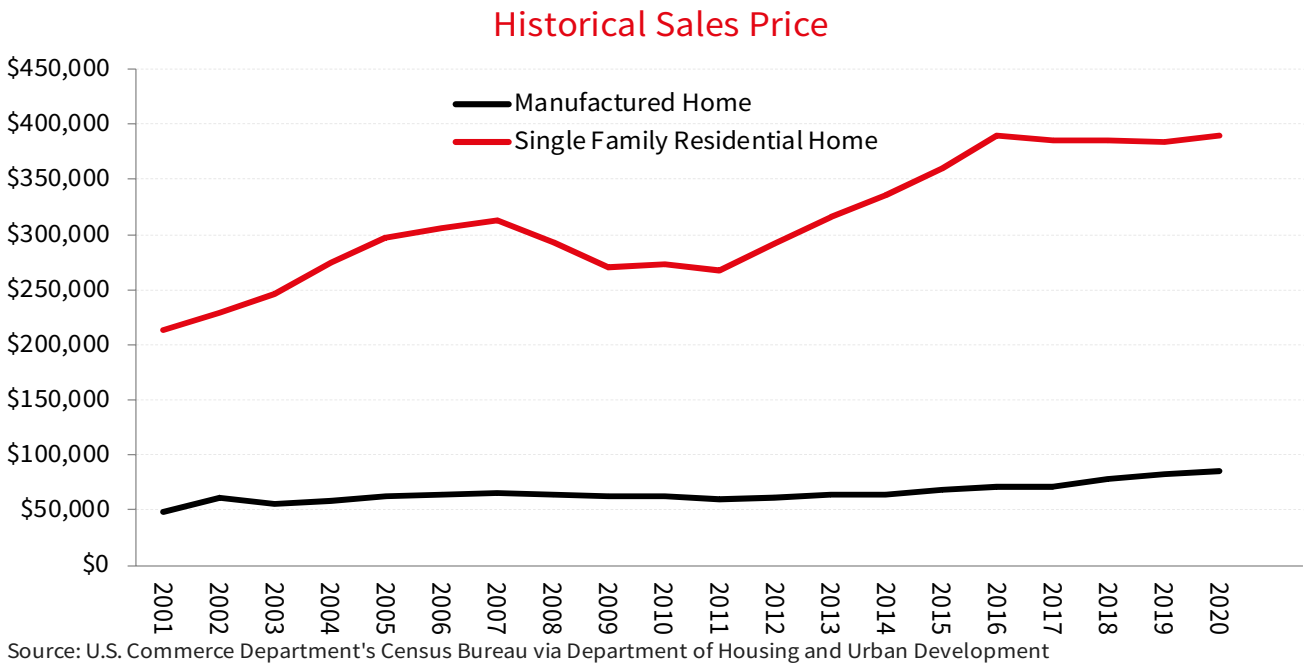
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

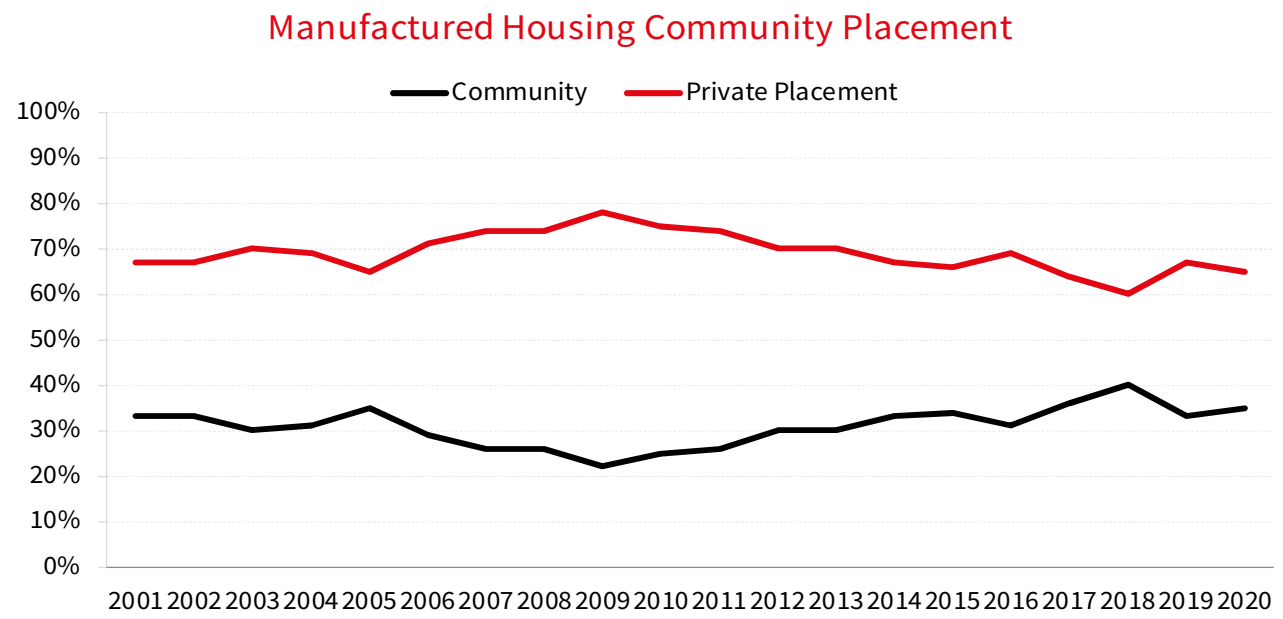


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

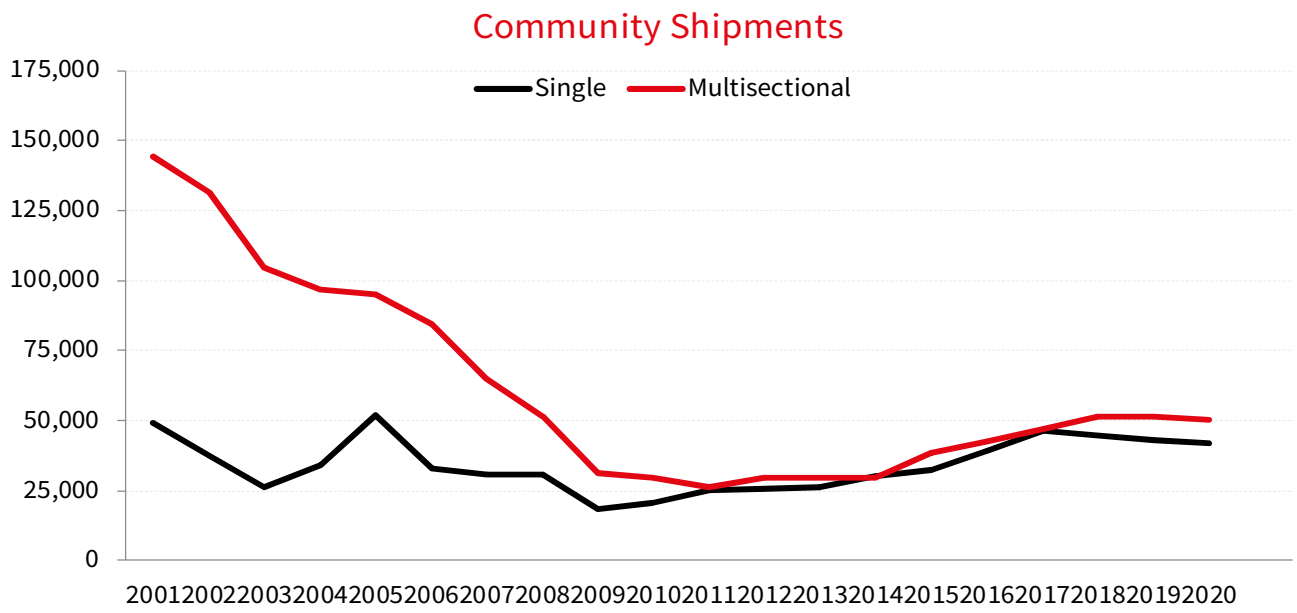


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

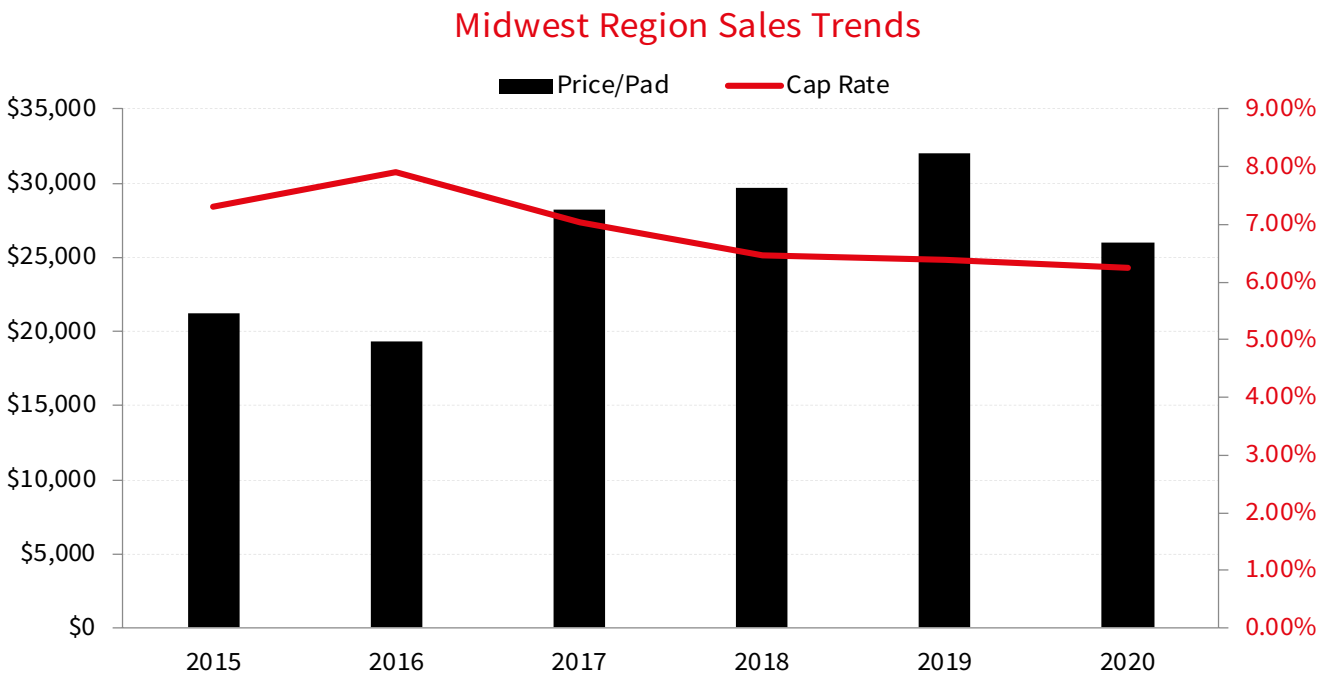
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

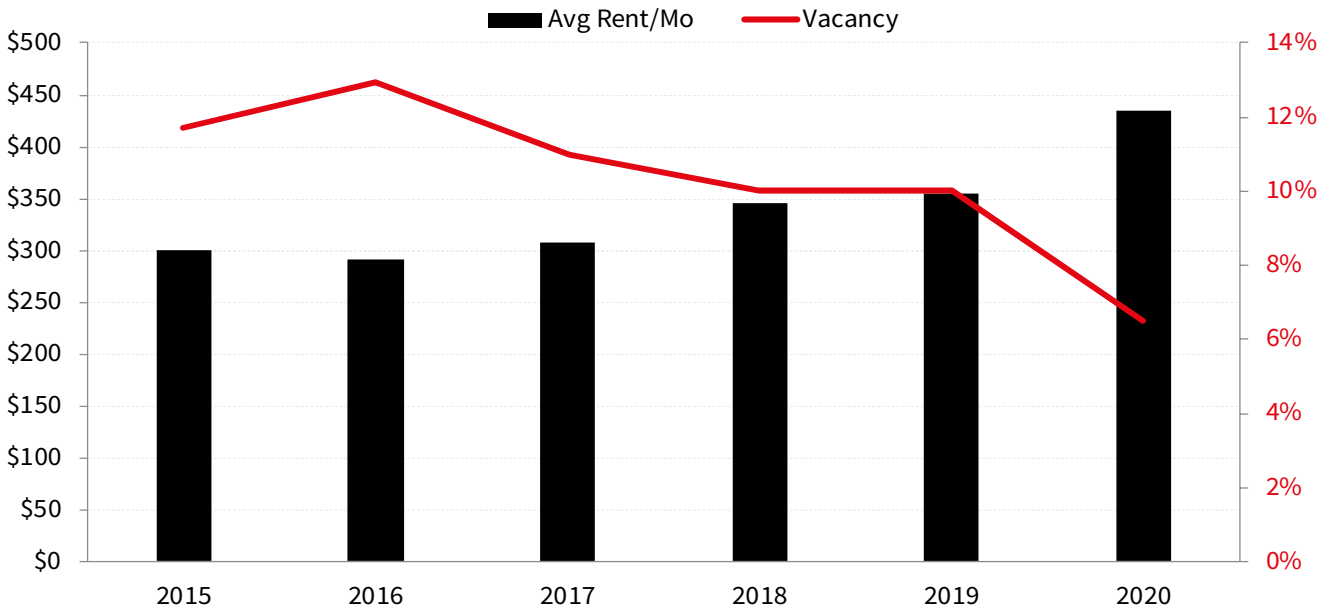
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$50,000	$166,091	-
Down Payment or Deposit	$5,000	$8,305	-
Amount Financed	$45,000	$157,786	-
Rate	10.0%	3.5%	-
Term (Years)	20	30	-
Monthly Mortgage Payment	$434	$709	-
Taxes	$104	$346	-
Insurance	$9 - $10	$50	-
Site Rent	$400	-	-
Total Monthly Payment*	$947	$1,105	$600 - $800

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a reasonable value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Spring Arbor Township, MI, located approximately 9 miles west of Jackson City. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Three Oaks Estates 7537 Red Oak Dr Concord, MI 49237 Tenant-Paid Utilities:	6.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1980	6/7/2021	40	99%	$355
2	Windham Hills MHC 4020 County Farm Rd Jackson, MI Tenant-Paid Utilities:	5.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1996	6/7/2021	469	98%	$589
3	Twin Pine Manufactured Housing Community 2701 30 Mile Rd Albion, MI Tenant-Paid Utilities:	9.0 Sewer, Electric, Gas, Cable/Sat	1972	6/7/2021	73	70%	$375
4	Jackson MHP 2240 Brooklyn Road Jackson, MI Tenant-Paid Utilities:	9.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1956	6/7/2021	70	93%	$360
5	Cozy MHC 1259 East McDevitt Rd Jackson, MI Tenant-Paid Utilities:	9.0 Electric, Gas, Cable/Sat	1956	6/7/2021	204	80%	$436
6	Spruce Tree Mobile Home Park 14200 18 1/2 Mile Rd Marshall, MI Tenant-Paid Utilities:	20.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1970	6/7/2021	81	97%	$438
Weighted Market Average		9.7	1972		156	91%	$499
	Subject: Arbor Village - Parma	-	1964	-	267	51%	$375

The weighted average occupancy of the competitive properties is 91%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy

	2017	2018	2019	2020	Current	Average
Physical Occupancy	49%	48%	52%	51%	51%	50%
Occupied Pads	131	129	139	137	135	
Absorbed Pads/Year		-2	10	-2	-2	

Source: Borrower documents.

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Although requested, we were not provided with historical rental rate figures at the subject. The subject has historically had an average physical occupancy of 50% and is currently 51% occupied. Over the long run we anticipate the subject property to face a competitive market much like the peer group identified previously.

We are of the opinion that the subject property is operating with an occupancy which is below market levels and that there is upside to grow physical occupancy for a well-capitalized MHC operator that has the capital means to bring in new / used community owned homes and make them available for sale / rent. As such, we have projected absorption in our analysis to reach a stabilized occupancy.

As will be further discussed in the Income Capitalization Section of this report, we are of the opinion that the subject property has below market rents.

JLL Projection – As Is: We have projected vacancy based on in-place occupancy for the subject property. Therefore, we have projected our As Is stabilized occupancy at 51%. Our conclusion considers 49.0% for vacancy. We have separately projected collection loss in our analysis.

JLL Projection – Upon Stabilization: We have projected stabilized occupancy for the subject property at 73.0% (or 195 occupied sites). Our conclusion considers 27% (or 72 vacant sites) for vacancy. We have separately projected collection loss in our analysis.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

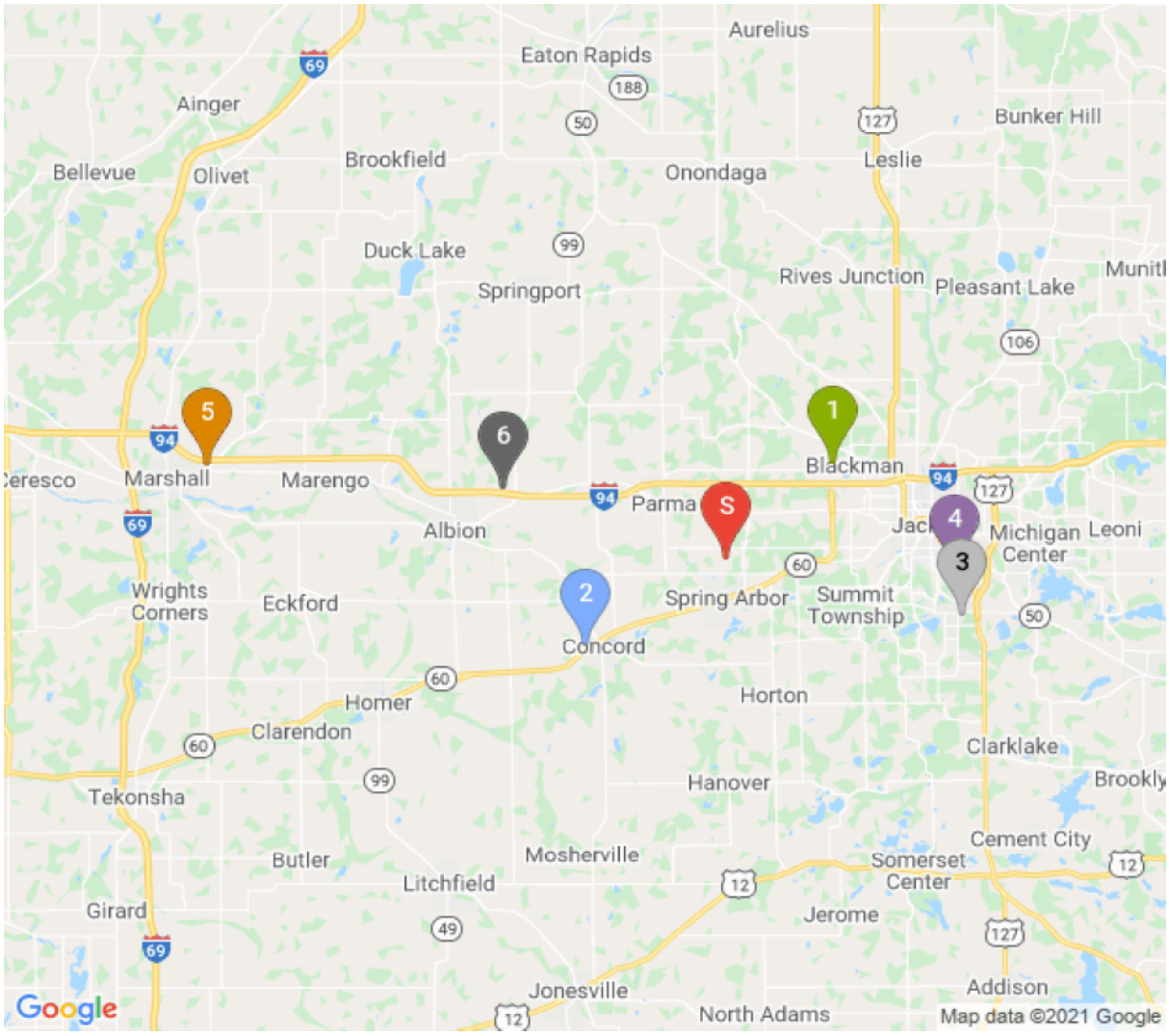
Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

The subject property has collected roughly 89% of rent over the last 3 months. We are of the opinion that rental collections are being slightly impacted as a result of COVID-19. As such, we have projected a temporary deduction for collection loss which is further discussed at the end of the Income Capitalization Approach Section of this report.

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Competitive Properties Map



S Arbor Village - Parma: 7940 S Circle Dr, Parma, MI 49269

1 Three Oaks Estates 7537 Red Oak Dr Concord, MI

2 Windham Hills MHC 4020 County Farm Rd, Jackson, MI

3 Twin Pine Manufactured Housing Community 2701 30 Mile Rd, Albion, MI

4 Jackson MHP 2240 Brooklyn Road, Jackson, MI

5 Cozy MHC 1259 East McDevitt Rd, Jackson, MI

6 Spruce Tree Mobile Home Park 14200 18 1/2 Mile Rd, Marshall, MI

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Property Analysis

Land Description and Analysis

Location

The property is located on the south side of McCain Road approximately 1200 feet south of its intersection with Williams.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
000-12-09-126-001-01	2,097,762	48.16
000-12-09-126-001-02	1,306,800	30.00
Total	3,404,562	78.16

Source: Public Records

Shape and Dimensions

The site is irregular in shape. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	26075C0300D
Date	5/3/2010
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are

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beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	McCain Road
Frontage Feet	1,330
Paving	Asphalt
Curbs	No
Sidewalks	No
Lanes	2 way, 1 lane each way
Direction of Traffic	East/West
Condition	Average
Traffic Levels	Low
Signals/Traffic Control	None
Access/Curb Cuts	One
Visibility	Average

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Private
Sewer	Private
Electricity	Consumers Energy
Natural Gas	Consumers Energy
Local Phone	Various

Zoning

The subject is zoned RM-1, Multiple-Family Residential and AG-1, Agricultural, by Spring Arbor Township. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Spring Arbor Township	Spring Arbor Township
Zoning Designation	RM-1	AG-1
Description	Multiple-Family Residential	Agricultural District
Legally Conforming?	Appears to be legally nonconforming	Appears to be legally conforming
Zoning Change Likely?	No	No
Permitted Uses	Multiple-family and two-family dwellings, Rooming and boarding houses, (Mobile home parks and Mobile home subdivision - conditional use in accordance with Section 5.9.8 and 5.9.9).	Single-family detached dwellings, Family Day Care Home, General and specialized farming and agricultural activities.

Category	Zoning Requirement	Zoning Requirement
Minimum Lot Area	10 acres	1-2 acres
Minimum Lot Width (Feet)	None	150 feet
Minimum Setbacks (Feet)	front and rear - 8 feet per mobile home site; side - 10 feet per mobile home site.	Front - 60 feet; Side 30-60 feet; Rear - 50 feet.
Maximum Building Height	None	2 and 1/2 story or 35 feet
Maximum Site Coverage	None	10%
Parking Requirement	1 automobile parking space shall be provided within 150 feet of each mobile home site plus 1 additional for every mobile home stands.	None stated

Source: Spring Arbor Township, MI - Zoning Ordinance

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally nonconforming use that pre-dates the current zoning regulations.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Surplus Land

The subject property has surplus land available for future expansion. We have considered the land surplus due to the large amount of land available in the local market and the minimal development activity.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

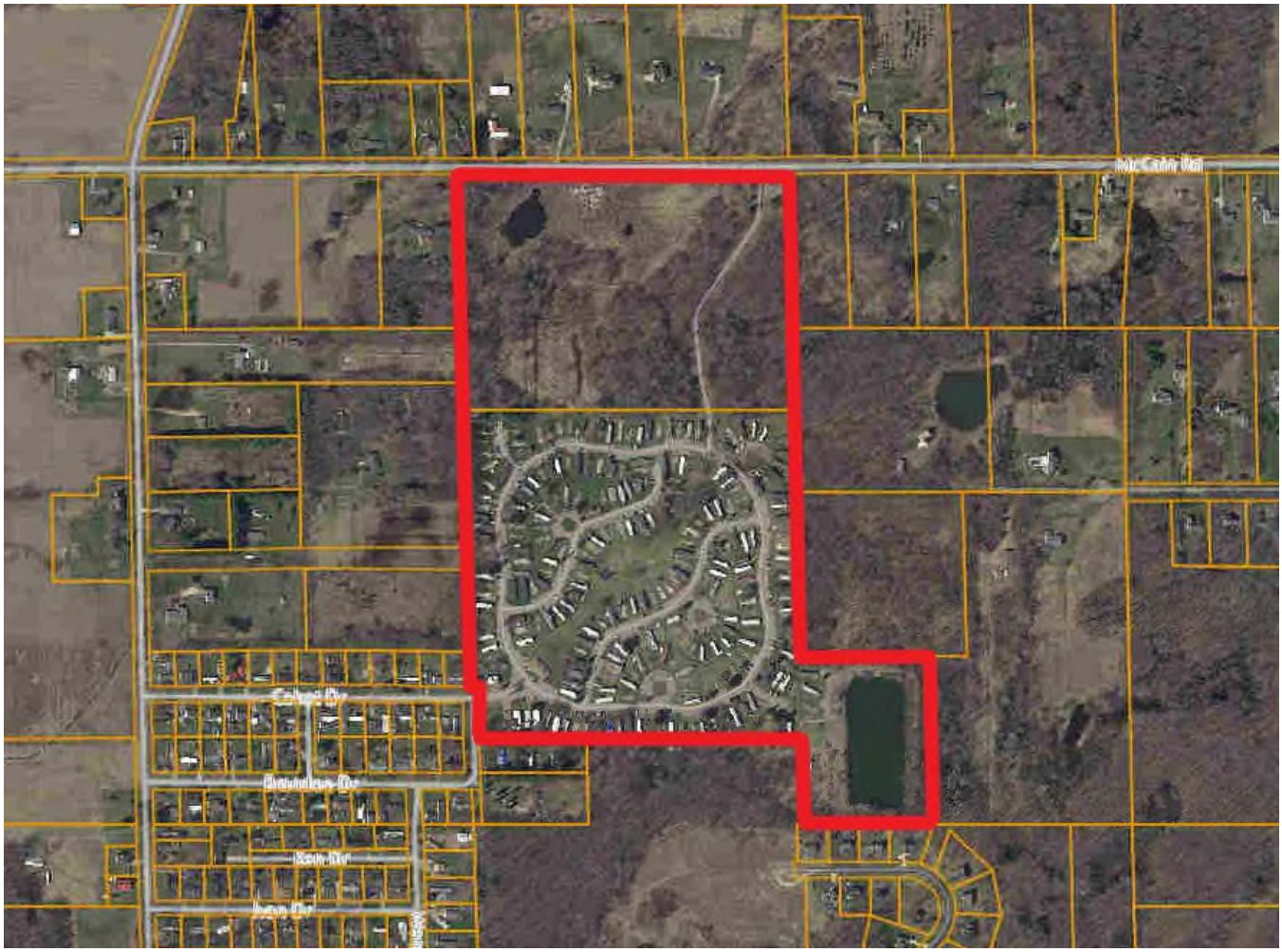
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include multiple-family and two-family dwellings, Rooming and boarding houses, (Mobile home parks and Mobile home

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subdivision - conditional use in accordance with Section 5.9.8 and 5.9.9).. We are not aware of any other particular restrictions on development.

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Aerial Map



The subject property is outlined in red above.

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GUN RIVER

MHC CAPITAL
Real Estate Investments

Economic Analysis

Allegan County Area Demographics

Allegan County is located in southwestern Michigan, approximately 160 miles west of Detroit City. It is 825 square miles in size and has a population density of 147 persons per square mile.

Population

Allegan County has an estimated 2020 population of 121,283, which represents an average annual 0.9% increase over the 2010 census amount of 111,408. Allegan County added an average of 988 residents per year over the 2010 - 2020 period, and its annual growth rate is greater than that of the State of Michigan.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	1,542	1,648	1,706	0.7%	0.7%
3 mi. radius	11,346	11,908	12,226	0.5%	0.5%
5 mi. radius	20,120	21,054	21,593	0.5%	0.5%
Allegan County	111,408	121,283	126,225	0.9%	0.8%
Michigan	9,883,640	10,114,954	10,238,518	0.2%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, Allegan County's population is projected to increase at a 0.8% annual rate from 2020 - 2025, equivalent to the addition of an average of 988 residents per year. The Allegan County growth rate is expected to exceed that of Michigan, which is projected to be 0.2%.

Employment

The current estimate of total employment in Allegan County is 37,736 jobs. Since 2011, employment grew by 4,228 jobs, equivalent to a 12.6% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

Allegan County's rate of change in employment significantly outperformed the State of Michigan, which experienced an increase in employment of 1.9% or 76,050 over this period.

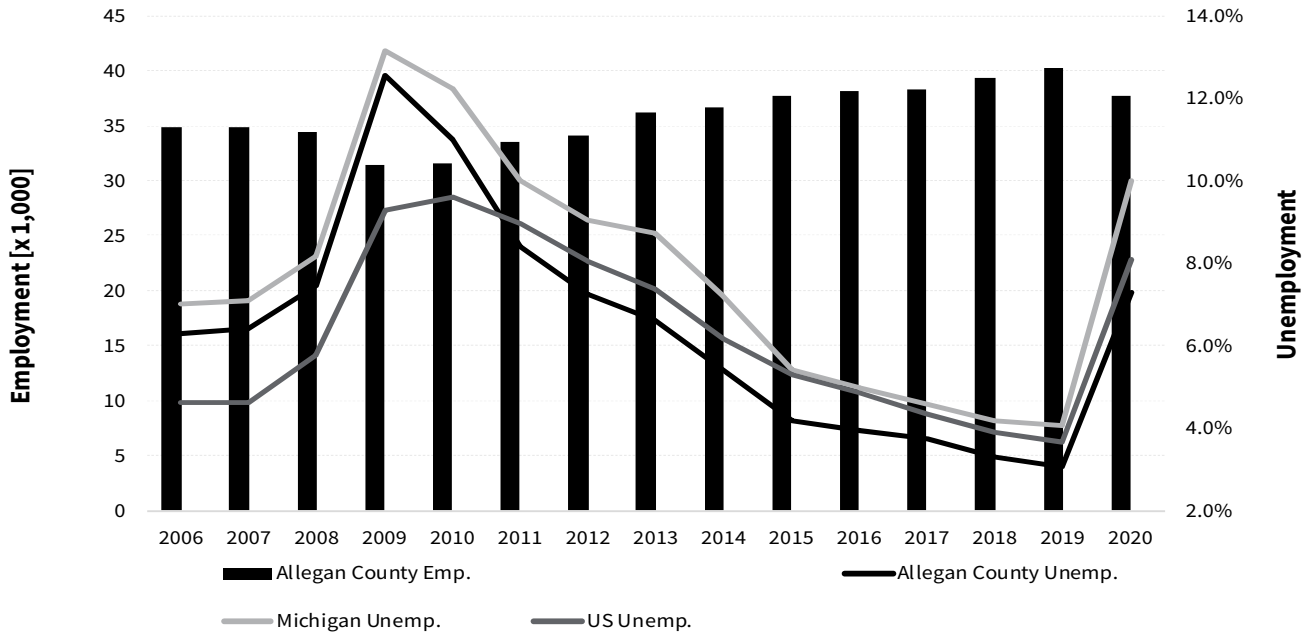
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Employment Trends

	Total Employment (Annual Average)						Unemployment Rate (Ann.		
Year	Allegan County	Change	Michigan	Change	United States	Change	Allegan County	Michigan	United States
2006	34,911	-	4,328,767	-	136,435,417	-	6.3%	7.0%	4.6%
2007	34,864	-0.1%	4,270,117	-1.4%	137,981,250	1.1%	6.4%	7.1%	4.6%
2008	34,364	-1.4%	4,164,850	-2.5%	137,223,833	-0.5%	7.5%	8.2%	5.8%
2009	31,484	-8.4%	3,873,783	-7.0%	131,296,083	-4.3%	12.6%	13.1%	9.3%
2010	31,544	0.2%	3,867,208	-0.2%	130,345,000	-0.7%	11.0%	12.2%	9.6%
2011	33,507	6.2%	3,956,425	2.3%	131,914,417	1.2%	8.4%	10.0%	9.0%
2012	34,140	1.9%	4,038,342	2.1%	134,157,417	1.7%	7.3%	9.0%	8.1%
2013	36,175	6.0%	4,114,608	1.9%	136,363,833	1.6%	6.6%	8.7%	7.4%
2014	36,626	1.2%	4,186,642	1.8%	138,939,750	1.9%	5.4%	7.2%	6.2%
2015	37,676	2.9%	4,248,608	1.5%	141,824,917	2.1%	4.2%	5.4%	5.3%
2016	38,155	1.3%	4,326,467	1.8%	144,335,833	1.8%	3.9%	5.0%	4.9%
2017	38,324	0.4%	4,377,150	1.2%	146,607,583	1.6%	3.7%	4.6%	4.4%
2018	39,348	2.7%	4,426,050	1.1%	148,908,417	1.6%	3.3%	4.2%	3.9%
2019	40,196	2.2%	4,442,742	0.4%	150,904,750	1.3%	3.1%	4.1%	3.7%
2020	37,736	-6.1%	4,032,475	-9.2%	142,184,833	-5.8%	7.3%	10.0%	8.1%
10 Yr Change	**4,228**	**12.6%**	**76,050**	**1.9%**	**10,270,417**	**7.8%**			
Avg Unemp. Rate 2011-2020							5.3%	6.8%	6.1%
Unemployment Rate - Apr 2021							4.3%	4.6%	5.7%

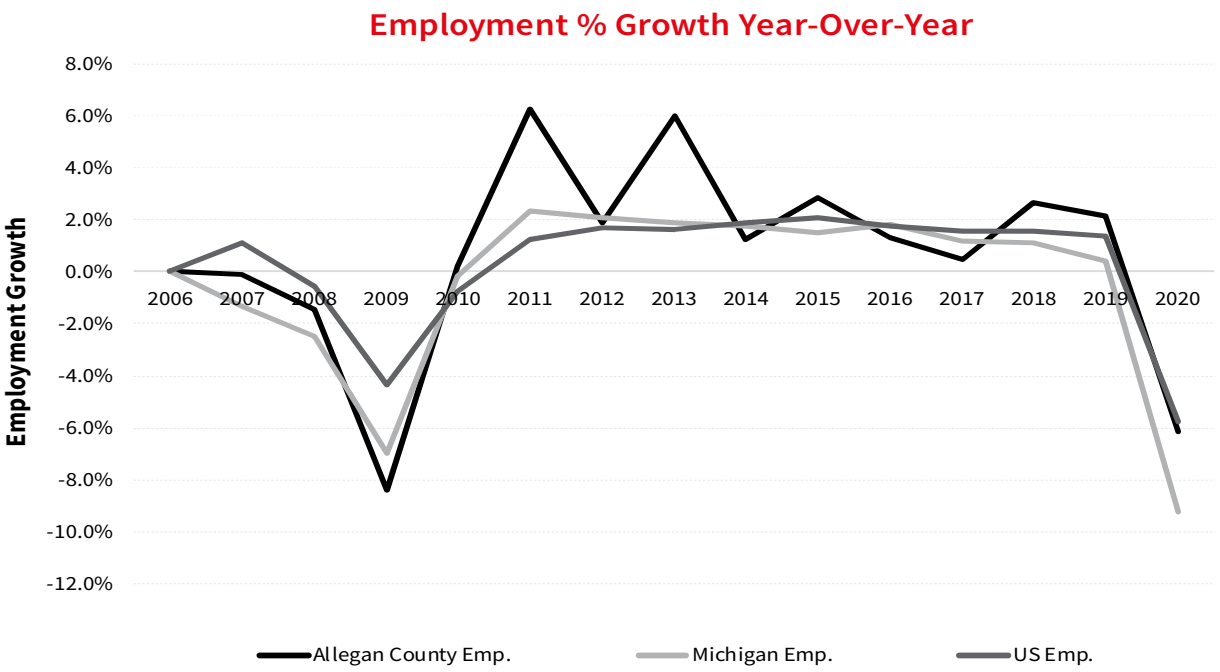
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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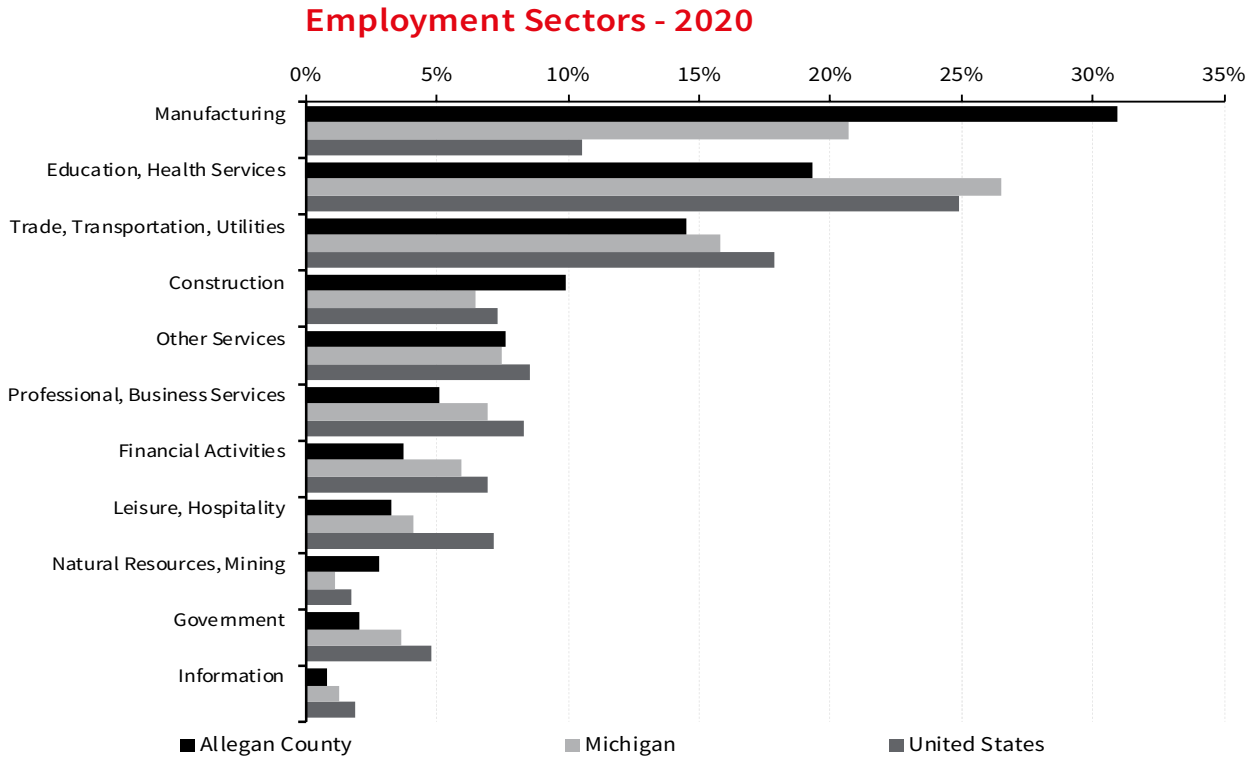
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Allegan County unemployment rate of 5.3% has been lower than the Michigan rate of 6.8%. In the latter half of the decade that trend has continued, as Allegan County has consistently overperformed Michigan. Recent data shows that the Allegan County unemployment rate is 4.3%, in comparison to a 4.6% rate for Michigan, a positive sign for Allegan County economy and one that is further magnified by the fact that Allegan County has outperformed Michigan in the rate of job growth over the past two years.

Employment Sectors

The composition of Allegan County job market is illustrated in the chart below, paired with that of Michigan. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Allegan County jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Allegan County has a greater percentage employment than Michigan in the following categories:

1. Manufacturing - which accounts for 31.0% of Allegan County payroll employment compared to 20.7% for Michigan as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Construction - which accounts for 9.9% of Allegan County payroll employment compared to 6.5% for Michigan as a whole. This sector includes construction of buildings, roads, and utility systems.
3. Other Services - which accounts for 7.7% of Allegan County payroll employment compared to 7.5% for Michigan as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Natural Resources, Mining - which accounts for 2.8% of Allegan County payroll employment compared to 1.1% for Michigan as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Allegan County is underrepresented in the following categories:

1. Education, Health Services - which accounts for 19.3% of Allegan County payroll employment compared to 26.5% for Michigan as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

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2. Financial Activities - which accounts for 3.7% of Allegan County payroll employment compared to 5.9% for Michigan as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Professional, Business Services - which accounts for 5.1% of Allegan County payroll employment compared to 6.9% for Michigan as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Government - which accounts for 2.0% of Allegan County payroll employment compared to 3.7% for Michigan as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.

Gross Domestic Product

Gross Domestic Product (GDP) data will be analyzed as a review of overall economic health.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the United States than Michigan overall during the past nine years. The United States has expanded at a 2.3% average annual rate while the State of Michigan has grown at a 1.8% rate. As the national economy improves, the United States continues to outperform Michigan. GDP for the United States rose by 2.2% in 2019 while Michigan's grew by 0.8%.

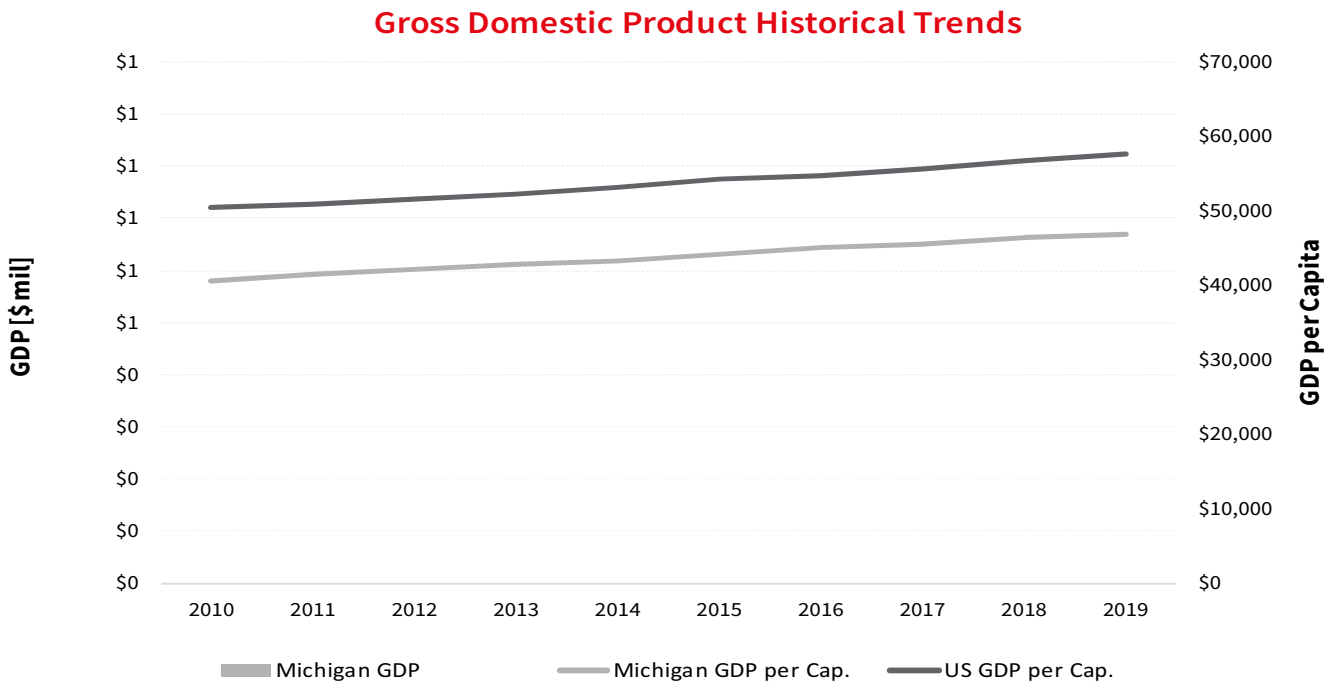
The United States has a per capita GDP of $57,629, which is 23.0% greater than Michigan's GDP of $46,736. This means that the United States industries and employers are adding relatively much more value to the economy than their peers in Michigan.

Gross Domestic Product

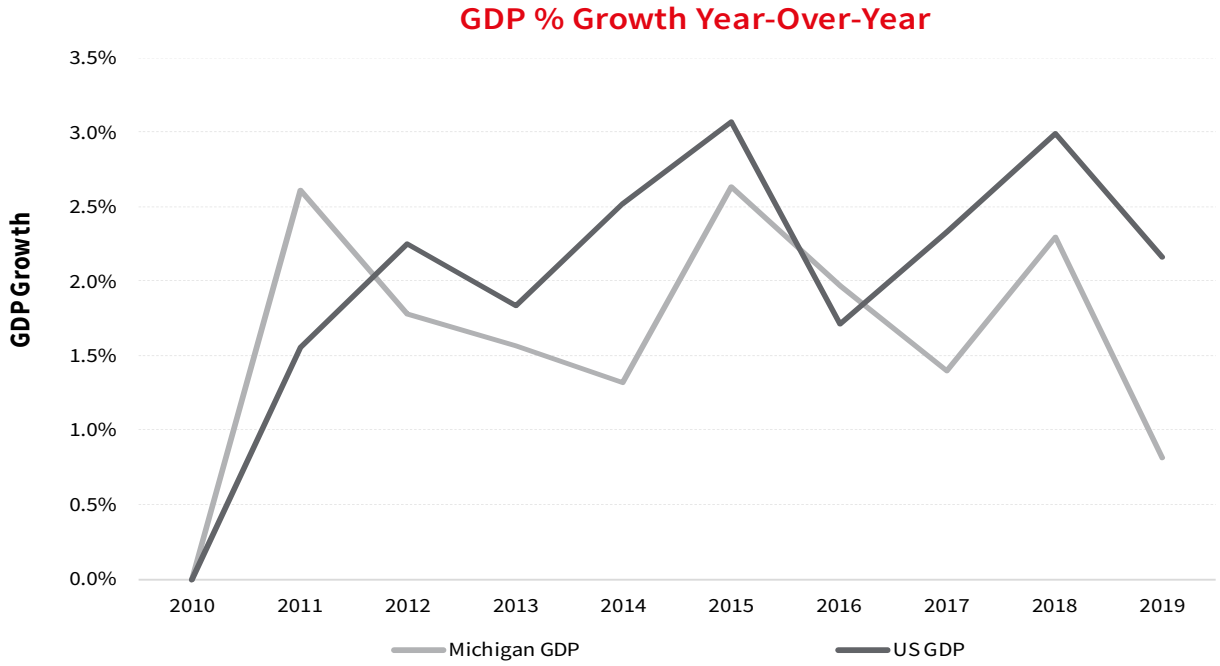
	Gross Domestic Product ($ mil)				GDP per Capita ($)	
Year	Michigan	Change	United States	Change	Michigan	United States
2010	$400,942	-	$15,598,753	-	$40,566	$50,523
2011	$411,427	2.6%	$15,840,664	1.6%	$41,530	$50,894
2012	$418,742	1.8%	$16,197,007	2.2%	$42,170	$51,623
2013	$425,327	1.6%	$16,495,369	1.8%	$42,733	$52,158
2014	$430,936	1.3%	$16,912,038	2.5%	$43,197	$53,055
2015	$442,288	2.6%	$17,432,170	3.1%	$44,232	$54,260
2016	$451,026	2.0%	$17,730,509	1.7%	$45,002	$54,762
2017	$457,342	1.4%	$18,144,105	2.3%	$45,527	$55,609
2018	$467,828	2.3%	$18,687,786	3.0%	$46,464	$56,839
2019	$471,648	0.8%	$19,091,662	2.2%	$46,736	$57,629
10 Yr Change	**$70,706**	**1.8%**	**$3,492,909**	**2.3%**	**$6,169**	**$7,106**

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

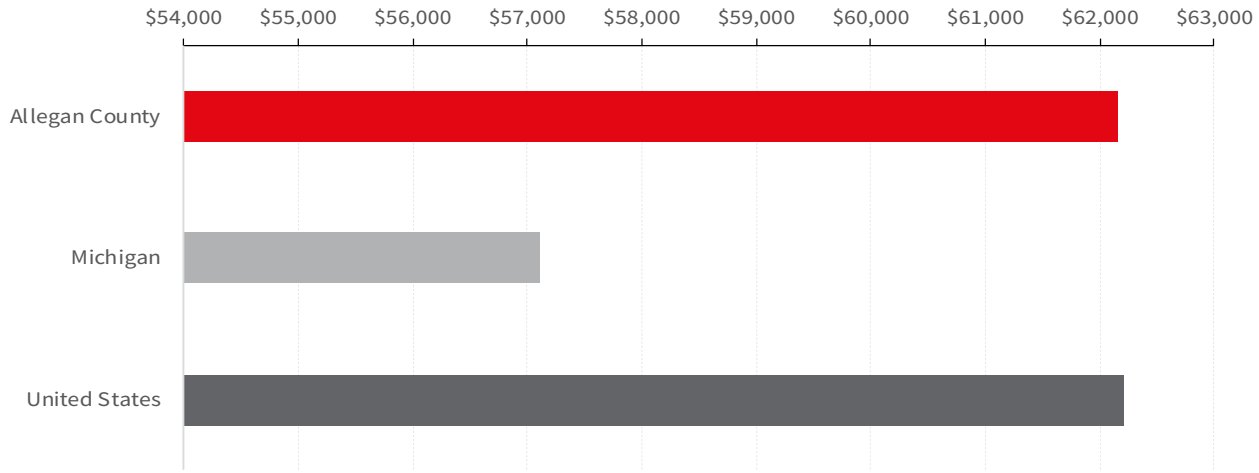
Allegan County has a higher level of household income than Michigan. Median household income for Allegan County is $62,146, which is 8.8% higher than Michigan.

Median Household Income

Area	Med. Household Income 2020 Est.	2025 Est.	Compound Ann. % Chng 2020 - 2025
Allegan County	$62,146	$67,678	1.7%
Michigan	$57,108	$61,243	1.4%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

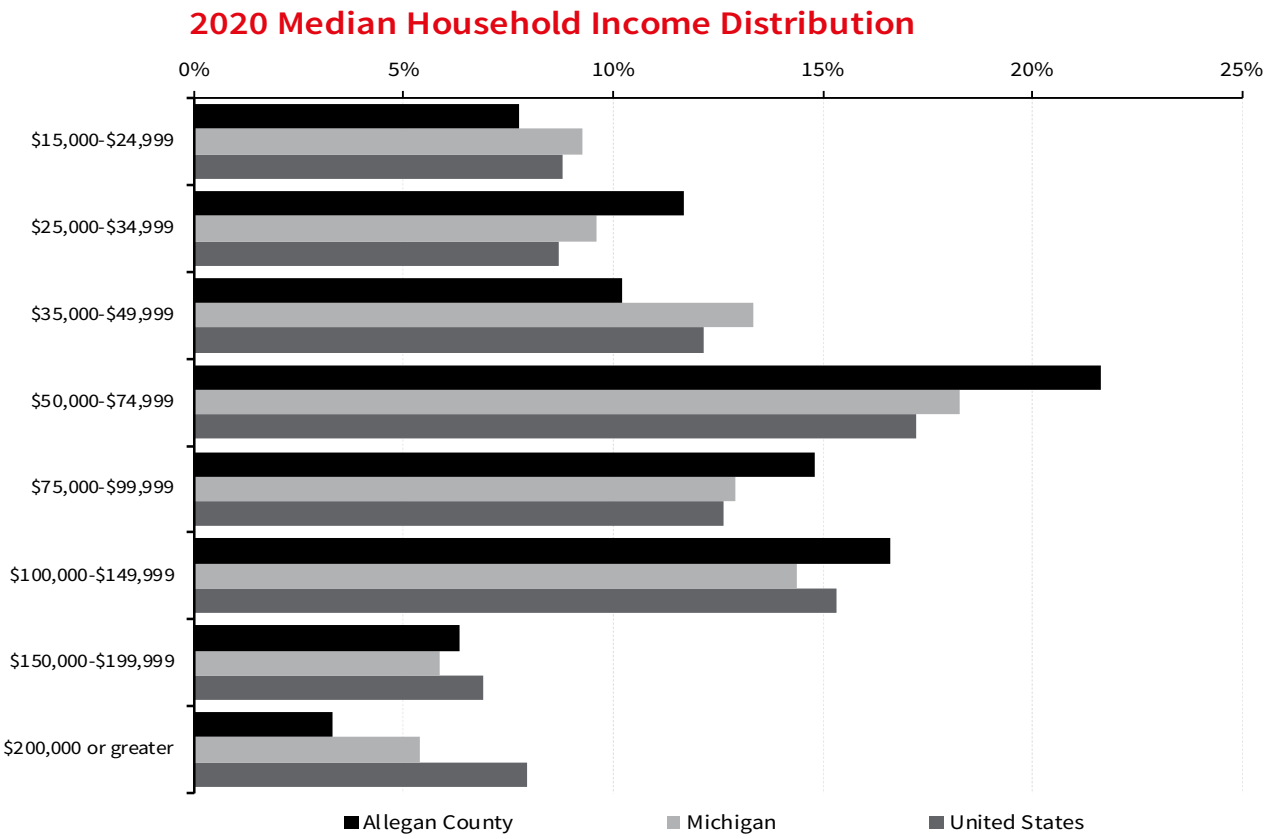
2020 Median Household Income Area Comparison



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Allegan County has a smaller concentration of households in the lower income levels than Michigan. Specifically, 27% of Allegan County households are below the $35,000 level in household income as compared to 30% of Michigan households. A greater concentration of households exists in the higher income levels, as 41% of Allegan County households are at the $75,000 or greater levels in household income versus 39% of Michigan households.

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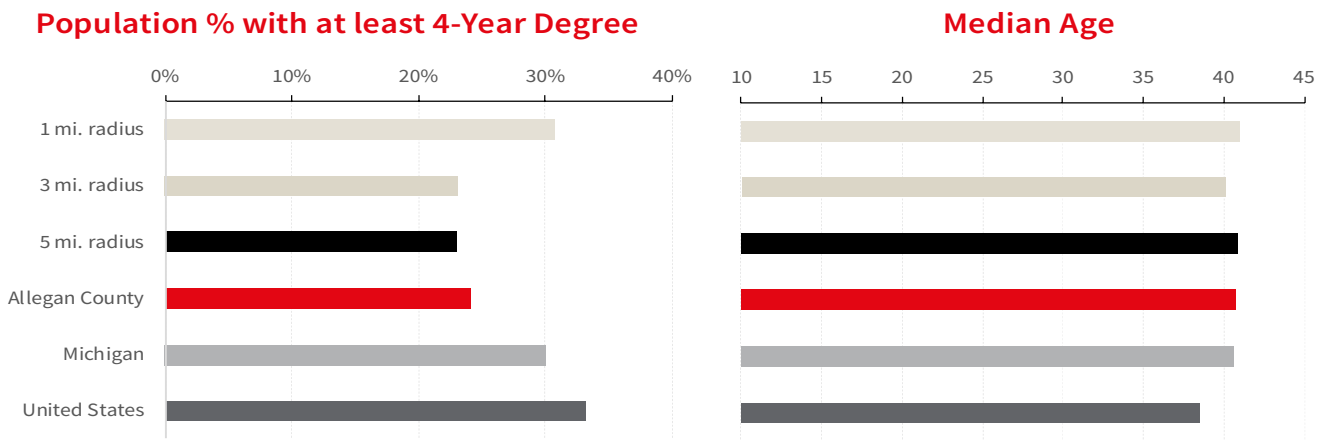


Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of Allegan County have a lower level of educational attainment than those in Michigan. An estimated 24.1% of Allegan County residents are college graduates with four-year degrees or higher, while Michigan residents have an estimated 30.1% with at least a four-year degree. People in Allegan County are similar in age to their peers in Michigan. The median age of both Allegan County and Michigan is 41 years.

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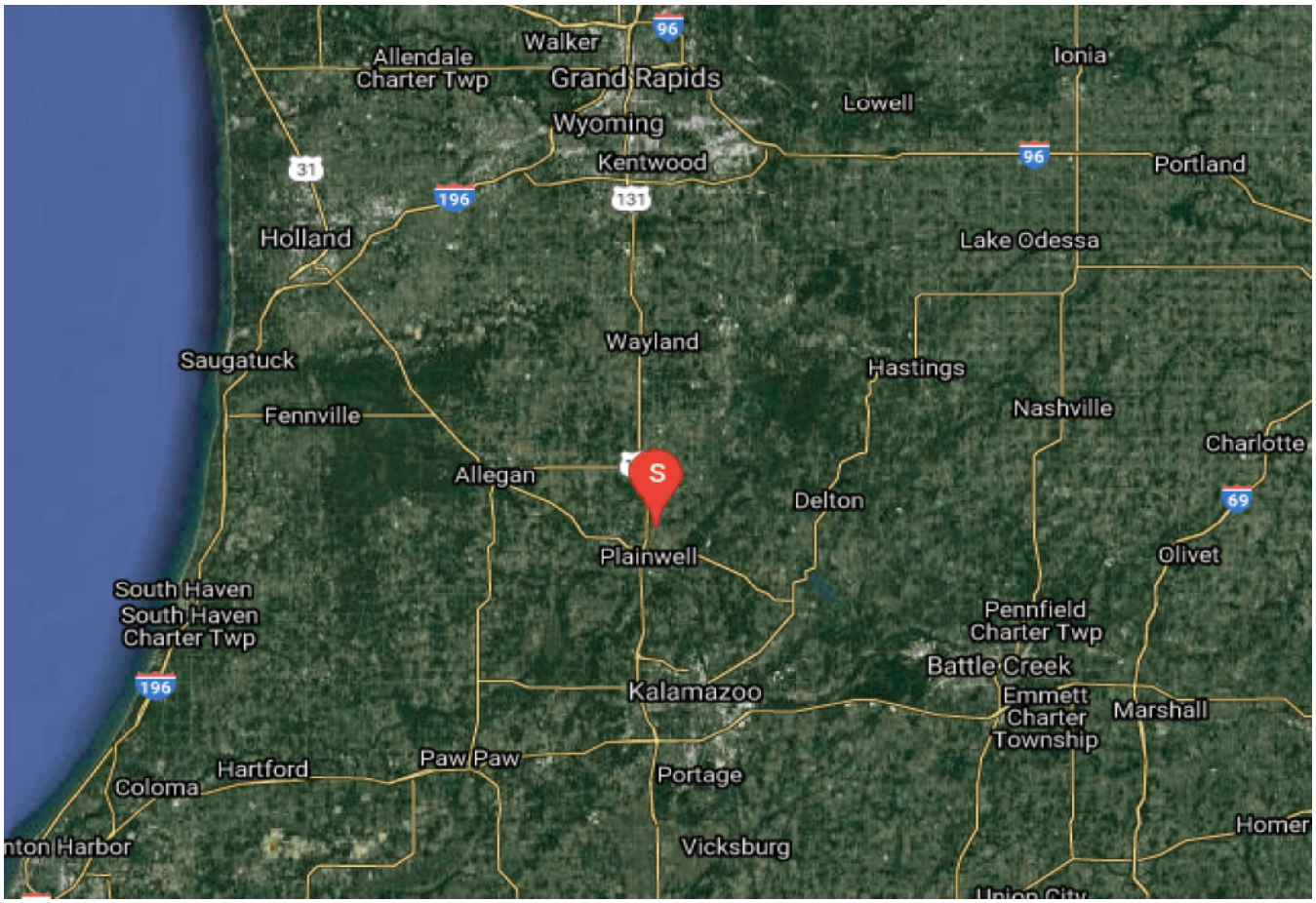
Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

Allegan County's economy will benefit from a growing population base and higher income levels. Allegan County saw an increase in the number of jobs in the past 10 years and has maintained a lower unemployment than Michigan during the past decade. We project that Allegan County's economy will improve and employment will grow, strengthening the demand for real estate overall.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the north area of Plainwell City. This area is part of the Allegan County, MI and generally is delineated as follows:

North	Ottogan Street
South	E Baseline Road
East	S Patterson Road
West	Oval Beach

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Interstate 94, a major arterial that crosses the Chicago area in a north/south direction. Access to the subject from Interstate 94 is provided by US 131, and travel time from the major arterial to the subject is about 18 minutes. Overall, vehicular access is average.

Public transportation is not provided in the subject area. The subject has a walk score of 11 indicating a below average walkability factor. However, the primary mode of transportation in this area is the automobile.

The Kalamazoo/Battle Creek International Airport is located about 24 miles from the property; travel time is about 30 minutes, depending on traffic conditions. The Kalamazoo CBD, the economic and cultural center of the region, is approximately 17 miles from the property.

Demand Generators

Major employers include Plainwell Community Schools, Borgess / PIP Hospital, and TMD Machining. These are located within 4 miles of the property and represent significant concentrations in the school, industrial and health industries.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Allegan County	Michigan	United States
Population						
2010	1,542	11,346	20,120	111,408	9,883,640	308,745,538
2020	1,648	11,908	21,054	121,283	10,114,954	333,793,107
2025	1,706	12,226	21,593	126,225	10,238,518	346,021,282
Compound Chg 2010 - 2020	0.67%	0.48%	0.45%	0.85%	0.23%	0.78%
Compound Chg 2020 - 2025	0.69%	0.53%	0.51%	0.80%	0.24%	0.72%
Density	525	421	268	147	179	95
Households						
2010	551	4,426	7,838	42,018	3,872,508	116,716,292
2020	589	4,672	8,247	45,932	4,002,057	126,083,849
2025	611	4,808	8,476	47,870	4,062,968	130,658,485
Compound Chg 2010 - 2020	0.67%	0.54%	0.51%	0.89%	0.33%	0.77%
Compound Chg 2020 - 2025	0.74%	0.58%	0.55%	0.83%	0.30%	0.72%
Other Demographics						
Med. Household Income	$67,090	$57,419	$58,176	$62,146	$57,108	$62,203
Avg. Household Size	2.8	2.5	2.5	2.6	2.5	2.6
College Graduate %	30.8%	23.2%	22.9%	24.1%	30.1%	33.1%
Median Age	41	40	41	41	41	39
Owner Occupied %	87%	75%	78%	82%	71%	64%
Renter Occupied %	13%	25%	22%	18%	29%	36%
Med. Home Value	$154,279	$145,452	$148,548	$172,733	$170,940	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 11,908, and the average household size is 2.5. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to be less than that of Allegan County overall.

Median household income is $57,419, which is lower than the household income for Allegan County as a whole. The populace within a three-mile radius has less formal college education than residents in Allegan County, and median home values in the area are also substantially lower.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	11	Car-Dependent
Bike Score	29	Somewhat Bikeable

Source: Walkscore.com, updated 11/20/2020. Compiled by JLL Valuation & Advisory Services, LLC.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

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Retail and Public Services

The nearest shopping facilities serving the area are located at the corner of 10th St and Miller Rd, about 1.1 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is North Kalamazoo Mall, located about 15 miles from the property. Restaurants, principally along major arterials such as 10th St, Allegan St, and E Bridge St, are within a 3 to 8-minute travel time of the property. The closest lodging facilities are located within a 7 to 21-minute drive of the subject and include Comfort Inn, Holiday Inn & Suites Kalamazoo West, and Holiday Inn Express & Suites Kalamazoo West.

The nearest fire and police stations are within 3 miles of the property. The closest elementary/middle school is 2.3 miles and the local high school is approximately 1.63 miles away. The closest colleges and universities are within 14 miles. They offer business, education, arts, and health programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Thurl Cook Park.

Land Use

In the immediate vicinity of the subject, predominant land uses are residential and commercial. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10 to 50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	70%
Percent Developed by Land use	60% Single Family; 20% Apartments; 20% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Residential
South	Residential and Vacant Land
East	Agricultural
West	Residential and Commercial

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

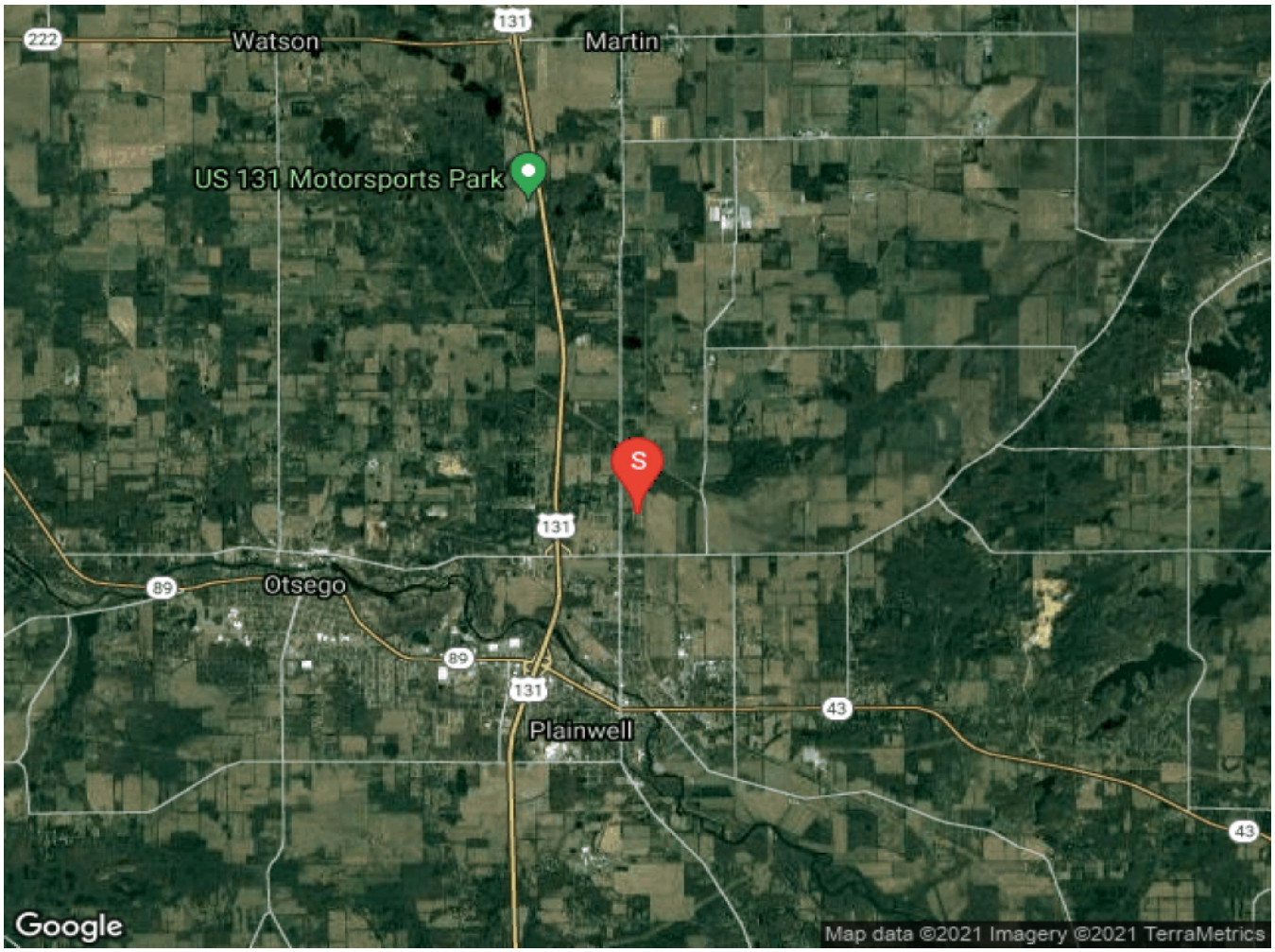
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Above Average
Convenience to Support Services	Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Above Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



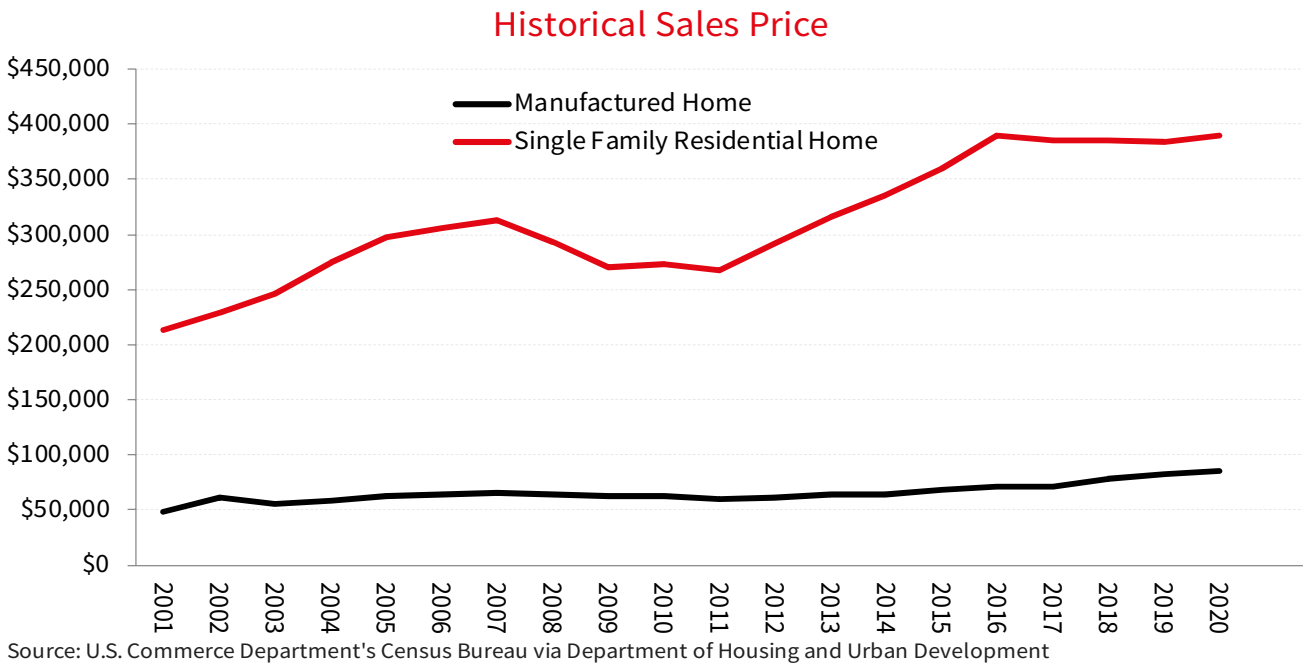
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

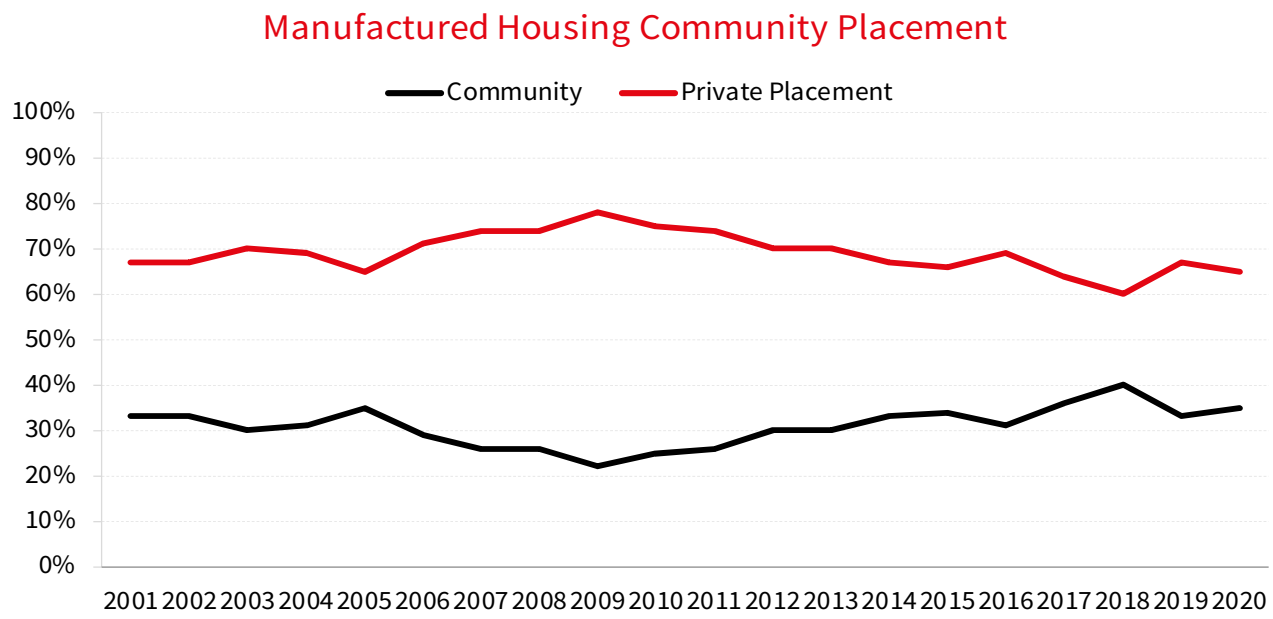


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

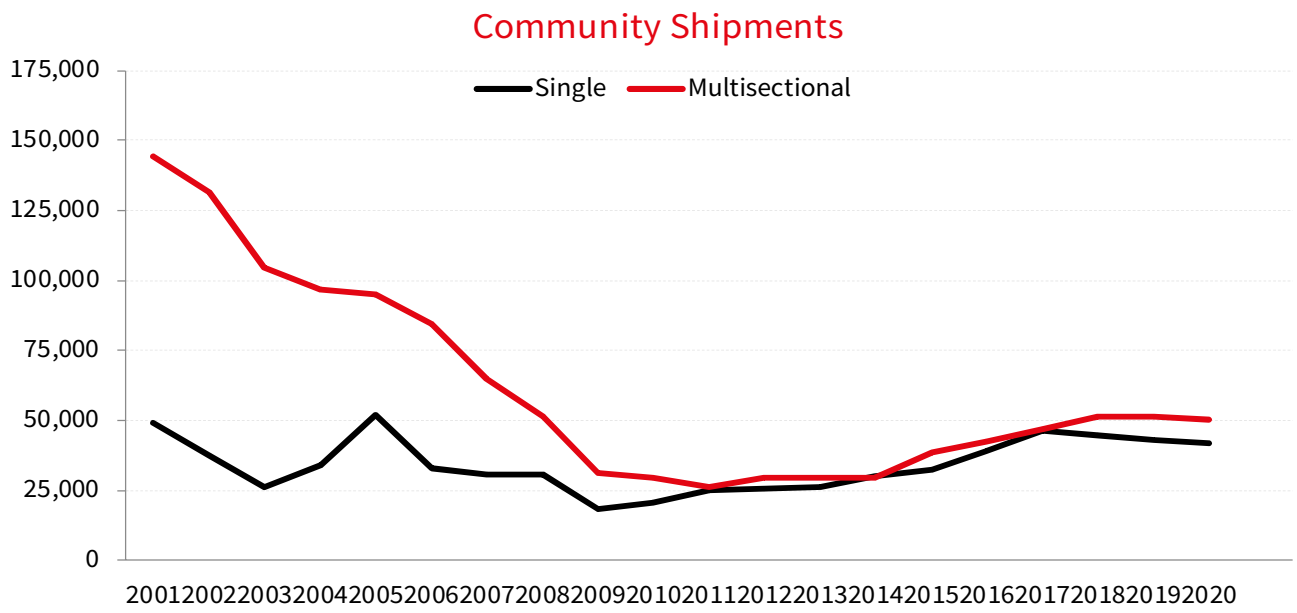


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

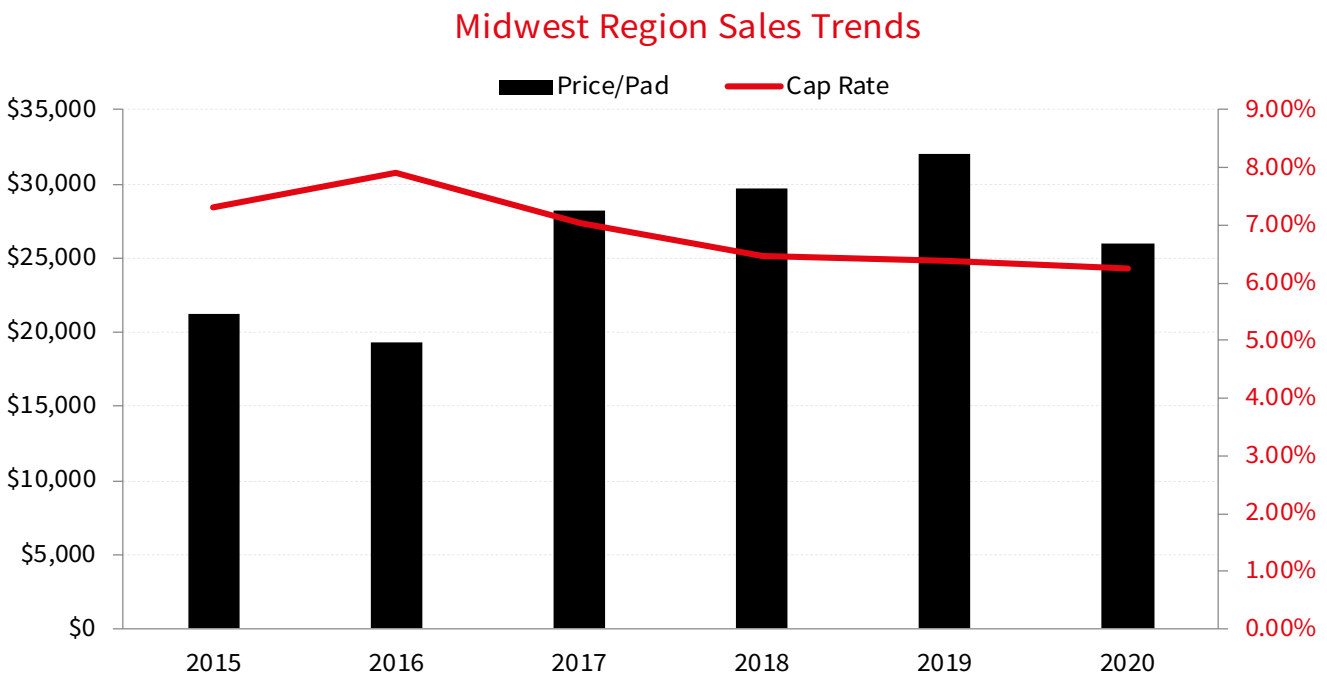
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

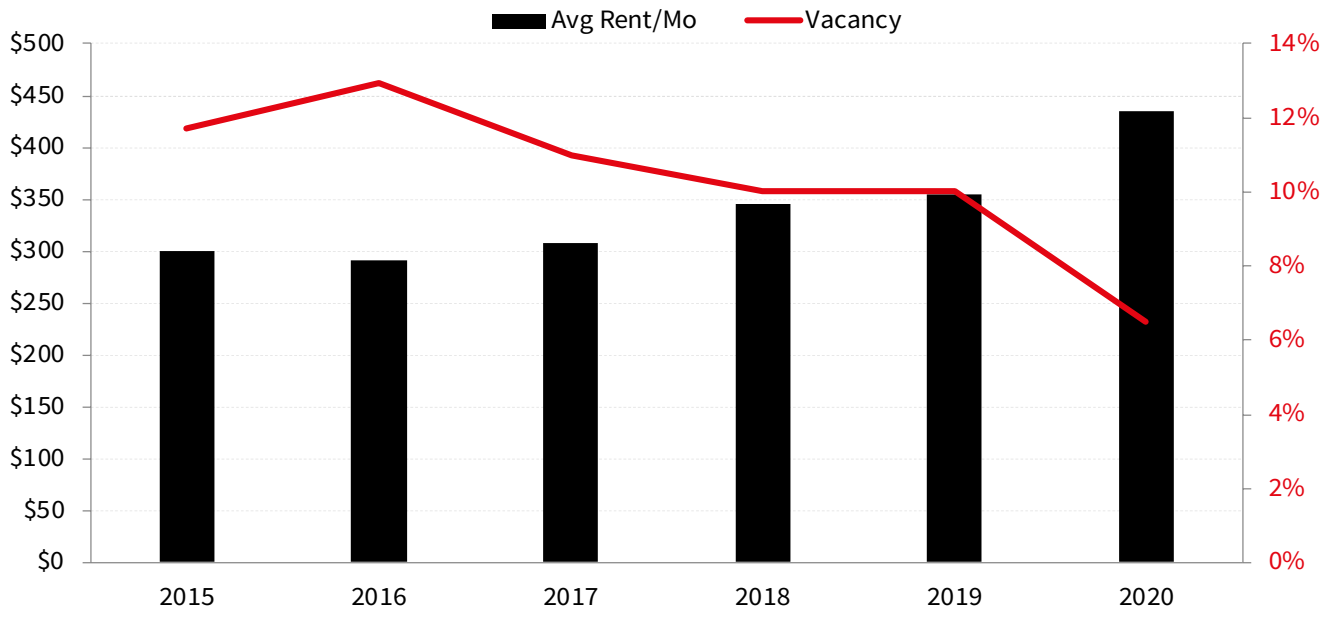
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$25,000	$148,548	-
Down Payment or Deposit	$2,500	$7,427	-
Amount Financed	$22,500	$141,121	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$297	$634	-
Taxes	$52	$309	-
Insurance	$9 - $10	$50	-
Site Rent	$415	-	-
Total Monthly Payment*	$773	$993	$700 - $900

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a strong value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Plainwell City, located approximately 160 miles northeast of Chicago City. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Hillcrest MHP 3208 Douglas Ave. Kalamazoo, MI 49004 Tenant-Paid Utilities:	10.8 Water, Sewer, Electric, Gas, Cable/Sat	1940	6/8/2021	150	96%	$487
2	Royal Estates 8300 Ravine Rd. Kalamazoo, MI Tenant-Paid Utilities:	7.8 Electric, Gas, Cable/Sat	1969	6/7/2021	183	98%	$552
3	Pine Crest Community LLC 278 Lesa Ave Plainwell, MI Tenant-Paid Utilities:	2.7 Water, Sewer, Electric, Gas, Cable/Sat	1960	6/7/2021	83	100%	$400
4	Country Meadows MH 1249 M-222 Martin, MI Tenant-Paid Utilities:	7.0 Electric, Gas, Cable/Sat	1970	6/7/2021	64	80%	$395
5	Lombardini Trailer Court 1202 M-89 Plainwell, MI Tenant-Paid Utilities:	2.8 Water, Sewer, Electric, Gas, Cable/Sat	1965	6/7/2021	50	100%	$435
Weighted Market Average		6.2	1961		106	96%	$480
	Subject: Gun River Mobile Home Park	-	1960	-	224	77%	$410

The weighted average occupancy of the competitive properties is 96%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	68%	69%	73%	77%	77%	73%
Occupied Pads	153	156	164	173	173	
Absorbed Pads/Year		3	8	9	0	

Source: Borrower documents.

Although requested, we were not provided with historical rental rate figures at the subject. The subject has historically had an average physical occupancy of 73% and is currently 77% occupied. Over the long run we anticipate the subject property to face a competitive market much like the peer group identified previously.

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We are of the opinion that the subject property is operating with an occupancy which is below market levels and that there is upside to grow physical occupancy for a well-capitalized MHC operator that has the capital means to bring in new / used community owned homes and make them available for sale / rent. As such, we have projected absorption in our analysis to reach a stabilized occupancy.

As will be further discussed in the Income Capitalization Section of this report, we are of the opinion that the subject property has below market rents.

JLL Projection – As Is: We have projected vacancy based on in-place occupancy for the subject property. Therefore, we have projected our As Is stabilized occupancy at 77%. Our conclusion considers 23.0% for vacancy. We have separately projected collection loss in our analysis.

JLL Projection – Upon Stabilization: We have projected stabilized occupancy for the subject property at 92.9% (or 208 occupied sites). Our conclusion considers 7.1% (or 16 vacant sites) for vacancy. We have separately projected collection loss in our analysis.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

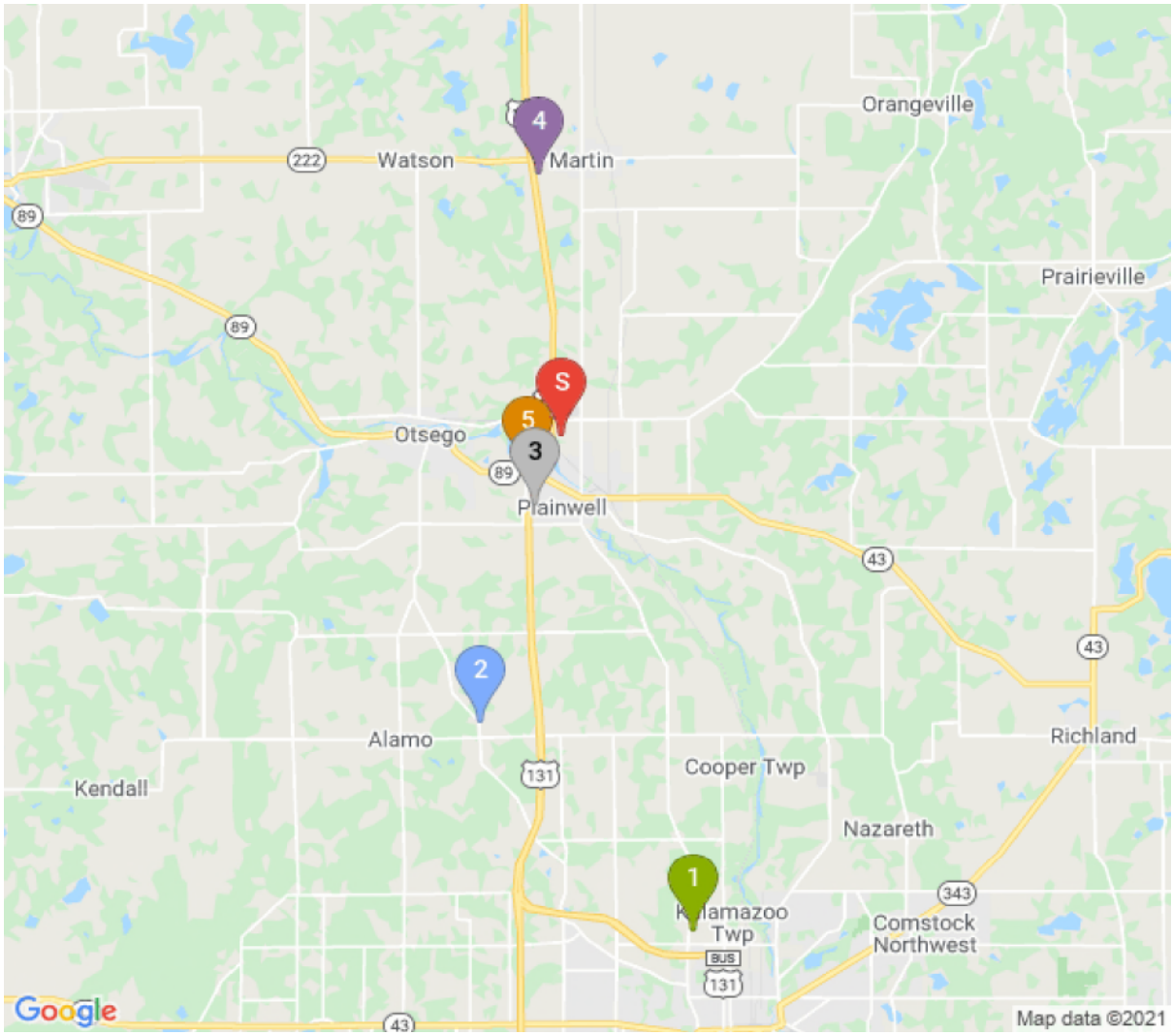
Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

Based on discussions with ownership, rent collections at the subject property have been 98% over the past three months. Since collections have not been materially impacted by COVID-19, we have not accounted for additional collection loss in our analysis.

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Competitive Properties Map



S Gun River Mobile Home Park: 1066 Miller Rd, Plainwell, MI 11215

1 Hillcrest MHP 3208 Douglas Ave., Kalamazoo, MI

2 Royal Estates 8300 Ravine Rd. , Kalamazoo, MI

3 Pine Crest Community LLC 278 Lesa Ave, Plainwell, MI

4 Country Meadows MH 1249 M-222, Martin, MI

5 Lombardini Trailer Court 1202 M-89, Plainwell, MI

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Property Analysis

Land Description and Analysis

Location

The property is located on the north side of 10th St approximately 2,561.39 feet north of its intersection with 106th Ave.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
08-017-012-00	2,921,613	67.07
08-017-023-00	78,844	1.81
08-019-003-00	1,460,567	33.53
Total	4,461,023	102.41

Source: Public Records

Shape and Dimensions

The site is irregular in shape, with dimensions of approximately 1,155 feet in width and 3,519 feet in depth. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	26077C0050D
Date	2/17/2010
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

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Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	10th Street	Miller Road
Frontage Feet	66	309
Paving	Asphalt	Concrete
Curbs	Yes	Yes
Sidewalks	Yes	No
Lanes	2 way, 2 lanes each way	2 way, 2 lanes each way
Direction of Traffic	North/South	East/West
Condition	Average	Average
Traffic Levels	Moderate	Low
Signals/Traffic Control	Turn lane	None
Access/Curb Cuts	One	One
Visibility	Average	Average

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Gun Plain Township Water
Sewer	Gun Plain Township Sewer
Electricity	DTE Electricy Company
Natural Gas	DTE Gas Company
Local Phone	Various

Zoning

The subject is zoned R-4, Manufactured Housing Park District, by Gun Plain Charter Township. The R-4 zone is intended to provide for the location and regulation of mobile home parks. These districts should be located in areas where they will be compatible with adjacent land uses. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Gun Plain Charter Township
Zoning Designation	R-4
Description	Manufactured Housing Park District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	Not Likely
Permitted Uses	Manufactured housing parks and subdivisions, Adult care and child care facilities that provide care for up to six (6) individuals

Category	Zoning Requirement
Minimum Lot Area	15 acre
Minimum Setbacks (Feet)	20 ft from any adjacent manufactured home and any righ-of-way line of a dedicated public road; 10 ft from any on-site parking, accessory structure, and edge of an internal road; 50 ft from any permanent building; 100 ft from any baseball or similar field; 7 ft from any parking bay and pedestrian walkway; 40 ft from any railroad right-of-way; 25 ft from any boundary line
Maximum Building Height	2 ½ stories or 35 feet
Parking Requirement	2 parking spaces per Manufactured Housing
Source:	Chapter IX, Gun Plain Charter Township Zoning Ordinance

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Surplus Land

The subject property has surplus land available for future expansion. We have considered the land surplus due to the large amount of land available in the local market and the minimal development activity.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

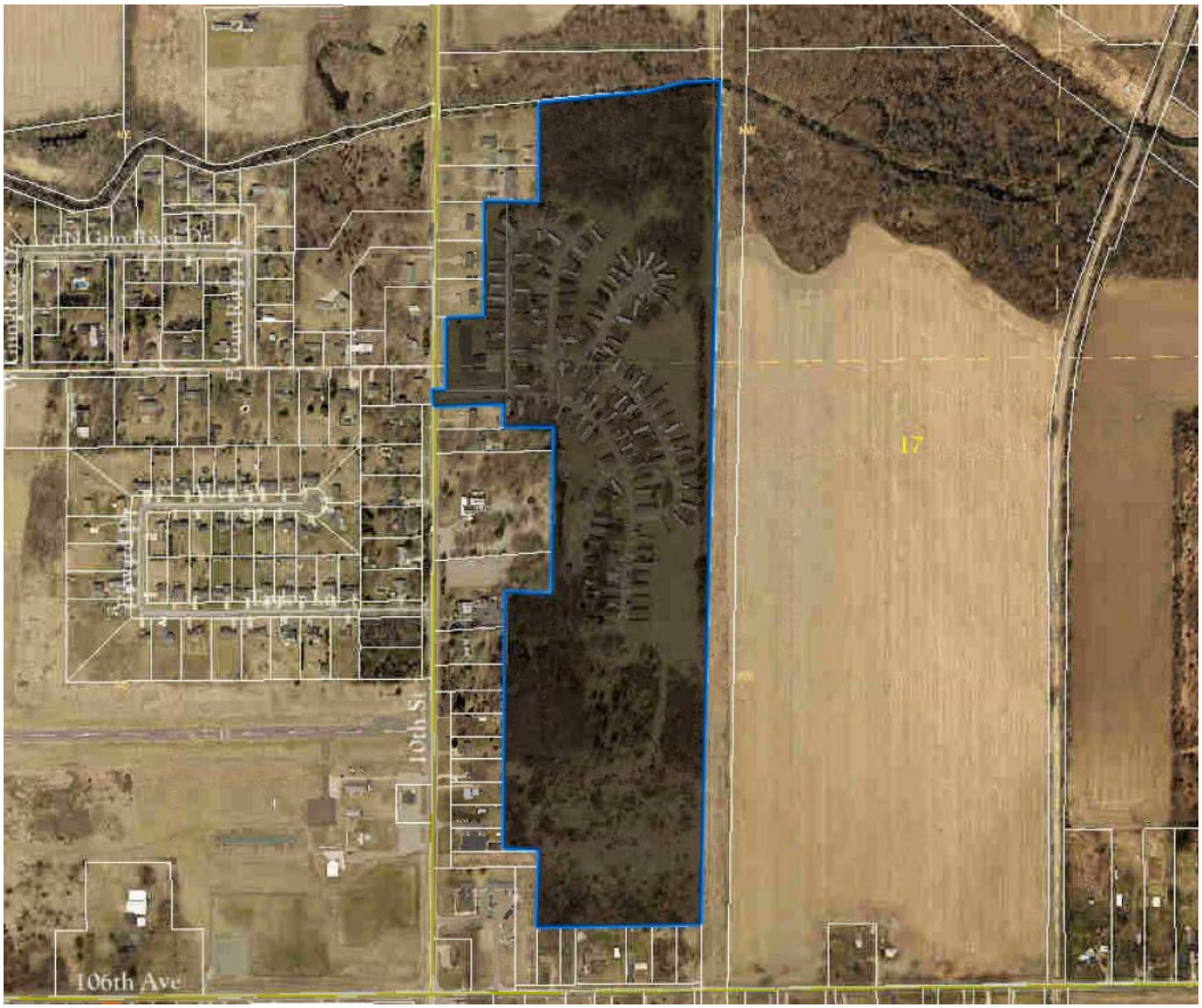
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Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include manufactured housing parks and subdivisions, Adult care and child care facilities that provide care for up to six (6) individuals. We are not aware of any other particular restrictions on development.

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Aerial Map



The Gun River East is outlined in blue in aerial above.

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The Gun River West is outlined in blue in aerial above.

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RUSTIC PINES

MHC CAPITAL
Real Estate Investments

Economic Analysis

Cleveland MSA Area Demographics

The subject is located in the Cleveland-Elyria, OH Metropolitan Statistical Area, hereinafter called the Cleveland MSA, as defined by the U.S. Office of Management and Budget. The Cleveland MSA is 1,999 square miles in size, and ranks #34 in population out of the nation's 382 metropolitan areas.

Population

The Cleveland MSA has an estimated 2020 population of 2,077,121, which represents about the same population compared to the 2010 census amount of 2,077,240 over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Ohio.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	330	309	303	-0.7%	-0.4%
3 mi. radius	1,984	1,880	1,847	-0.5%	-0.4%
5 mi. radius	6,115	5,950	5,901	-0.3%	-0.2%
Geauga County	93,389	95,582	96,859	0.2%	0.3%
Cleveland MSA	2,077,240	2,077,121	2,080,154	0.0%	0.0%
Ohio	11,536,504	11,829,645	11,968,541	0.3%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Cleveland MSA's population will remain essentially the same from 2020 - 2025 without any appreciable growth or decline. The Cleveland MSA growth rate is expected to lag that of Ohio, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Cleveland MSA is 1,004,483 jobs. Since 2011, employment remained virtually constant, changing just 3,375 jobs over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

The Cleveland MSA's rate of change in employment underperformed the State of Ohio, which experienced an increase in employment of 2.9% or 146,000 over this period.

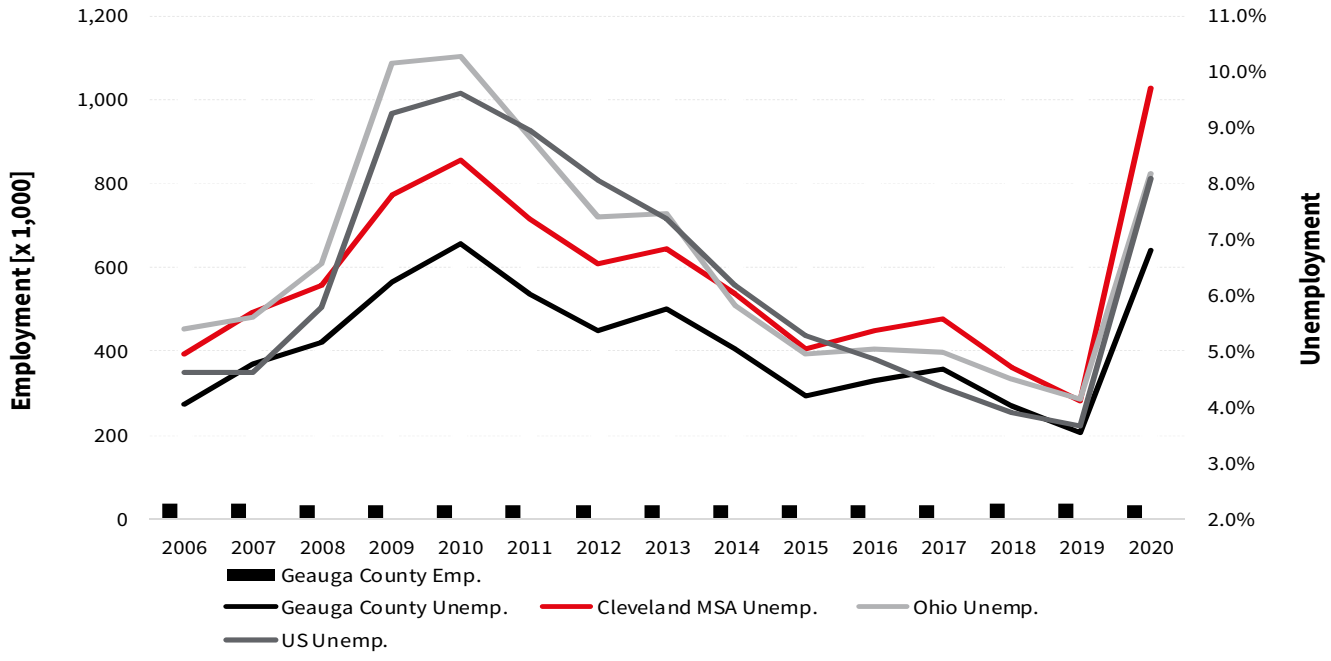
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Employment Trends

	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
Year	Geauga County	Change	Cleveland MSA	Change	Ohio	Change	United States	Change	Geauga County	Cleveland MSA	Ohio	United States
2006	35,665	-	1,074,850	-	5,435,258	-	136,435,417	-	4.1%	5.0%	5.4%	4.6%
2007	35,239	-1.2%	1,072,217	-0.2%	5,426,742	-0.2%	137,981,250	1.1%	4.8%	5.7%	5.6%	4.6%
2008	34,756	-1.4%	1,058,442	-1.3%	5,361,600	-1.2%	137,223,833	-0.5%	5.2%	6.2%	6.6%	5.8%
2009	32,084	-7.7%	1,000,708	-5.5%	5,072,375	-5.4%	131,296,083	-4.3%	6.2%	7.8%	10.2%	9.3%
2010	31,783	-0.9%	990,892	-1.0%	5,035,925	-0.7%	130,345,000	-0.7%	6.9%	8.4%	10.3%	9.6%
2011	31,742	-0.1%	1,001,108	1.0%	5,107,908	1.4%	131,914,417	1.2%	6.0%	7.4%	8.8%	9.0%
2012	32,463	2.3%	1,019,525	1.8%	5,201,625	1.8%	134,157,417	1.7%	5.4%	6.6%	7.4%	8.1%
2013	33,069	1.9%	1,029,642	1.0%	5,266,792	1.3%	136,363,833	1.6%	5.8%	6.8%	7.5%	7.4%
2014	33,463	1.2%	1,036,608	0.7%	5,343,983	1.5%	138,939,750	1.9%	5.0%	6.0%	5.8%	6.2%
2015	34,038	1.7%	1,045,358	0.8%	5,423,583	1.5%	141,824,917	2.1%	4.2%	5.0%	5.0%	5.3%
2016	34,310	0.8%	1,055,308	1.0%	5,481,042	1.1%	144,335,833	1.8%	4.5%	5.4%	5.1%	4.9%
2017	34,753	1.3%	1,058,733	0.3%	5,525,750	0.8%	146,607,583	1.6%	4.7%	5.6%	5.0%	4.4%
2018	35,288	1.5%	1,069,942	1.1%	5,562,608	0.7%	148,908,417	1.6%	4.0%	4.7%	4.5%	3.9%
2019	35,803	1.5%	1,079,967	0.9%	5,594,608	0.6%	150,904,750	1.3%	3.6%	4.1%	4.2%	3.7%
2020	33,782	-5.6%	1,004,483	-7.0%	5,253,908	-6.1%	142,184,833	-5.8%	6.8%	9.7%	8.2%	8.1%
10 Yr Change	**2,040**	**6.4%**	**3,375**	**0.3%**	**146,000**	**2.9%**	**10,270,417**	**7.8%**				
Avg Unemp. Rate 2011-2020									5.0%	6.1%	6.1%	6.1%
Unemployment Rate - Apr 2021									2.8%	4.6%	4.7%	5.7%

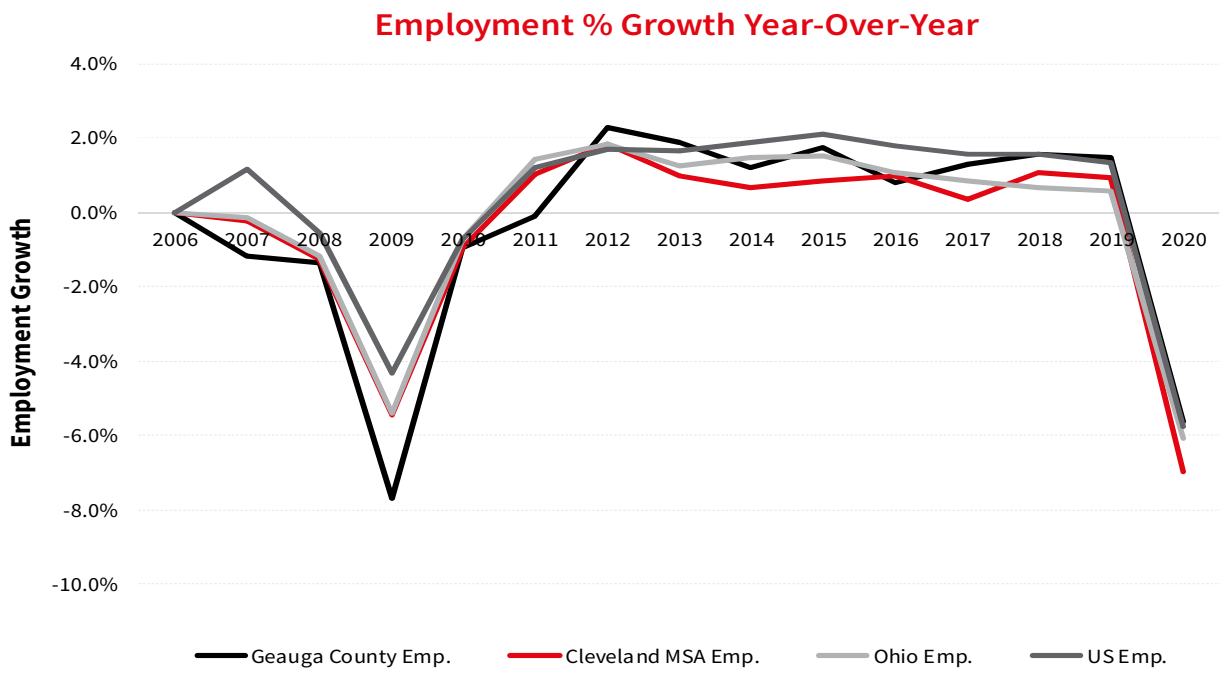
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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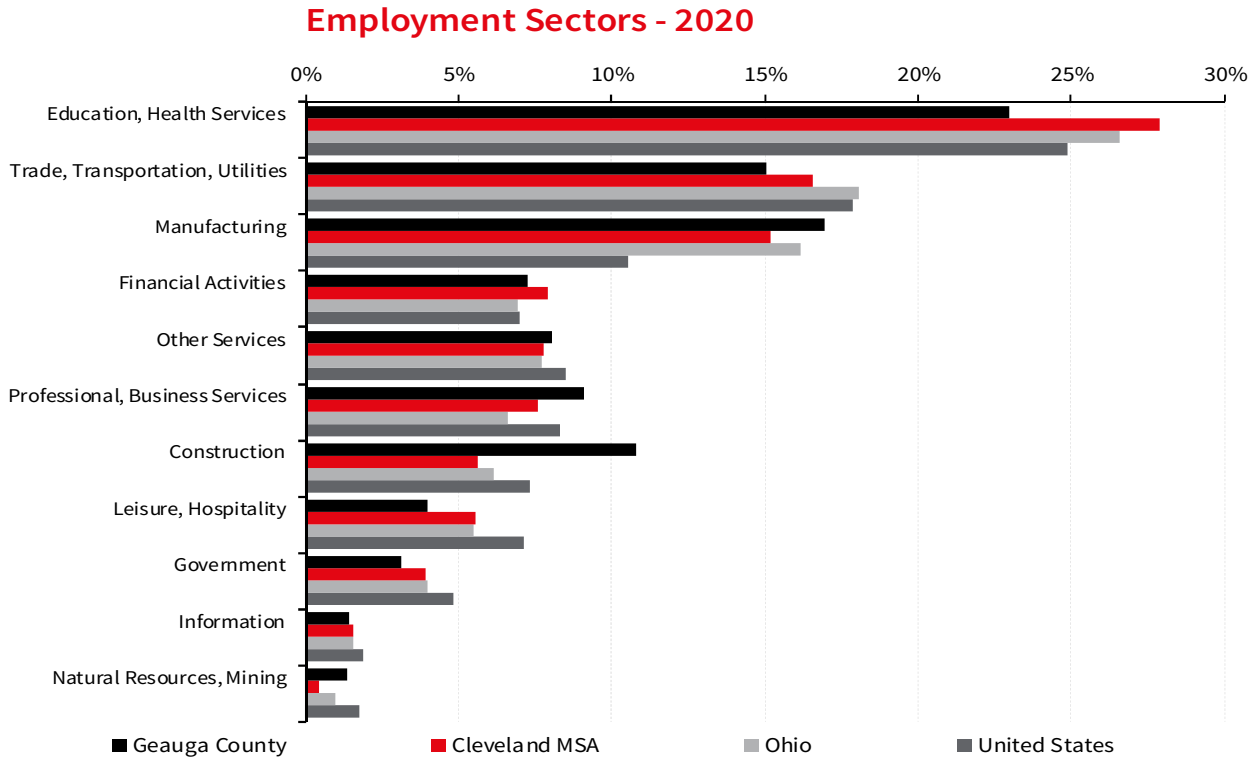
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Cleveland MSA unemployment rate of 6.1% has been comparable to the Ohio rate; however, in the latter half of the decade the Cleveland MSA unemployment has consistently underperformed Ohio. Recent data shows that the Cleveland MSA unemployment rate is 4.6%, and while this was a comparable rate to Ohio, it also must be considered that the Cleveland MSA has underperformed Ohio in the rate of job growth over the past two years.

Employment Sectors

The composition of the Cleveland MSA job market is illustrated in the chart below, paired with that of Ohio. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Cleveland MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Cleveland MSA has a greater percentage employment than Ohio in the following categories:

1. Education, Health Services - which accounts for 27.9% of Cleveland MSA payroll employment compared to 26.6% for Ohio as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Financial Activities - which accounts for 7.9% of Cleveland MSA payroll employment compared to 6.9% for Ohio as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Professional, Business Services - which accounts for 7.6% of Cleveland MSA payroll employment compared to 6.6% for Ohio as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

The Cleveland MSA is underrepresented in the following categories:

1. Trade, Transportation, Utilities - which accounts for 16.6% of Cleveland MSA payroll employment compared to 18.1% for Ohio as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Manufacturing - which accounts for 15.2% of Cleveland MSA payroll employment compared to 16.1% for Ohio as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

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3. Natural Resources, Mining - which accounts for 0.4% of Cleveland MSA payroll employment compared to 1.0% for Ohio as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.
4. Construction - which accounts for 5.6% of Cleveland MSA payroll employment compared to 6.1% for Ohio as a whole. This sector includes construction of buildings, roads, and utility systems.

Major Employers

The table below contains major employers in the Cleveland MSA.

Major Employers - Cleveland MSA

	Name	Employees
1	Cleveland Clinic Foundation	34,328
2	University Hospitals	21,519
3	Progressive Corp.	9,490
4	Giant Eagle Inc.	9,080
5	MetroHealth System	6,381
6	General Motors Corp.	6,000
7	KeyCorp	5,076
8	Case Western Reserve University	4,455
9	Swagelok Co.	3,917
10	Sherwin-Williams Co.	3,759
11	United Parcel Service	3,142
12	Ford Motor Co.	3,076
13	Lincoln Electric Holdings Inc.	2,670
14	Lubrizol Corp.	2,300
15	ArcelorMittal	2,157
16	Greater Cleveland Regional Transit Authority	2,101
17	Parker Hannifin Corp.	1,990
18	Lake Health	1,916
19	Medical Mutual of Ohio	1,900
20	Huntington National Bank	1,848

Sources(s): Crain's Cleveland Business, Book of Lists, January 2017

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Cleveland MSA ranks #33 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Cleveland MSA than Ohio overall during the past nine years. The Cleveland MSA has expanded at a 1.2% average annual rate while the State of Ohio has grown at a 1.9% rate. As the national economy improves, the Cleveland MSA continues to underperform Ohio. GDP for the Cleveland MSA rose by 1.3% in 2019 while Ohio's grew by 1.5%.

The Cleveland MSA has a per capita GDP of $56,890, which is 9.0% greater than Ohio's GDP of $52,157. This means that the Cleveland MSA industries and employers are adding relatively more value to the economy than their peers in Ohio.

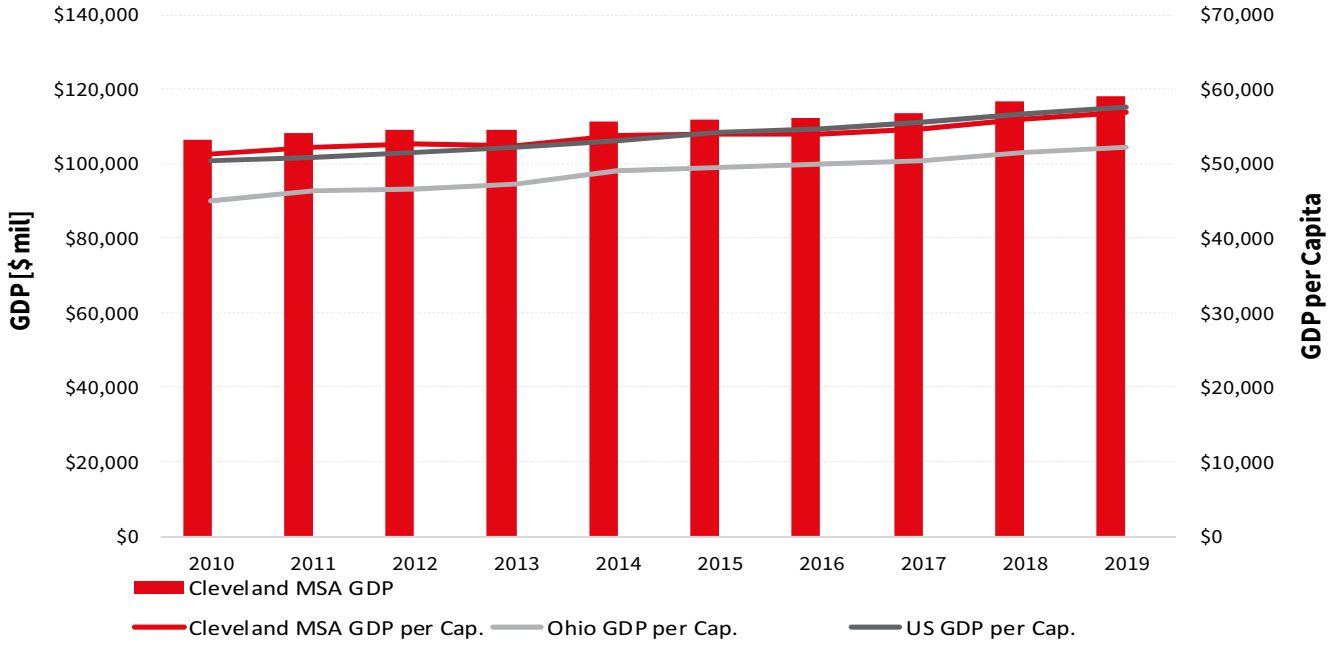
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Gross Domestic Product

	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Cleveland MSA	Change	Ohio	Change	United States	Change	Cleveland MSA	Ohio	United States
2010	$106,513	-	$520,301	-	$15,598,753	-	$51,276	$45,100	$50,523
2011	$108,386	1.8%	$536,583	3.1%	$15,840,664	1.6%	$52,178	$46,394	$50,894
2012	$109,365	0.9%	$540,882	0.8%	$16,197,007	2.2%	$52,650	$46,647	$51,623
2013	$109,093	-0.2%	$550,692	1.8%	$16,495,369	1.8%	$52,519	$47,374	$52,158
2014	$111,623	2.3%	$571,425	3.8%	$16,912,038	2.5%	$53,737	$49,034	$53,055
2015	$112,027	0.4%	$579,943	1.5%	$17,432,170	3.1%	$53,932	$49,640	$54,260
2016	$112,225	0.2%	$585,045	0.9%	$17,730,509	1.7%	$54,028	$49,951	$54,762
2017	$113,606	1.2%	$592,726	1.3%	$18,144,105	2.3%	$54,693	$50,480	$55,609
2018	$116,647	2.7%	$606,142	2.3%	$18,687,786	3.0%	$56,157	$51,494	$56,839
2019	$118,168	1.3%	$615,474	1.5%	$19,091,662	2.2%	$56,890	$52,157	$57,629
10 Yr Change	**$11,655**	**1.2%**	**$95,174**	**1.9%**	**$3,492,909**	**2.3%**	**$5,614**	**$7,057**	**$7,106**

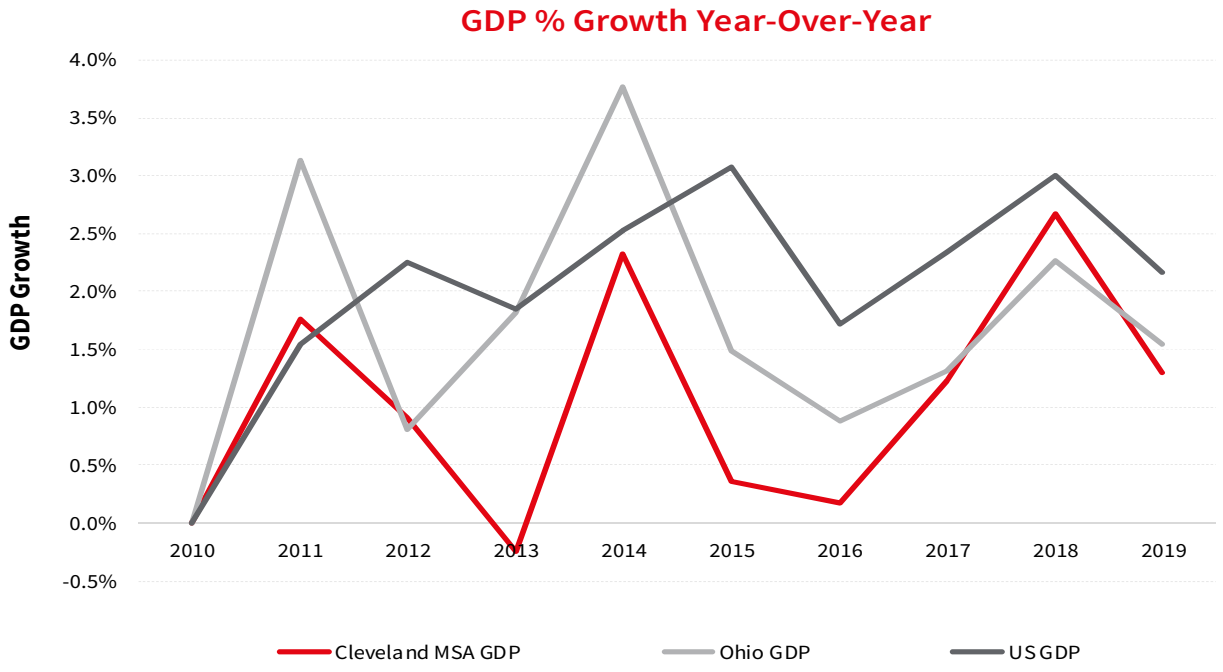
Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

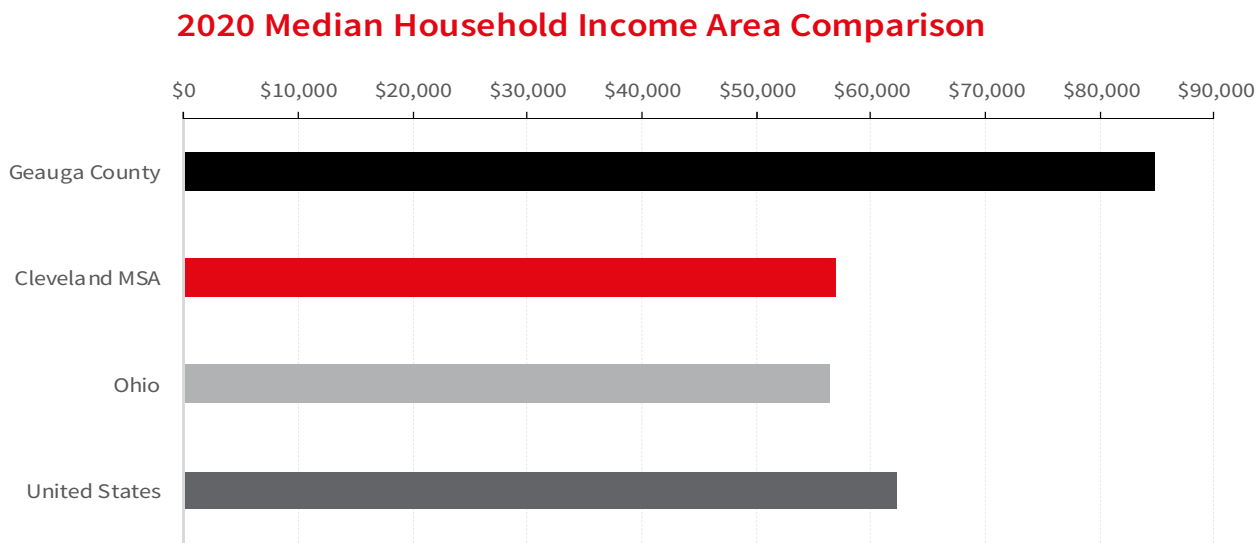
The Cleveland MSA has a higher level of household income than Ohio. Median household income for the Cleveland MSA is $56,828, which is 0.8% higher than Ohio.

Median Household Income

Area	Med. Household Income 2020 Est.	Med. Household Income 2025 Est.	Compound Ann. % Chng 2020 - 2025
Geauga County	$84,872	$90,666	1.3%
Cleveland MSA	$56,828	$60,849	1.4%
Ohio	$56,352	$60,126	1.3%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

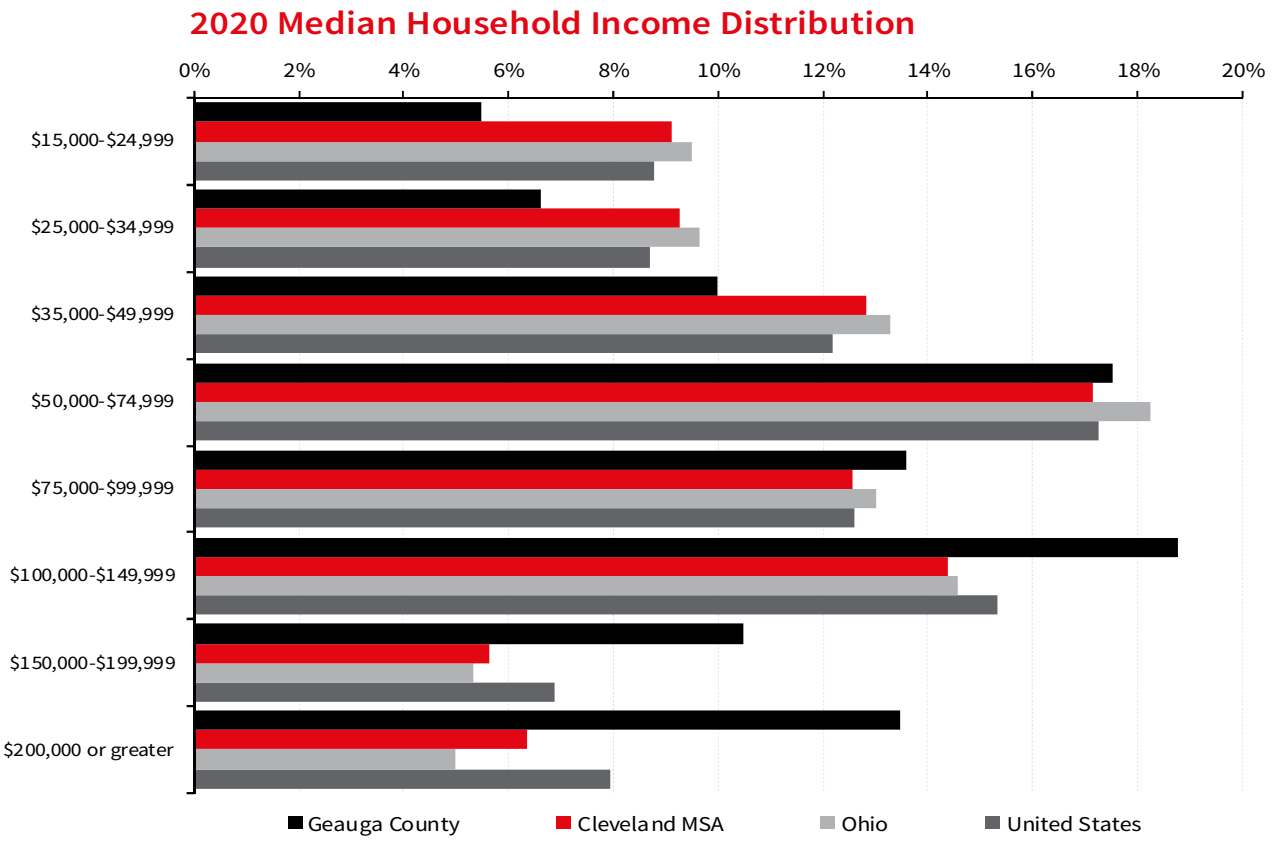
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Cleveland MSA has a comparable concentration of households in the lower income levels than Ohio. Specifically, 31% of the Cleveland MSA households are below the $35,000 level in household income as compared to 31% of Ohio households. A greater concentration of households exists in the higher income levels, as 39% of the Cleveland MSA households are at the $75,000 or greater levels in household income versus 38% of Ohio households.

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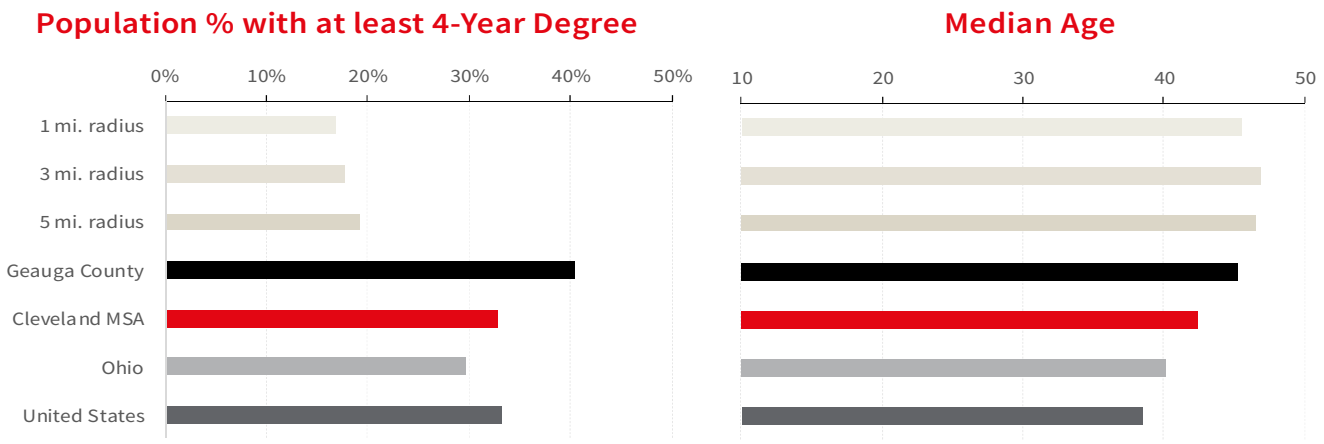


Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Cleveland MSA have a higher level of educational attainment than those in Ohio. An estimated 32.8% of the Cleveland MSA residents are college graduates with four-year degrees or higher, while Ohio residents have an estimated 29.6% with at least a four-year degree. People in the Cleveland MSA are older than their peers in Ohio. The median age of the Cleveland MSA is 42 years, while Ohio is 40 years.

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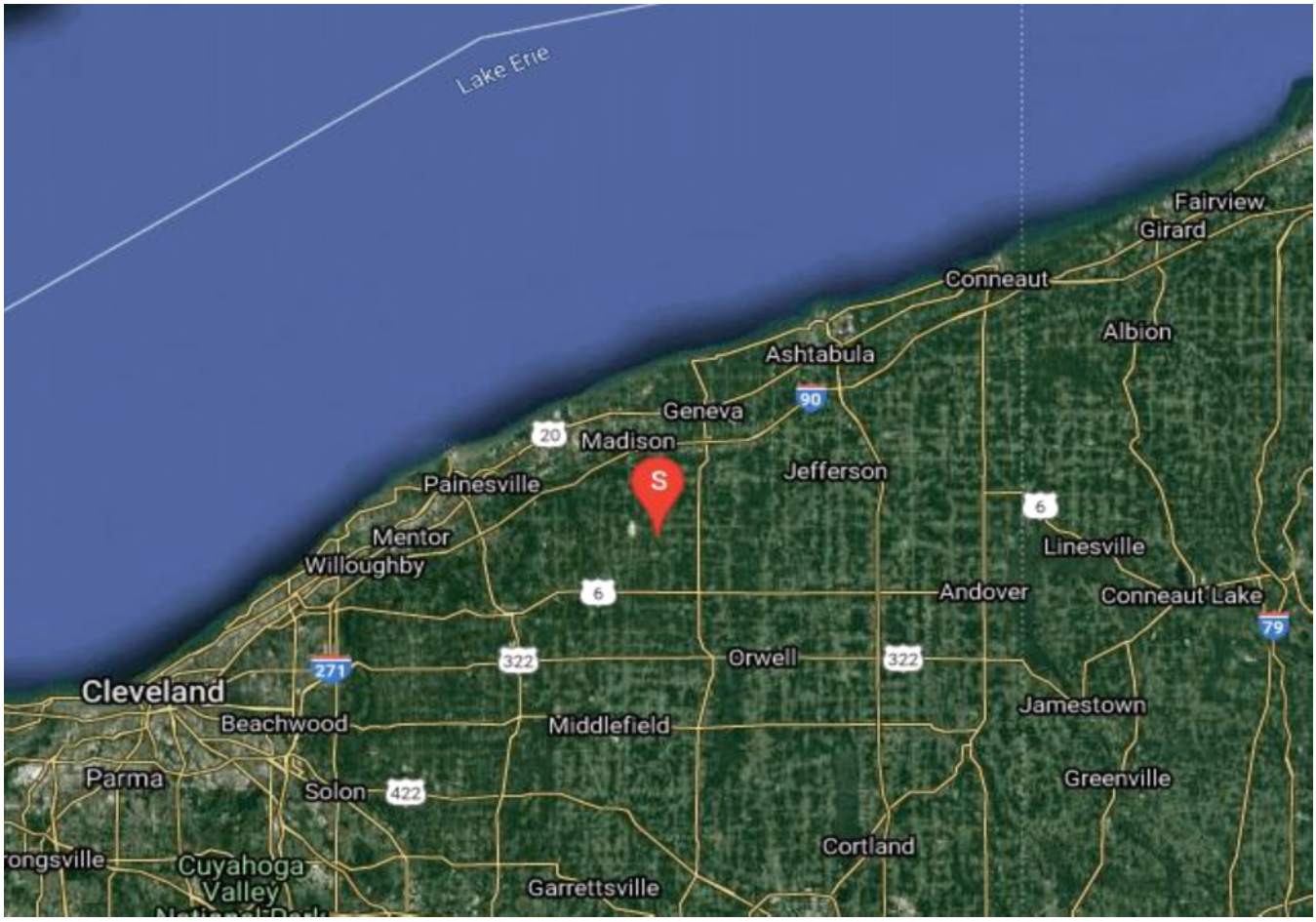
Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Cleveland MSA's economy will benefit from a stable to slightly growing population base, and higher income and education levels. The Cleveland MSA saw an increase in the number of jobs in the past 10 years, and it can be anticipated that employment growth will continue in the future. Furthermore, the Cleveland MSA is influenced positively from having a higher level of GDP per capita than Ohio overall. We project that the Cleveland MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the east area of Thompson Township. This area is part of the Geauga County and generally is delineated as follows:

North	County Hwy 48
South	Harner Rd
East	Bundysburg Windsor Mills Rd
West	Franklin Rd

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Interstate 90, a major arterial that crosses the Cleveland metro area in a northeast/southwest direction. Access to the subject from Interstate 90 is provided by County Hwy 227, and travel time from the major arterial to the subject is about 16 minutes. Overall, vehicular access is average.

Public transportation is not provided in Thompson Township. The nearest bus stop is located at Madison. However, the primary mode of transportation in this area is the automobile.

The Geauga County Airport is located about 20 miles from the property; travel time is about 25 minutes, depending on traffic conditions. Cleveland Hopkins International Airport is located about 60 miles from the property and the travel time is about 57 minutes. The Cleveland CBD, the economic and cultural center of the region, is approximately 45 miles from the property.

Demand Generators

Major employers include The Middlefield Banking Company, Maple Grove Enterprises Inc., and Universal Polymer & Rubber Ltd. These are located within 17 miles of the property and represent significant concentrations in the bank, manufacturing, and health industries.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Geauga County	Cleveland MSA	Ohio	United States
Population							
2010	330	1,984	6,115	93,389	2,077,240	11,536,504	308,745,538
2020	309	1,880	5,950	95,582	2,077,121	11,829,645	333,793,107
2025	303	1,847	5,901	96,859	2,080,154	11,968,541	346,021,282
Compound Chg 2010 - 2020	-0.66%	-0.54%	-0.27%	0.23%	0.00%	0.25%	0.78%
Compound Chg 2020 - 2025	-0.39%	-0.35%	-0.17%	0.27%	0.03%	0.23%	0.72%
Density	98	67	76	239	1,039	290	95
Households							
2010	138	768	2,342	34,264	854,893	4,603,435	116,716,292
2020	131	740	2,314	35,540	865,906	4,754,087	126,083,849
2025	130	731	2,306	36,167	866,490	4,816,715	130,658,485
Compound Chg 2010 - 2020	-0.52%	-0.37%	-0.12%	0.37%	0.13%	0.32%	0.77%
Compound Chg 2020 - 2025	-0.15%	-0.24%	-0.07%	0.35%	0.01%	0.26%	0.72%
Other Demographics							
Med. Household Income	$61,764	$63,393	$66,524	$84,872	$56,828	$56,352	$62,203
Avg. Household Size	2.4	2.5	2.6	2.7	2.4	2.4	2.6
College Graduate %	16.7%	17.7%	19.2%	40.4%	32.8%	29.6%	33.1%
Median Age	46	47	47	45	42	40	39
Owner Occupied %	88%	88%	89%	87%	64%	65%	64%
Renter Occupied %	12%	12%	11%	13%	36%	35%	36%
Med. Home Value	$210,417	$184,483	$186,737	$252,193	$166,124	$154,586	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 1,880, and the average household size is 2.5. Population in the area has declined since the 2010 census, and this trend is expected to continue in the ensuing five years. Despite the contracting population within a three-mile radius, it is estimated that the Cleveland MSA overall will remain steady.

Median household income is $63,393, which is considerably higher than the household income for the Cleveland MSA as a whole. The populace within a three-mile radius has a notably lower level of formal college education than residents in the Cleveland MSA, while median home values in the area are substantially higher.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	0	Car-Dependent
Bike Score	25	Somewhat Bikeable

Source: Walkscore.com, updated 04/13/2021. Compiled by JLL Valuation & Advisory Services, LLC.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

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Retail and Public Services

The nearest shopping facilities serving the area are located at Leroy Thompson Rd, about 4 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Maple Leaf Plaza, located about 14 miles from the property. Restaurants, principally along major arterials such as Madison Rd, and Thompson Rd, are within a 7-minute travel time of the property. The closest lodging facilities are located within a 14-minute drive of the subject and include Holiday Inn Express & Suites Madison, Hampton Inn Madison, and The Lost Pearl Bed & Breakfast.

The nearest fire and police stations are within 4 miles of the property. The closest elementary/middle school is 3.31 miles and the local high school is approximately 13 miles away. The closest colleges and universities are Lake Erie College, and John Carroll University. They offer business, education, IT, and health programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Thompson Township Park Commission.

Land Use

In the immediate vicinity of the subject, predominant land uses are single-family residential, and agricultural. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10 to 50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	60%
Percent Developed by Land use	70% Single Family; 10% Apartments; 20% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Vacant Land
South	Single-Family Residential
East	Vacant Land
West	Vacant Land

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

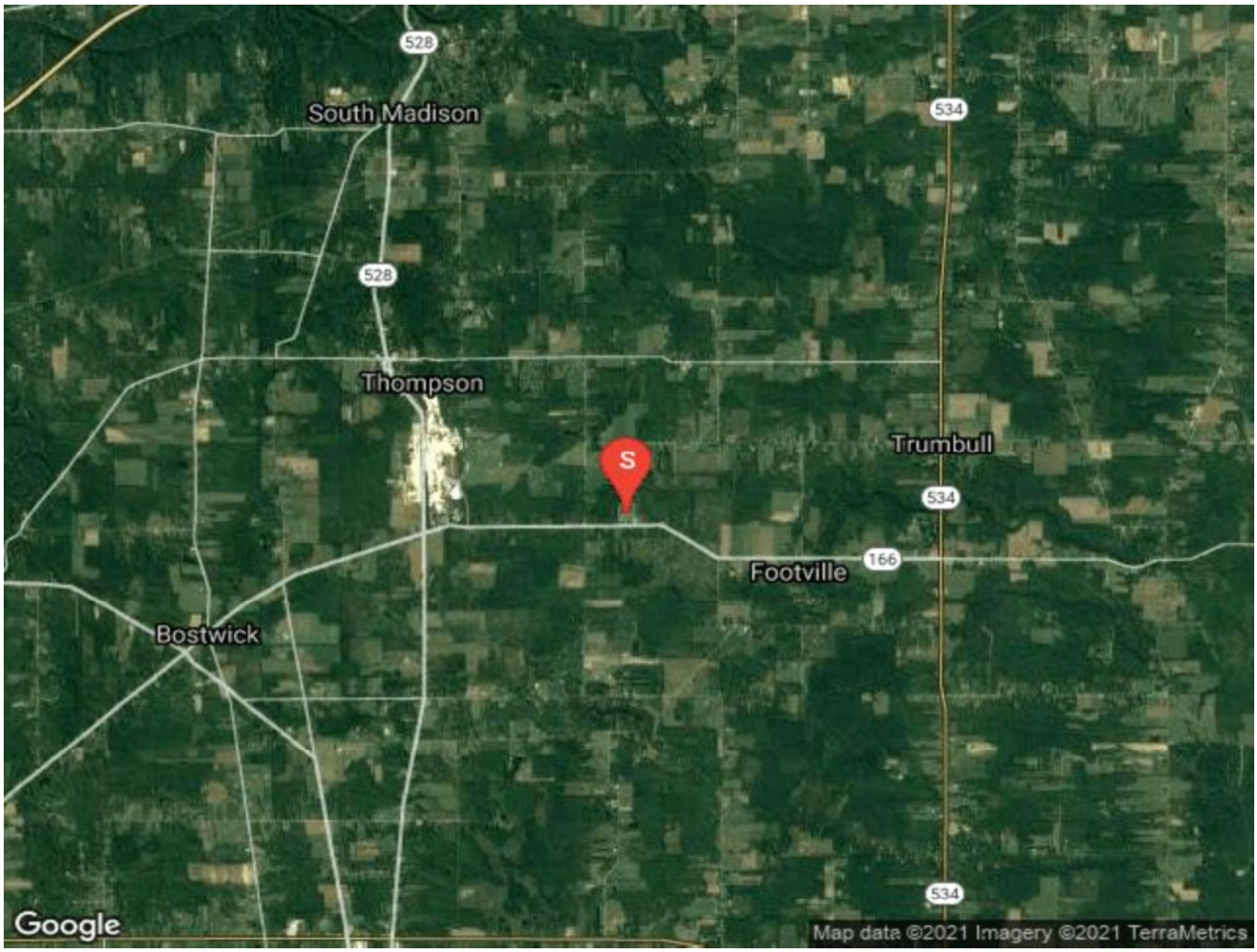
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



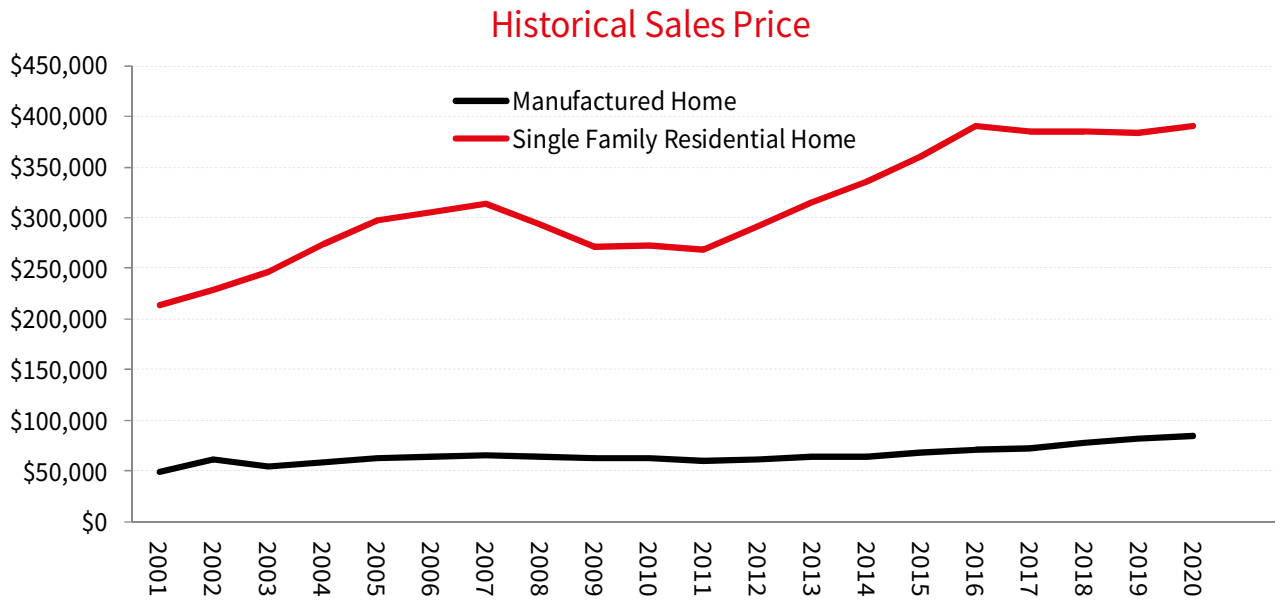
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

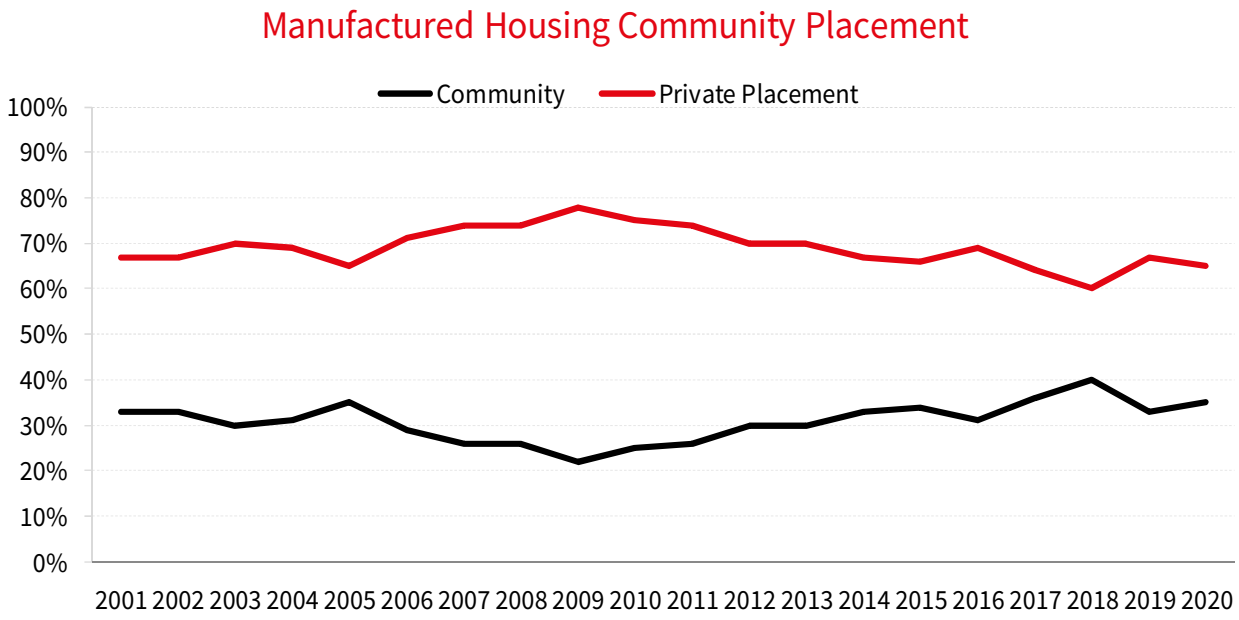


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

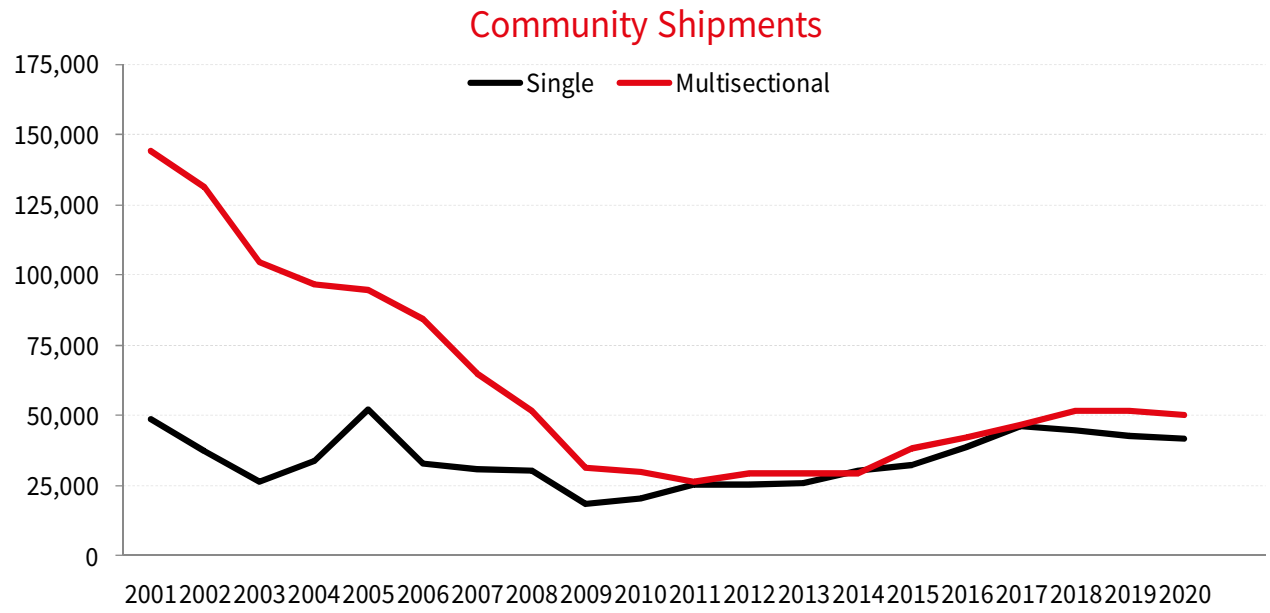


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

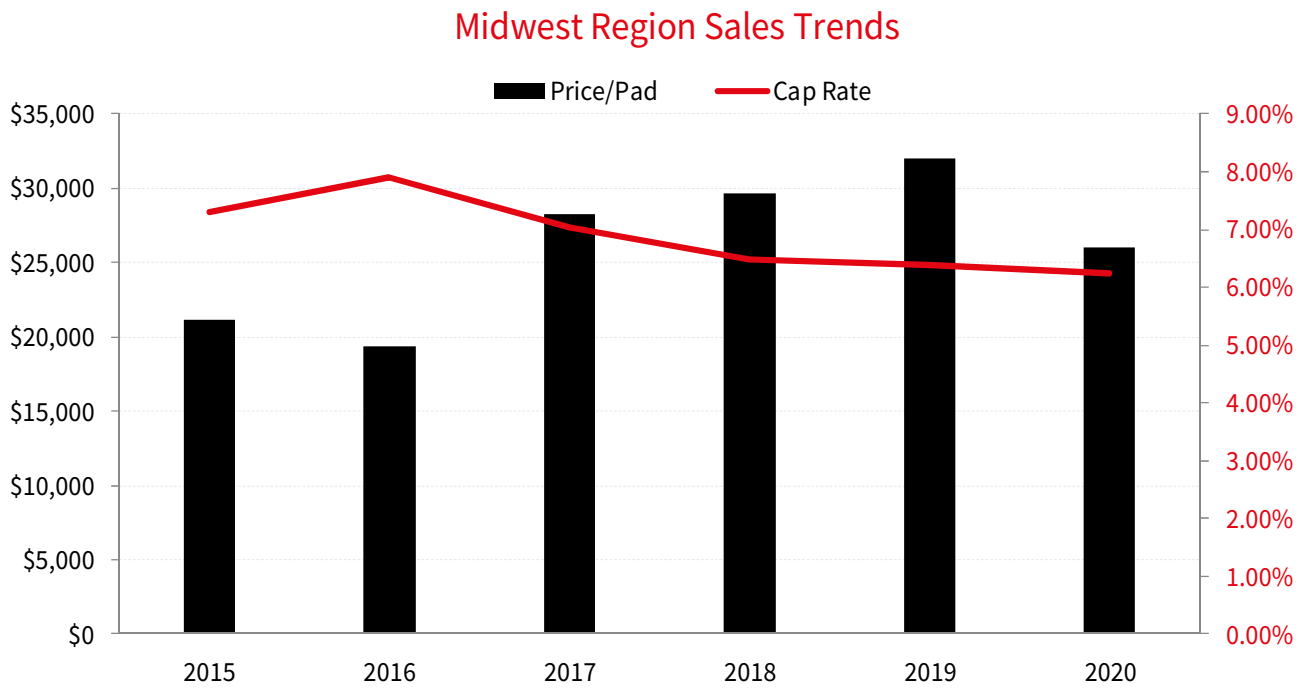
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Davenport	$385	9%	$3,900	$2,374	
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

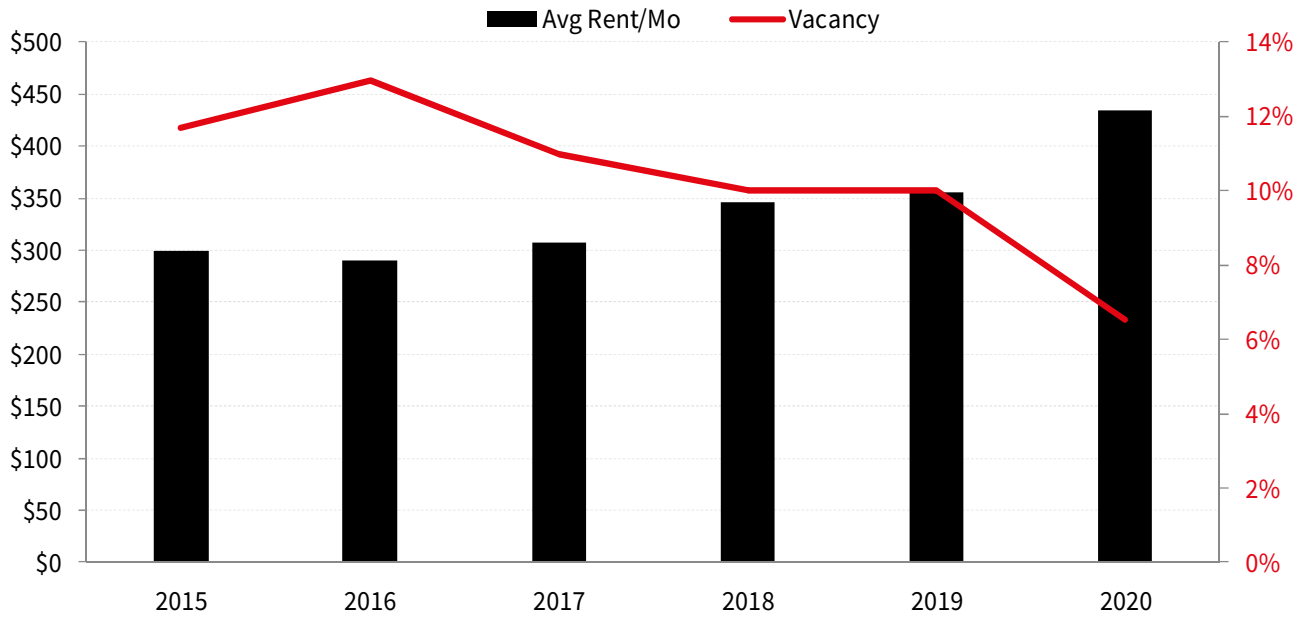
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$25,000	$186,737	-
Down Payment or Deposit	$2,500	$9,337	-
Amount Financed	$22,500	$177,400	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$297	$797	-
Taxes	$52	$389	-
Insurance	$9 - $10	$50	-
Site Rent	$375	-	-
Total Monthly Payment*	$733	$1,236	$750 - $1,000

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a strong value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Thompson Township, located approximately 45 miles northeast of Cleveland City. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Whispering Willow 4250 State Rte 307 E Geneva, OH 44041 Tenant-Paid Utilities:	9.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1977	6/8/2021	102	85%	$395
2	Terrace Glen Estates 13545 Woodin Rd Chardon, OH Tenant-Paid Utilities:	9.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1999	6/8/2021	23	93%	$350
3	Asbury Park 61 Higley Road Orwell, OH Tenant-Paid Utilities:	12.0 Water, Sewer, Electric, Gas, Cable/Sat	1988	6/8/2021	136	93%	$360
4	Jefferson Mobile Estates 102 Monroe Cir. Jefferson, OH Tenant-Paid Utilities:	13.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1985	6/8/2021	100	90%	$385
5	Jacques and Mobile Grove 12860 Mayfield Road Chardon, OH Tenant-Paid Utilities:	13.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1970	6/8/2021	302	91%	$350
Weighted Market Average		11.2	1984		133	90%	$364
	Subject: Rustic Pines	-	1957	-	131	63%	$369

The weighted average occupancy of the competitive properties is 90%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	52%	52%	58%	61%	63%	57%
Occupied Pads	69	69	76	80	82	
Absorbed Pads/Year		0	7	4	2	

Source: Borrower documents.

We have also considered the following occupancy statistics from UMH Properties:

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UMH Properties (NYSE: UMH) - Ohio

Year-End	# of Sites	Occupancy %	Wgt. Avg. Rent/Mo.
2016	17,301	79.9%	NAV
2017	19,276	80.6%	NAV
2018	20,757	82.0%	NAV
2019	22,335	81.9%	NAV
2020	22,547	84.7%	$453

The weighted average occupancy of the competitive properties is 90% and the subject property is currently operating at a physical occupancy of 63% whereas the UMH benchmark is 85%. We are of the opinion that the subject property is operating with below market physical occupancy levels and has upside associated with growing physical occupancy through the sale / rental of community owned homes. Ownership is in the process of tracking occupancy towards market levels through the sale / rental of community owned homes. As such, we have projected an opinion of the Prospective Market value Upon Stabilization.

Stabilized Market Value Projection - Considers the subject at stabilized occupancy of 80.9% or 106 occupied sites after a 5 year holding period. We have projected 1% for collection loss. We have projected absorption which is further discussed in the DCF section of this report.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

Per review of the rent roll, the property currently has $14,745 in past due rent and has been impacted by COVID-19. As such, we apply this amount as a Temporary Collection Loss Adjustment due to COVID-19.

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Temporary Collection Loss due to COVID-19

Pro Forma Net Rental Income (PGI less concessions, vacancy, and bad debt)	$534,673
Per Month	$44,556
Percent Loss	5.41%
Number of Months	6
Temporary Collection Loss	$14,454
	$14,000

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Competitive Properties Map



S Rustic Pines: 17748 Rock Creek Rd, Thompson, OH 44086

1 Whispering Willow 4250 State Rte 307 E , Geneva, OH

2 Terrace Glen Estates 13545 Woodin Rd , Chardon, OH

3 Asbury Park 61 Higley Road , Orwell, OH

4 Jefferson Mobile Estates 102 Monroe Cir. , Jefferson, OH

5 Jacques and Mobile Grove 12860 Mayfield Road, Chardon, OH

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Property Analysis

Land Description and Analysis

Location

The property is located on the east side of Rock Creek Rd approximately 2,404 feet east of its intersection with Sidley Rd.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
30-062690	1,358,201	31.18
Total	1,358,201	31.18

Source: Public Records

Shape and Dimensions

The site is rectangular in shape, with dimensions of approximately 1,049 feet in width and 1,282 feet in depth. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	39055C0075D
Date	6/16/2009
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

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Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	Rock Creek Road
Frontage Feet	1,049
Paving	Asphalt
Curbs	Yes
Sidewalks	None
Lanes	2 way, 1 lane each way
Direction of Traffic	East/West
Condition	Average
Traffic Levels	Moderate
Signals/Traffic Control	None
Access/Curb Cuts	One

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Geauga County Utilities Dept
Sewer	Geauga County Utilities Dept
Electricity	Cleveland Public Power, The Illuminating Company, Ohio Edison
Natural Gas	Dominion East Ohio Gas, Orwell Gas
Local Phone	AT&T, Western Reserve, Windstream

Zoning

The subject is zoned R-3, Residential 3 acres, by Township of Thompson. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Township of Thompson
Zoning Designation	R-3
Description	Residential 3 acres
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	Not Likely
Permitted Uses	Residential facilities, Agriculture, Certified foster homes, Churches, Schools, Single family detached dwellings, manufactured homes

Category	Zoning Requirement
Minimum Lot Area	3 acres
Minimum Street Frontage (Feet)	200 feet; minimum lot frontage for a lot located on the arc of a permanent cul-de-sac: 60 feet
Minimum Lot Width (Feet)	200 feet
Minimum Setbacks (Feet)	Front yard: 100 feet from the road right-of-way; Each side yard: 25 feet; Rear yard: 25 feet
Maximum Building Height	35 feet or 2.5 stories whichever is less
Maximum Site Coverage	0.4
Maximum Density	1 single family detached dwelling on a lot
Parking Requirement	2 for each dwelling unit

Source: Article IV, Section 402.0, Thompson Township Zoning Resolution

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include

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residential facilities, Agriculture, Certified foster homes, Churches, Schools, Single family detached dwellings, manufactured homes. We are not aware of any other particular restrictions on development.

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Aerial Map



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FOUR SEASONS

MHC CAPITAL
Real Estate Investments

Economic Analysis

Youngstown MSA Area Demographics

The subject is located in the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area, hereinafter called the Youngstown MSA, as defined by the U.S. Office of Management and Budget. The Youngstown MSA is 1,704 square miles in size, and ranks #105 in population out of the nation's 382 metropolitan areas.

Population

The Youngstown MSA has an estimated 2020 population of 545,175, which represents an average annual 0.4% decrease over the 2010 census amount of 565,773. Youngstown MSA lost an average of 2,060 residents per year over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Ohio.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	887	913	909	0.3%	-0.1%
3 mi. radius	5,372	5,130	4,997	-0.5%	-0.5%
5 mi. radius	23,856	22,911	22,345	-0.4%	-0.5%
Trumbull County	210,312	200,662	195,615	-0.5%	-0.5%
Youngstown MSA	565,773	545,175	533,421	-0.4%	-0.4%
Ohio	11,536,504	11,829,645	11,968,541	0.3%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Youngstown MSA's population is projected to decline at a 0.4% annual rate from 2020 - 2025, equivalent to the loss of an average of 2,351 residents per year. The Youngstown MSA growth rate is expected to lag that of Ohio, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Youngstown MSA is 198,875 jobs. Since 2011, employment declined by 24,492 jobs, equivalent to a 11.0% loss over the entire period. There were declines in employment in five of the past ten years, influenced in part by the national economic downturn and slow recovery.

The Youngstown MSA's rate of change in employment significantly underperformed the State of Ohio, which experienced an increase in employment of 2.9% or 146,000 over this period.

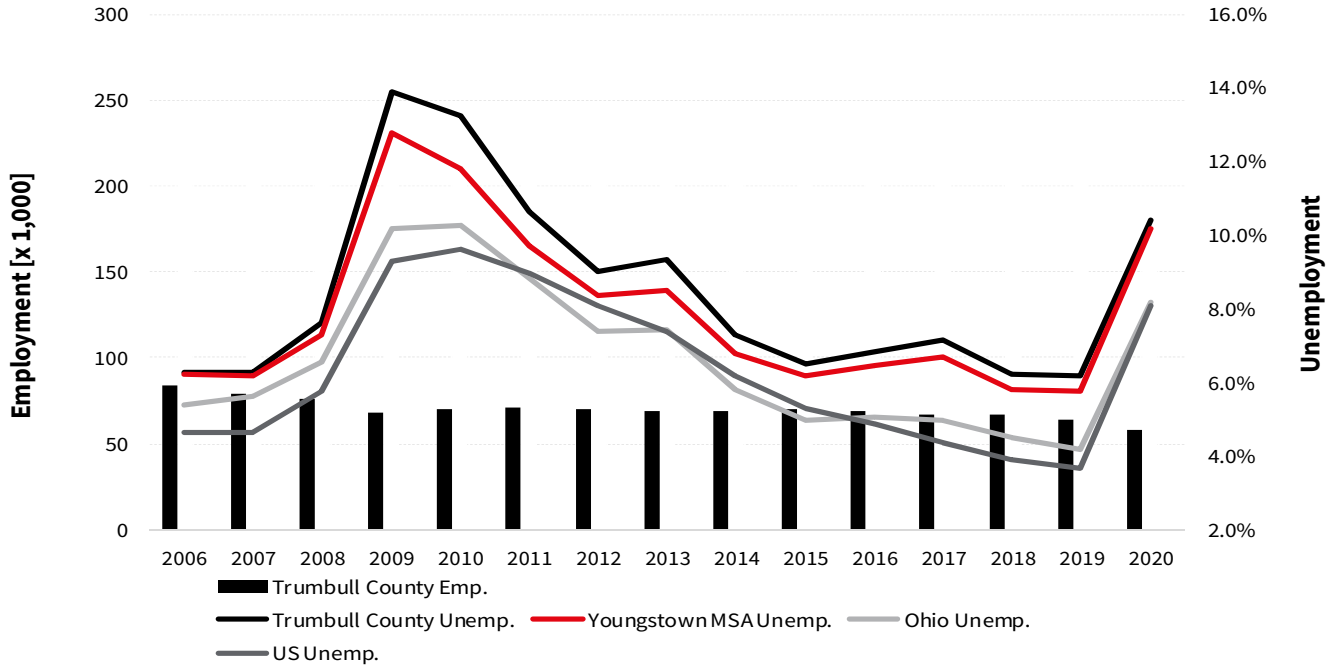
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Employment Trends

	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
Year	Trumbull County	Change	Youngstown MSA	Change	Ohio	Change	United States	Change	Trumbull County	Youngstown MSA	Ohio	United States
2006	84,130	-	242,933	-	5,435,258	-	136,435,417	-	6.3%	6.2%	5.4%	4.6%
2007	79,246	-5.8%	239,083	-1.6%	5,426,742	-0.2%	137,981,250	1.1%	6.3%	6.2%	5.6%	4.6%
2008	75,979	-4.1%	234,350	-2.0%	5,361,600	-1.2%	137,223,833	-0.5%	7.6%	7.3%	6.6%	5.8%
2009	68,032	-10.5%	219,267	-6.4%	5,072,375	-5.4%	131,296,083	-4.3%	13.9%	12.8%	10.2%	9.3%
2010	69,719	2.5%	219,975	0.3%	5,035,925	-0.7%	130,345,000	-0.7%	13.2%	11.8%	10.3%	9.6%
2011	70,706	1.4%	223,367	1.5%	5,107,908	1.4%	131,914,417	1.2%	10.6%	9.7%	8.8%	9.0%
2012	70,217	-0.7%	225,433	0.9%	5,201,625	1.8%	134,157,417	1.7%	9.0%	8.4%	7.4%	8.1%
2013	69,395	-1.2%	225,383	0.0%	5,266,792	1.3%	136,363,833	1.6%	9.3%	8.5%	7.5%	7.4%
2014	69,322	-0.1%	225,508	0.1%	5,343,983	1.5%	138,939,750	1.9%	7.3%	6.8%	5.8%	6.2%
2015	69,800	0.7%	225,808	0.1%	5,423,583	1.5%	141,824,917	2.1%	6.5%	6.2%	5.0%	5.3%
2016	69,189	-0.9%	223,967	-0.8%	5,481,042	1.1%	144,335,833	1.8%	6.8%	6.5%	5.1%	4.9%
2017	66,926	-3.3%	219,917	-1.8%	5,525,750	0.8%	146,607,583	1.6%	7.2%	6.7%	5.0%	4.4%
2018	66,676	-0.4%	219,925	0.0%	5,562,608	0.7%	148,908,417	1.6%	6.2%	5.8%	4.5%	3.9%
2019	63,885	-4.2%	216,733	-1.5%	5,594,608	0.6%	150,904,750	1.3%	6.2%	5.8%	4.2%	3.7%
2020	58,080	-9.1%	198,875	-8.2%	5,253,908	-6.1%	142,184,833	-5.8%	10.4%	10.2%	8.2%	8.1%
10 Yr Change	**-12,626**	**-17.9%**	**-24,492**	**-11.0%**	**146,000**	**2.9%**	**10,270,417**	**7.8%**				
Avg Unemp. Rate 2011-2020									8.0%	7.4%	6.1%	6.1%
Unemployment Rate - Apr 2021									6.7%	6.7%	4.7%	5.7%

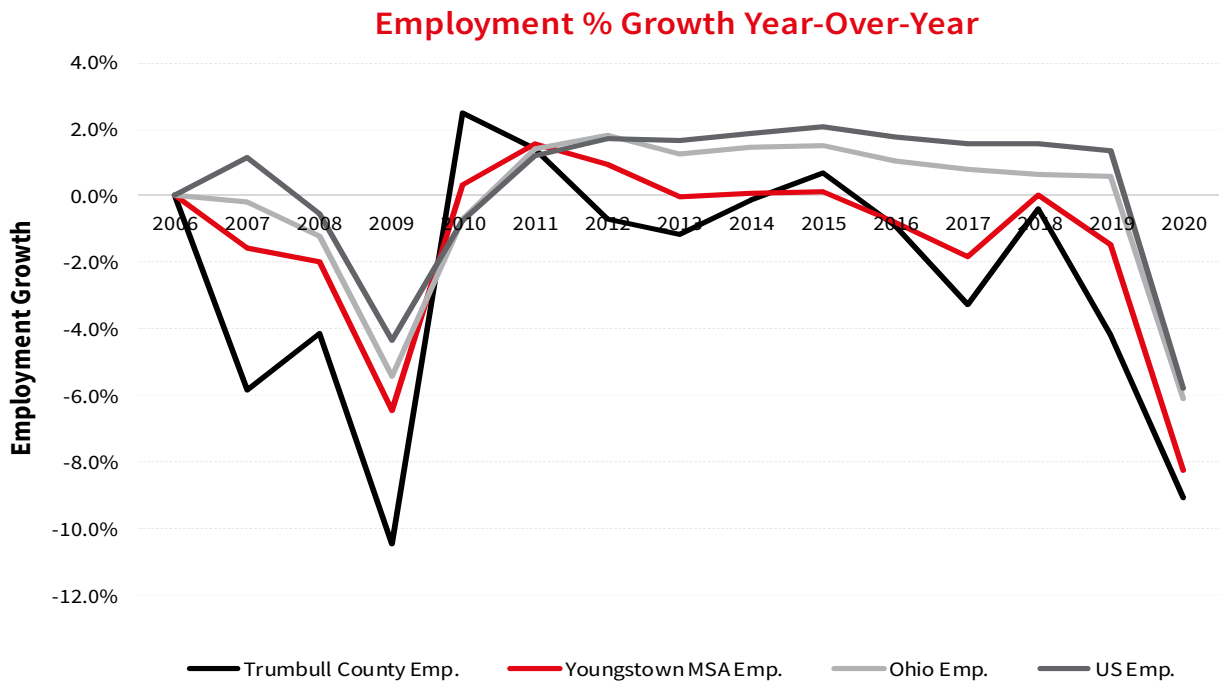
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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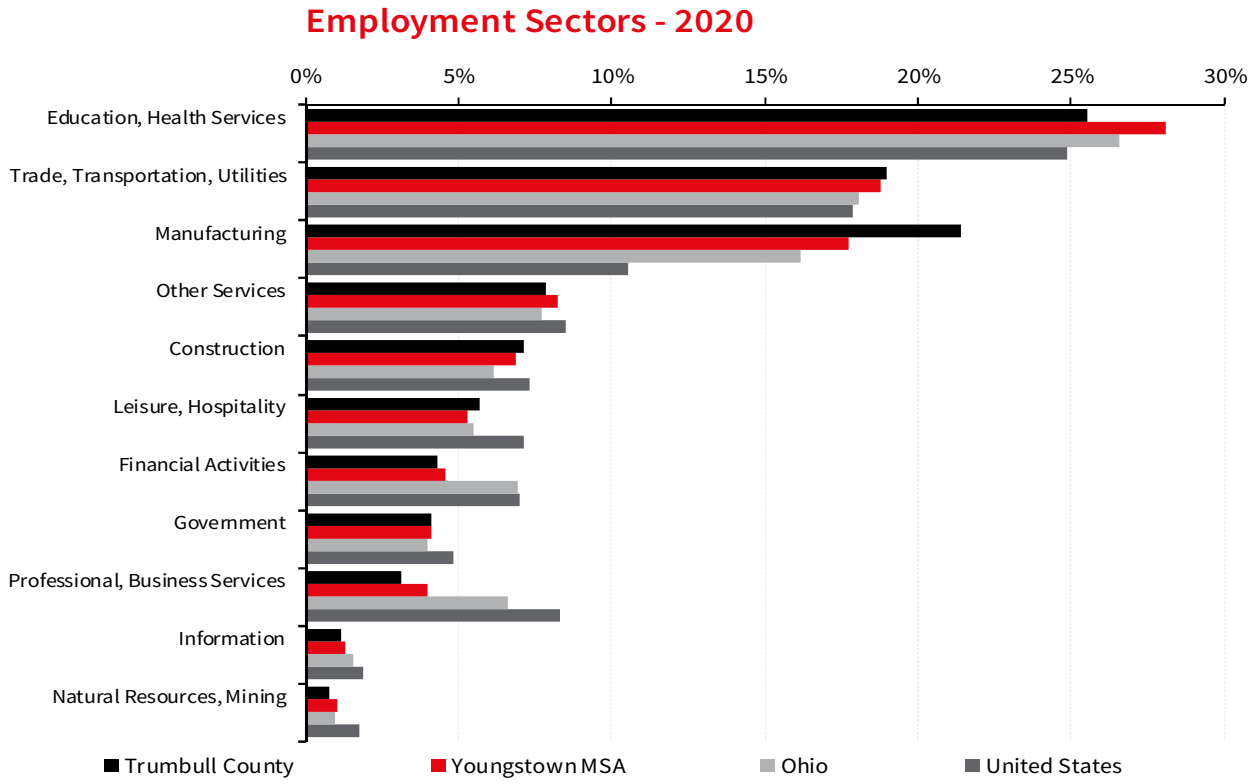
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Youngstown MSA unemployment rate of 7.4% has been higher than the Ohio rate of 6.1%. In the latter half of the decade that trend has continued, as the Youngstown MSA has consistently underperformed Ohio. Recent data shows that the Youngstown MSA unemployment rate is 6.7%, in comparison to a 4.7% rate for Ohio, a negative sign for the Youngstown MSA economy and one that is exacerbated by the fact that the Youngstown MSA has underperformed Ohio in the rate of job growth over the past two years.

Employment Sectors

The composition of the Youngstown MSA job market is illustrated in the chart below, paired with that of Ohio. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Youngstown MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Youngstown MSA has a greater percentage employment than Ohio in the following categories:

1. Education, Health Services - which accounts for 28.1% of Youngstown MSA payroll employment compared to 26.6% for Ohio as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade, Transportation, Utilities - which accounts for 18.8% of Youngstown MSA payroll employment compared to 18.1% for Ohio as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Manufacturing - which accounts for 17.8% of Youngstown MSA payroll employment compared to 16.1% for Ohio as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Other Services - which accounts for 8.2% of Youngstown MSA payroll employment compared to 7.7% for Ohio as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

The Youngstown MSA is underrepresented in the following categories:

1. Professional, Business Services - which accounts for 4.0% of Youngstown MSA payroll employment compared to 6.6% for Ohio as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

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2. Financial Activities - which accounts for 4.6% of Youngstown MSA payroll employment compared to 6.9% for Ohio as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Information - which accounts for 1.3% of Youngstown MSA payroll employment compared to 1.5% for Ohio as a whole. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.
4. Leisure, Hospitality - which accounts for 5.3% of Youngstown MSA payroll employment compared to 5.5% for Ohio as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Major Employers

The table below contains major employers in the Youngstown MSA.

Major Employers - Youngstown MSA

	Name	Employees
1	Mercy Health	4,400
2	General Motors Corp.	3,600
3	ValleyCare Health System	3,200
4	Youngstown Air Reserve Station	1,792
5	Windsor House	1,500
6	Alorica	1,300
7	Youngstown State University	1,200
8	Diocese of Youngstown	1,200
9	Infocision	1,050
10	VXI Global Solutions	1,050
11	Salem Community Hospital	992
12	Wal-Mart Stores Inc.	842
13	Akron Children's Hospital	787
14	AIM NationaLease	750
15	East Liverpool City Hospital	700
16	Briarfield Manor Health Care Centers	650
17	Boardman Local Schools	644
18	Delphi Packard Electric Systems	600
19	Home Savings & Loan	600
20	Ohio Security Systems	600

Sources(s): Youngstown/Warren Regional Chamber, 2018

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Youngstown MSA ranks #127 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Youngstown MSA than Ohio overall during the past nine years. The Youngstown MSA has expanded at a 0.1% average annual rate while the State of Ohio has grown at a 1.9% rate. As the national economy improves, the Youngstown

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MSA has reversed that trend and outperformed Ohio. GDP for the Youngstown MSA rose by 1.7% in 2019 while Ohio's grew by 1.5%.

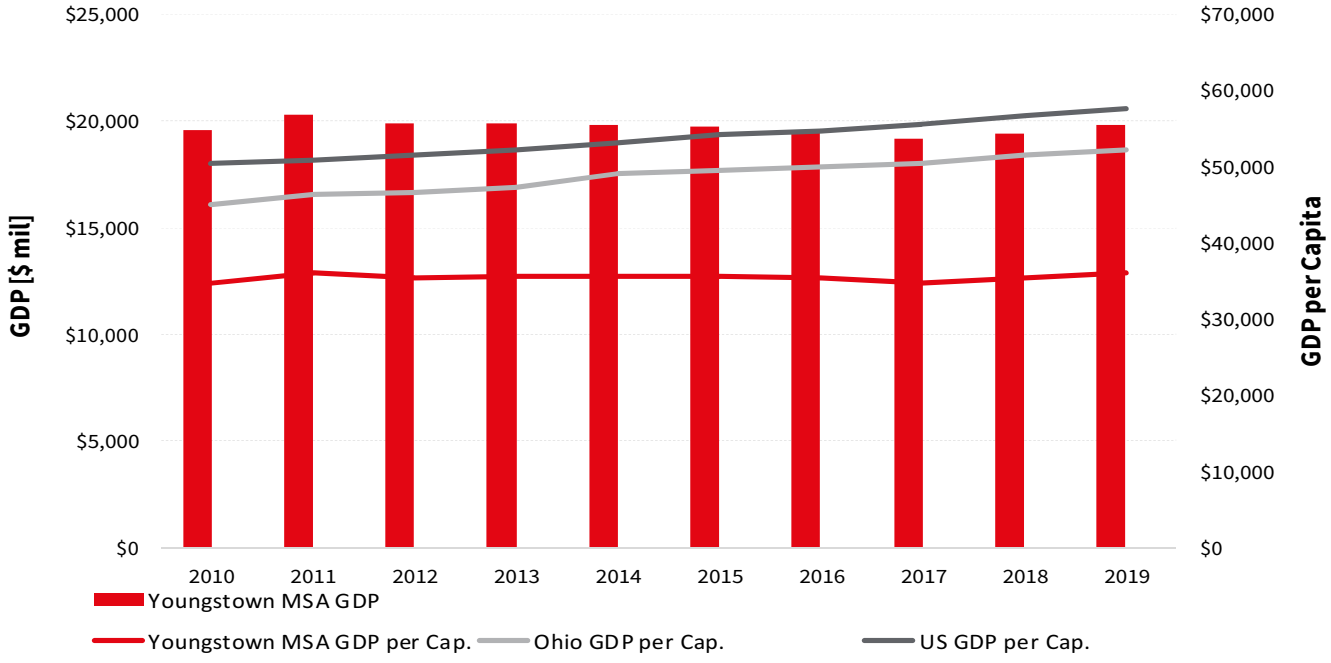
The Youngstown MSA has a per capita GDP of $36,172, which is 31.0% less than Ohio's GDP of $52,157. This means that the Youngstown MSA industries and employers are adding relatively much less to the economy than their peers in Ohio.

Gross Domestic Product

	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Youngstown MSA	Change	Ohio	Change	United States	Change	Youngstown MSA	Ohio	United States
2010	$19,604	-	$520,301	-	$15,598,753	-	$34,650	$45,100	$50,523
2011	$20,336	3.7%	$536,583	3.1%	$15,840,664	1.6%	$36,074	$46,394	$50,894
2012	$19,931	-2.0%	$540,882	0.8%	$16,197,007	2.2%	$35,487	$46,647	$51,623
2013	$19,926	0.0%	$550,692	1.8%	$16,495,369	1.8%	$35,609	$47,374	$52,158
2014	$19,831	-0.5%	$571,425	3.8%	$16,912,038	2.5%	$35,570	$49,034	$53,055
2015	$19,751	-0.4%	$579,943	1.5%	$17,432,170	3.1%	$35,557	$49,640	$54,260
2016	$19,567	-0.9%	$585,045	0.9%	$17,730,509	1.7%	$35,357	$49,951	$54,762
2017	$19,148	-2.1%	$592,726	1.3%	$18,144,105	2.3%	$34,730	$50,480	$55,609
2018	$19,455	1.6%	$606,142	2.3%	$18,687,786	3.0%	$35,418	$51,494	$56,839
2019	$19,795	1.7%	$615,474	1.5%	$19,091,662	2.2%	$36,172	$52,157	$57,629
10 Yr Change	**$191**	**0.1%**	**$95,174**	**1.9%**	**$3,492,909**	**2.3%**	**$1,522**	**$7,057**	**$7,106**

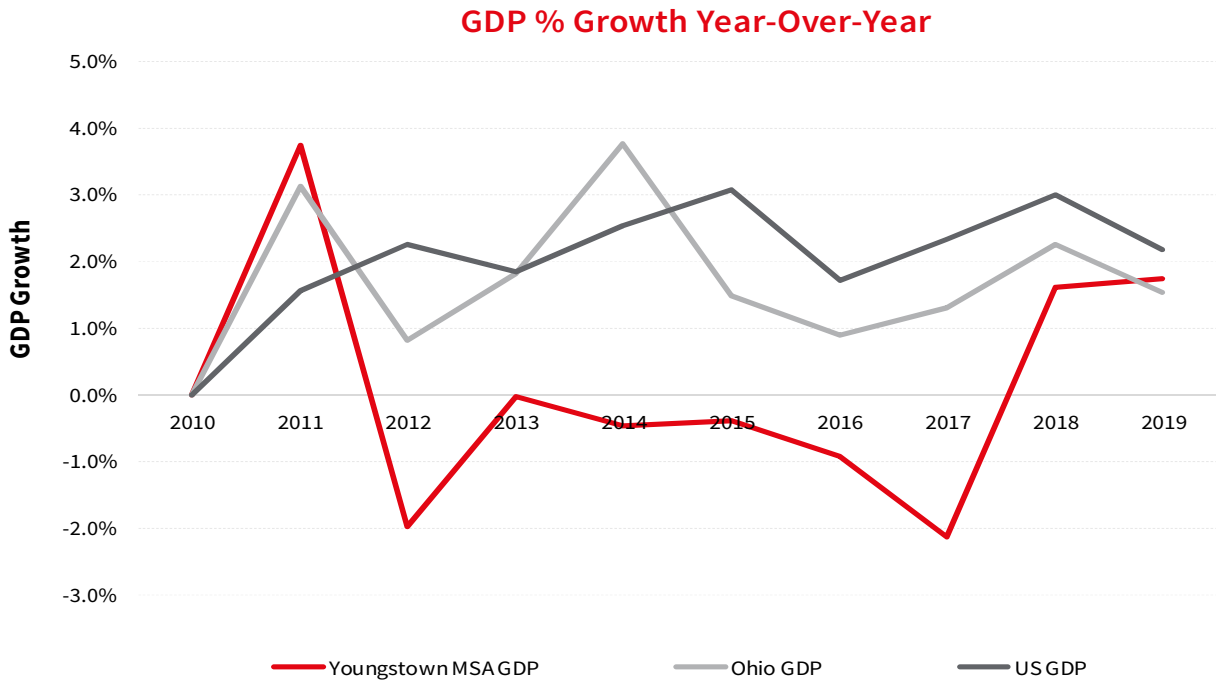
Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

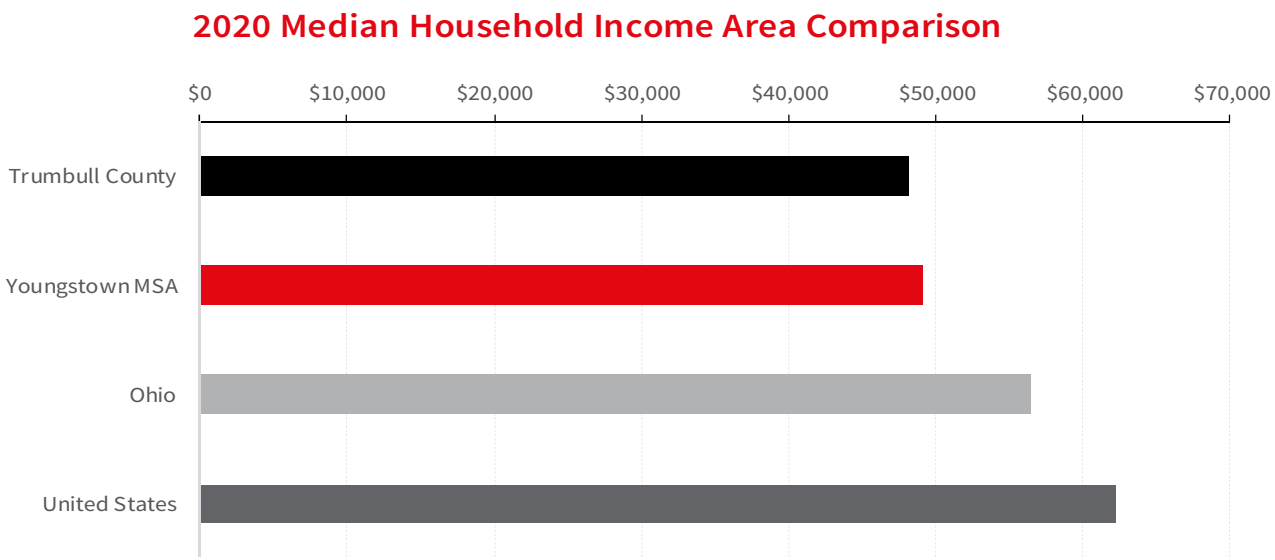
The Youngstown MSA has a much lower level of household income than Ohio. Median household income for the Youngstown MSA is $49,150, which is 12.8% less than Ohio.

Median Household Income

	Med. Household Income		Compound Ann. % Chng
Area	2020 Est.	2025 Est.	2020 - 2025
Trumbull County	$48,223	$51,112	1.2%
Youngstown MSA	$49,150	$51,775	1.0%
Ohio	$56,352	$60,126	1.3%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

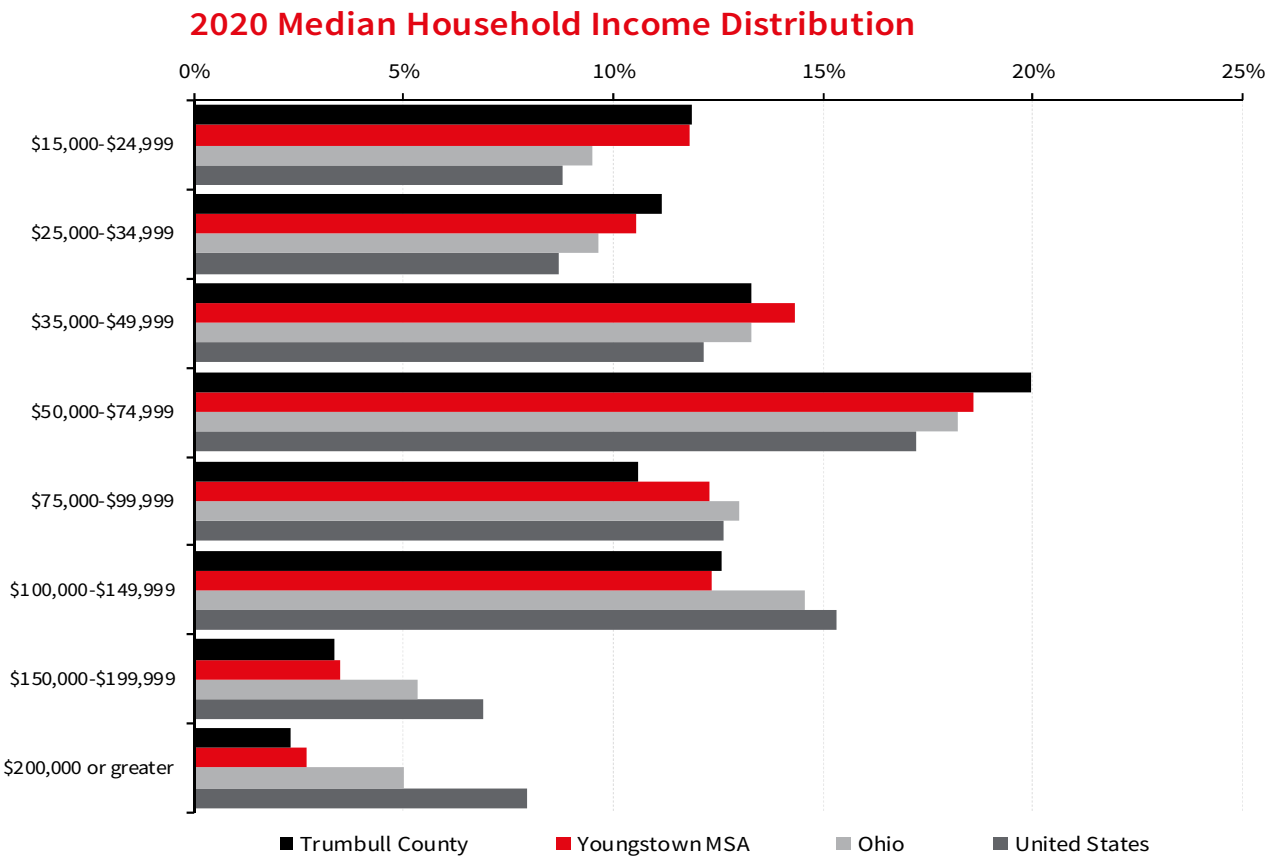
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Youngstown MSA has a greater concentration of households in the lower income levels than Ohio. Specifically, 36% of the Youngstown MSA households are below the $35,000 level in household income as compared to 31% of Ohio households. A smaller concentration of households exists in the higher income levels, as 31% of the Youngstown MSA households are at the $75,000 or greater levels in household income versus 38% of Ohio households.

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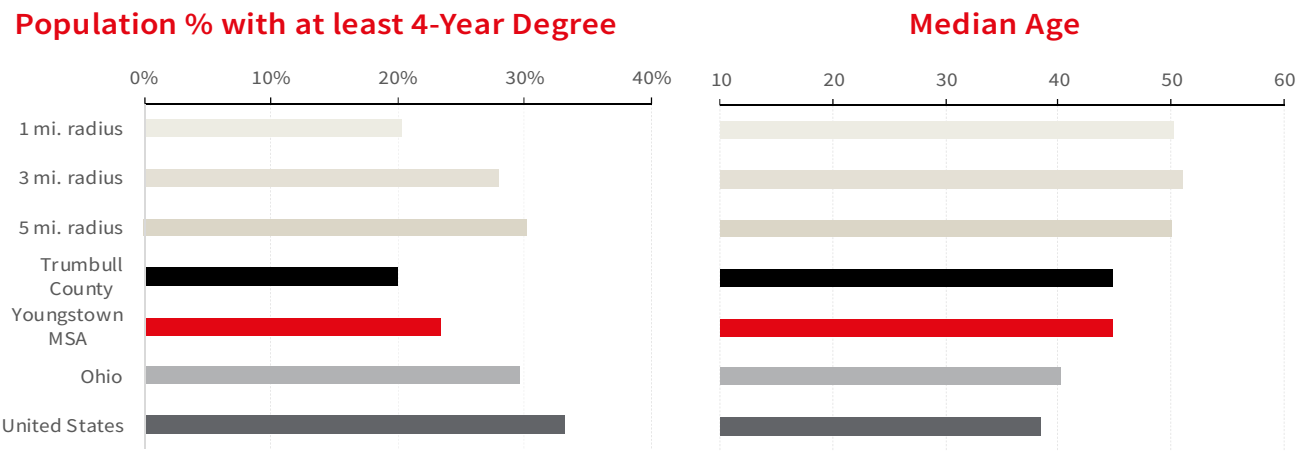


Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Youngstown MSA have a lower level of educational attainment than those in Ohio. An estimated 23.4% of the Youngstown MSA residents are college graduates with four-year degrees or higher, while Ohio residents have an estimated 29.6% with at least a four-year degree. People in the Youngstown MSA are older than their peers in Ohio. The median age of the Youngstown MSA is 45 years, while Ohio is 40 years.

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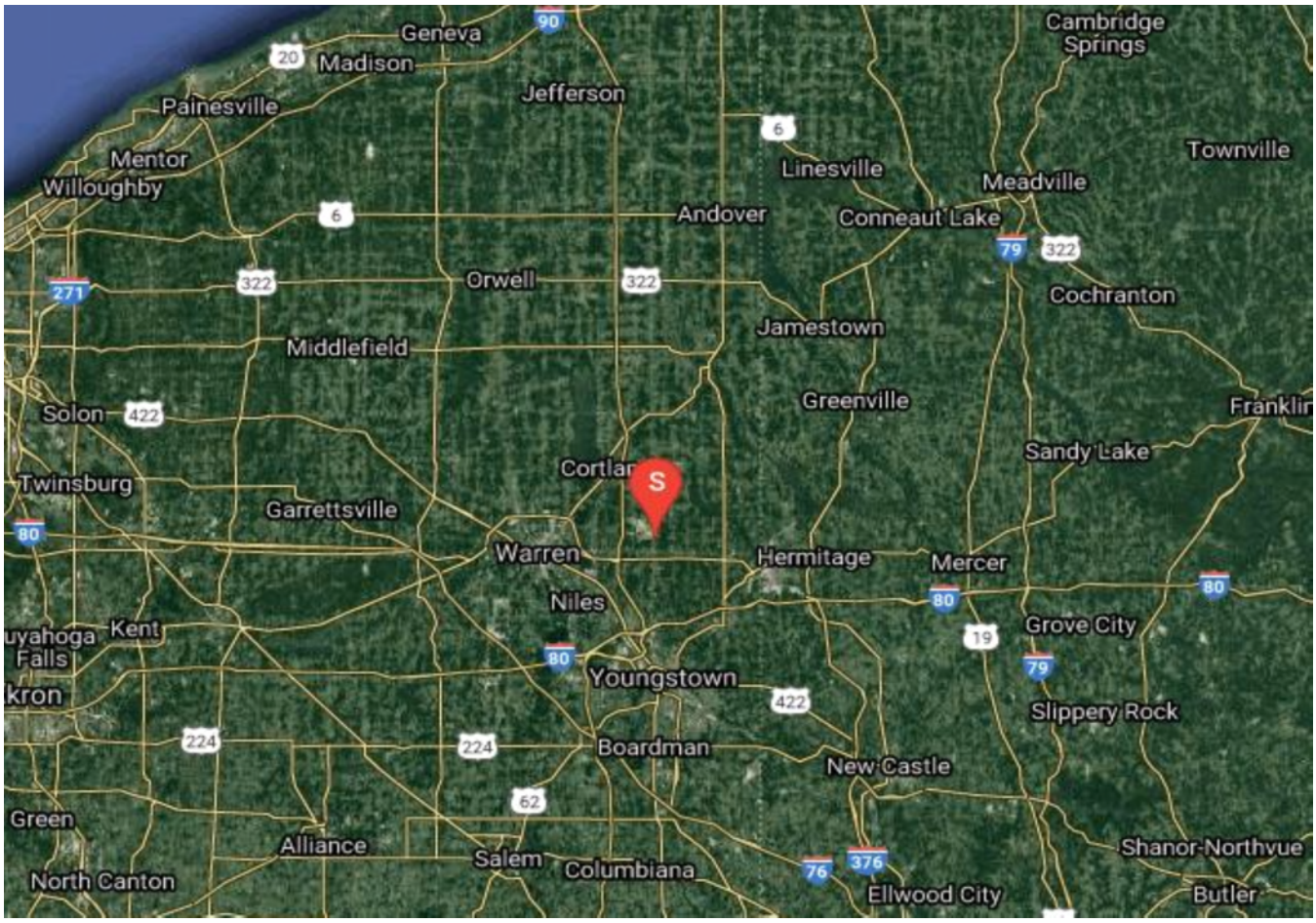
Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Youngstown MSA's economy faces significant headwinds, with a declining population base, and lower income and education levels. The employment situation in the Youngstown MSA is facing challenges, as the number of jobs has declined during the past decade, which is exacerbated by the fact that unemployment has been greater than Ohio over the same period. In addition to the employment headwinds, the Youngstown MSA is facing challenges from lagging Ohio in both GDP growth in the past nine years and its GDP per capita. Based on these factors, we project that growth in the Youngstown MSA will be limited, and there will be continued weakness in the demand for real estate in general.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the southern area of Youngstown MSA. This area is part of the Outlying Trumbull County submarket and generally is delineated as follows:

North	County Line Rd / Rice Rd
South	Austintown Warren Rd
East	Pennsylvania – Ohio Boundary
West	Shanks Downes Rd / Bundysburg Rd

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by OH-82 a major arterial that crosses the Youngstown MSA area in a south direction. Access to the subject from OH-82 is provided by OH-82, and travel time from the major arterial to the subject is about 5 minutes. Overall, vehicular access is average.

Public transportation is provided by Western Reserve Transit Authority and provides access to Youngstown MSA. There's no bus stop near the subject. The local market perceives public transportation as fair compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Youngstown-Warren Regional Airport is located on the other side of the road of the property; travel time is less than a minute. The Youngstown CBD, the economic and cultural center of the region, is approximately 14.4 miles from the property.

Demand Generators

Major employers include Youngstown State University, Boardman High School, and Akron Children's Hospital. These are located within 2 miles of the property and represent significant concentrations in the education and medical industries. In addition to its strong employment base, the area is easily accessible to the Warren and Boardman submarkets, all within 29 minutes driving time. Access to employment centers in other submarkets is a major demand driver.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Trumbull County	Youngstown MSA	Ohio	United States
Population							
2010	887	5,372	23,856	210,312	565,773	11,536,504	308,745,538
2020	913	5,130	22,911	200,662	545,175	11,829,645	333,793,107
2025	909	4,997	22,345	195,615	533,421	11,968,541	346,021,282
Compound Chg 2010 - 2020	0.29%	-0.46%	-0.40%	-0.47%	-0.37%	0.25%	0.78%
Compound Chg 2020 - 2025	-0.09%	-0.52%	-0.50%	-0.51%	-0.43%	0.23%	0.72%
Density	291	182	292	325	320	290	95
Households							
2010	429	2,235	9,852	86,011	231,165	4,603,435	116,716,292
2020	452	2,190	9,682	83,676	225,604	4,754,087	126,083,849
2025	454	2,152	9,514	82,074	221,663	4,816,715	130,658,485
Compound Chg 2010 - 2020	0.52%	-0.20%	-0.17%	-0.27%	-0.24%	0.32%	0.77%
Compound Chg 2020 - 2025	0.09%	-0.35%	-0.35%	-0.39%	-0.35%	0.26%	0.72%
Other Demographics							
Med. Household Income	$43,437	$57,306	$64,651	$48,223	$49,150	$56,352	$62,203
Avg. Household Size	2.0	2.3	2.3	2.4	2.3	2.4	2.6
College Graduate %	20.3%	28.0%	30.2%	20.0%	23.4%	29.6%	33.1%
Median Age	50	51	50	45	45	40	39
Owner Occupied %	79%	86%	86%	74%	70%	65%	64%
Renter Occupied %	22%	14%	14%	26%	30%	35%	36%
Med. Home Value	$138,506	$164,919	$161,408	$113,095	$119,046	$154,586	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 5,130, and the average household size is 2.3. Population in the area has declined since the 2010 census, and this trend is expected to continue in the ensuing five years. The population within a three-mile radius is projected to contract at a faster rate than the Youngstown MSA overall.

Median household income is $57,306, which is considerably higher than the household income for the Youngstown MSA as a whole. The populace within a three-mile radius has more formal college education than residents in the Youngstown MSA, and median home values in the area are substantially higher.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	4	Car-Dependent
Bike Score	27	Somewhat Bikeable

Source: Walkscore.com, updated 12/27/2020. Compiled by JLL Valuation & Advisory Services, LLC.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

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Retail and Public Services

The nearest shopping facilities serving the area are located at 8411 E Market St, about 5.4 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Eastwood Mall Complex, located about 7.7 miles from the property. Restaurants, principally along major arterials such as OH-82, US-422, and State Rte 5, are within a 14-minute travel time of the property. The closest lodging facilities are located within a 13-minute drive of the subject and include The Grand Resort, Fairfield Inn by Marriott Warren Niles, and Hampton Inn & Suites Niles/Warren.

The nearest fire and police stations are within 1.2 miles of the property. The closest elementary/middle school is 2.7 miles and the local high school is approximately 1.6 miles away. The closest colleges and universities are Penn State Shenago, Avalon University School of Medicine - Admissions, and American National University (ANU) - Youngstown OH. They offer nursing, medicine, and business administration programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Eagle's Nest Park.

Land Use

In the immediate vicinity of the subject, land uses include a mix of agricultural and industrial. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	5 to 50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	70%
Percent Developed by Land use	35% Industrial; 20% Apartments; 30% Agricultural, 15% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Vacant land
South	Vacant land / Gas station
East	Vacant land
West	Youngstown-Warren Regional Airport

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

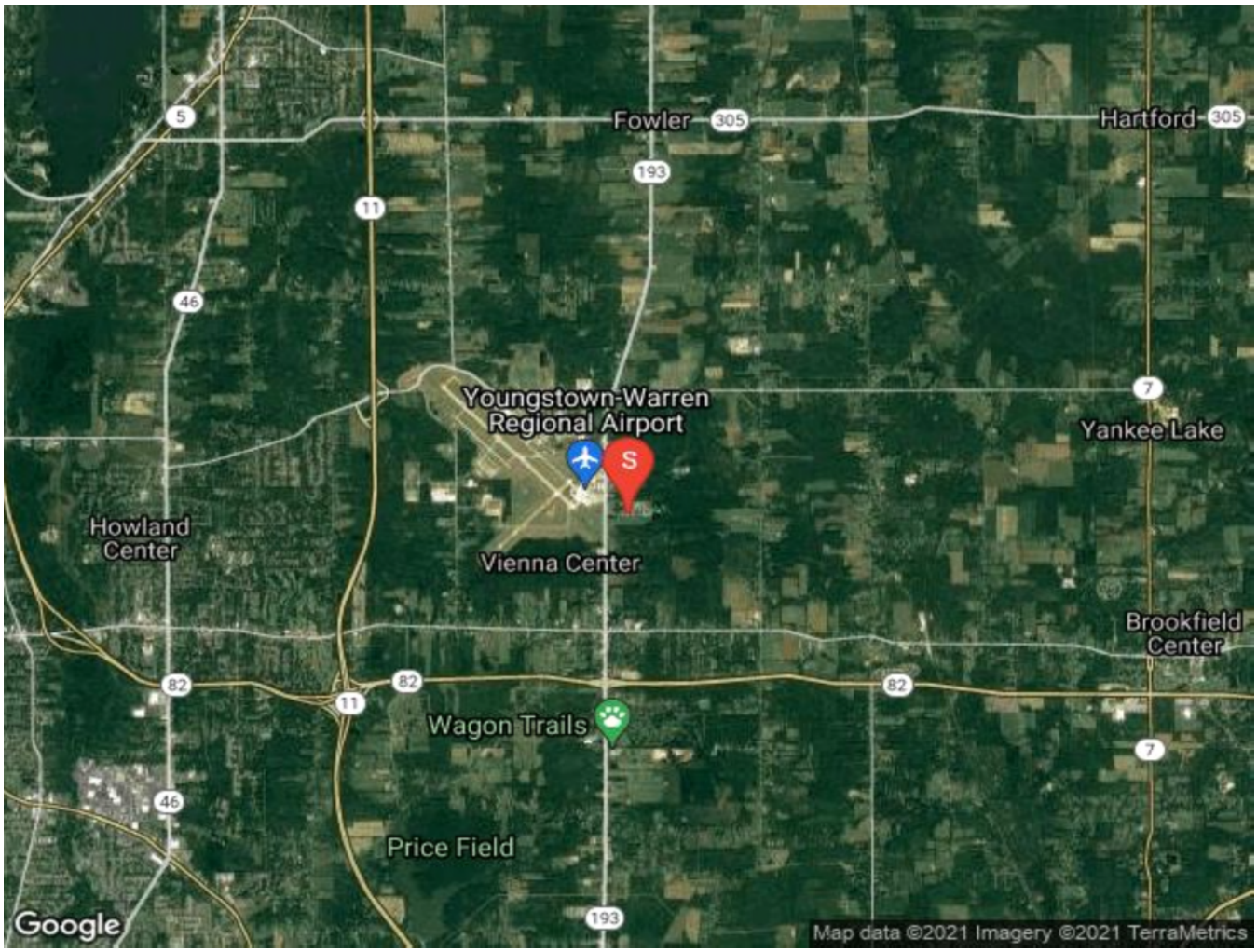
The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Below Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Above Average
Barriers to Competitive Entry	Average

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Surrounding Area Map



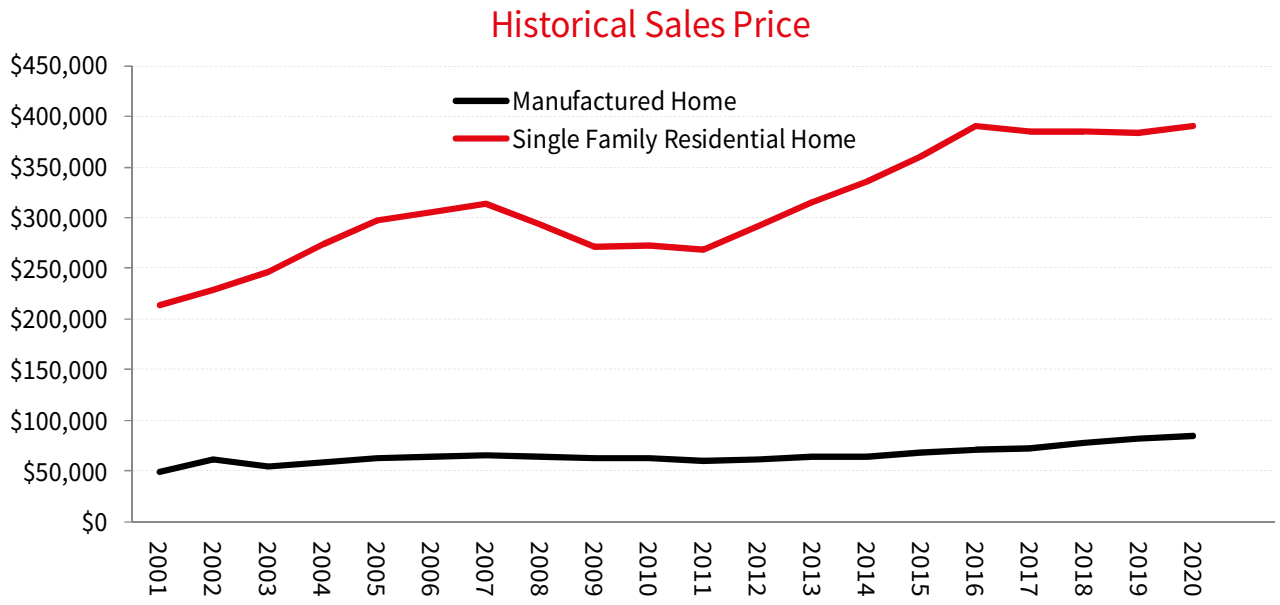
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

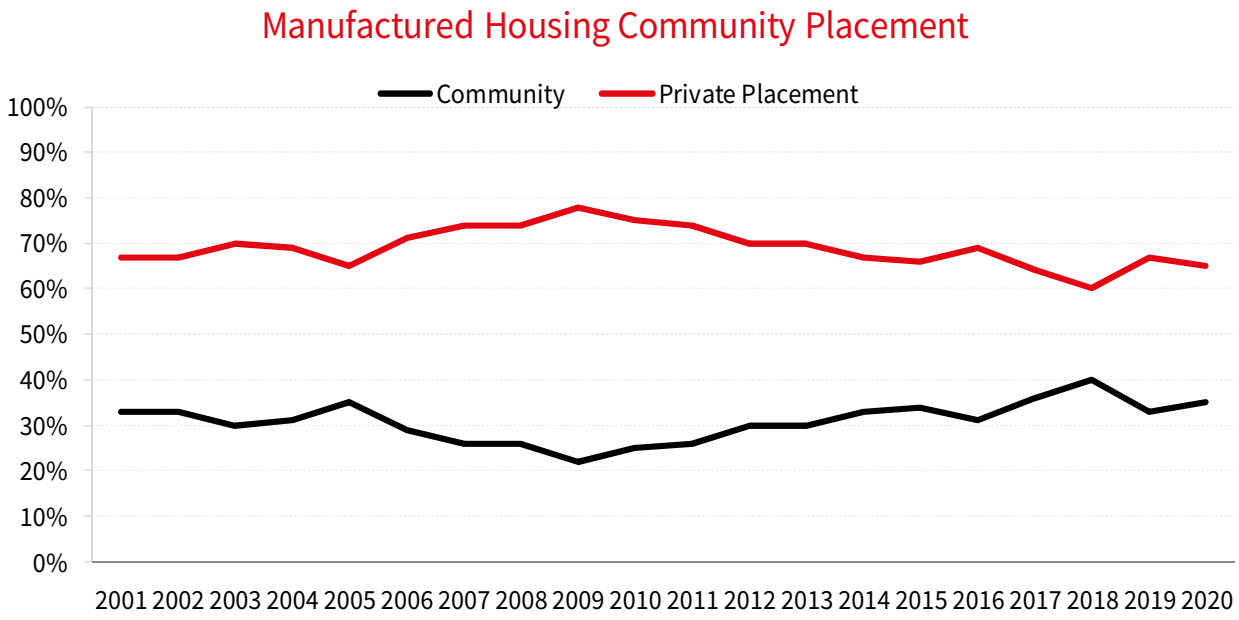


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

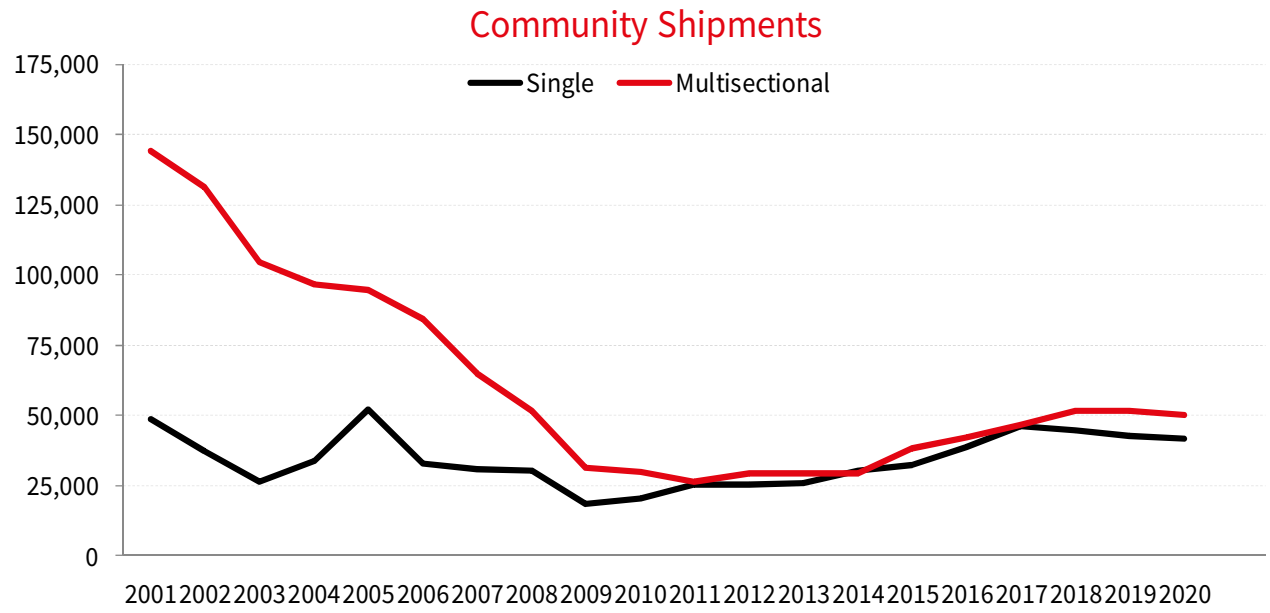


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

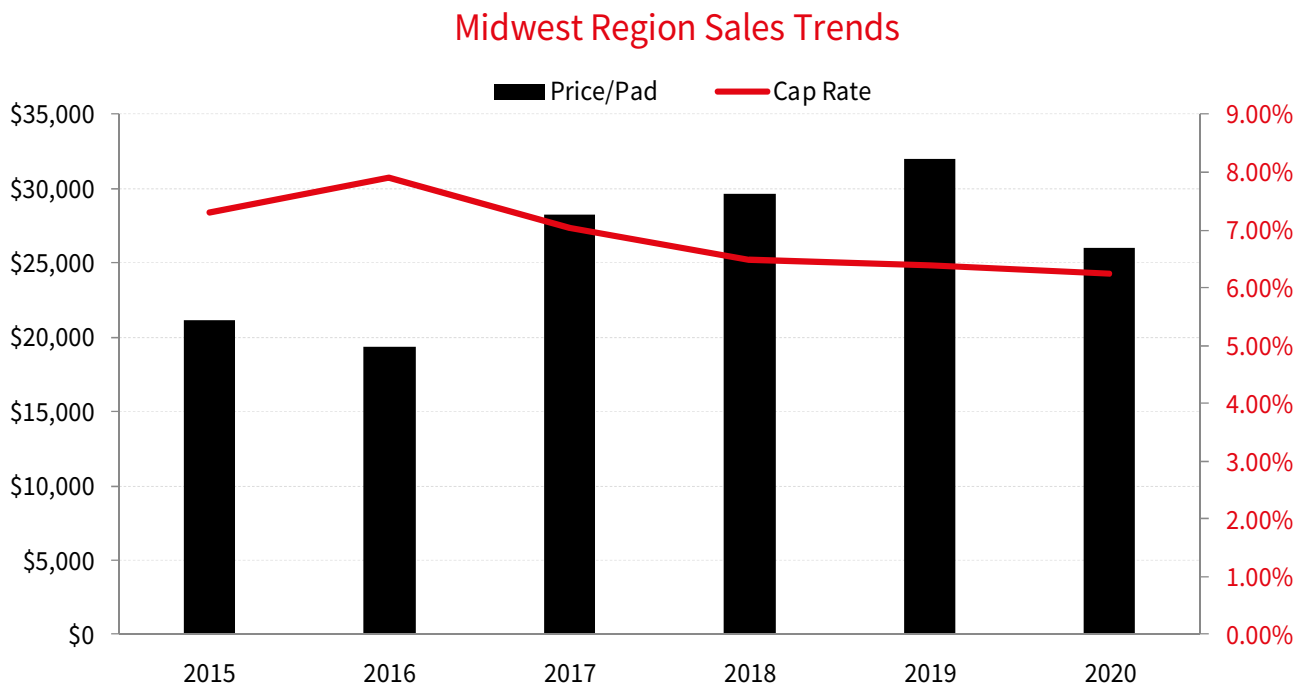
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Davenport	$385	9%	$3,900	$2,374	
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

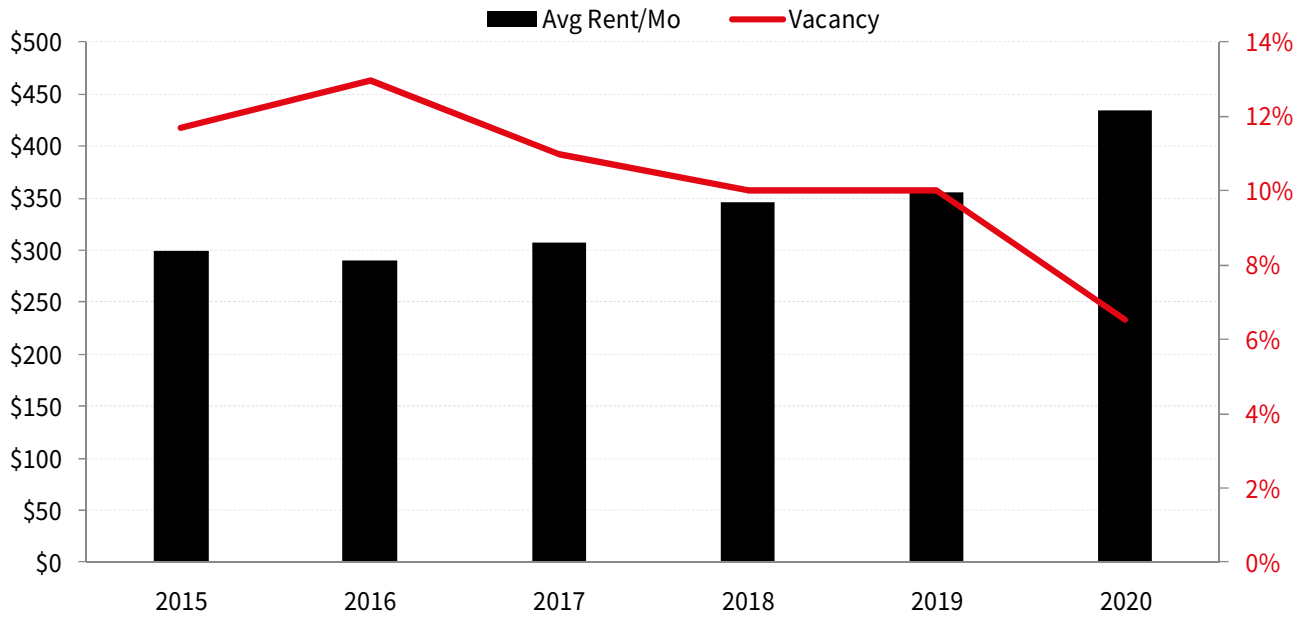
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$25,000	$161,408	-
Down Payment or Deposit	$2,500	$8,070	-
Amount Financed	$22,500	$153,338	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$297	$689	-
Taxes	$52	$336	-
Insurance	$9 - $10	$50	-
Site Rent	$315	-	-
Total Monthly Payment*	$673	$1,075	$750 - $1,000

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a strong value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Vienna, OH located approximately 14.5 miles north of Youngstown. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Brookfield MHP OH 479 Warner Road Brookfield, OH 44403 Tenant-Paid Utilities:	3.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1970	6/8/2021	232	85%	$330
2	Buckeye MHP 2000 Difford Dr Niles, OH Tenant-Paid Utilities:	6.0 Water, Electric, Gas, Cable/Sat	1961	6/8/2021	85	90%	$295
3	Fowler Mobile Home Park 2819 Sodom Hutchings Road Fowler, OH Tenant-Paid Utilities:	3.0 Water, Sewer, Electric, Gas, Cable/Sat	1695	6/8/2021	33	93%	$320
4	FOREST GROVE MHP OHIO 2075 Weir Rd Warren, OH Tenant-Paid Utilities:	7.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1963	6/8/2021	74	93%	$305
5	Valley View Mobile Home Park 301602 5925 Youngstown Hubbard Road Hubbard, OH Tenant-Paid Utilities:	8.0 Water, Sewer, Trash, Electric, Gas, Cable/Sat	1945	6/8/2021	49	100%	$300
Weighted Market Average		5.4	1907		95	89%	$316
	Subject: Four Seasons Mobile Home Park	-	1962	-	193	81%	$300

The weighted average occupancy of the competitive properties is 89%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	71%	76%	78%	82%	81%	78%
Occupied Pads	137	146	151	159	157	
Absorbed Pads/Year		9	5	8	-2	

Source: Borrower documents.

The weighted average occupancy of the competitive properties is 89% and the subject property is currently operating at a physical occupancy of 64% whereas the UMH benchmark is 85%. We are of the opinion that the subject property is operating with below market physical occupancy levels and has upside associated with

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growing physical occupancy through the sale / rental of community owned homes. Ownership is in the process of tracking occupancy towards market levels through the sale / rental of community owned homes. As such, we have projected an opinion of the Prospective Market value Upon Stabilization.

Stabilized Market Value Projection - Considers the subject at stabilized occupancy of 83.4% or 161 occupied sites after a 5 year holding period. We have projected 1% for collection loss.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

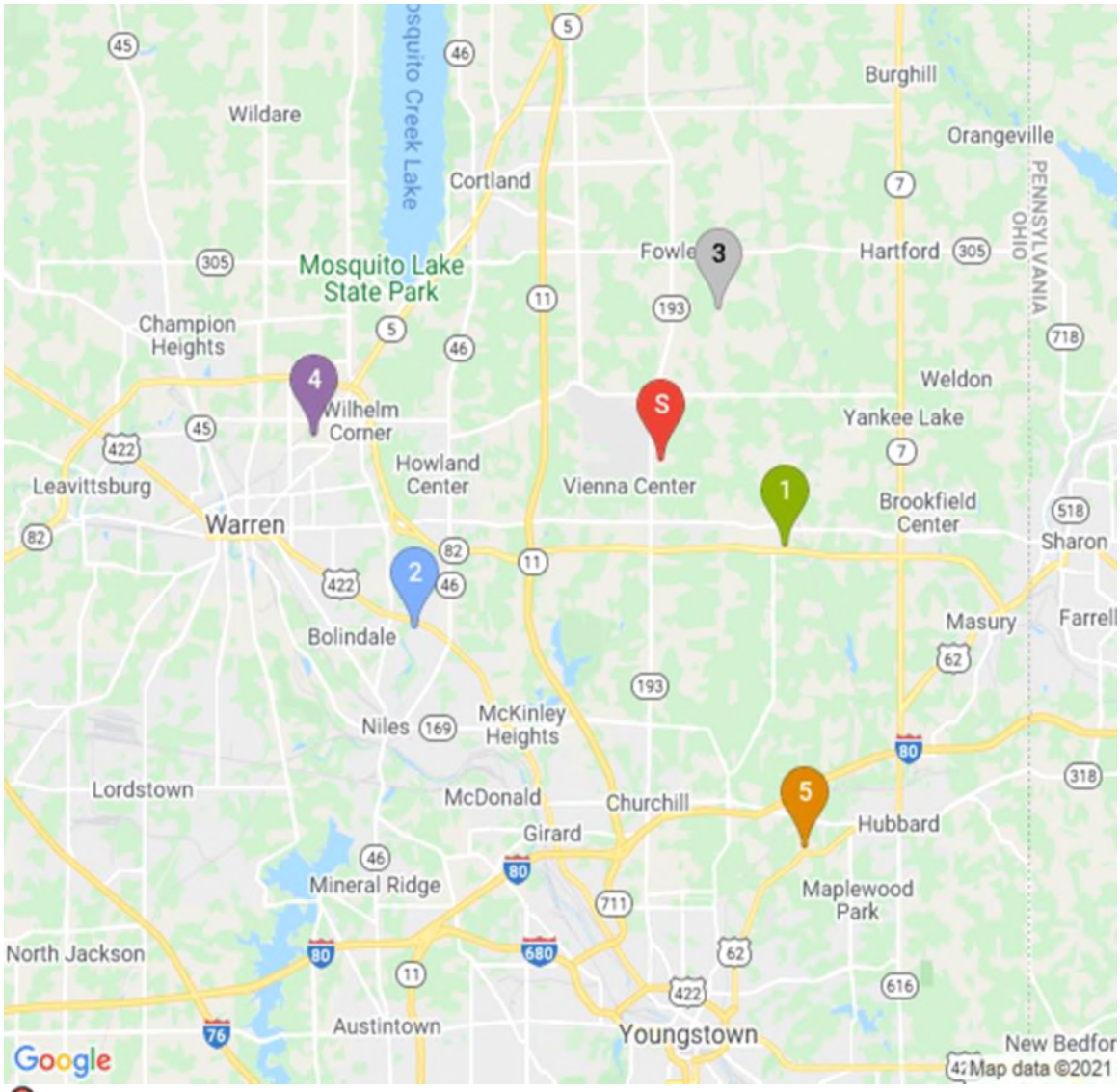
Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

Per review of the rent roll, the property currently has no outstanding past due rent and has not been impacted by COVID-19.

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Competitive Properties Map



S Four Seasons Mobile Home Park - Vienna: 3 South Outer Drive, Vienna, OH 44473

1 Brookfield MHP OH 479 Warner Road, Brookfield, OH

2 Buckeye MHP 2000 Difford Dr, Niles, OH

3 Fowler Mobile Home Park 2819 Sodom Hutchings Road , Fowler, OH

4 FOREST GROVE MHP OHIO 2075 Weir Rd, Warren, OH

5 Valley View Mobile Home Park 301602 5925 Youngstown Hubbard Road, Hubbard, OH

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Property Analysis

Land Description and Analysis

Location

The property is located on the east side of Youngstown Kingsville Rd approximately 6233.6 feet northof its intersection with Warren-Sharon Rd.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
16-048481	4,214,826	96.76
Total	4,214,826	96.76

Source: Public Records

Shape and Dimensions

The site is irregular in shape, with dimensions of approximately 591 feet in width and 4,885 feet in depth. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	39155C0293D
Date	6/18/2010
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are

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beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	Youngstown Kingsville Rd
Frontage Feet	591
Paving	Asphalt
Curbs	None
Sidewalks	None
Lanes	2 way, 1 lane each way
Direction of Traffic	North/South
Condition	Average
Traffic Levels	Low
Signals/Traffic Control	Stop sign
Access/Curb Cuts	None
Visibility	Average

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Trumbull County
Sewer	Trumbull County
Electricity	Santanna Energy Services
Natural Gas	Energy Harbor
Local Phone	Various

Zoning

The subject is zoned MHP, Manufactured Mobile Home Park District, by Vienna Township. The subject is zoned MHP, Manufactured Mobile Home Park District, by Vienna Township. The MHP zone is intended to encourage the establishment of small convenience businesses which are intended to meet the daily or regular needs of the residents of the community. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	Vienna Township	Vienna Township
Zoning Designation	MHP	C2
Description	Manufactured Mobile Home Park District	Business & Commercial District
Legally Conforming?	Appears to be legally conforming	Appears to be legally nonconforming
Zoning Change Likely?	No	No
Permitted Uses	Mobile home parks	Dry Cleaning, Florist Shops, Human Care Facilities, Dance Studios, Banks

Category	Zoning Requirement	
Minimum Lot Area	None stated	None stated
Minimum Street Frontage (Feet)	None stated	None stated
Minimum Lot Width (Feet)	None stated	None stated
Minimum Setbacks (Feet)	Front: 50 ft, Side: 10 ft, Rear: 10 ft	Front: 50 ft, Side: 20 ft, Rear: 30 ft
Maximum Building Height	40 ft or 3 stories	40 ft or 3 stories
Maximum Site Coverage	None stated	None stated
Maximum Floor Area Ratio	None stated	None stated
Parking Requirement	2 vehicles per dwelling unit	1 parking space 200 sf, exclusive of access and driveways, shall be provided for each 300 sf of floor.

Source:

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include mobile home parks. We are not aware of any other particular restrictions on development.

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Aerial Map



The subject is outlined in violet

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VILLAGER

MHC CAPITAL
Real Estate Investments

Economic Analysis

Youngstown MSA Area Demographics

The subject is located in the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area, hereinafter called the Youngstown MSA, as defined by the U.S. Office of Management and Budget. The Youngstown MSA is 1,704 square miles in size, and ranks #105 in population out of the nation's 382 metropolitan areas.

Population

The Youngstown MSA has an estimated 2020 population of 545,175, which represents an average annual 0.4% decrease over the 2010 census amount of 565,773. Youngstown MSA lost an average of 2,060 residents per year over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Ohio.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	1,699	1,551	1,490	-0.9%	-0.8%
3 mi. radius	26,051	23,775	22,997	-0.9%	-0.7%
5 mi. radius	69,847	65,577	63,710	-0.6%	-0.6%
Trumbull County	210,312	200,662	195,615	-0.5%	-0.5%
Youngstown MSA	565,773	545,175	533,421	-0.4%	-0.4%
Ohio	11,536,504	11,829,645	11,968,541	0.3%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Youngstown MSA's population is projected to decline at a 0.4% annual rate from 2020 - 2025, equivalent to the loss of an average of 2,351 residents per year. The Youngstown MSA growth rate is expected to lag that of Ohio, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Youngstown MSA is 198,875 jobs. Since 2011, employment declined by 24,492 jobs, equivalent to a 11.0% loss over the entire period. There were declines in employment in five of the past ten years, influenced in part by the national economic downturn and slow recovery.

The Youngstown MSA's rate of change in employment significantly underperformed the State of Ohio, which experienced an increase in employment of 2.9% or 146,000 over this period.

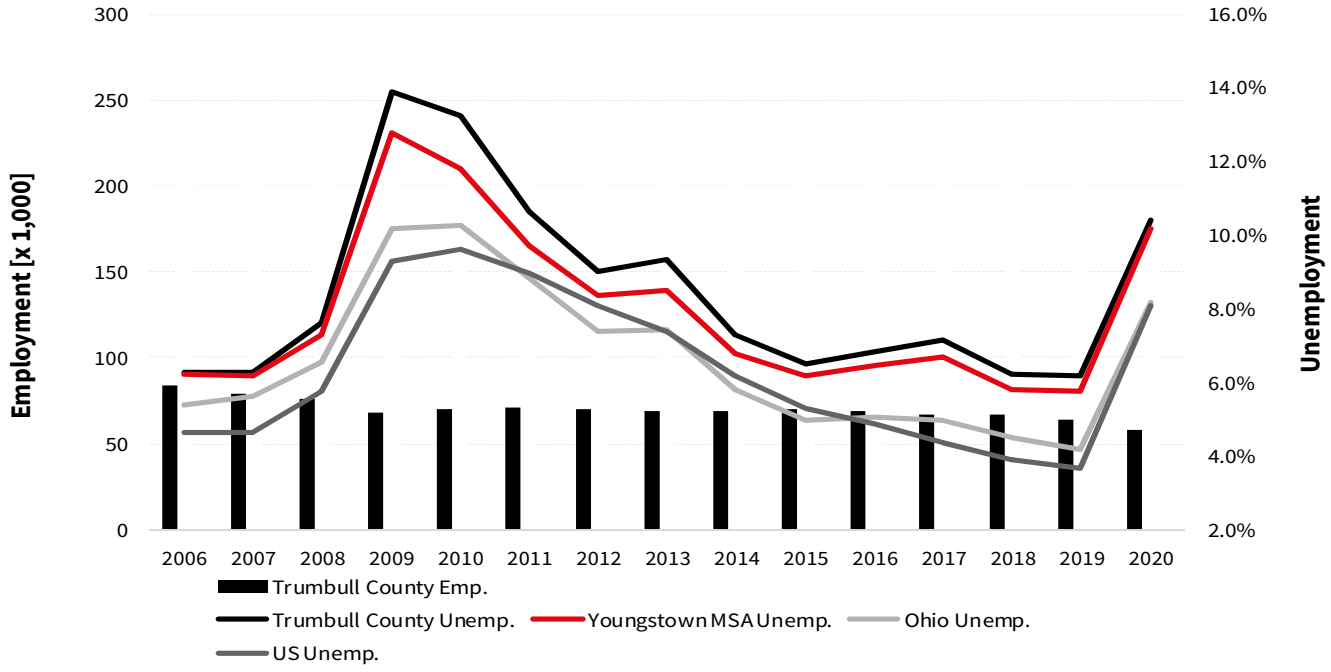
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Employment Trends

	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
Year	Trumbull County	Change	Youngstown MSA	Change	Ohio	Change	United States	Change	Trumbull County	Youngstown MSA	Ohio	United States
2006	84,130	-	242,933	-	5,435,258	-	136,435,417	-	6.3%	6.2%	5.4%	4.6%
2007	79,246	-5.8%	239,083	-1.6%	5,426,742	-0.2%	137,981,250	1.1%	6.3%	6.2%	5.6%	4.6%
2008	75,979	-4.1%	234,350	-2.0%	5,361,600	-1.2%	137,223,833	-0.5%	7.6%	7.3%	6.6%	5.8%
2009	68,032	-10.5%	219,267	-6.4%	5,072,375	-5.4%	131,296,083	-4.3%	13.9%	12.8%	10.2%	9.3%
2010	69,719	2.5%	219,975	0.3%	5,035,925	-0.7%	130,345,000	-0.7%	13.2%	11.8%	10.3%	9.6%
2011	70,706	1.4%	223,367	1.5%	5,107,908	1.4%	131,914,417	1.2%	10.6%	9.7%	8.8%	9.0%
2012	70,217	-0.7%	225,433	0.9%	5,201,625	1.8%	134,157,417	1.7%	9.0%	8.4%	7.4%	8.1%
2013	69,395	-1.2%	225,383	0.0%	5,266,792	1.3%	136,363,833	1.6%	9.3%	8.5%	7.5%	7.4%
2014	69,322	-0.1%	225,508	0.1%	5,343,983	1.5%	138,939,750	1.9%	7.3%	6.8%	5.8%	6.2%
2015	69,800	0.7%	225,808	0.1%	5,423,583	1.5%	141,824,917	2.1%	6.5%	6.2%	5.0%	5.3%
2016	69,189	-0.9%	223,967	-0.8%	5,481,042	1.1%	144,335,833	1.8%	6.8%	6.5%	5.1%	4.9%
2017	66,926	-3.3%	219,917	-1.8%	5,525,750	0.8%	146,607,583	1.6%	7.2%	6.7%	5.0%	4.4%
2018	66,676	-0.4%	219,925	0.0%	5,562,608	0.7%	148,908,417	1.6%	6.2%	5.8%	4.5%	3.9%
2019	63,885	-4.2%	216,733	-1.5%	5,594,608	0.6%	150,904,750	1.3%	6.2%	5.8%	4.2%	3.7%
2020	57,871	-9.4%	198,875	-8.2%	5,253,908	-6.1%	142,184,833	-5.8%	10.4%	10.2%	8.2%	8.1%
10 Yr Change	**-12,835**	**-18.2%**	**-24,492**	**-11.0%**	**146,000**	**2.9%**	**10,270,417**	**7.8%**				
Avg Unemp. Rate 2011-2020									8.0%	7.4%	6.1%	6.1%
Unemployment Rate - Mar 2021									6.4%	6.9%	4.9%	6.2%

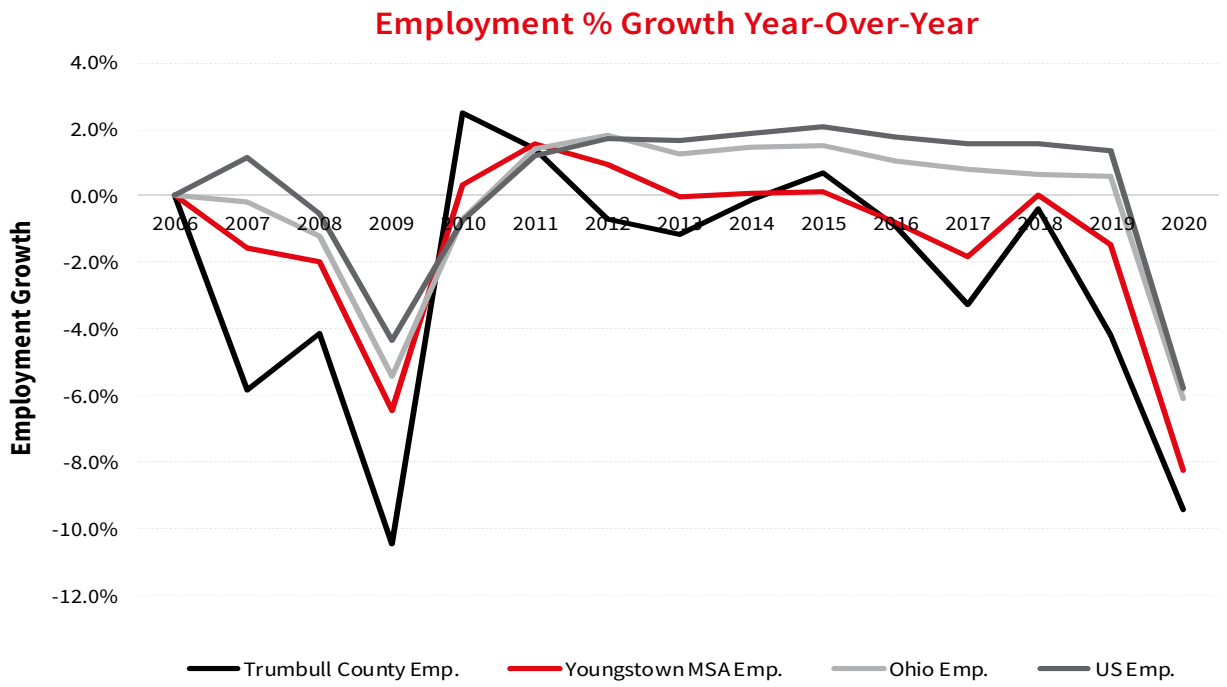
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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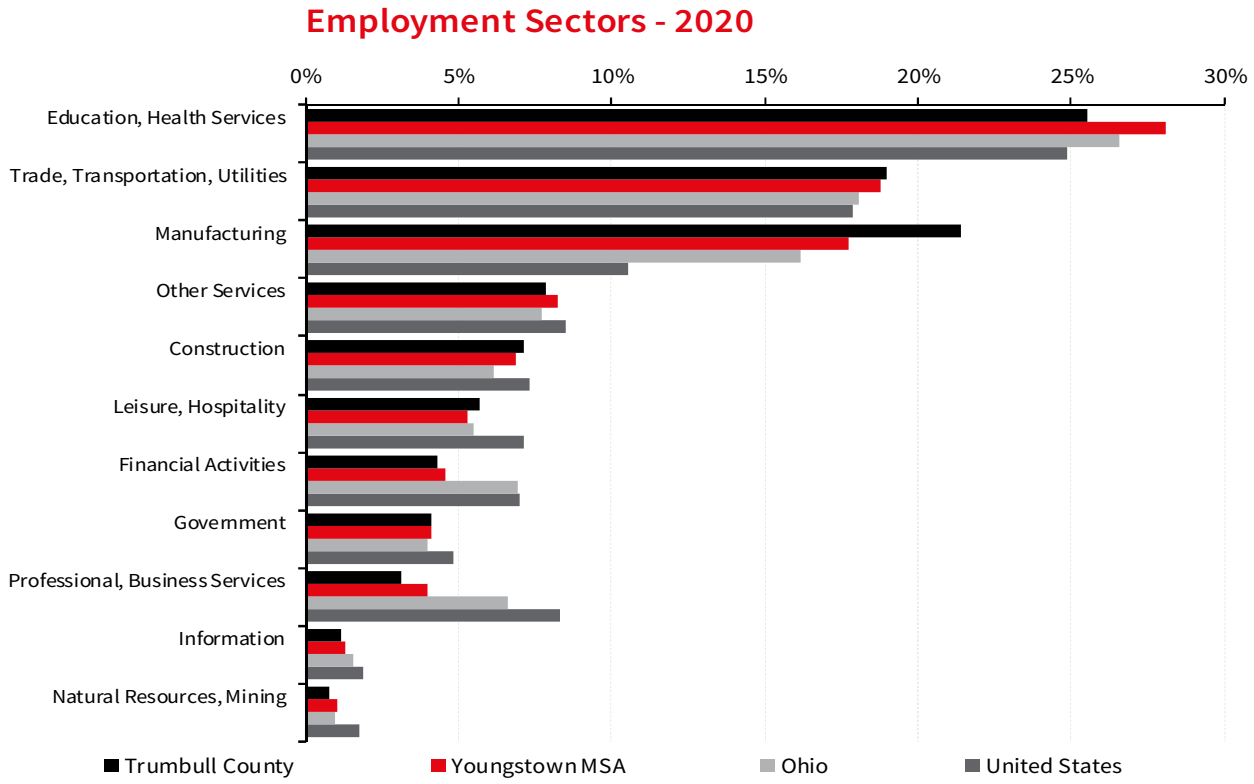
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Youngstown MSA unemployment rate of 7.4% has been higher than the Ohio rate of 6.1%. In the latter half of the decade that trend has continued, as the Youngstown MSA has consistently underperformed Ohio. Recent data shows that the Youngstown MSA unemployment rate is 6.9%, in comparison to a 4.9% rate for Ohio, a negative sign for the Youngstown MSA economy and one that is exacerbated by the fact that the Youngstown MSA has underperformed Ohio in the rate of job growth over the past two years.

Employment Sectors

The composition of the Youngstown MSA job market is illustrated in the chart below, paired with that of Ohio. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Youngstown MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Youngstown MSA has a greater percentage employment than Ohio in the following categories:

1. Education, Health Services - which accounts for 28.1% of Youngstown MSA payroll employment compared to 26.6% for Ohio as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade, Transportation, Utilities - which accounts for 18.8% of Youngstown MSA payroll employment compared to 18.1% for Ohio as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Manufacturing - which accounts for 17.8% of Youngstown MSA payroll employment compared to 16.1% for Ohio as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Other Services - which accounts for 8.2% of Youngstown MSA payroll employment compared to 7.7% for Ohio as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

The Youngstown MSA is underrepresented in the following categories:

1. Professional, Business Services - which accounts for 4.0% of Youngstown MSA payroll employment compared to 6.6% for Ohio as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

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2. Financial Activities - which accounts for 4.6% of Youngstown MSA payroll employment compared to 6.9% for Ohio as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Information - which accounts for 1.3% of Youngstown MSA payroll employment compared to 1.5% for Ohio as a whole. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.
4. Leisure, Hospitality - which accounts for 5.3% of Youngstown MSA payroll employment compared to 5.5% for Ohio as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Major Employers

The table below contains major employers in the Youngstown MSA.

Major Employers - Youngstown MSA

	Name	Employees
1	Mercy Health	4,400
2	General Motors Corp.	3,600
3	ValleyCare Health System	3,200
4	Youngstown Air Reserve Station	1,792
5	Windsor House	1,500
6	Alorica	1,300
7	Youngstown State University	1,200
8	Diocese of Youngstown	1,200
9	Infocision	1,050
10	VXI Global Solutions	1,050
11	Salem Community Hospital	992
12	Wal-Mart Stores Inc.	842
13	Akron Children's Hospital	787
14	AIM NationaLease	750
15	East Liverpool City Hospital	700
16	Briarfield Manor Health Care Centers	650
17	Boardman Local Schools	644
18	Delphi Packard Electric Systems	600
19	Home Savings & Loan	600
20	Ohio Security Systems	600

Sources(s): Youngstown/Warren Regional Chamber, 2018

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Youngstown MSA ranks #127 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Youngstown MSA than Ohio overall during the past nine years. The Youngstown MSA has expanded at a 0.1% average annual rate while the State of Ohio has grown at a 1.9% rate. As the national economy improves, the Youngstown

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MSA has reversed that trend and outperformed Ohio. GDP for the Youngstown MSA rose by 1.7% in 2019 while Ohio's grew by 1.5%.

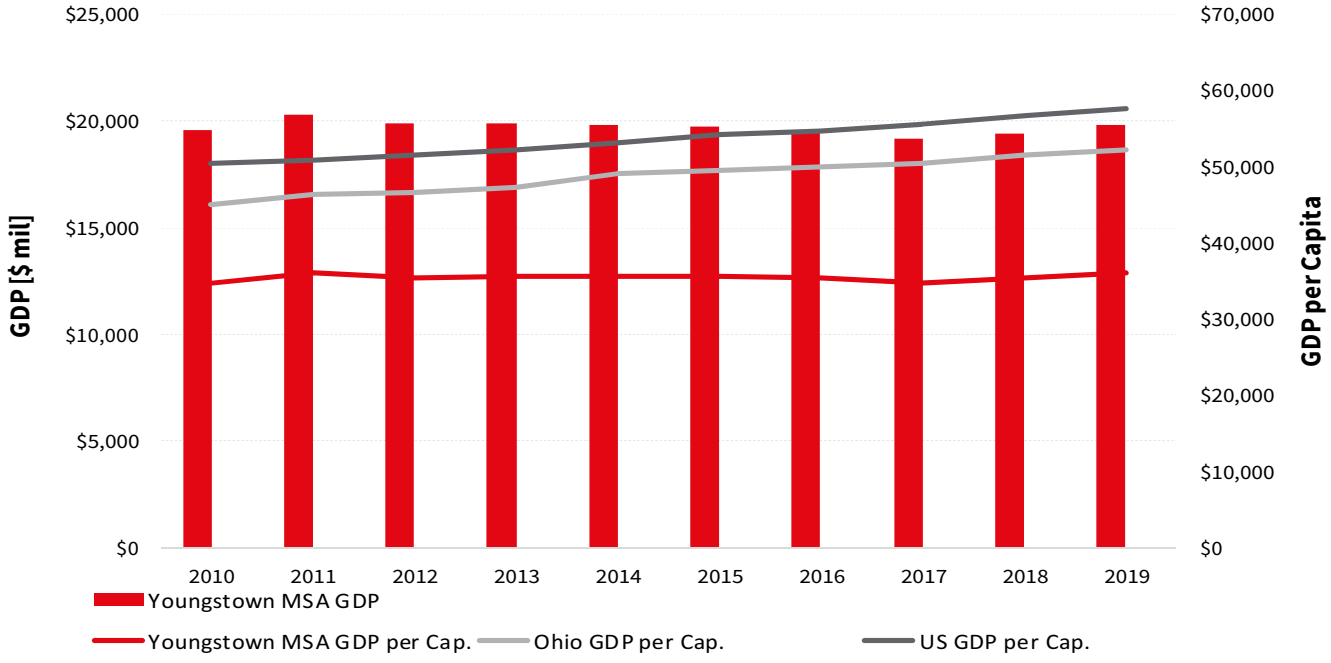
The Youngstown MSA has a per capita GDP of $36,172, which is 31.0% less than Ohio's GDP of $52,157. This means that the Youngstown MSA industries and employers are adding relatively much less to the economy than their peers in Ohio.

Gross Domestic Product

	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Youngstown MSA	Change	Ohio	Change	United States	Change	Youngstown MSA	Ohio	United States
2010	$19,604	-	$520,301	-	$15,598,753	-	$34,650	$45,100	$50,523
2011	$20,336	3.7%	$536,583	3.1%	$15,840,664	1.6%	$36,074	$46,394	$50,894
2012	$19,931	-2.0%	$540,882	0.8%	$16,197,007	2.2%	$35,487	$46,647	$51,623
2013	$19,926	0.0%	$550,692	1.8%	$16,495,369	1.8%	$35,609	$47,374	$52,158
2014	$19,831	-0.5%	$571,425	3.8%	$16,912,038	2.5%	$35,570	$49,034	$53,055
2015	$19,751	-0.4%	$579,943	1.5%	$17,432,170	3.1%	$35,557	$49,640	$54,260
2016	$19,567	-0.9%	$585,045	0.9%	$17,730,509	1.7%	$35,357	$49,951	$54,762
2017	$19,148	-2.1%	$592,726	1.3%	$18,144,105	2.3%	$34,730	$50,480	$55,609
2018	$19,455	1.6%	$606,142	2.3%	$18,687,786	3.0%	$35,418	$51,494	$56,839
2019	$19,795	1.7%	$615,474	1.5%	$19,091,662	2.2%	$36,172	$52,157	$57,629
10 Yr Change	**$191**	**0.1%**	**$95,174**	**1.9%**	**$3,492,909**	**2.3%**	**$1,522**	**$7,057**	**$7,106**

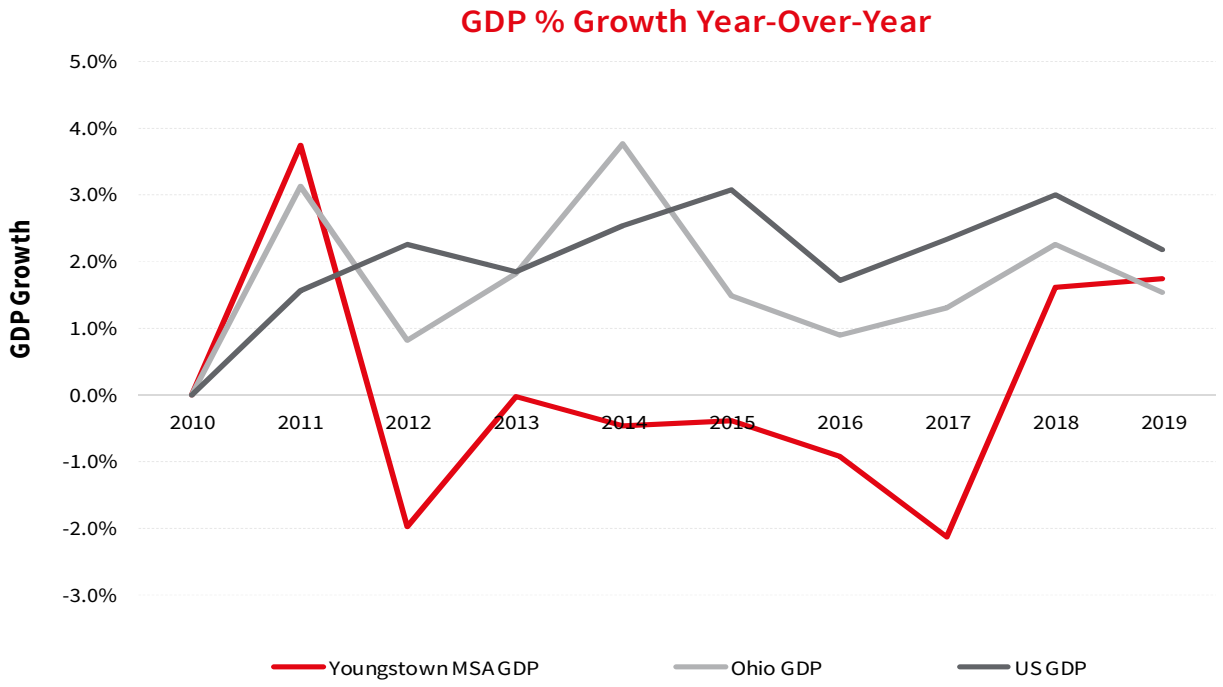
Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

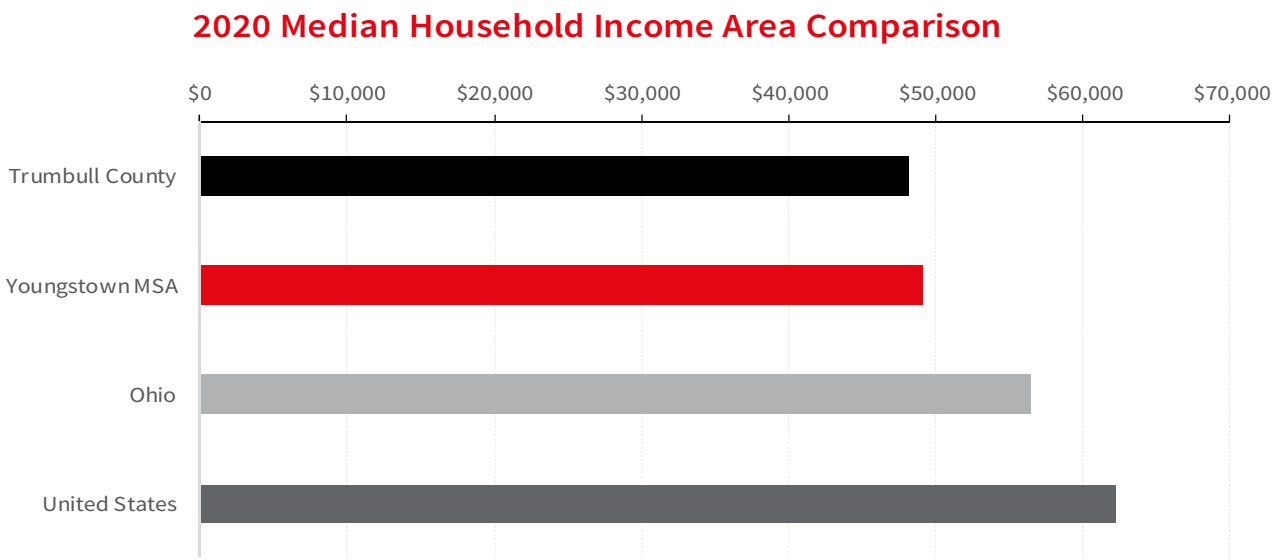
The Youngstown MSA has a much lower level of household income than Ohio. Median household income for the Youngstown MSA is $49,150, which is 12.8% less than Ohio.

Median Household Income

	Med. Household Income		Compound Ann. % Chng
Area	2020 Est.	2025 Est.	2020 - 2025
Trumbull County	$48,223	$51,112	1.2%
Youngstown MSA	$49,150	$51,775	1.0%
Ohio	$56,352	$60,126	1.3%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

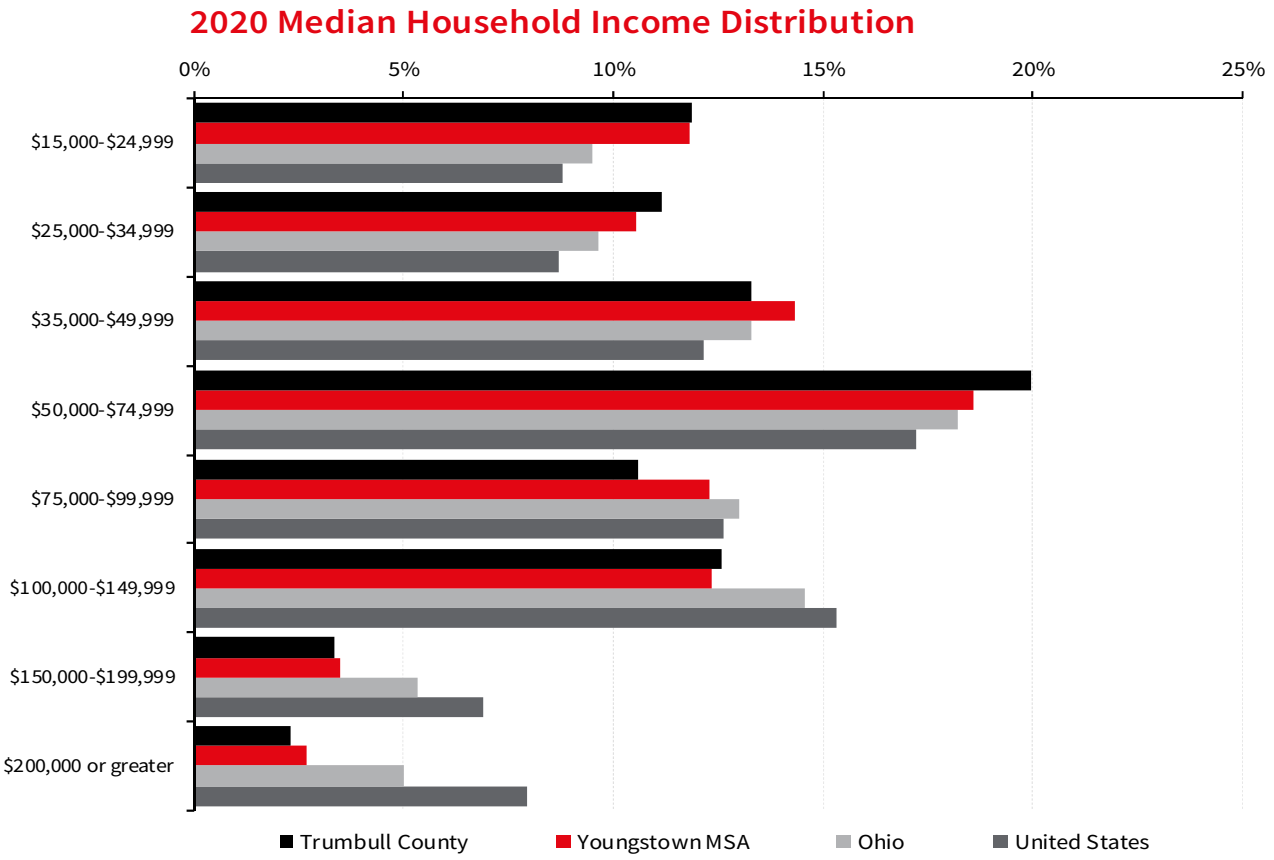
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Youngstown MSA has a greater concentration of households in the lower income levels than Ohio. Specifically, 36% of the Youngstown MSA households are below the $35,000 level in household income as compared to 31% of Ohio households. A smaller concentration of households exists in the higher income levels, as 31% of the Youngstown MSA households are at the $75,000 or greater levels in household income versus 38% of Ohio households.

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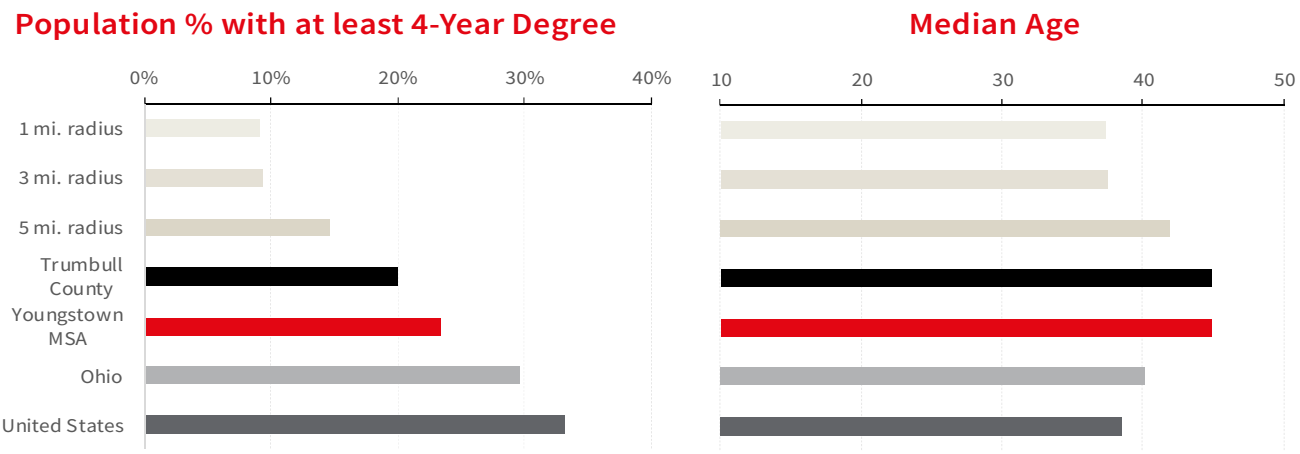


Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Youngstown MSA have a lower level of educational attainment than those in Ohio. An estimated 23.4% of the Youngstown MSA residents are college graduates with four-year degrees or higher, while Ohio residents have an estimated 29.6% with at least a four-year degree. People in the Youngstown MSA are older than their peers in Ohio. The median age of the Youngstown MSA is 45 years, while Ohio is 40 years.

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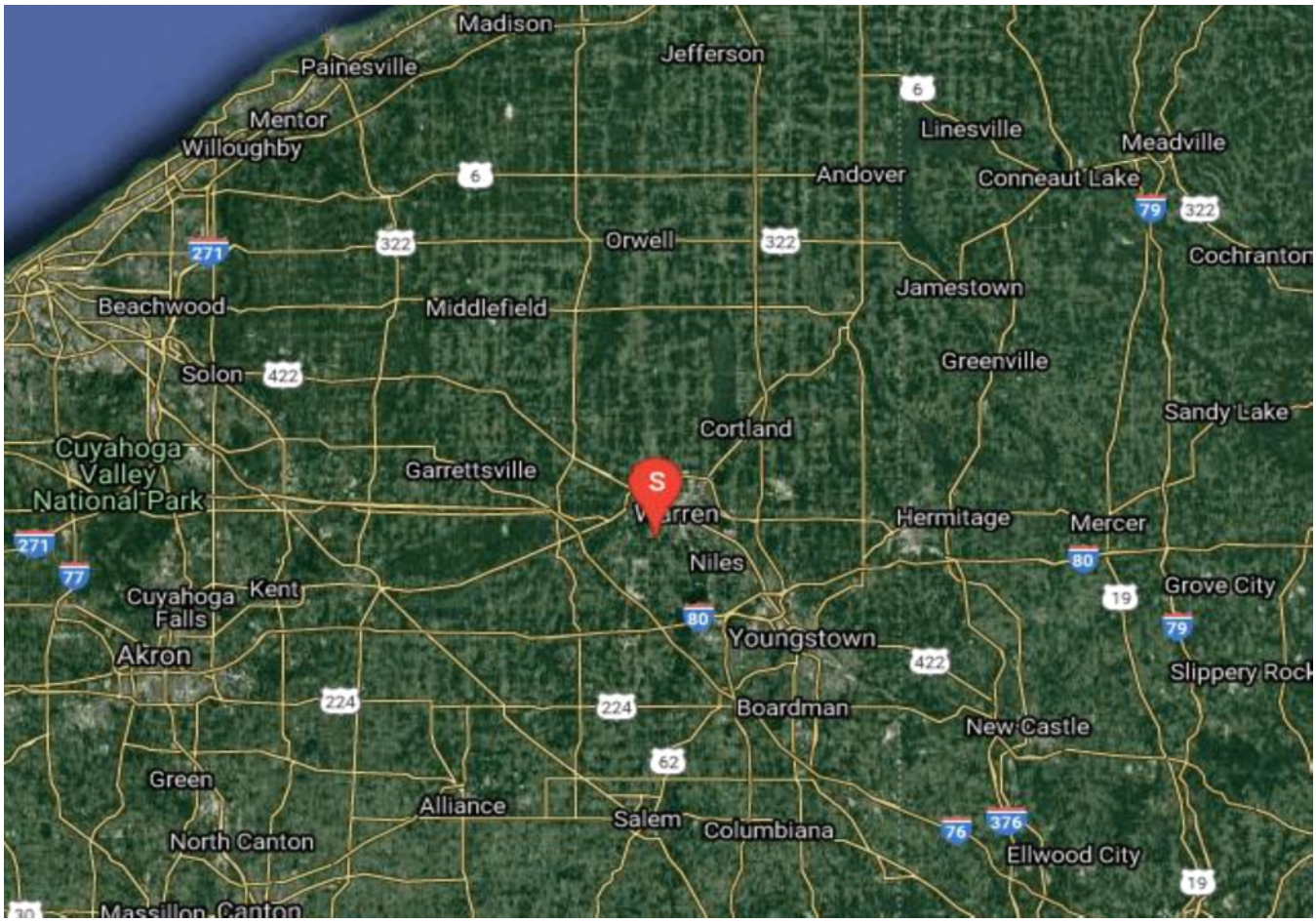
Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Youngstown MSA's economy faces significant headwinds, with a declining population base, and lower income and education levels. The employment situation in the Youngstown MSA is facing challenges, as the number of jobs has declined during the past decade, which is exacerbated by the fact that unemployment has been greater than Ohio over the same period. In addition to the employment headwinds, the Youngstown MSA is facing challenges from lagging Ohio in both GDP growth in the past nine years and its GDP per capita. Based on these factors, we project that growth in the Youngstown MSA will be limited, and there will be continued weakness in the demand for real estate in general.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the Warren Township area of Trumbull County and generally is delineated as follows:

North	Kincaid East Rd NW
South	Hewitt Gifford Rd SW
East	N Park Ave / Austintown Warren Rd
West	Diehl South Rd

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by US Route 422, a major arterial that crosses the Youngstown metro area in a Southeast direction. Access to the subject from US Route 422 is provided by Hwy 45, and travel time from the major arterial to the subject is about 10 minutes. Overall, vehicular access is good.

The Youngstown-Warren Regional Airport is located about 15 miles from the property; travel time is about 45 minutes, depending on traffic conditions. The Youngstown CBD, the economic and cultural center of the region, is approximately 21 miles from the property.

Demand Generators

Major employers include AVI Food Systems, Delphi Packard Electric Systems, and Ohio Security Systems. These are located within 5 miles of the property and represent significant concentrations in the Food Service, Auto Parts, and Security/Janitorial industries. Access to employment centers in other submarkets is a major demand driver.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Trumbull County	Youngstown MSA	Ohio	United States
Population							
2010	1,699	26,051	69,847	210,312	565,773	11,536,504	308,745,538
2020	1,551	23,775	65,577	200,662	545,175	11,829,645	333,793,107
2025	1,490	22,997	63,710	195,615	533,421	11,968,541	346,021,282
Compound Chg 2010 - 2020	-0.91%	-0.91%	-0.63%	-0.47%	-0.37%	0.25%	0.78%
Compound Chg 2020 - 2025	-0.80%	-0.66%	-0.58%	-0.51%	-0.43%	0.23%	0.72%
Density	494	841	835	325	320	290	95
Households							
2010	711	9,854	29,031	86,011	231,165	4,603,435	116,716,292
2020	662	9,221	27,837	83,676	225,604	4,754,087	126,083,849
2025	640	8,955	27,204	82,074	221,663	4,816,715	130,658,485
Compound Chg 2010 - 2020	-0.71%	-0.66%	-0.42%	-0.27%	-0.24%	0.32%	0.77%
Compound Chg 2020 - 2025	-0.67%	-0.58%	-0.46%	-0.39%	-0.35%	0.26%	0.72%
Other Demographics							
Med. Household Income	$18,340	$24,052	$34,493	$48,223	$49,150	$56,352	$62,203
Avg. Household Size	2.3	2.4	2.3	2.4	2.3	2.4	2.6
College Graduate %	9.1%	9.3%	14.6%	20.0%	23.4%	29.6%	33.1%
Median Age	37	38	42	45	45	40	39
Owner Occupied %	53%	55%	64%	74%	70%	65%	64%
Renter Occupied %	47%	45%	36%	26%	30%	35%	36%
Med. Home Value	$35,341	$49,688	$76,832	$113,095	$119,046	$154,586	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 23,775, and the average household size is 2.4. Population in the area has declined since the 2010 census, and this trend is expected to continue in the ensuing five years. The population within a three-mile radius is projected to contract at a faster rate than the Youngstown MSA overall.

Median household income is $24,052, which is considerably lower than the household income for the Youngstown MSA as a whole. The populace within a three-mile radius has a notably lower level of formal college education than residents in the Youngstown MSA, and median home values in the area are also substantially lower.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	6	Car-Dependent
Bike Score	27	Somewhat Bikeable

Source: Walkscore.com, updated 05/17/2021. Compiled by JLL Valuation & Advisory Services, LLC.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

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Retail and Public Services

The nearest shopping facilities serving the area are located at Great East Plaza Annex Shopping Center, about 7 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Eastwood Mall Complex, located about 7 miles from the property. Restaurants, principally along major arterials such as South St SW, W Market St, and Elm Rd NE, are within a 15-minute travel time of the property. The closest lodging facilities are located within a 25-minute drive of the subject and include Econo Lodge Inn, Economy Inn, and Hampton Inn.

The nearest fire and police stations are within 3 miles of the property. The closest elementary/middle school is 1 mile and the local high school is approximately 4 miles away. The closest colleges and universities is ETI College. They offer Business Degree, Legal Assistance, Medical Assistance and Practical Nursing programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Perkins Park Foster Pavillion.

Land Use

In the immediate vicinity of the subject, land uses include a mix of Apartments, Commercial and Agricultural. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	80%
Percent Developed by Land use	10% Condo; 55% Single Family; 20% Apartments; 15% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Vacant Land
South	Vacant Land
East	Tod Ave SW
West	Vacant Land

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

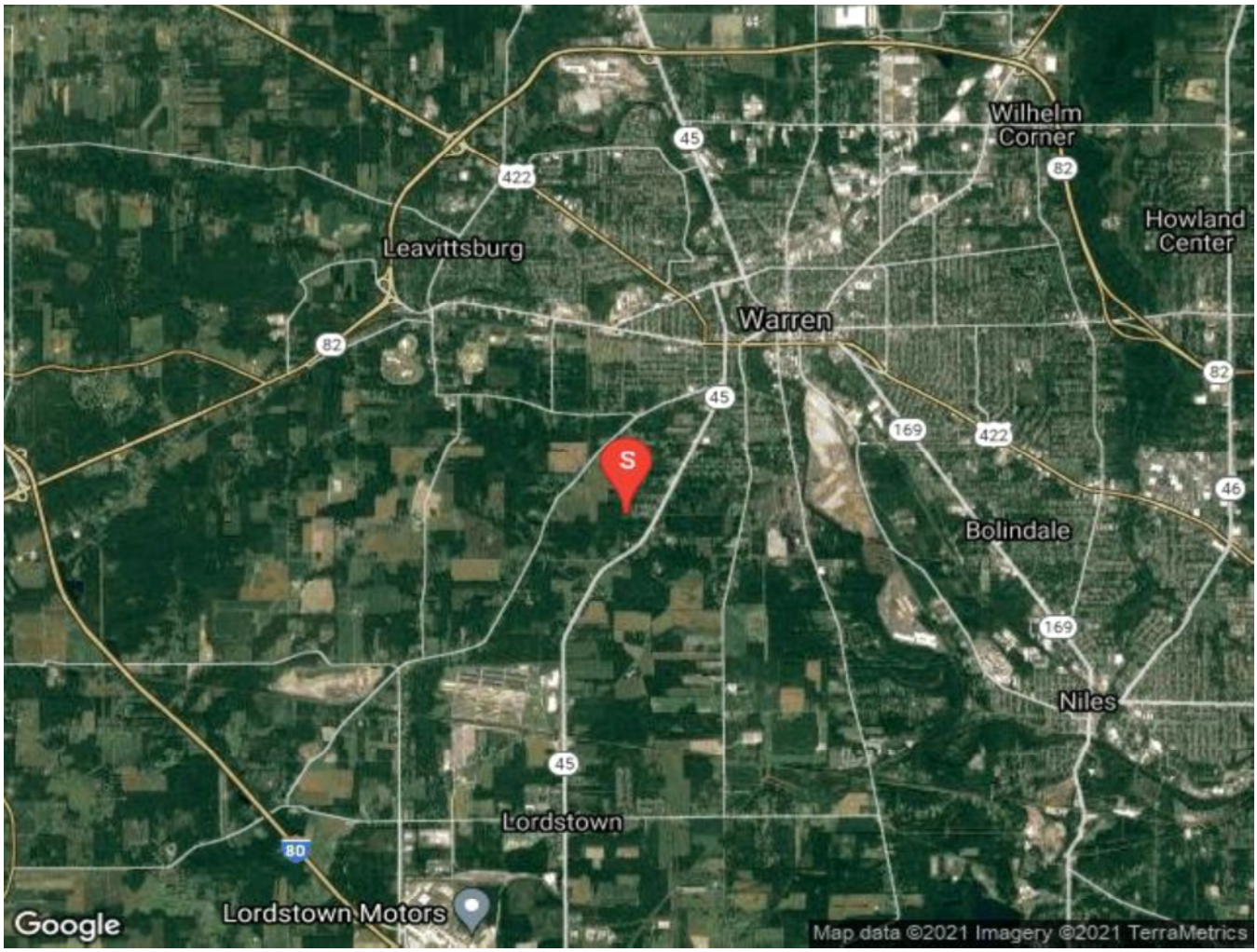
The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



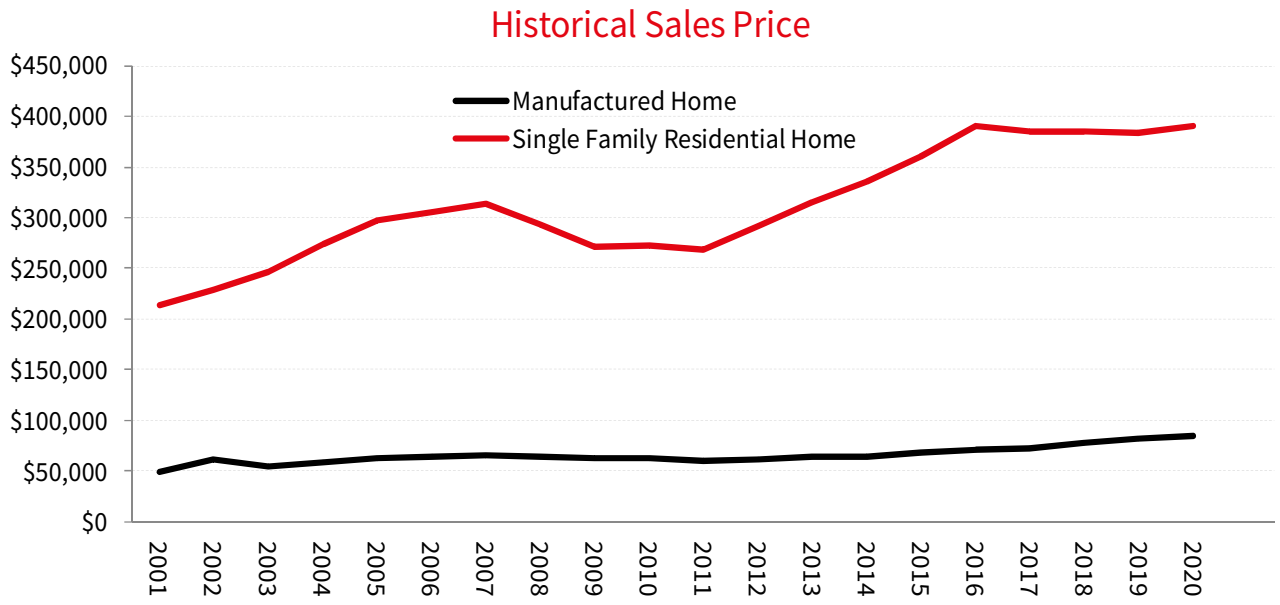
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

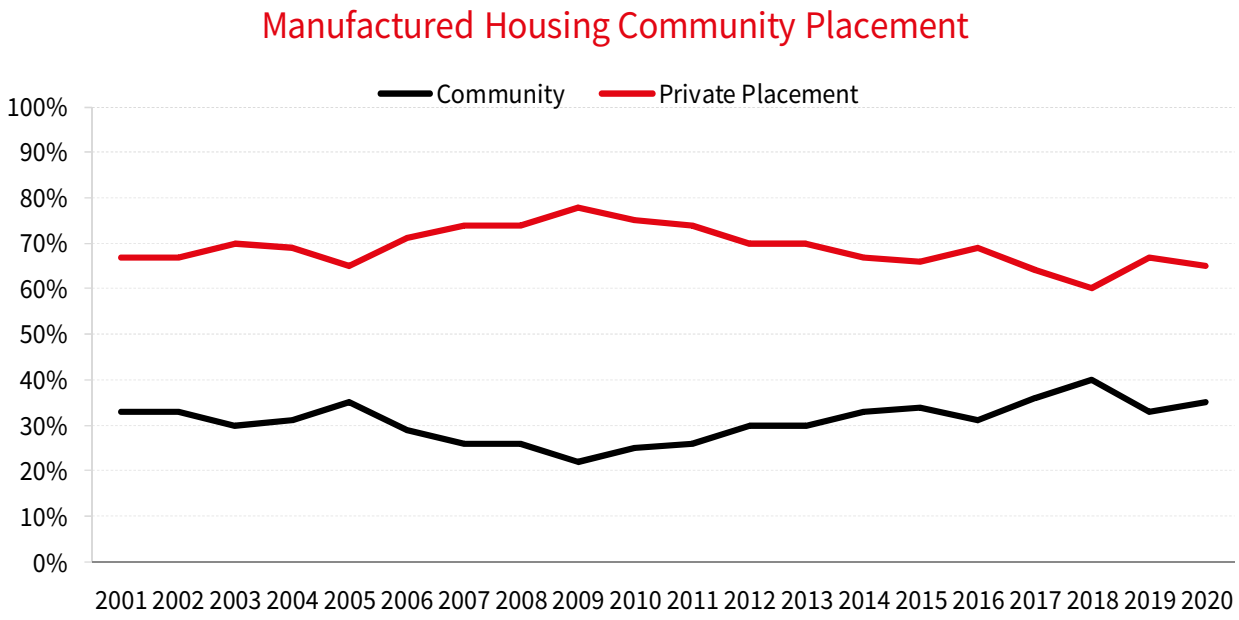


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

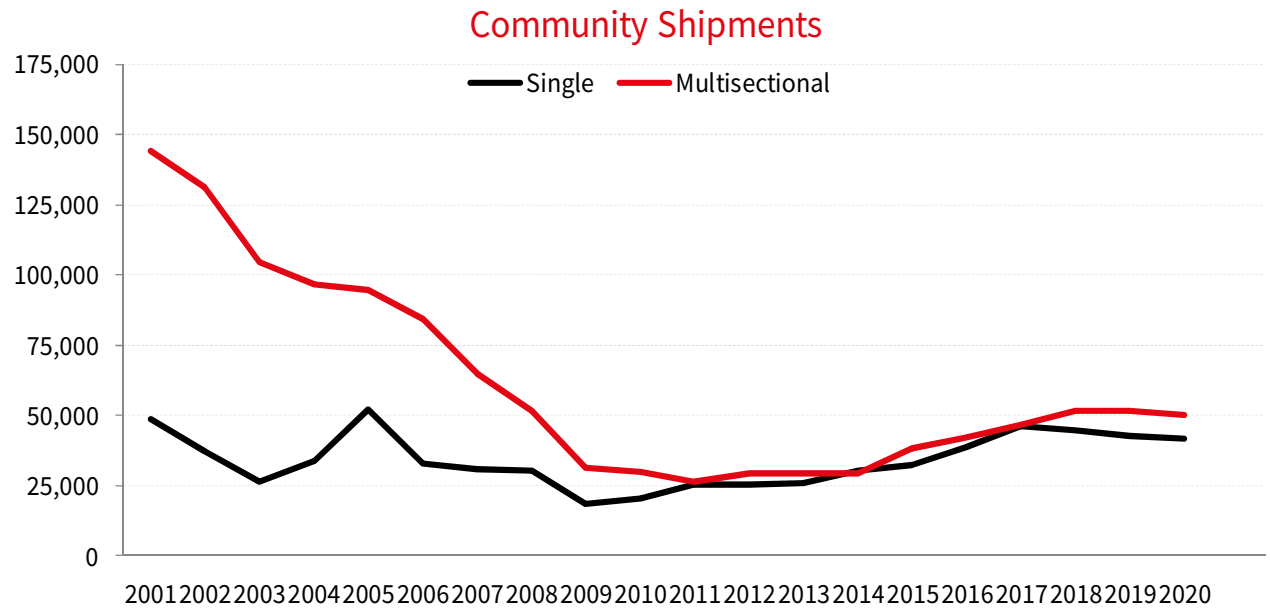


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

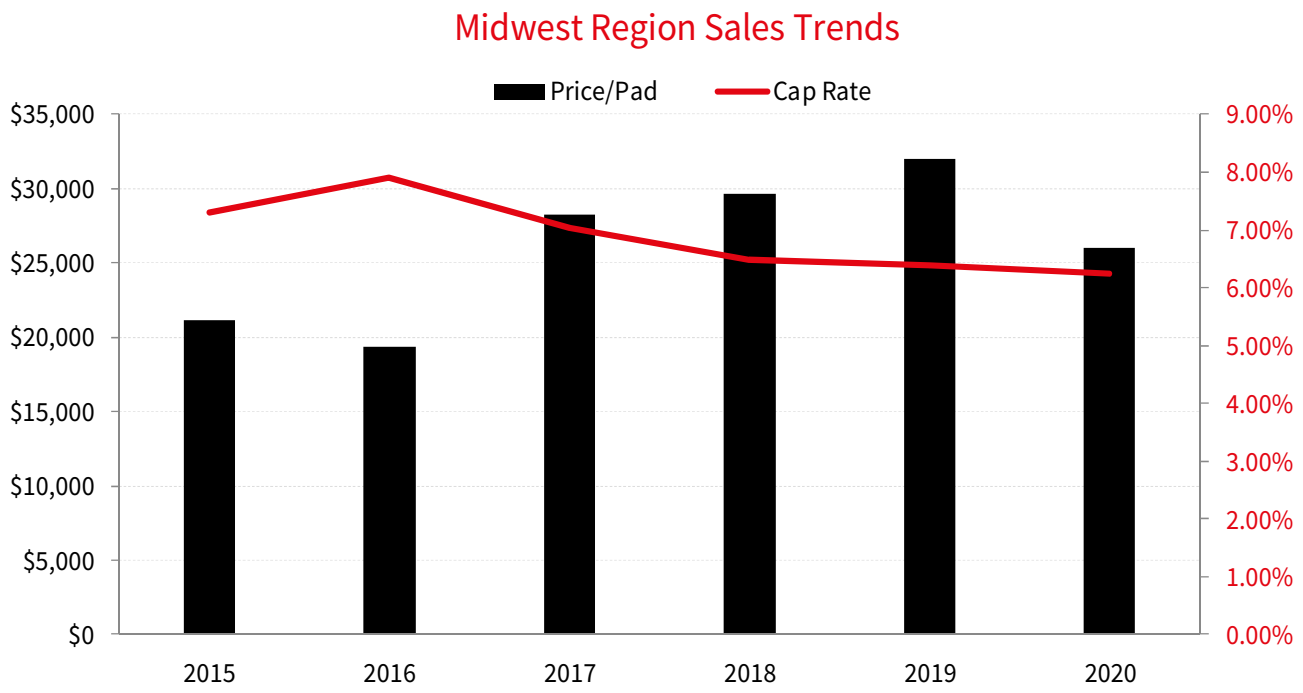
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Midwest Region Sales Trends

Midwest Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$21,189	7.31%
2016	$19,323	7.91%
2017	$28,213	7.04%
2018	$29,683	6.48%
2019	$32,031	6.39%
2020	$26,043	6.25%
Overall	$26,132	6.88%

Source: JLL Research



Source: JLL Research

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Midwest Region Recent Market Statistics

Recent data for Midwest and East North Central Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

Midwest Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
East North Central	$355	10%	$4,880	$2,669	44%
Chicago	$623	7%	$6,688	$3,645	43%
Detroit	$481	4%	$6,696	$3,829	40%
Grand Rapids	$427	4%	$6,712	$4,279	35%
Jackson	$361	26%	$4,992	$2,739	33%
Davenport	$385	9%	$3,900	$2,374	
Kalamazoo	$362	24%	$5,756	$2,260	42%
Lansing	$375	10%	$5,243	$2,935	46%
Niles	$366	22%	$3,986	$1,861	47%
Peoria	$380	15%	$2,476	$955	62%
Toledo	$330	24%	$6,132	$3,049	53%
Janesville	$387	11%	$4,351	$2,392	47%
Madison	$307	9%	$4,561	$2,784	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

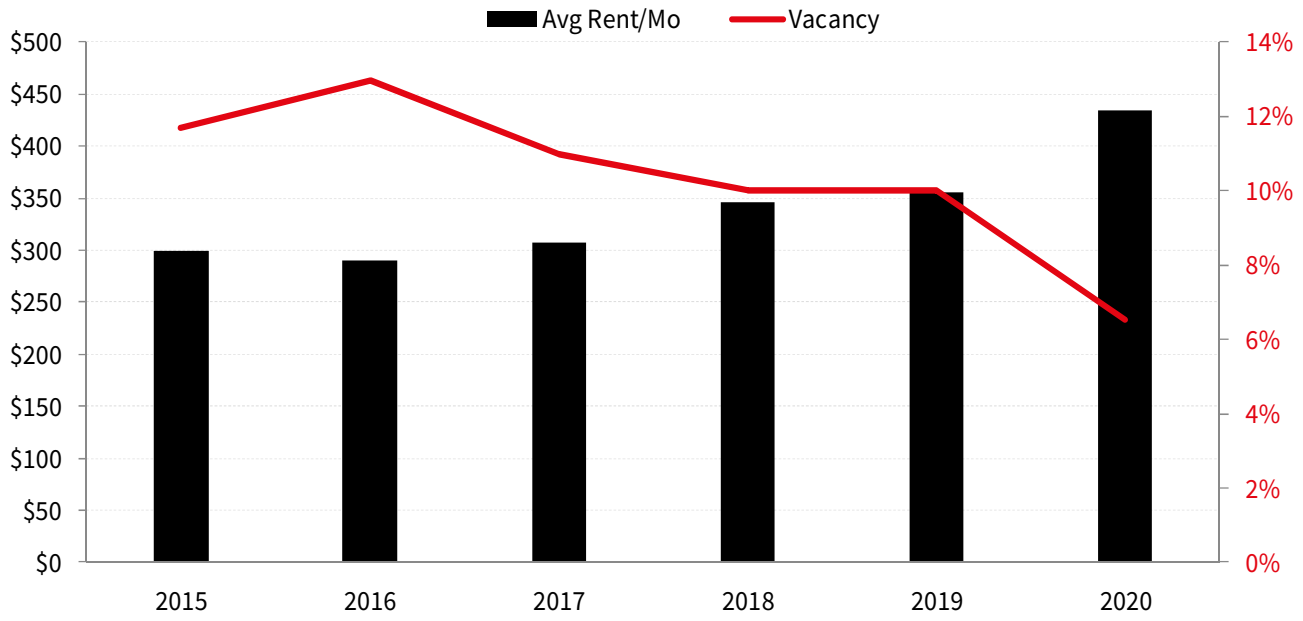
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Midwest Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$300	12%	
2016	$290	13%	130 bps
2017	$308	11%	-200 bps
2018	$346	10%	-100 bps
2019	$355	10%	–
2020	$435	7%	-350 bps
Overall	$355	10%	-520 bps

Source: JLL Research

Midwest Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$15,000	$78,832	-
Down Payment or Deposit	$1,500	$3,942	-
Amount Financed	$13,500	$74,890	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$178	$336	-
Taxes	$31	$164	-
Insurance	$9 - $10	$50	-
Site Rent	$285	-	-
Total Monthly Payment*	$504	$551	$600 - $750

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a reasonable value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Warren, Ohio. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Arhaven Estates 211 Arhaven Dr Newton Falls, OH 44444	4.0	1960	6/8/2021	110	90%	$250
	Tenant-Paid Utilities:	Water, Sewer, Trash, Electric, Gas, Cable/Sat					
2	Westwood Lake Park 302 Edgewater Pines Dr SW Warren, OH	3.0	1971	6/8/2021	335	98%	$258
	Tenant-Paid Utilities:	Water, Sewer, Electric, Gas, Cable/Sat					
3	Buckeye MHP 2000 Difford Dr Niles, OH	5.0	1961	6/8/2021	85	90%	$295
	Tenant-Paid Utilities:	Water, Electric, Gas, Cable/Sat					
4	Imperial Mobile Home Park #1 3293 Ellsworth Bailey Road Warren, OH	5.0	1966	6/8/2021	300	99%	$250
	Tenant-Paid Utilities:	Water, Sewer, Electric, Gas, Cable/Sat					
5	Fowler Mobile Home Park 2819 Sodom Hutchings Road Fowler, OH	12.0	1975	7/15/2016	33	93%	$275
	Tenant-Paid Utilities:	Water, Sewer, Electric, Gas, Cable/Sat					
Weighted Market Average		5.8	1967		173	96%	$258
	Subject: Villager Mobile Home Park	-	1978	-	183	64%	$275

The weighted average occupancy of the competitive properties is 96%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	63%	63%	62%	63%	64%	63%
Occupied Pads	115	116	114	116	117	
Absorbed Pads/Year		1	-2	2	1	

Source: Borrower documents.

We have also considered the following occupancy statistics from UMH Properties:

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UMH Properties (NYSE: UMH) - Ohio

Year-End	# of Sites	Occupancy %	Wgt. Avg. Rent/Mo.
2016	17,301	79.9%	NAV
2017	19,276	80.6%	NAV
2018	20,757	82.0%	NAV
2019	22,335	81.9%	NAV
2020	22,547	84.7%	$453

The weighted average occupancy of the competitive properties is 96% and the subject property is currently operating at a physical occupancy of 64% whereas the UMH benchmark is 85%. We are of the opinion that the subject property is operating with below market physical occupancy levels and has upside associated with growing physical occupancy through the sale / rental of community owned homes. Ownership is in the process of tracking occupancy towards market levels through the sale / rental of community owned homes. As such, we have projected an opinion of the Prospective Market value Upon Stabilization.

Stabilized Market Value Projection - Considers the subject at stabilized occupancy of 81.4% or 149 occupied sites after a 5 year holding period. We have projected 1% for collection loss.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

Per review of the rent roll, the property currently has $16,023 in past due rent and has been impacted by COVID-19. As such, we apply this amount as a Temporary Collection Loss Adjustment due to COVID-19.

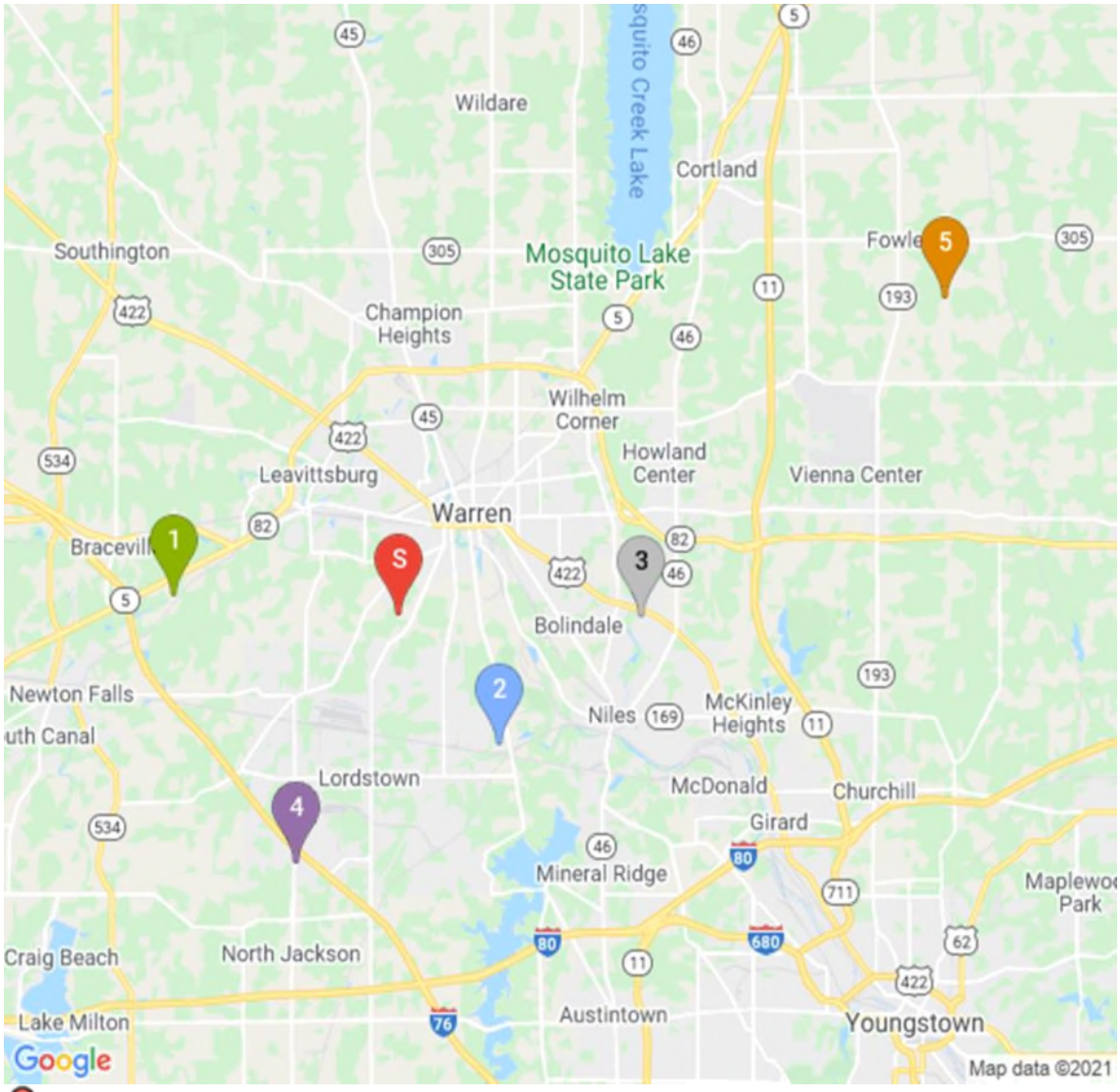
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Temporary Collection Loss due to COVID-19

Pro Forma Net Rental Income (PGI less concessions, vacancy, and bad debt)	$566,282
Per Month	$47,190
Percent Loss	5.7%
Number of Months	6
Temporary Collection Loss	$16,023
	$16,000

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Competitive Properties Map



S Villager Mobile Home Park: 2808 Tod Ave SW, Warren, OH 44485

1 Arhaven Estates 211 Arhaven Dr, Newton Falls, OH

2 Westwood Lake Park 302 Edgewater Pines Dr SW, Warren, OH

3 Buckeye MHP 2000 Difford Dr, Niles, OH

4 Imperial Mobile Home Park #1 3293 Ellsworth Bailey Road, Warren, OH

5 Fowler Mobile Home Park 2819 Sodom Hutchings Road , Fowler, OH

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Property Analysis

Land Description and Analysis

Location

The property is located on the west side of Blossom Ln SW approximately 542 feet west of its intersection with Tod Ave SW.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	Address	SF	Acres
43-316080	2808 Tod Ave SW	2,770,329	63.60
Total		2,770,329	63.60

Source: Public Records

Shape and Dimensions

The site is irregular in shape, with dimensions of approximately 976 feet in width and 2,726 feet in depth. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	39155C0378D
Date	6/18/2010
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are

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beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	Tod Ave SW
Frontage Feet	976
Paving	Asphalt
Curbs	No
Sidewalks	No
Lanes	2 way, 2 lanes each way
Direction of Traffic	North/South
Condition	Good
Traffic Levels	Moderate
Signals/Traffic Control	None
Access/Curb Cuts	2
Visibility	Average
Rail Access	No

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Public
Sewer	Public
Electricity	Public
Natural Gas	Public
Local Phone	Various

Zoning

The subject is zoned Residential B, Single family housing, manufactured housing, and duplex, by City of Warren. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

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Zoning Summary

Zoning Jurisdiction	City of Warren
Zoning Designation	Residential B
Description	Single family housing, manufactured housing, and duplex
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Single family housing, manufactured housing, and duplex

Source: City of Warren Code of Ordinance

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use .

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include single family housing, manufactured housing, and duplex. We are not aware of any other particular restrictions on development.

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Aerial Map



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BRADY HILLS

MHC CAPITAL
Real Estate Investments

Economic Analysis

Pittsburgh MSA Area Demographics

The subject is located in the Pittsburgh, PA Metropolitan Statistical Area, hereinafter called the Pittsburgh MSA, as defined by the U.S. Office of Management and Budget. The Pittsburgh MSA is 5,277 square miles in size, and ranks #27 in population out of the nation's 382 metropolitan areas.

Population

The Pittsburgh MSA has an estimated 2020 population of 2,348,354, which represents about the same population compared to the 2010 census amount of 2,356,285 over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Pennsylvania.

Population Trends

	Population			Compound Ann. % Chng	
Area	2010 Census	2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	610	617	625	0.1%	0.3%
3 mi. radius	3,080	3,089	3,114	0.0%	0.2%
5 mi. radius	8,442	8,537	8,633	0.1%	0.2%
Butler County	183,862	195,549	201,318	0.6%	0.6%
Pittsburgh MSA	2,356,285	2,348,354	2,339,840	0.0%	-0.1%
Pennsylvania	12,702,379	12,991,367	13,107,352	0.2%	0.2%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Pittsburgh MSA's population is projected to decline at a 0.1% annual rate from 2020 - 2025, equivalent to the loss of an average of 1,703 residents per year. The Pittsburgh MSA growth rate is expected to lag that of Pennsylvania, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Pittsburgh MSA is 1,095,967 jobs. Since 2011, employment declined by 49,217 jobs, equivalent to a 4.3% loss over the entire period. There were gains in employment in seven of the past ten years despite the national economic downturn and slow recovery.

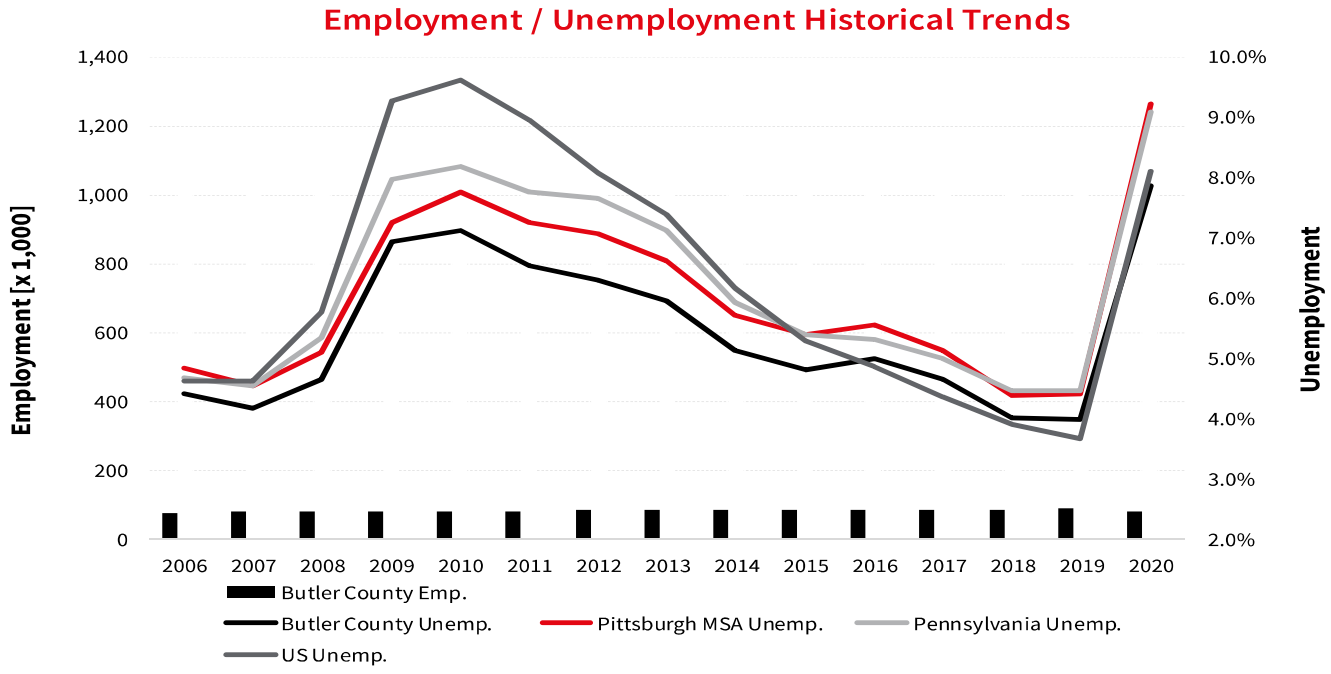
The Pittsburgh MSA's rate of change in employment underperformed the State of Pennsylvania, which experienced a decline in employment of 1.5% or 83,125 over this period.

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Employment Trends

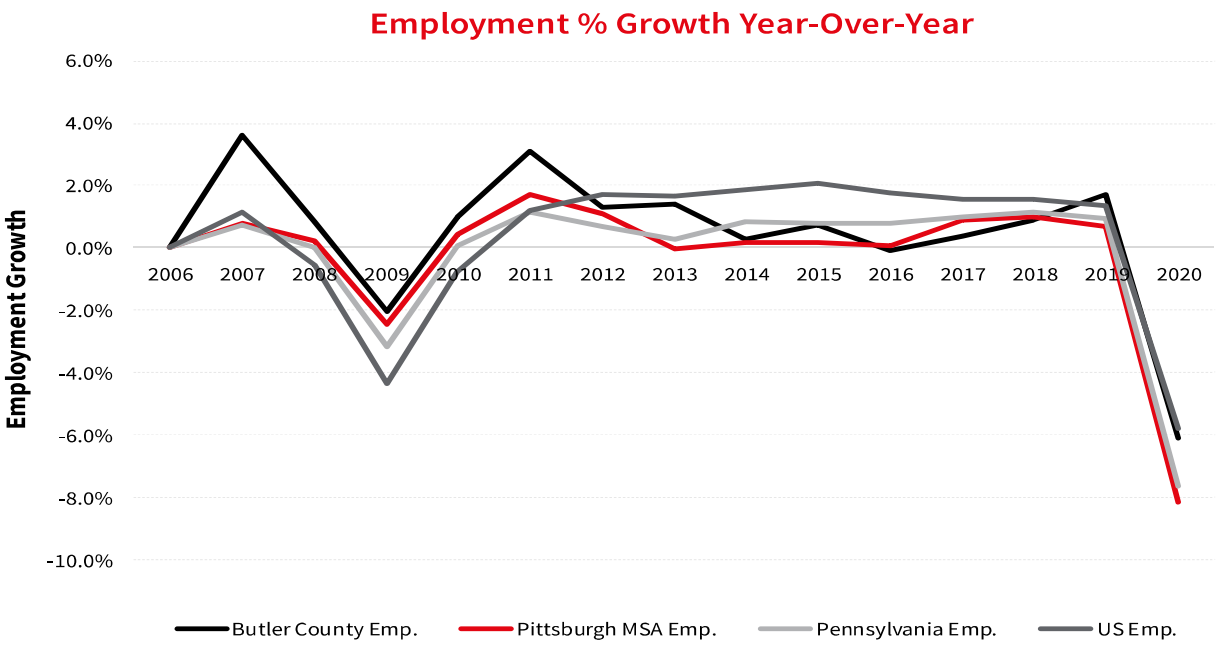
	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
Year	Butler County	Change	Pittsburgh MSA	Change	Pennsylvania	Change	United States	Change	Butler County	Pittsburgh MSA	Pennsylvania	United States
2006	76,889	-	1,137,183	-	5,757,017	-	136,435,417	-	4.4%	4.8%	4.7%	4.6%
2007	79,666	3.6%	1,146,242	0.8%	5,799,017	0.7%	137,981,250	1.1%	4.2%	4.5%	4.5%	4.6%
2008	80,349	0.9%	1,149,008	0.2%	5,800,333	0.0%	137,223,833	-0.5%	4.7%	5.1%	5.3%	5.8%
2009	78,707	-2.0%	1,120,892	-2.4%	5,616,817	-3.2%	131,296,083	-4.3%	6.9%	7.3%	8.0%	9.3%
2010	79,487	1.0%	1,125,583	0.4%	5,622,367	0.1%	130,345,000	-0.7%	7.1%	7.8%	8.2%	9.6%
2011	81,952	3.1%	1,145,183	1.7%	5,685,917	1.1%	131,914,417	1.2%	6.5%	7.2%	7.8%	9.0%
2012	83,012	1.3%	1,157,625	1.1%	5,726,083	0.7%	134,157,417	1.7%	6.3%	7.1%	7.7%	8.1%
2013	84,181	1.4%	1,157,575	0.0%	5,740,633	0.3%	136,363,833	1.6%	6.0%	6.6%	7.1%	7.4%
2014	84,427	0.3%	1,159,483	0.2%	5,788,608	0.8%	138,939,750	1.9%	5.1%	5.7%	5.9%	6.2%
2015	85,050	0.7%	1,161,575	0.2%	5,835,375	0.8%	141,824,917	2.1%	4.8%	5.4%	5.4%	5.3%
2016	84,971	-0.1%	1,162,375	0.1%	5,882,900	0.8%	144,335,833	1.8%	5.0%	5.6%	5.3%	4.9%
2017	85,291	0.4%	1,172,983	0.9%	5,941,258	1.0%	146,607,583	1.6%	4.7%	5.1%	5.0%	4.4%
2018	86,077	0.9%	1,184,650	1.0%	6,009,850	1.2%	148,908,417	1.6%	4.0%	4.4%	4.5%	3.9%
2019	87,565	1.7%	1,193,075	0.7%	6,065,933	0.9%	150,904,750	1.3%	4.0%	4.4%	4.5%	3.7%
2020	82,231	-6.1%	1,095,967	-8.1%	5,602,792	-7.6%	142,184,833	-5.8%	7.9%	9.2%	9.1%	8.1%
10 Yr Change	**279**	**0.3%**	**-49,217**	**-4.3%**	**-83,125**	**-1.5%**	**10,270,417**	**7.8%**				
Avg Unemp. Rate 2011-2020									5.4%	6.1%	6.2%	6.1%
Unemployment Rate - Apr 2021									5.1%	6.2%	6.1%	5.7%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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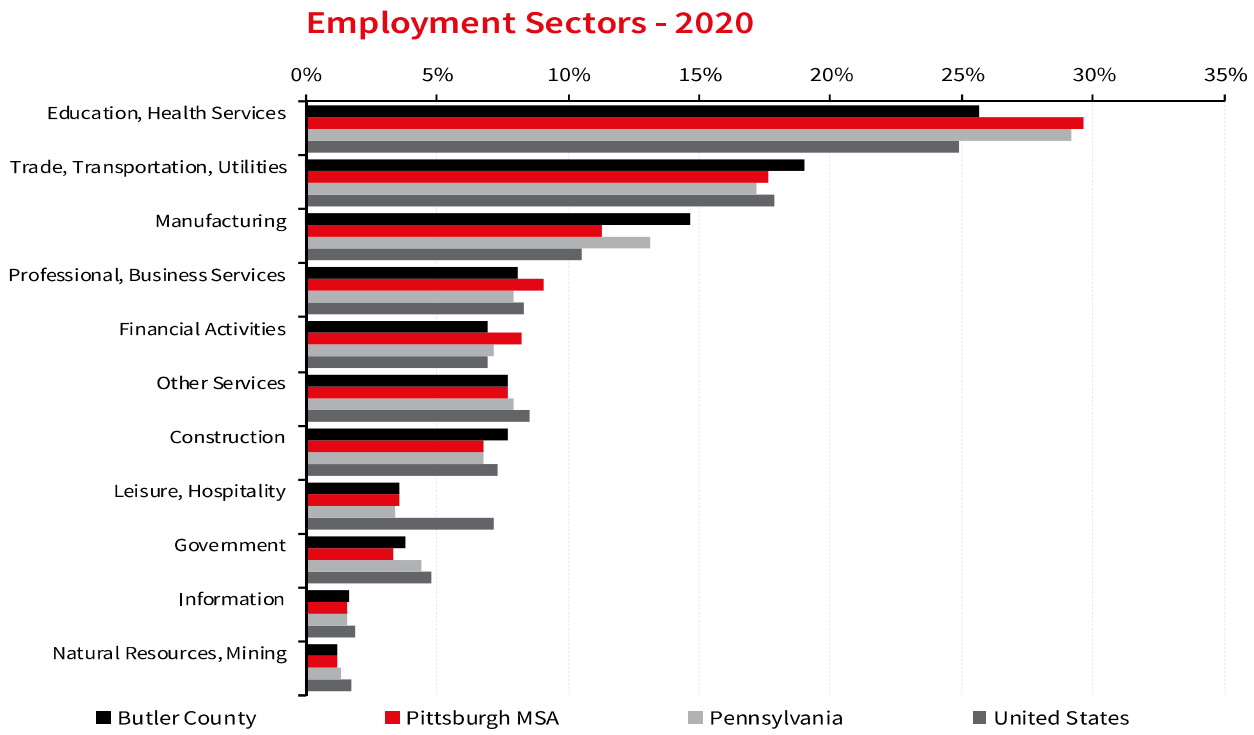
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Pittsburgh MSA unemployment rate of 6.1% has been lower than the Pennsylvania rate of 6.2%. In the latter half of the decade the trend has continued, with the Pittsburgh MSA performing similarly to Pennsylvania. Recent data shows that the Pittsburgh MSA unemployment rate is 6.2%, and while this was a comparable rate to Pennsylvania, it also must be considered that the Pittsburgh MSA has underperformed Pennsylvania in the rate of job growth over the past two years.

Employment Sectors

The composition of the Pittsburgh MSA job market is illustrated in the chart below, paired with that of Pennsylvania. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Pittsburgh MSA jobs in each sector.

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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Pittsburgh MSA has a greater percentage employment than Pennsylvania in the following categories:

1. Education, Health Services - which accounts for 29.7% of Pittsburgh MSA payroll employment compared to 29.2% for Pennsylvania as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade, Transportation, Utilities - which accounts for 17.6% of Pittsburgh MSA payroll employment compared to 17.2% for Pennsylvania as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Professional, Business Services - which accounts for 9.1% of Pittsburgh MSA payroll employment compared to 7.9% for Pennsylvania as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Financial Activities - which accounts for 8.2% of Pittsburgh MSA payroll employment compared to 7.1% for Pennsylvania as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

The Pittsburgh MSA is underrepresented in the following categories:

1. Manufacturing - which accounts for 11.3% of Pittsburgh MSA payroll employment compared to 13.1% for Pennsylvania as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

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2. Government - which accounts for 3.3% of Pittsburgh MSA payroll employment compared to 4.4% for Pennsylvania as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
3. Other Services - which accounts for 7.7% of Pittsburgh MSA payroll employment compared to 7.9% for Pennsylvania as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Natural Resources, Mining - which accounts for 1.2% of Pittsburgh MSA payroll employment compared to 1.4% for Pennsylvania as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.

Major Employers

The table below contains major employers in the Pittsburgh MSA.

Major Employers - Pittsburgh MSA

	Name	Employees
1	UPMC Health System	46,500
2	Highmark Inc.	20,000
3	University of Pittsburgh	12,000
4	The PNC Financial Services Group Inc.	10,000
5	Wal-Mart Stores Inc.	9,000
6	Giant Eagle Inc.	8,150
7	BNY Mellon Corp.	6,800
8	Excela Health	5,000
9	Carnegie Mellon University	4,750
10	United States Steel Corp.	4,200
11	Eat 'n Park Hospitality Group Inc.	4,035
12	FedEx Corp.	4,000
13	Sears Holdings	4,000
14	Consol Energy Inc.	3,500
15	Westinghouse Electric Co.	3,400
16	Verizon Communications	3,300
17	Allegheny Technologies Inc.	3,000
18	Bechtel Group	3,000
19	Target Corp.	3,000
20	Home Depot	2,600

Sources(s): Pittsburgh Regional Alliance, 2018

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Pittsburgh MSA ranks #25 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Pittsburgh MSA than Pennsylvania overall during the past nine years. The Pittsburgh MSA has expanded at a 2.1% average annual rate while the State of Pennsylvania has grown at a 1.7% rate. As the national economy improves, that

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trend has reversed, with the Pittsburgh MSA lagging Pennsylvania. GDP for the Pittsburgh MSA rose by 2.1% in 2019 while Pennsylvania's grew by 2.4%.

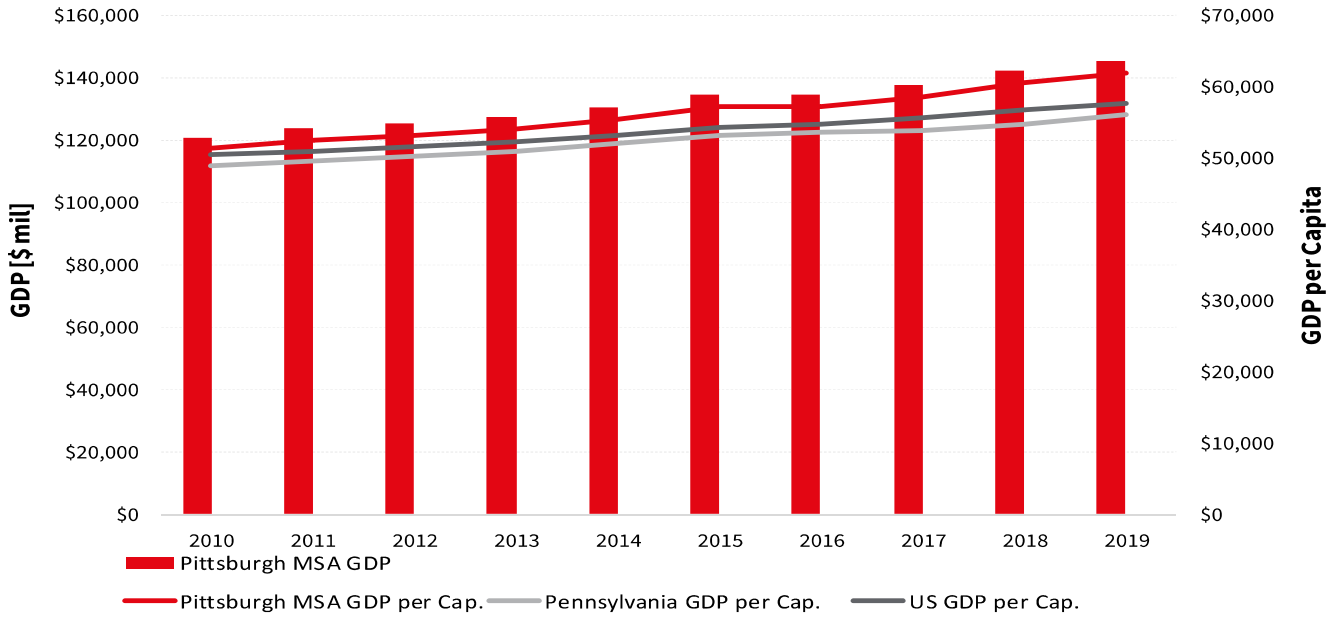
The Pittsburgh MSA has a per capita GDP of $61,950, which is 11.0% greater than Pennsylvania's GDP of $56,021. This means that the Pittsburgh MSA industries and employers are adding relatively much more value to the economy than their peers in Pennsylvania.

Gross Domestic Product

	Gross Domestic Product ($ mil)						GDP per Capita ($)		
Year	Pittsburgh MSA	Change	Pennsylvania	Change	United States	Change	Pittsburgh MSA	Pennsylvania	United States
2010	$120,787	-	$622,140	-	$15,598,753	-	$51,261	$48,978	$50,523
2011	$123,583	2.3%	$630,907	1.4%	$15,840,664	1.6%	$52,466	$49,556	$50,894
2012	$125,266	1.4%	$640,663	1.5%	$16,197,007	2.2%	$53,198	$50,208	$51,623
2013	$127,199	1.5%	$650,802	1.6%	$16,495,369	1.8%	$54,038	$50,887	$52,158
2014	$130,279	2.4%	$666,556	2.4%	$16,912,038	2.5%	$55,365	$52,002	$53,055
2015	$134,520	3.3%	$682,527	2.4%	$17,432,170	3.1%	$57,186	$53,128	$54,260
2016	$134,471	0.0%	$691,316	1.3%	$17,730,509	1.7%	$57,184	$53,691	$54,762
2017	$137,423	2.2%	$695,561	0.6%	$18,144,105	2.3%	$58,460	$53,900	$55,609
2018	$142,471	3.7%	$708,857	1.9%	$18,687,786	3.0%	$60,628	$54,808	$56,839
2019	$145,530	2.1%	$726,166	2.4%	$19,091,662	2.2%	$61,950	$56,021	$57,629
10 Yr Change	**$24,743**	**2.1%**	**$104,026**	**1.7%**	**$3,492,909**	**2.3%**	**$10,689**	**$7,042**	**$7,106**

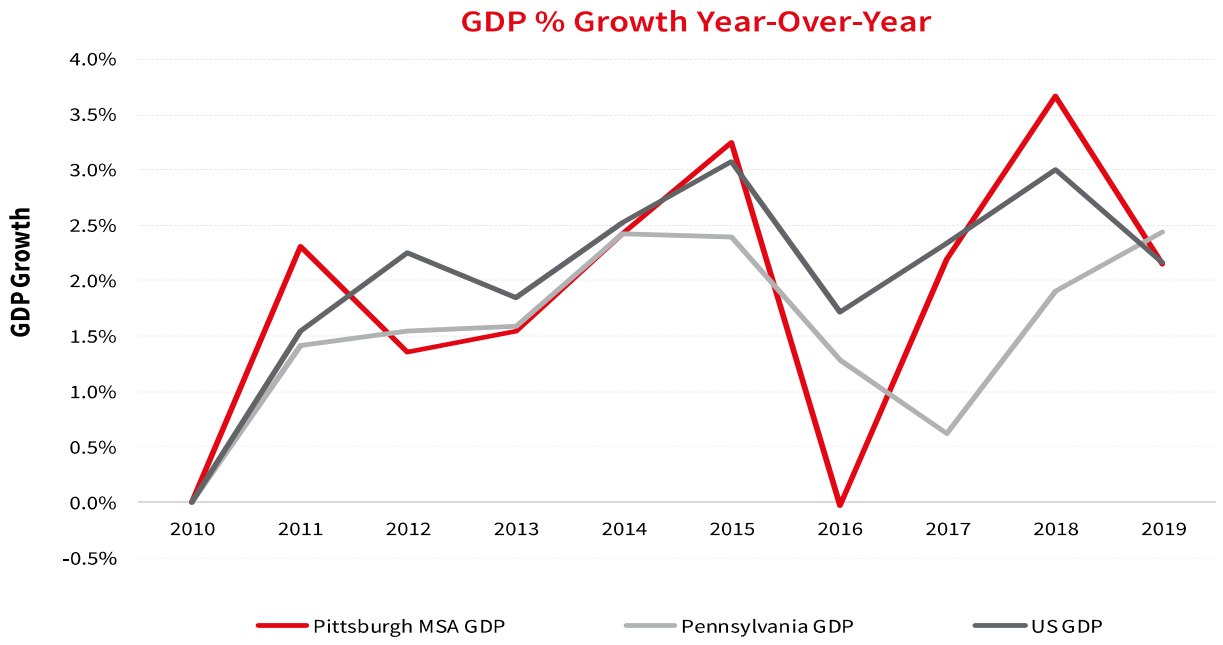
Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

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Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted "real" GDP stated in 2012 dollars.

Household Income

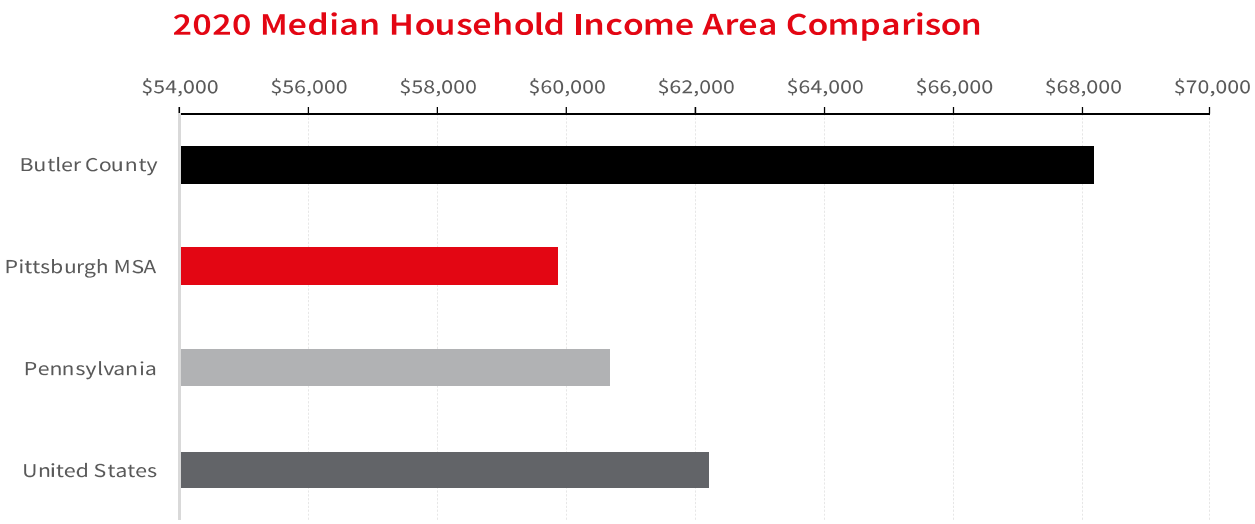
The Pittsburgh MSA has a lower level of household income than Pennsylvania. Median household income for the Pittsburgh MSA is $59,867, which is 1.3% less than Pennsylvania.

Median Household Income

	Med. Household Income		Compound Ann. % Chng
Area	2020 Est.	2025 Est.	2020 - 2025
Butler County	$68,176	$73,493	1.5%
Pittsburgh MSA	$59,867	$64,279	1.4%
Pennsylvania	$60,671	$65,067	1.4%
United States	$62,203	$67,325	1.6%

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

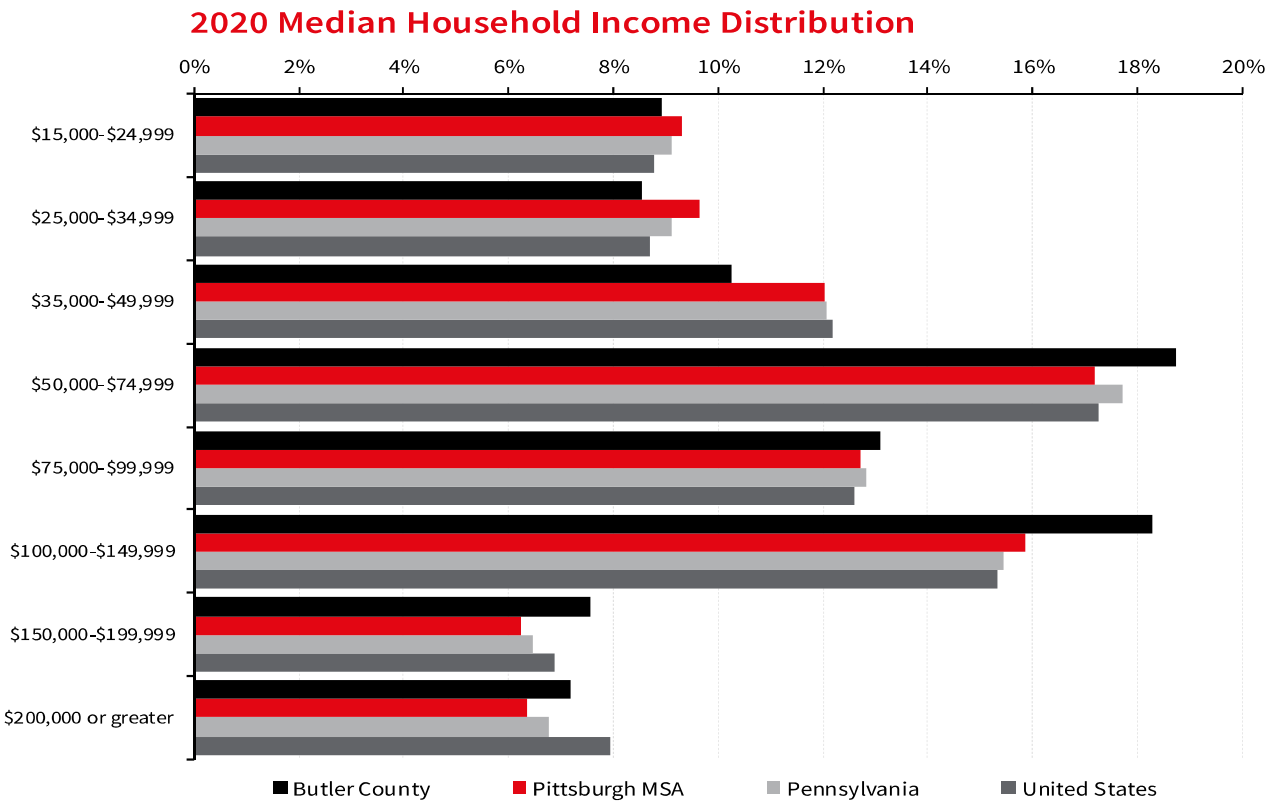
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

The Pittsburgh MSA has a greater concentration of households in the lower income levels than Pennsylvania. Specifically, 30% of the Pittsburgh MSA households are below the $35,000 level in household income as compared to 29% of Pennsylvania households. A smaller concentration of households exists in the higher income levels, as 41% of the Pittsburgh MSA households are at the $75,000 or greater levels in household income versus 42% of Pennsylvania households.

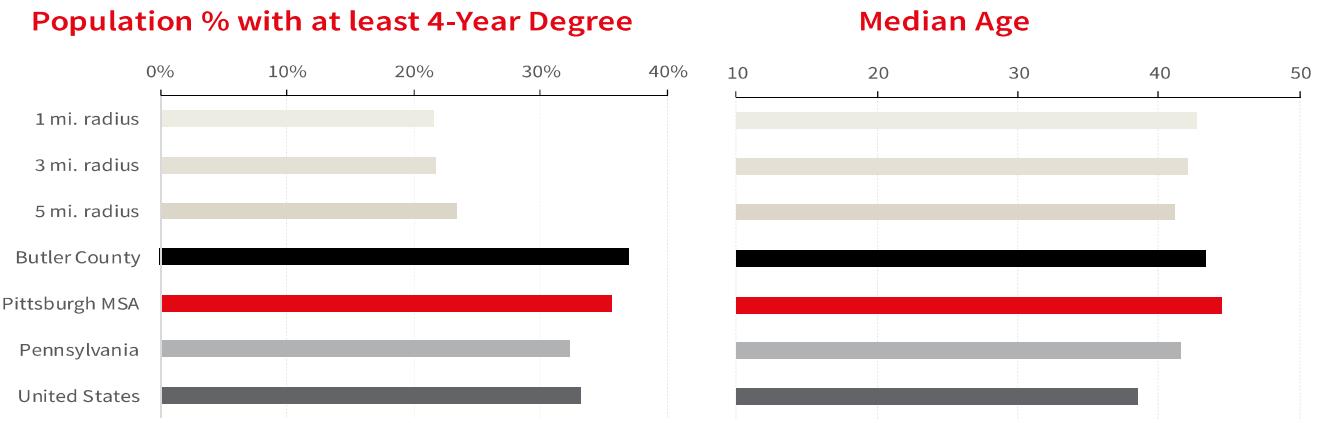
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Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Pittsburgh MSA have a higher level of educational attainment than those in Pennsylvania. An estimated 35.6% of the Pittsburgh MSA residents are college graduates with four-year degrees or higher, while Pennsylvania residents have an estimated 32.3% with at least a four-year degree. People in the Pittsburgh MSA are older than their peers in Pennsylvania. The median age of the Pittsburgh MSA is 45 years, while Pennsylvania is 42 years.



Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

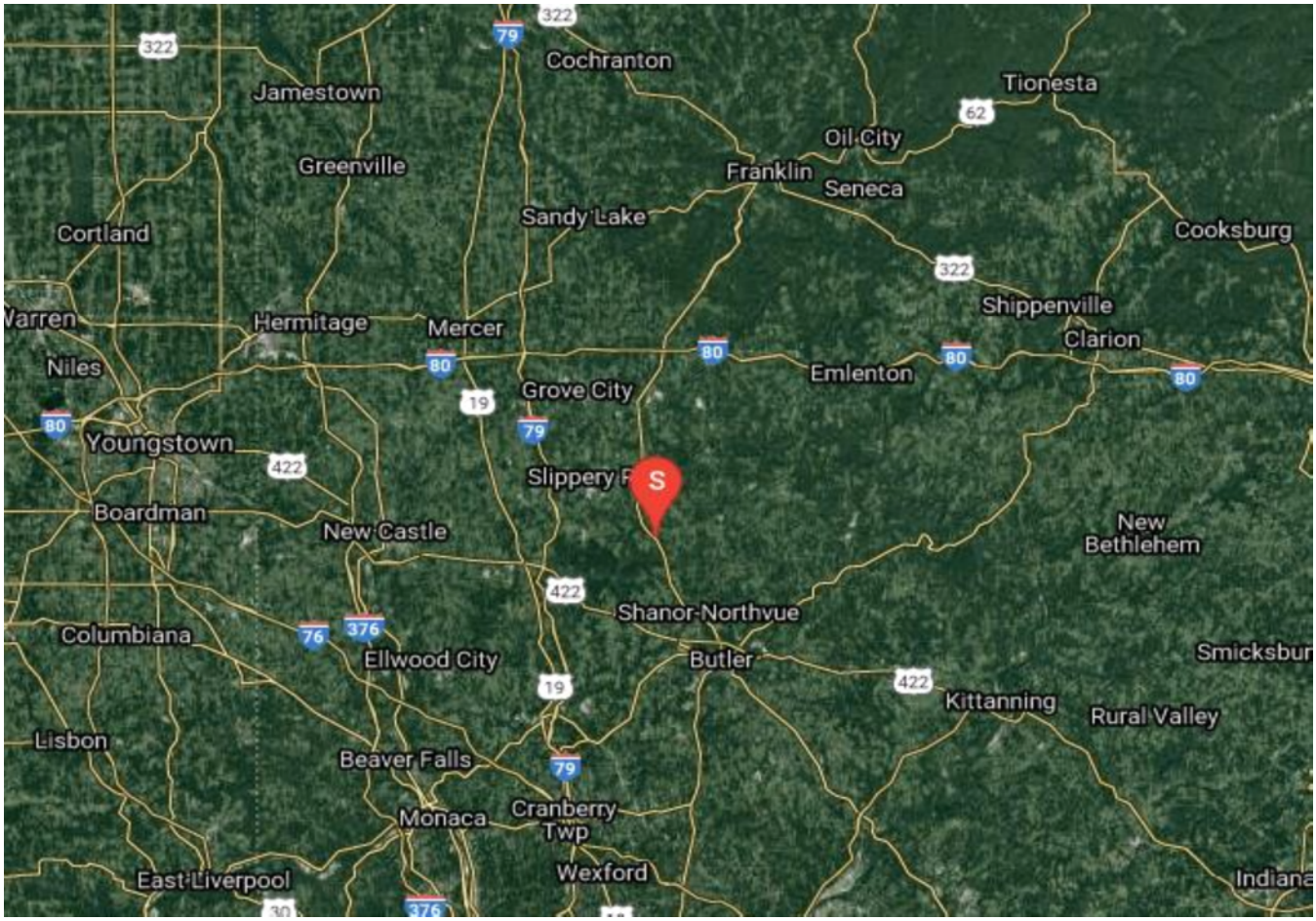
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Conclusion

The Pittsburgh MSA's economy will benefit from higher education levels. Although employment did not grow during the past decade, the Pittsburgh MSA has maintained a lower unemployment than Pennsylvania. Furthermore, the Pittsburgh MSA is influenced positively from having both a higher rate of GDP growth in the past nine years and a higher level of GDP per capita than Pennsylvania overall. We project that the Pittsburgh MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

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Area Map



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Surrounding Area Analysis

Boundaries

The subject is located in the east area of Brady Township, PA. This area is part of Butler County submarket and generally is delineated as follows:

North	Clintonville Borough
South	Cranberry Township
East	Stata Game Lands Number 105
West	McConnells Mill State Park

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by PA-8, a major arterial that crosses the Brady Township area in a north-south direction. Access to the subject from PA-8 is provided by Hall Road, and travel time from the major arterial to the subject is about one minute. Overall, vehicular access is good.

Public transportation is provided by Butler Transit Authority and provides access to Butler County. The nearest bus station is located at PA-8. The local market perceives public transportation as fair compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Pittsburgh Airport is located about 58 miles from the property; travel time is about 66 minutes, depending on traffic conditions. The Slippery Rock CBD, the economic and cultural center of the region, is approximately 6.7 miles from the property.

Demand Generators

Major employers include Butler Health System, Slippery Rock University and Butler County Community College. These are located within 13 miles of the property and represent significant concentrations in the health and education industries.

These demand generators support the demographic profile described in the following section.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

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Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Butler County	Pittsburgh MSA	Pennsylvania	United States
Population							
2010	610	3,080	8,442	183,862	2,356,285	12,702,379	308,745,538
2020	617	3,089	8,537	195,549	2,348,354	12,991,367	333,793,107
2025	625	3,114	8,633	201,318	2,339,840	13,107,352	346,021,282
Compound Chg 2010 - 2020	0.11%	0.03%	0.11%	0.62%	-0.03%	0.23%	0.78%
Compound Chg 2020 - 2025	0.26%	0.16%	0.22%	0.58%	-0.07%	0.18%	0.72%
Density	197	109	109	248	445	290	95
Households							
2010	242	1,213	3,400	72,835	1,001,627	5,018,904	116,716,292
2020	251	1,248	3,522	78,812	1,013,630	5,166,276	126,083,849
2025	256	1,268	3,588	81,588	1,014,486	5,220,641	130,658,485
Compound Chg 2010 - 2020	0.37%	0.28%	0.35%	0.79%	0.12%	0.29%	0.77%
Compound Chg 2020 - 2025	0.40%	0.32%	0.37%	0.69%	0.02%	0.21%	0.72%
Other Demographics							
Med. Household Income	$54,888	$55,904	$55,370	$68,176	$59,867	$60,671	$62,203
Avg. Household Size	2.5	2.5	2.4	2.4	2.3	2.4	2.6
College Graduate %	21.6%	21.6%	23.3%	37.0%	35.6%	32.3%	33.1%
Median Age	43	42	41	43	45	42	39
Owner Occupied %	82%	78%	73%	73%	69%	68%	64%
Renter Occupied %	18%	21%	27%	27%	31%	32%	36%
Med. Home Value	$178,571	$183,031	$181,957	$218,141	$162,019	$191,008	$235,127

Source: Esri 2021. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 3,089, and the average household size is 2.5. Population in the area has been stable since the 2010 census, but is expected to rise in the ensuing five years. Despite the population growth within a three-mile radius, it is estimated the Pittsburgh MSA overall will trend in the opposite direction.

Median household income is $55,904, which is lower than the household income for the Pittsburgh MSA as a whole. The populace within a three-mile radius has a notably lower level of formal college education than residents in the Pittsburgh MSA, while median home values in the area are substantially higher.

These demographic factors combined with the employment base discussed previously provide the basis of demand for multifamily housing in this area.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	8	Car-Dependent
Bike Score	9	Somewhat Bikeable

Source: Walkscore.com, updated 01/01/2021. Compiled by JLL Valuation & Advisory Services, LLC.

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Retail and Public Services

The nearest shopping facilities serving the area are located at Clearview Mall, about 9.2 miles from the property. They offer basic convenience goods and personal services. The closest regional mall is Old Towne Mall, located about 22.3 miles from the property. Restaurants, principally along major arterials such as S Main St and N Main St Ext are within an 11-minute travel time of the property. The closest lodging facilities are located within a 14-minute drive of the subject and include Fairfield Inn & Suites by Marriott Slippery Rock.

The nearest fire and police stations are within 7 miles of the property. The closest elementary/middle school is 6 miles and the local high school is approximately 5.2 miles away. The closest colleges and universities are Slippery Rock University of Pennsylvania and Butler Community College. They offer various programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is average. Of special note is the proximity of Moraine State Park Mountain Bike Trail and Marine State.

Land Use

In the immediate vicinity of the subject, predominant land uses are vacant and residential. Other land use characteristics are summarized as follows:

Land Characteristic	Description
Character of Area	Suburban/Rural
Predominant Housing Age (Both Ownership and Rental)	10-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	20%
Percent Developed by Land use	60% Single Family; 5% Apartments; 35% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	Not likely

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Subject's Immediate Surroundings	
North	Vacant land
South	Single-family residential
East	Vacant land
West	William Flynn Highway

Development Activity and Trends

Based on discussions with the local zoning and building departments there are no MHCs/RV Resorts planned, proposed or under-construction in the subject's immediate area that would be considered competitive to the subject property.

Outlook and Conclusions

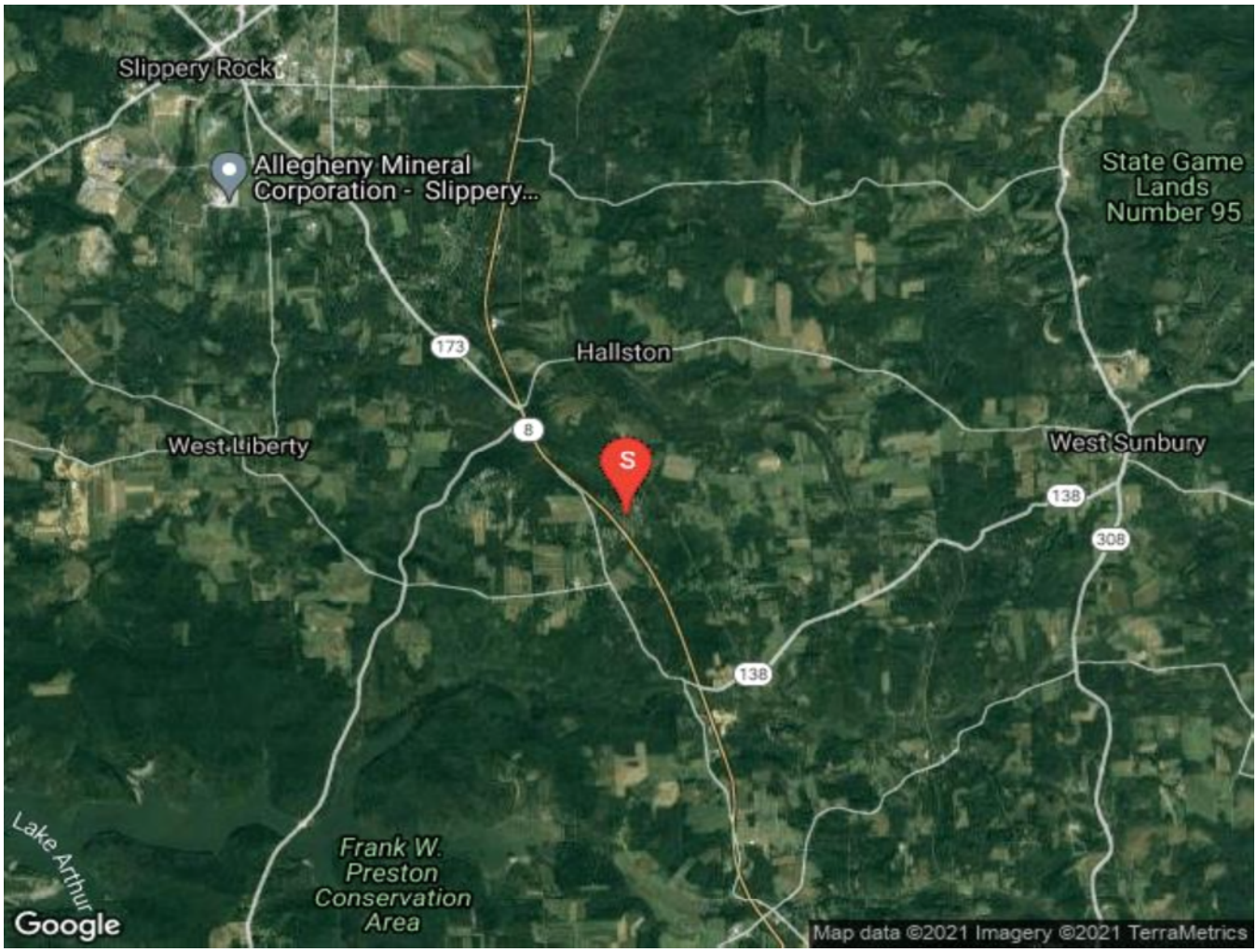
The area is in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will stabilize in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute	Rating
Highway Access	Above Average
Demand Generators	Average
Convenience to Support Services	Below Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Average
Barriers to Competitive Entry	Above Average

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Surrounding Area Map



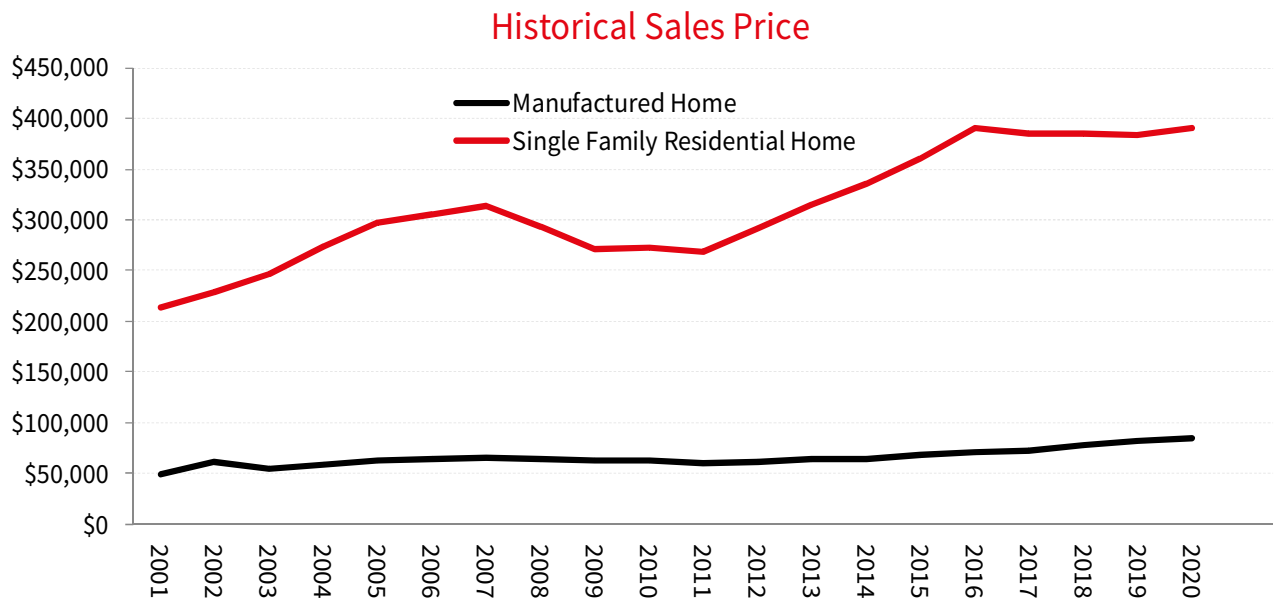
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Manufactured Housing Market Analysis

National Outlook

The steady recovery from the 2008 financial crisis and subsequent national economic downturn, along with resurgence in the availability of local financing has boosted manufactured community operations throughout the country. Communities in the northeast and coastal metropolitan areas, where affordable housing is less attainable, have benefitted the most. Communities in states where natural gas extraction was booming, such as North Dakota, Wyoming, Idaho, Montana, Pennsylvania, and eastern Ohio saw significant spikes in demand as well when oil prices were high. Currently, with oil prices down, companies in these regions are closing wells, laying people off and filing bankruptcy. This downturn in the oil industry may recover however is currently at a low point.

The need for affordable housing has increased the manufactured home occupancy rates. Traditional home prices in the US have increased more than 20 percent in the last three years, forcing potential home buyers to seek alternative living arrangements. While demand for manufactured housing is improving, the cost of manufactured homes is also increasing. The average price of a manufactured home has risen 18.1% percent across the U.S. since 2011. In the future, property owners will look to raise rent within mobile home communities to cover the increased cost as occupancy rises. These factors should bode well for the industry looking forward. The following chart details the cost of a manufactured home versus a single-family residential home:

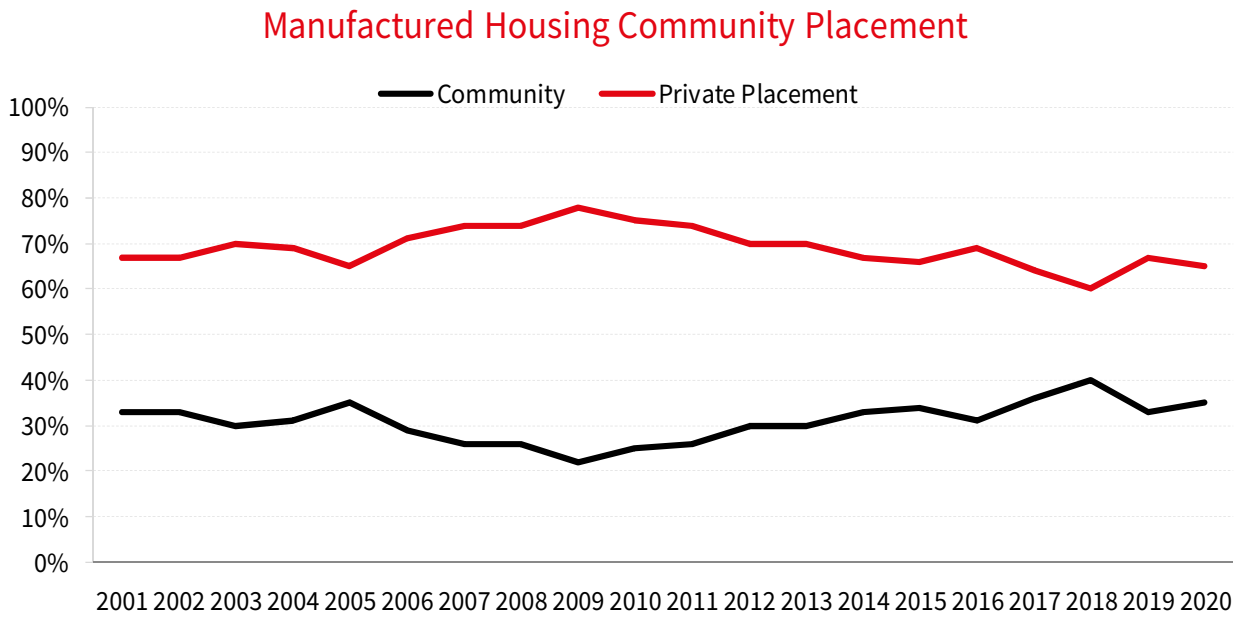


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

Historically, manufactured home community investors were typically small partnerships or individuals. However, as the design and image of mobile home communities have improved overall, REITs, pension funds and national investment groups have begun including them in their diversified portfolios as a low risk

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investment. Buyers looking to place capital in manufactured home communities as a way to diversify portfolios and increase yields have generated competition for listings. The lack of available properties has broadened investment parameters to include lesser quality, location or size of community investments. There is particularly strong competition among REITs, insurance companies and equity funds for large quality assets, especially age-restricted assets in retirement areas. Cap rates for these assets have dipped into the four percent range in some areas. Properties with more than 100 units with utilities connected to city services are also receiving heightened attention from a wider pool of buyers who may be willing to scout nationwide. If priced correctly, these assets have been receiving multiple offers at or near list price. Overall, high investor demand has pushed prices upward and compressed cap rates in most markets. The following chart details manufactured housing community placement:

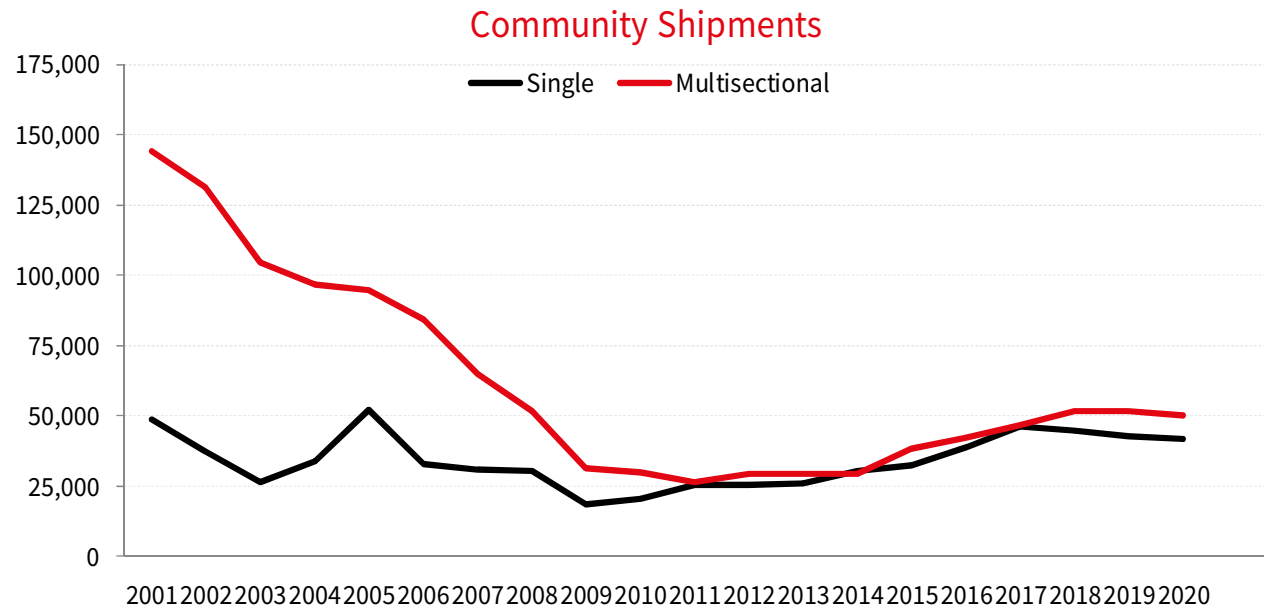


Source: U.S. Commerce Department's Census Bureau via Department of Housing and Urban Development

According to the Manufactured Housing Institute, manufactured home shipments steadily increased from 1991 to 1998. The peak of the market was 2000 when nearly 250,000+ units were delivered to the market. This number decreased dramatically since then to a low point of 49,717 units in 2009. However, since then shipments have increased an average of 5% per year. The following chart shows trends in the shipment of homes since 2000.

The largest product segment of manufactured homes is the new multi-sectional homes. This accounts for approximately 23.4% of revenue. This is compared to total new homes which account for approximately 67.3% of industry revenue. The remaining revenue is generated by the resale of used homes. The following chart shows the distribution between single and multi-section home shipments over the past 15+ years:

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

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Community Rating System

Historically, a star rating system from the Woodall Rating Guide was a common system for rating mobile home communities. However, the last Woodall Rating Guide was published in the early 1970s. Most of the highest rated communities today were constructed since 1980, and since the Woodall Rating Guide ceased publication, there has not been a standard rating system. Many have their own rating criteria that they reference. This analysis utilizes a classification system described as follows. The highest classified communities are “4 Star”. Quality but slightly inferior assets are classified “3 Star”. “2 Star” communities are the oldest, lowest quality, and often have no amenities. These are still considered to be functional assets in fair to average condition. Assets that are not functional and are in poor condition are “1 Star”. This system is considered reflective of industry standards and can be translated to other real estate industries such as apartment complexes. The following table illustrates this classification system.

Manufactured Housing Communities Rating Guide

Category	4 Star	3 Star	2 Star	1 Star
Density	Low (< 5 sites/acre)	Medium (5-10 sites/acre or less)	High (10-15 sites/acre or less)	High (15+ sites/acre)
Age	Built since 1980	Built since 1970	Built prior to 1980	Built prior to 1980
Utilities	Public utilities	Public utilities	Mix of public utilities and private	Mix of public utilities and private
Homes (Age)	Built after 1975	Majority built after 1975	Built before 1975	Built before 1975
Homes (Mix)	Mostly multi-section	Mixed single and multi-section	Primarily single-sectional	Primarily single-sectional
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Average to Poor
Amenities	Resort Style	Clubhouse/average	Few to none	None
Quality/Layout	Subdivision Quality	High quality grid or curvilinear layout	Medium to low quality/typically grid layout	Grid layout
Roads	Asphalt or concrete	Asphalt or concrete	Mostly asphalt or concrete (some gravel and dirt)	All gravel and dirt
Parking	2 off-street per site	1 to 2 off street per site	Mix of off-street and on road	On road parking only

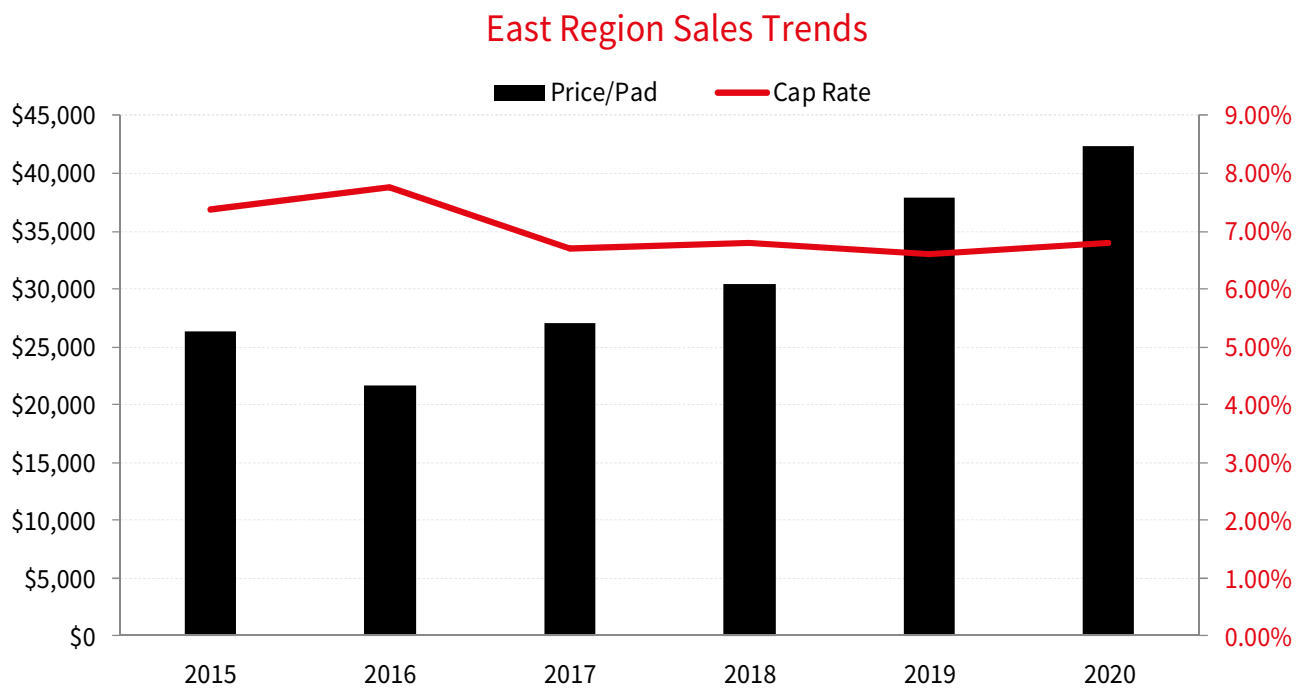
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East Region Sales Trends

East Region Sales Trends

Year	Price/Pad	Cap Rate
2015	$26,394	7.39%
2016	$21,711	7.75%
2017	$27,012	6.70%
2018	$30,424	6.81%
2019	$37,927	6.60%
2020	$42,286	6.79%
Overall	$32,685	6.81%

Source: JLL Research



Source: JLL Research

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East Region Recent Market Statistics

Recent data for East and Midatlantic Average Rent, Occupancy, Revenue and NOI per pad, and Expense Ratio are summarized in the following table.

East Region Median Market Statistics: Jan-19 to Dec-19

Subregion/MSA	Avg Rent/Mo	Vacancy	Revenue/Pad	NOI/Pad	Exp. Ratio
Midatlantic	$398	5%	$4,874	$2,857	39%
Washington DC	$500	0%	$9,579	$5,678	29%
Salisbury	$443	10%	$5,350	$3,551	39%
Allentown	$520	36%	$3,213	$1,522	65%
Atlantic City	$571	8%	$6,671	$3,624	42%
Virginia Beach	$449	3%	$5,998	$3,682	37%
Harrisburg	$483	4%	$5,202	$2,944	38%
Richmond	$463	1%	$7,006	$4,932	30%
York	$427	9%	$5,627	$3,365	39%
Gettysburg	$465	4%	$4,946	$2,703	51%
Raleigh	$406	4%	$5,755	$3,201	44%
Greensboro	$397	10%	$3,608	$1,694	46%
Pittsburgh	$386	9%	$5,385	$2,485	50%
Charleston	$419	4%	$4,237	$3,054	40%
Durham	$403	4%	$4,379	$2,386	33%
Reading	$380	3%	$7,179	$4,322	42%
Charlotte	$385	5%	$4,293	$2,339	37%
Asheville	$350	0%	$4,620	$2,857	40%
Columbia	$336	27%	$2,702	$1,381	56%
30 mile radius from Subject	$390	7%	$6,048	$3,647	37%
Overall	$422	5%	$5,188	$2,941	40%

Source: JLL Research

Average Rent and Vacancy trends from 2015 to 2020 and Expense Ratio are shown in the ensuing table.

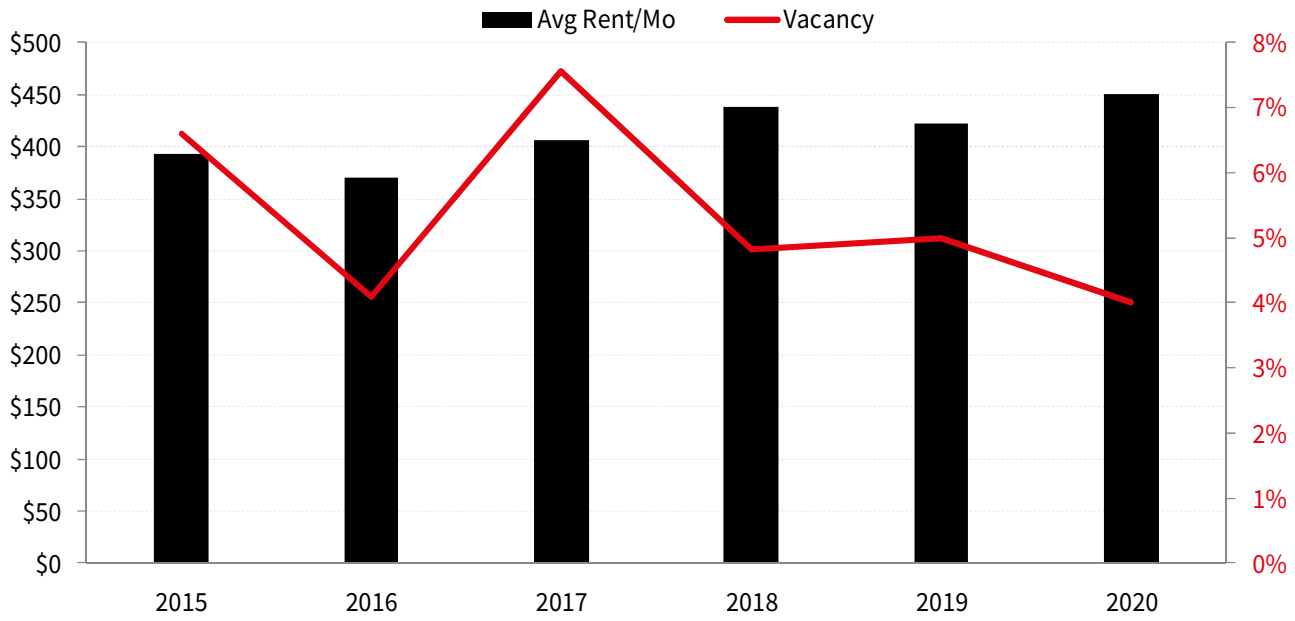
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East Region Rental & Vacancy Trends

Year	Avg Rent/Mo	Vacancy	YoY Change
2015	$394	7%	
2016	$370	4%	-250 bps
2017	$407	8%	350 bps
2018	$438	5%	-270 bps
2019	$422	5%	20 bps
2020	$451	4%	-100 bps
Overall	$422	5%	-260 bps

Source: JLL Research

East Region Vacancy and Rental Rate Trends



Source: JLL Research

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Affordability Analysis

We also consider the following chart which is a good indicator as to the affordability of manufactured home living.

Affordability Analysis

Comparison/Housing Type	MH in Subject Property	Single-Family Home	Apartments
Bedroom/Bathroom Count	2/1 - 3/2 BR/BA	5 Mile Radius	2BR - 3BR
Purchase Price	$30,000	$181,957	-
Down Payment or Deposit	$3,000	$9,098	-
Amount Financed	$27,000	$172,859	-
Rate	10.0%	3.5%	-
Term (Years)	10	30	-
Monthly Mortgage Payment	$357	$776	-
Taxes	$63	$379	-
Insurance	$9 - $10	$50	-
Site Rent	$300	-	-
Total Monthly Payment*	$728	$1,205	$750 - $1,000

*Excludes maintenance and utilities

**Average MH Sale Price provided by ownership

***Median single-family home price provided by Esri

****Average apartment rental rate provided by CoStar.com

Overall, the subject is a strong value for individuals seeking home ownership in comparison to single-family home prices within a five mile radius.

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Local Market Analysis

The subject property is a manufactured housing community in Brady Township, PA, located approximately 6.7 miles southeast of Slippery Rock. All rent comparables utilized herein were verified by phone interviews with the respective property managers. In the subject's immediate area, we identified several competitive properties as follows:

Summary of Comparable Rentals

No.	Name/Address	Miles From Subj.	Year Built	Survey Date	Pads	Occupancy	Avg. Base Rent/Mo
1	Sutton MHP 207 Sutton Lane Butler, PA 16001 Tenant-Paid Utilities:	3.0	1970	6/8/2021	44	88%	$300
		Water, Sewer, Trash, Electric, Gas, Cable/Sat					
2	Baxter's MHP 457 Jamisonville Road Butler, PA Tenant-Paid Utilities:	4.0	1973	6/8/2021	100	90%	$250
		Water, Sewer, Trash, Electric, Gas, Cable/Sat					
3	Coral Ridge Estates David Street Prospect, PA Tenant-Paid Utilities:	7.0	1934	6/8/2021	55	91%	$290
		Water, Sewer, Trash, Electric, Gas, Cable/Sat					
4	Franklin MHV 423 Dogwood Drive Butler, PA Tenant-Paid Utilities:	7.0	1965	6/8/2021	100	95%	$260
		Water, Sewer, Trash, Electric, Gas, Cable/Sat					
5	Hy Vue Acres MHP 203 Hyvue Butler, PA Tenant-Paid Utilities:	15.0	1960	6/8/2021	30	93%	$315
		Water, Sewer, Trash, Electric, Gas, Cable/Sat					
Weighted Market Average		7.2	1960		66	92%	$272
	Subject: Brady Hills Mobile Home Park	-	1991	-	174	79%	$270

The weighted average occupancy of the competitive properties is 92%. The subject's historic physical occupancy is shown as follows:

Historical Occupancy & Rent Growth

	2017	2018	2019	2020	Current	Average
Physical Occupancy	85%	83%	81%	78%	79%	81%
Occupied Pads	148	145	141	136	138	
Absorbed Pads/Year		-3	-4	-5	2	

Source: Borrower documents.

We have also considered the following occupancy statistics from UMH Properties:

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The weighted average occupancy of the competitive properties is 92% and the subject property is currently operating at a physical occupancy of 64%. We are of the opinion that the subject property is operating with below market physical occupancy levels and has upside associated with growing physical occupancy through the sale / rental of community owned homes. Ownership is in the process of tracking occupancy towards market levels through the sale / rental of community owned homes. As such, we have projected an opinion of the Prospective Market value Upon Stabilization.

Stabilized Market Value Projection - Considers the subject at stabilized occupancy of 89.7% or 156 occupied sites after a 5 year holding period. We have projected 1% for collection loss.

COVID-19

Based on discussions with market participants, the manufactured housing community industry has held very strong institutional investor demand and pricing has not moved since pre-COVID conditions. The availability of debt, lack of new supply and increased investor demand has kept pricing for the MHC / RV product type strong.

Rental collections and occupancy across the industry have been reported by the public REITS to be strong:

Public REIT Rental Collections

Name	Reporting Date	# of Sites	Rental Collection %
Equity LifeStyle Properties, Inc (NYSE: ELS)	3Q 2020	157,000+	97% - 98%
Sun Communities Inc. (NYSE: SUI)	3Q 2020	183,000+	97% MH : 98% Annual RV
UMH Properties (NYSE: UMH)	3Q 2020	23,000 +	98%

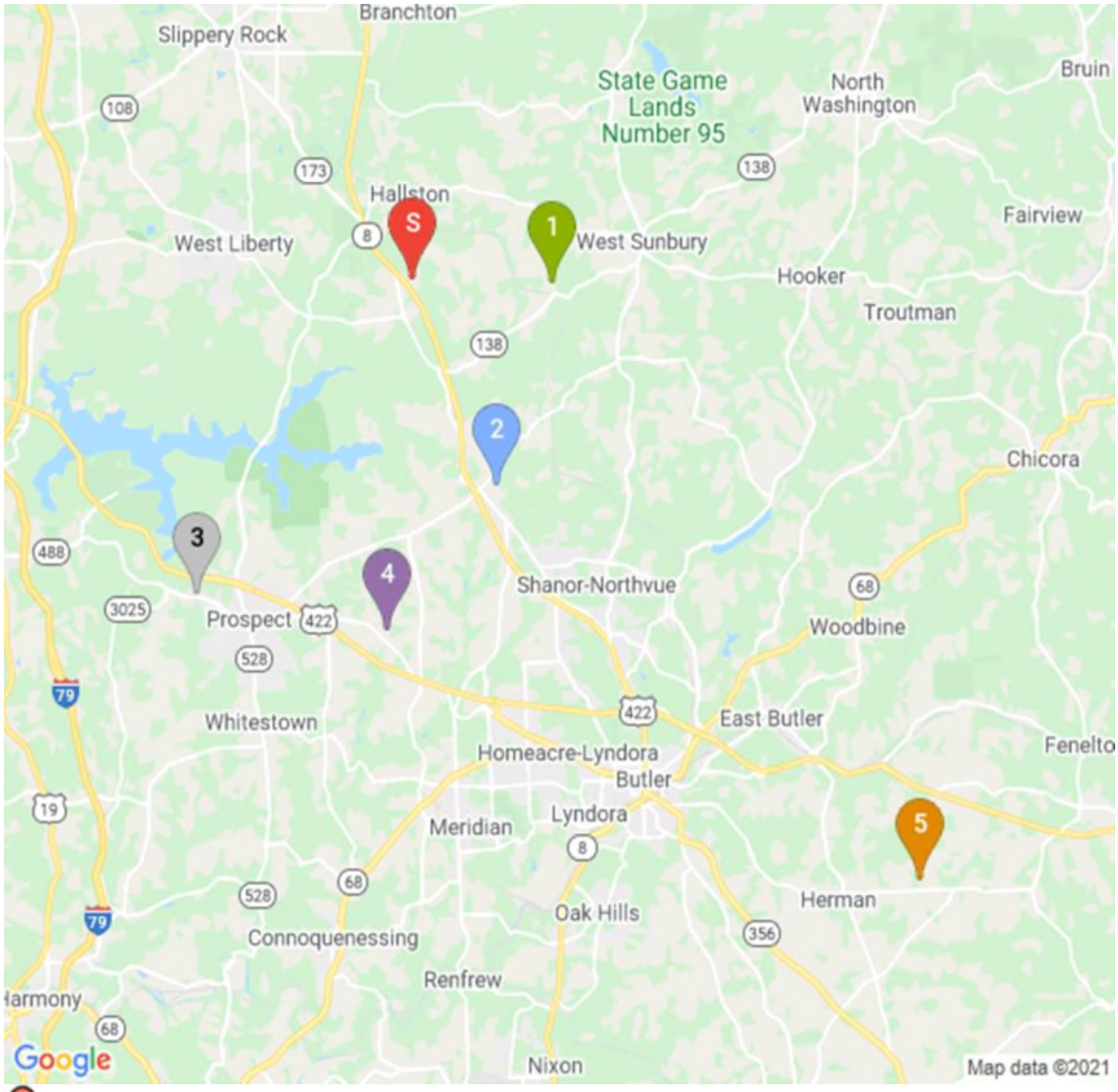
Per review of the rent roll, the property currently has $54,945 in past due rent and has been impacted by COVID-19. As such, we apply this amount as a Temporary Collection Loss Adjustment due to COVID-19.

Temporary Collection Loss due to COVID-19

Pro Forma Net Rental Income (PGI less concessions, vacancy, and bad debt)	$572,048
Per Month	$47,671
Percent Loss	23%
Number of Months	6
Temporary Collection Loss	$66,588
	$67,000

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Competitive Properties Map



S Brady Hills Mobile Home Park: 153 Lilac Lane, Slippery Rock, PA 16057

1 Sutton MHP 207 Sutton Lane, Butler, PA

2 Baxter's MHP 457 Jamisonville Road, Butler, PA

3 Coral Ridge Estates David Street, Prospect, PA

4 Franklin MHV 423 Dogwood Drive, Butler, PA

5 Hy Vue Acres MHP 203 Hyvue, Butler, PA

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Property Analysis

Land Description and Analysis

Location

The property is located on the north side of Hall Road approximately 350 feet north of its intersection with Lilac Lane.

Land Area

The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Acres
030-3F37-A1AL-0000	2,588,209	59.42
030-S1-C5-0000	43,996	1.01
Total	2,632,204	60.43

Source: Public Records

Shape and Dimensions

The site is irregular in shape, with various width and depth dimensions. Site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status

Community Panel Number	42019C0280D
Date	8/2/2018
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Percent Pad Sites in Flood Zone	0%

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Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage

Street	Lilac Lane	Hall Road
Frontage Feet	1,400	35
Paving	Asphalt	Asphalt
Curbs	None	None
Sidewalks	None	None
Lanes	2 way, 1 lane each way	2 way, 1 lane each way
Direction of Traffic	North/South	East/West
Condition	Average	Average
Traffic Levels	Moderate	Low
Signals/Traffic Control	None	Traffic light
Access/Curb Cuts	Multiple	One
Visibility	Average	Average
Rail Access	No	

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities

Service	Provider
Water	Pennsylvania American Water Company
Sewer	Butler Area Sewer Authority
Electricity	First Energy/West Penn Power Company
Natural Gas	Peoples Natural Gas
Local Phone	Various

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Zoning

The subject is zoned R, Residential Zone District, by Brady Township, Butler County, PA. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

Zoning Summary

Zoning Jurisdiction	Brady Township, Butler County, PA
Zoning Designation	R
Description	Residential Zone District
Legally Conforming?	Appears to be legally nonconforming
Zoning Change Likely?	No
Permitted Uses	Single-family detached dwelling, Two-family dwelling, Mobile home on its own lot, Mobile home park (conditional use).

Category	Zoning Requirement
Minimum Lot Area	1 acres
Minimum Street Frontage (Feet)	50 feet
Minimum Lot Width (Feet)	125 feet
Minimum Setbacks (Feet)	Centerline of road - 55 feet; Side - 10 feet; Rear - 20 feet
Maximum Building Height	35 feet or 3 stories
Maximum Site Coverage	20%
Parking Requirement	(2) spaces for dwelling units.

Source: Brady Township, Butler County, PA - Zoning Ordinance No. 95-6-1

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally nonconforming use that pre-dates the current zoning regulations.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required. Per conversations with the zoning department, the subject can be rebuilt in the event of a casualty.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Rent Control Regulations

The subject is not affected by any type of regulation that would restrict the amount of rent that the owner can charge to tenants.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

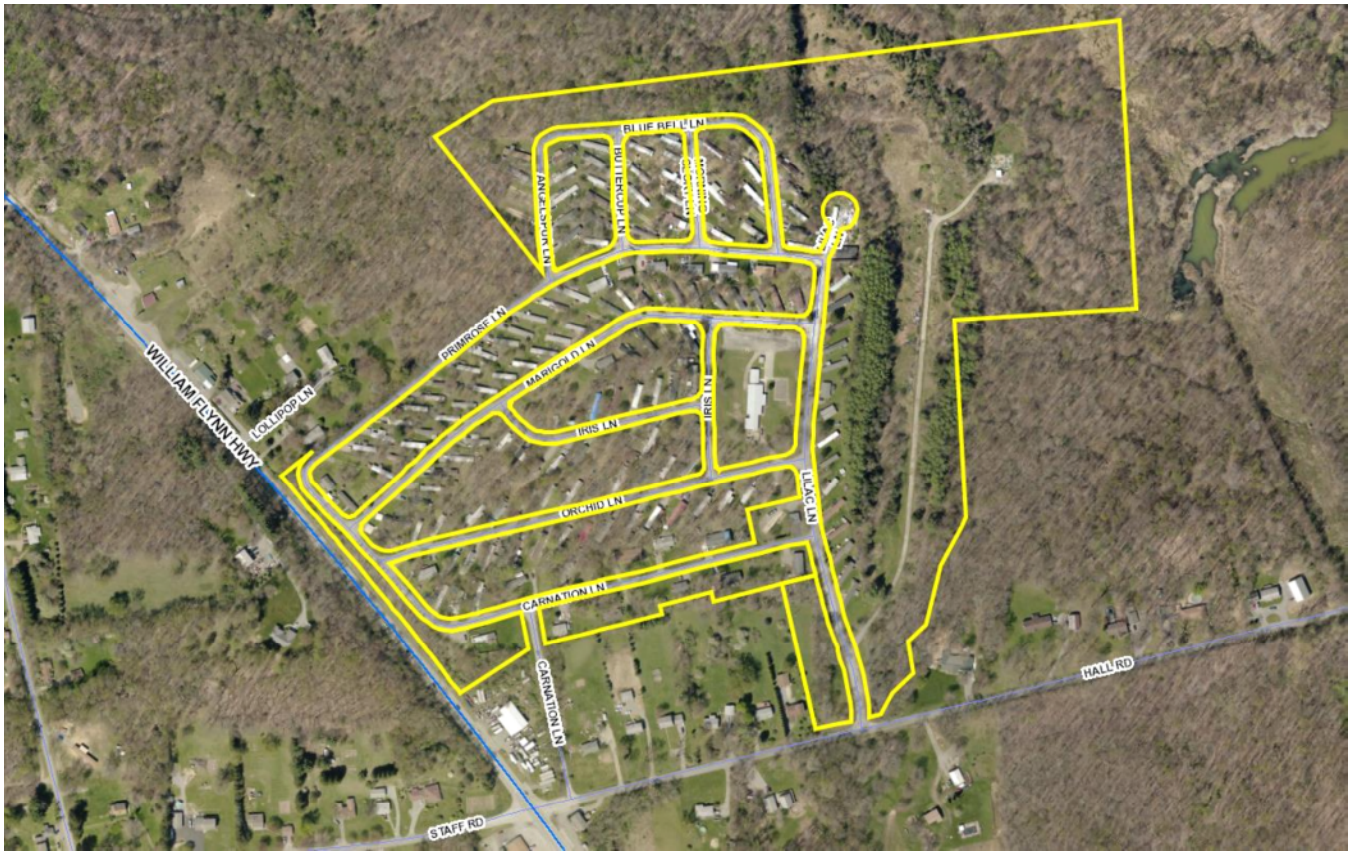
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include single-

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family detached dwelling, Two-family dwelling, Mobile home on its own lot, Mobile home park (conditional use).. We are not aware of any other particular restrictions on development.

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Aerial Map



The subject property is outlined in yellow above.

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Improvements Description and Analysis

Overview

The subject, located at 153 Lilac Lane, Slippery Rock, PA 16057, is an existing all ages manufactured housing community containing 174 pads. The subject is considered to be a 3 Star community. The property was developed in 1991 and is 79% leased as of the effective appraisal date. Based on our inspection and discussions with ownership, the subject has an approximate pad mix of 80% single-wide; 20% double-wide pads. Additionally, the subject has 12 manufactured homes that are owned by a party that is related to ownership, 7 occupied and 5 vacant. We do not consider the income or expenses of any personal property and have only applied pad rent to occupied manufactured home sites in our analysis. The site area is 60.43 acres or 2,632,204 square feet.

Improvements Description

	Overall Property
Name of Property	Brady Hills Mobile Home Park
General Property Type	Manufactured Housing Community
Competitive Property Class	3 Star
MHC Type	All Ages
Occupancy Type	Multi-Tenant
Percent Leased	79%
Number of Pads	174
Resident Home Mix	80% single-wide; 20% double-wide
Pads per Acre (Density)	2.9
Land Area (SF)	2,632,204
Year Built	1991
Actual Age (Yrs.)	30
Estimated Effective Age (Yrs.)	20
Estimated Economic Life (Yrs.)	50
Remaining Economic Life (Yrs.)	30
Number of Parking Spaces	2 spacer per pad
Source of Parking Count	Appraiser measurement
Parking Type	Surface

Permanent Structures

Based on our inspection and discussions with property management, the subject property has the following permanent structures on-site.

Permanent Structures

Structure Name	Size (SF)	Construction Class	Quality	Stories
Maintenance Shed	400	Class D	Average	1
Clubhouse	1,800	Class D	Average	1
Total	2,200			

It is our experience in the marketplace that a typical investor in the subject property would not allocate value to a permanent structure as most permanent structures are considered accessory uses of the mobile home

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EXHIBIT H

PRIOR PERFORMANCE

MHC CAPITAL
Real Estate Investments

Exhibit H

Prior Performance

Twinwall (owned by MHC Stable Income DST

Property Details	
Community Name	Twinwall
City/State	Toledo OH
Total Sites*	136
Utilities (Sewer)	Public
Utilities (Water)	Public

Acquisition Summary		
Date		2/12/2019
Purchase Price	$	3,834,635.00
Debt	$	2,775,000.00
LTV		72%
Equity	$	1,059,635.00

Occupany Data	Acquisition	Current
Economic Occ	77	78
Low Point	*75*	
Physical Occ	113	113
# Sites to Stablization (85% occ)		38
Properties On the Market		2

Financial Data		Acquisition		Current
Gross Rev	$	399,666.79	$	412,884.13
Expenses	$	266,720.49	$	262,792.07
Expense Ratio		67%		64%
NOI	$	132,946.30	$	150,092.06
Site Rent	$	353	$	363

Collections Data	Acquisition	Current
Delinq Rate	7.59%	3.85%
Delinq Amt	$ 2,406.66	$ 1,023.97
	April '2019	Apr-21
Acquisition	3/12/2019	

Notes

NOTES: Parkwide spring cleaning was conducted this month. Tenants reported having issues paying rent due to Covid 19 closures. Several tenants asked for payment plans.

Friendly Village (owned by MHC Stable Income DST II)

Property Details	
Community Name	Friendly Village
City/State	Adrian, MI
Total Sites	179
Utilities (Sewer)	Public
Utilities (Water)	public

Acquisition Summary		
Date		9/4/2019
Purchase Price	$	3,300,000.00
Debt	$	2,437,500.00
LTV*		74%
Equity	$	862,500.00

Occupany Data	Acquisition	Current
Economic Occ	114	123
Low Point	*107*	
Physical Occ	119	127
# Sites to Stablization (85% occ)		29
Properties On the Market		0

Financial Data		Acquisition		Current
Gross Rev	$	586,143.00	$	614,190.16
Expenses	$	315,788.33	$	320,313.07
Expense Ratio		54%		52%
NOI	$	270,354.67	$	293,877.09
Site Rent	$	365	$	385

Collections Data	Acquisition	Current
Delinq Rate	9.73%	8.13%
Delinq Amt	$ 4,790.00	$ 5,331.50
	Oct '2019	Apr-21
Acquisition	9/10/2019	

Notes

NOTES: Parkwide spring cleaning was conducted this month. The state conducted their yearly inspection and found no violations. 1 home was in the final stages of installation. Extensive gas line relocation project was started this month. Several tenants reported having issues paying rent due to Covid 19 shut down.

Michigan Property (Clinton Township) (Parkway Village MHC)

Property Details	
Community Name	Parkway Village
City/State	Clinton Township, MI
Total Sites	242
Utilities	Public

Acquisition Summary		
Date		4/12/2017
Purchase Price	$	2,025,000.00
Debt*	$	1,304,010.01
LTV		64%
Equity		

Occupany Data	Acquisition	Current
Economic Occ	127	141
Low Point	*113*	
Physical Occ	165	165
# Sites to Stablization (85% occ)		65
Properties On the Market		

Financial Data		Acquisition		Current
Gross Rev	$	558,720.00	$	661,266.18
Expenses	$	356,052.00	$	383,033.85
Expense Ratio		64%		58%
NOI	$	202,668.00	$	278,232.33
Site Rent	$	292	$	337

Collections Data	Acquisition	Current
Delinq Rate	7.87%	2.84%
Delinq Amt	$ 4,781.36	$ 2,299.82
		April '2021

Notes

New manager started this month. 4 homes in set up. Several large plumbing repairs requiring exavation done. Parkwide spring cleaning began this month. Significant impact to delinquencies due to Covid 19. Residents are being encouraged to reach out to the programs available for help.

Michigan Property (Homer) (New Village Estates MHC)

Property Details	
Community Name	New Village
City/State	Homer, MI
Total Sites	130
Utilities	Public

Occupany Data	Acquisition	Current
Economic Occ	75	84
Low Point	*57*	
Physical Occ	111	111
# Sites to Stablization (85% occ)		27
Properties On the Market		1

Collections Data	Acquisition	Current
Delinq Rate	32.35%	17.86%
Delinq Amt	$ 10,058.97	$ 6,063.25
		April '2021

Acquisition Summary	
Date	4/7/2017
Purchase Price	$ 1,550,000.00
Debt*	$ 1,166,454.19
LTV	75%
Equity	

Financial Data	Acquisition	Current
Gross Rev	$ 267,912.00	$ 386,089.31
Expenses	$ 229,992.00	$ 283,364.07
Expense Ratio	86%	73%
NOI	$ 37,920.00	$ 102,725.24
Site Rent	$ 292	$ 322

Notes
Parkwide clean up of the community began in March. 2 homes were in the process of being installed. 1 new home arrived. Significant impact to delinquencies due to Covid 19. Residents are being encouraged to reach out to the programs available for help.

Michigan Property (Ostego) (Watson MHC)

Property Details	
Community Name	Watson
City/State	
Total Sites*	164
Utilities (Sewer)	Public
Utilities (Water)	Public

Occupany Data	Acquisition	Current
Economic Occ	95	99
Low Point	*90*	
Physical Occ	120	125
# Sites to Stablization (85% occ)		40
Properties On the Market		1

Collections Data	Acquisition	Current
Delinq Rate	11.58%	4.04%
Delinq Amt	$ 6,236.00	$ 1,731.00
		April '2021

Acquisition Summary	
Date	11/9/2017
Purchase Price	$ 2,270,000.00
Debt	$ 1,762,500.00
LTV*	78%
Equity	$ 1,542,144.00

Financial Data	Acquisition	Current
Gross Rev	$ 422,988.00	$ 487,545.72
Expenses	$ 337,668.00	$ 266,544.00
Expense Ratio	80%	55%
NOI	$ 85,320.00	$ 221,001.72
Site Rent	$ 317	$ 347

Notes
NOTES: Parkwide spring cleaning conducted throughout the community. Some tree work conducted. And bids for road repairs were obtained. Tenants were reporting having issues paying rent due to Covid 19 shut down.

*Legal Sites	176

Michigan Property (Parma) (Arbor Village MHC)

Property Details	
Community Name	Arbor Village
City/State	Parma, MI
Total Sites	266
Utilities- Sewer	Public
Water	Private

Occupany Data	Acquisition	Current
Economic Occ	144	134
Low Point	*121*	
Physical Occ	156	156
# Sites to Stablization (85% occ)		92
Properties On the Market		1

Collections Data	Acquisition	Current
Delinq Rate	6.38%	8.21%
Delinq Amt	$ 4,831.14	$ 5,387.81
		April '2021

Acquisition Summary	
Date	7/20/2016
Purchase Price	$ 2,170,000.00
Debt*	$ 1,980,771.43
LTV	91%
Equity	

Financial Data	Acquisition	Current
Gross Rev	$ 642,396.00	$ 677,131.14
Expenses	$ 366,420.00	$ 322,852.93
Expense Ratio	57%	48%
NOI	$ 275,976.00	$ 354,278.21
Site Rent	$ 324	$ 376

Notes
Corporate rep visited this park on April 28. The park was much improved from when it was taken over by the new PM.A new water well was punched in April. The PM was able to sign up several tenants to get money from the CERA program to pay for their utilities including their water bill. Parkwide Spring Cleaning was done this month. Significant impact to delinquencies due to Covid 19. The PM was able to sign up several tenants to get money from the CERA program to pay for their utilities including their water bill.

Michigan Property (Plainwell) (Gun River East MHC and Gun River West MHC)

Property Details	
Community Name	Gun River
City/State	Plainwell, MI
Total Sites	224
Utilities (Sewer)	Public
Utilities (Water)	Private

Occupany Data	Acquisition	Current
Economic Occ	144	173
Low Point	*140*	
Physical Occ	172	180
# Sites to Stablization (85% occ)		17
Properties On the Market		0

Collections Data	Acquisition	Current
Delinq Rate	2.72%	1.73%
Delinq Amt	$ 1,991.89	$ 1,397.00
		April '2021

Acquisition Summary		
Date		2/23/2016
Purchase Price	$	3,100,000.00
Debt	$	4,927,155.13
LTV*		159%
Equity		

Financial Data	Acquisition	Current
Gross Rev	$ 667,464.00	$ 971,172.52
Expenses	$ 397,920.00	$ 419,438.37
Expense Ratio	60%	43%
NOI	$ 269,544.00	$ 551,734.15
Site Rent	$ 385	$ 410

Notes
Curently have 5 new homes in setup. Delinquency has not be significantly impacted by Covid 19. Community ran fliers to get residents enrolled in utility assistance post covid to avoid shutoffs. 20 residents took advantage of this program. Community will resume shut offs for residents in may. Also had an electrical repair to a lift station to better run the pumps.

Ohio Property (Thompson) (Rustic Pines MHC)

Property Details	
Community Name	Rustic Pines
City/State	Thompson, Ohio
Total Sites	131
Utilities (Sewer)	Private
Utilities (Water)	Private

Occupany Data	Acquisition	Current
Economic Occ	66	82
Low Point	*66*	
Physical Occ	81	92
# Sites to Stablization (85% occ)		29
Properties On the Market		0

Collections Data	Acquisition	Current
Delinq Rate	8.96%	2.44%
Delinq Amt	$ 1,989.00	$ 769.00
		April '2021

Acquisition Summary		
Date		5/12/2017
Purchase Price	$	725,000.00
Debt	$	1,050,000.00
LTV*		145%
Equity	$	850,000.00

** Prop refinanced 12/20/18*

Financial Data	Acquisition	Current
Gross Rev	$ 285,480.00	$ 399,717.48
Expenses	$ 209,388.00	$ 233,057.36
Expense Ratio	73%	58%
NOI	$ 76,092.00	$ 136,288.00
Site Rent	$ 340	$ 365

Notes
NOTES: Road repairs were completed and state violation was closed. Parkwide spring cleaning conducted throughout the community. Some tenants continue to report issues paying rent due to Covid 19.

Ohio Property (Vienna) (Four Seasons MHC)

Property Details	
Community Name	Four Seasons
City/State	Vienna/Ohio
Total Sites	192
Utilities - Sewer	Private
Water	Public

Occupany Data	Acquisition	Current
Economic Occ	137	158
Low Point	*136*	
Physical Occ	168	170
# Sites to Stablization (85% occ)		5
Properties On the Market		0

Collections Data	Acquisition	Current
Delinq Rate	2.21%	1.27%
Delinq Amt	$ 850.00	$ 650.00
		April '2021

Acquisition Summary		
Date		2/14/2018
Purchase Price	$	3,000,000.00
Debt	$	2,336,250.00
LTV		78%
Equity	$	1,911,706.00

Financial Data	Acquisition	Current
Gross Rev	$ 524,844.00	$ 581,622.64
Expenses	$ 372,996.00	$ 313,005.40
Expense Ratio	71%	54%
NOI	$ 151,848.00	$ 230,008.00
Site Rent	$ 270	$ 300

Notes
NOTES: Substantial sewage clean up and repair due to sewer line collapse. Camera work completed for sewer connection project.Alta will be marked with problem areas. Work to fix repairs once marked should commence within the next 2 months. When repairs are made to line breaks we can begin the connection process and build the Force main pump house. Spring Cleaning conducted throughout community.

Ohio Property (Warren) (Villager MHC)

Property Details	
Community Name	Villager
City/State	Warren, OH
Total Sites	180
Utilities	Public

Occupany Data	Acquisition	Current
Economic Occ	115	117
Low Point	*107*	
Physical Occ	145	145
# Sites to Stablization (85% occ)		36
Properties On the Market		

Collections Data	Acquisition	Current
Delinq Rate	2.59%	4.27%
Delinq Amt	$ 1,336.65	$ 3,408.85
		April '2021

Acquisition Summary	
Date	1/6/2017
Purchase Price	$ 2,350,000.00
Debt*	$ 1,544,585.67
LTV	66%
Equity	

Financial Data	Acquisition	Current
Gross Rev	$ 412,824.00	$ 436,931.46
Expenses	$ 263,952.00	$ 234,087.59
Expense Ratio	64%	54%
NOI	$ 148,872.00	$ 202,843.87
Site Rent	$ 250	$ 275

Notes
Parkwide spring cleaning conducted this month. Roads assessed and bids obtained for repair.2 homes are in the process of being installed. Some residents are reporting issues paying rent due to Covid 19 impact.

Pennsylvania Property (Brady Hills MHC)

Property Details	
Community Name	Brady Hills
City/State	
Total Sites	174
Utilities (Sewer)	Private
Utilities (Water)	Private

Occupany Data	Acquisition	Current
Economic Occ	149	138
Low Point	*137*	
Physical Occ	156	157
# Sites to Stablization (85% occ)		10
Properties On the Market		0

Collections Data	Acquisition	Current
Delinq Rate	21.48%	12.32%
Delinq Amt	$ 13,210.00	$ 5,087.00
		April '2021

Acquisition Summary	
Date	7/27/2017
Purchase Price	$ 2,125,000.00
Debt	$ 1,406,000.00
LTV*	66%
Equity	$ 1,679,193.00

Financial Data	Acquisition	Current
Gross Rev	$ 411,744.00	$ 487,971.24
Expenses	$ 248,568.00	$ 298,431.92
Expense Ratio	60%	61%
NOI	$ 163,176.00	$ 189,539.32
Site Rent	$ 255	$ 275

Notes
Major parkwide clean up was done at this property. Under the direction of the regional manager. 5 bins were ordered and a crew from HBT, FSS and BHL cleaned up occupied and unoccupied lots for several days. The Delinquency rate is steadily decreasing due to 1. tenants filing with the state for Covid help 2. courts are open again.

Consolidated Property Details

Property Details	
Consolidated	
Total Sites	1703

Occupany Data	Acquisition	Current
Economic Occ	1243	1327
Low Point	*1149*	
Physical Occ	1506	1541
# Sites to Stablization (85% occ)		121
Properties On the Market		5

Collections Data	Acquisition	Current
Delinq Rate	9.14%	4.11%
Delinq Amt	$ 29,058.25	$ 11,933.82

Acquisition Summary	
Purchase Price	$ 26,449,635.00
Debt	$ 22,690,226.43
LTV*	86%

Financial Data	Acquisition	Current
Gross Rev	$ 5,180,181.79	$ 6,116,521.98
Expenses	$ 3,365,464.82	$ 3,336,920.63
Expense Ratio	65%	55%
NOI	$ 1,814,716.97	$ 2,779,601.35
Site Rent	$ 313	$ 341

Notes

Distribution History

Acqn date			7/20/2016		2/23/2016		4/7/2017		6/7/2016		1/6/2017			
	Fund I parks		Arbor Village		Gun River		New Village		Parkway		Villager		Consolidated	
	Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual
2016	-	-	4	4	7	7	-	-	5	5	-	-	16	16
2017	5	5	12	12	12	12	6	6	12	12	8	8	55	55
2018	12	12	12	12	12	12	12	12	12	12	12	12	72	72
2019	12	12	12	12	12	12	12	12	12	12	12	12	72	72
2020	12	9	12	9	12	9	12	9	12	9	12	9	72	54 Note 1
2021 (Apr)	4	4	4	4	4	4	4	4	4	4	4	4	24	24
	45	42	56	53	59	56	46	43	57	54	48	45	311	293
% Attainment		93.3%		94.6%		94.9%		93.5%		94.7%		93.8%		94.2%

Note 1 No prefs distributed in Apr-Jun, 2020

Sale to DSTs		3/8/2019		9/20/2019
	Twinwall		Friendly Village	
	Potential	Actual	Potential	Actual
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	9	9	3	3
2020	12	12	12	12
2021 (Apr)	4	4	4	4
	25	25	19	19
% Attainment		100.0%		100.0%

EXHIBIT I

TO BE PROVIDED ON REQUEST

MHC CAPITAL
Real Estate Investments