

THE SALES COMPARISON APPROACH

VALUE INDICATED BY SALES COMPARISON APPROACH

The Sales Comparison Approach compares sold properties to the subject property. Its credibility depends on the degrees of similarity and/or difference between the subject property and the sold properties, called "comparable sales." It is most credible when a representative number of comparable sales are available. Either whole-dollar or percentage adjustments are applied to the sales price of each comparable property to reconcile it to the subject. These adjustments are grounded in the appraisers' knowledge and experience and are derived from the observation of market actions. This knowledge is enhanced through physical inspections, the confirmation process, and familiarity with the markets involved. Ultimately, this reconciliation process produces an adjusted value range from the comparable sales that indicates likely market response to the subject's characteristics and appeal. From this adjusted value range, the appraisers conclude a market value opinion for the subject. This market value opinion must conform to the definition of value contained in the appraisal assignment, is grounded in the highest and best use of the subject property, and is identified as valid as of a specific date, the effective date of the appraisal.

Value Indicated by Sales Comparison Approach, continued

The adjustment process requires the designation of a common unit of comparison so that property differences can be reconciled on an equal footing. The sales-price-per-space has proven reliable for estimating the value of mobile home parks. This is employed as the common unit of comparison in the analysis below.

The Adjustment Process

Adjustments are applied in a two-step process: 1. Transactional adjustments are applied sequentially based on the following order.

Transactional Elements
Property rights conveyed
Financing terms
Conditions of sale
Expenditures immediately after sale
Market conditions

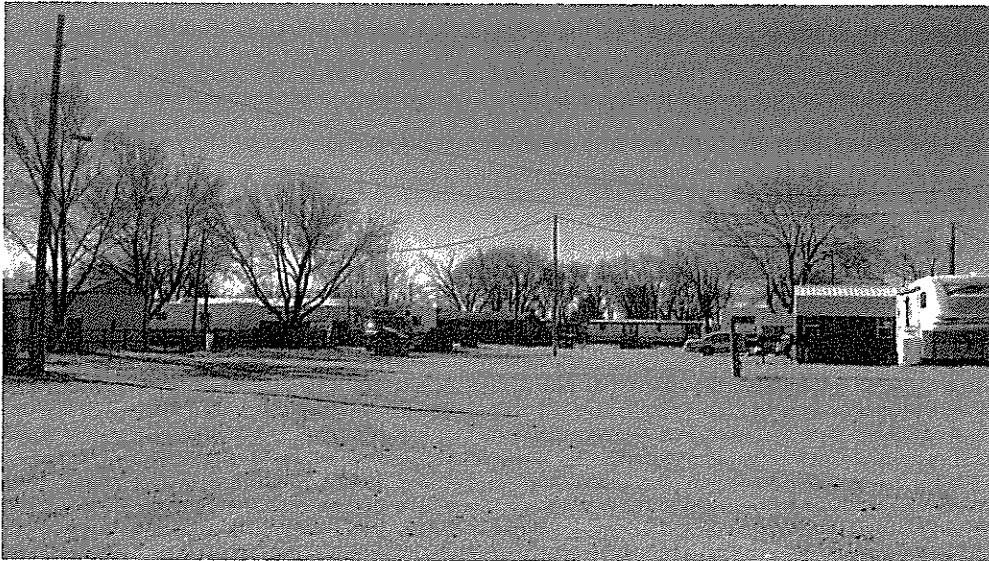
2. After transactional adjustments are applied, the unit prices of the sales are adjusted for property elements in the following categories. Property element adjustments are cumulative and may be applied in any order.

Property Elements
Location
Physical characteristics
Economic characteristics
Use
Non-realty components of value

Value Indicated by Sales Comparison Approach, continued

A review of the sales database emphasized the fact that sales are limited for the subject's property type. The following tables summarize the most recent sales of the most comparable properties chosen and the adjustments applied.

Improved Sale No. 1



Property Identification

Record ID 1679
Property Type Mobile Home Park
Property Name RV/Mobile Home Park
Address 802 Bea Street, Dalhart, Dallam County, Texas
Legal Strip from rear of motel Sub 17 & Sub 18, Sec 33, Blk 48, H & TC, RY CO, City of Dalhart, Dallam County, Texas

Sale Data

Grantor Roxy Shafer
Grantee Jon King
Sale Date April 23, 2013
Deed Book/Page 166806
Conditions of Sale Cash to Seller

Sale Price \$465,000

Land Data

Land Size 6.220 Acres or 270,944 SF

General Physical Data

Building Name Office/Shop
Building Type Single Tenant
Total Units 45
Year Built 1960
Condition Average

Improved Sale No. 1 (Cont.)

Income Analysis

Effective Gross Income	\$85,430
Expenses	\$40,715
Net Operating Income	\$44,715

Indicators

Sale Price/Unit	\$10,333.33
Occupancy at Sale	100%
Eff. Gross Income	5.44
Multiplier	
Overall or Cap Rate	9.62%

Remarks

This is an older RV/mobile home park that included a house/office, and shop. Overall condition was fair.

Improved Sale No. 2



Property Identification

Record ID 1593
Property Type Mobile Home Park
Property Name Aggie Trailer Village
Address 2nd and Avenue G, Goodwell, Texas County, Oklahoma
Legal Lots 1-7, Block 9, Lots 1-5, Block 10, Lots 1-7, Block 11, and a 50' strip adjacent to the south sides of Blocks 9, 10 & 11, all in Kelly Addition

Sale Data

Grantor Tarrco, LLC
Grantee Bryan Burson
Sale Date April 15, 2011
Deed Book/Page N/A
Conditions of Sale Cash to Seller

Sale Price \$190,000

Land Data

Land Size 4.380 Acres or 190,793 SF

General Physical Data

Building Name Aggie Trailer Village
Building Type Single Tenant
Unit 32
Year Built 1960
Condition Average

Improved Sale No. 2 (Cont.)

Income Analysis

Potential Gross Income	\$53,760
Vacancy	\$2,688
Effective Gross Income	\$51,072
Expenses	\$30,643
Net Operating Income	\$20,429

Indicators

Sale Price/Unit	\$5,937.50
Occupancy at Sale	100%
Gross Income Multiplier	3.53
Eff. Gross Income Multiplier	3.72
Overall or Cap Rate	10.75%

Remarks

Mobile home park for students of Panhandle State University. Tenant paid utilities.

Improved Sale No. 3



Property Identification

Record ID 1137
Property Type Mobile Home Park
Property Name Sundown RV Park
Address 10801 I-40 West, Amarillo, Potter County, Texas
Legal 5.04 acres out of Section 76, Block 9, BS&F Survey, Potter County, TX

Sale Data

Grantor Randall Browning
Grantee Keith Lindmark
Sale Date August 01, 2008
Deed Book/Page 4010/0072
Conditions of Sale Cash to Seller

Sale Price \$385,000

Land Data

Land Size 5.040 Acres or 219,543 SF

General Physical Data

Building Type Single Tenant
Unit 40
Year Built 1965
Condition Average

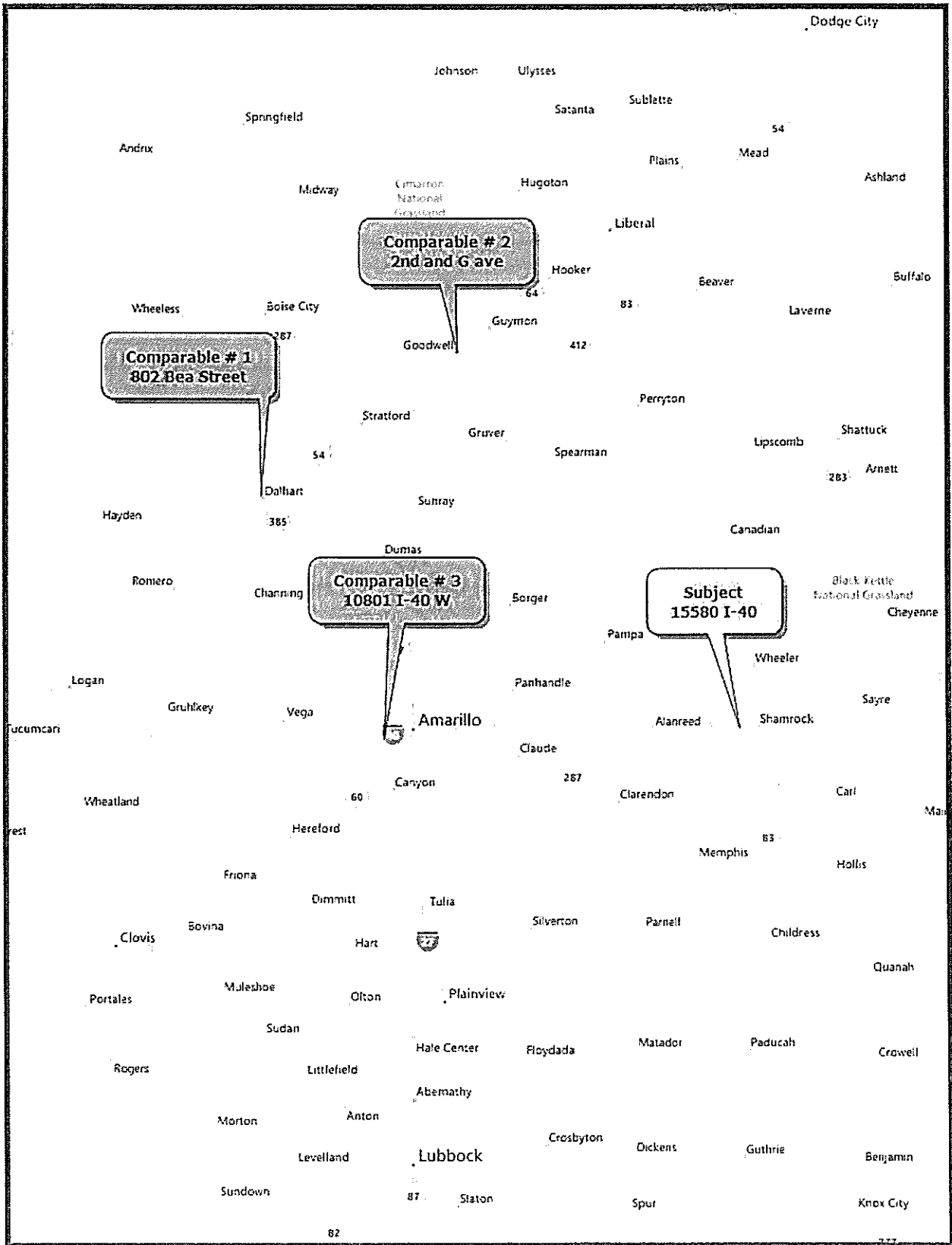
Improved Sale No. 3 (Cont.)

Indicators

Sale Price/Unit \$9,625.00

Remarks

This was an operating 40 space RV Park with showers, clubhouse, and an old pool.
Located west of Amarillo on I-40.



COMPARABLE SALES MAP

Value Indicated by Sales Comparison Approach, continued

IMPROVED SALES SUMMARY

<i>Sale</i>	<i>1</i>	<i>2</i>	<i>3</i>
<i>Financing</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
<i>Date</i>	<i>4/13</i>	<i>4/11</i>	<i>8/08</i>
<i>Size/Space</i>	<i>45</i>	<i>32</i>	<i>40</i>
<i>Price</i>	<i>\$465,000</i>	<i>\$190,000</i>	<i>\$385,000</i>
<i>Price/Space</i>	<i>\$10,333</i>	<i>\$ 5,938</i>	<i>\$ 9,625</i>
<i>Quality/Condition</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
<i>Location</i>	<i>Good</i>	<i>Average</i>	<i>Good</i>
<i>Highest & Best Use</i>	<i>Mobile Home Park</i>	<i>Mobile Home Park</i>	<i>RV Park</i>
<i>Age</i>	<i>1960's</i>	<i>1960's</i>	<i>1965</i>

COMPARABLE SALES ADJUSTMENT GRID

<i>Sale</i>	<i>1</i>	<i>2</i>	<i>3</i>
<i>Price/Space</i>	<i>\$10,333</i>	<i>\$ 5,938</i>	<i>\$ 9,625</i>
<i>Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Market Conditions</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Transactional Adjusted Price/SF</i>	<i>\$10,333</i>	<i>\$ 5,938</i>	<i>\$ 9,625</i>
<i>Location</i>	<i>-40%</i>	<i>0</i>	<i>-40%</i>
<i>Quality/Condition</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Size</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Net Adjustment</i>	<i>-40%</i>	<i>0</i>	<i>-40%</i>
<i>Adjusted Price/Space</i>	<i>\$6,200</i>	<i>\$5,938</i>	<i>\$5,775</i>

Value Indicated by Sales Comparison Approach, continued

Sale 1 is located in Dalhart, Texas and is larger in size and superior in location. Occupancy is near 90%. This is an older park, but with a history of good occupancy.

Sale 2 is located in Goodwell, Oklahoma and is similar in size to the subject. It is similar in location. It is an older park that has a long history of good occupancy. No adjustment is required.

Sale 3 is an RV Park with five mobile home spaces. While it is a different kind of park, it still relies on space rent only.

These sales are considered to be reflective of current market conditions for mobile home parks in the area market. The adjusted value range is from \$5,775/Space to \$6,200/Space. Given the quality and location of the subject the upper portion of this range is considered most reasonable. Based on the data available, the following value range is considered to be reasonable. -

35 Spaces	x	\$6,000/Space	=	\$210,000
35 Spaces	x	\$6,200/Space	=	\$217,000

Indicated Value by the Sales Comparison Approach Say, \$215,000

CORRELATION AND CONCLUSIONS

A correlation of the three approaches to value of an appraisal places their indicated values in a mutual relationship. Then, an analysis of their relative merit is made in an overall view of the property and a final value is produced. Thus, we have completed the appraisal process having analyzed the property from several aspects and a review of the value indications is as follows:

Cost Approach	\$ -N/A-
Income Approach	\$220,000
Sales Comparison Approach	\$215,000

The Cost Approach considers the depreciated construction costs of the project. The market conditions and the age of the property reduce the reliability of the value estimate by increasing the variables used in the depreciation estimate. This approach is considered to be the least reliable of the approaches due to the judgmental nature of the depreciation allowances; therefore the Cost Approach is not employed.

The Income Approach attempts to reflect the demands of investors in the current market. No current income and expense records were available. Market estimates were employed. The Income Approach

Correlation and Conclusions, continued

allows the appraiser to analyze Market level income and expenses of the property and estimate the value of the income stream. Since properties similar to the subject are typically purchased by investors, this income stream is given the greatest emphasis when estimating the Market Value of the property. The Band of Investment and Direct Capitalization methods have been employed in this analysis. This analysis is considered to be reliable and supports the Sales Comparison Approach.

The Sales Comparison Approach is a comparison of properties similar to the subject which have been sold in "arms length" transactions. These sales of similar mobile home parks found in the surrounding area offer a reasonable value range for the subject. The Sales Comparison Approach to value is considered to be the most appropriate value indicator.

Marketing Time

The subject property is an existing RV Park in a good location. The property is considered to be in average condition. The subject currently has similar occupancy to most similar parks. Sales data to establish a definite marketing time for the subject is not available. Few sales of similar properties have been verified.

Correlation and Conclusions, continued

It is the appraiser's opinion that the quality and location of the property would attract buyers. The income opportunity would also attract investors. These factors tend to support the appraiser's opinion that the subject could be marketed in twelve months at the appraised value.

Exposure Time

Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market (USPAP, 2014-2015 edition, The Appraisal Foundation, page U-2).

Based upon the comparable sales used in this appraisal, the estimated exposure time to achieve pricing generally aligned with the concluded market value is reasonably anticipated to be in 12 months or less.

Hazardous Substance Comment

The physical inspection of the subject did not reveal the presence of any hazardous substances; however, the examination for such substance is not within the realm of the appraiser's expertise,

Correlation and Conclusions, continued

and no warranty is made that such a present does not exist. The value estimate produced assumes the subject property to be environmentally clean.

After examination of the available data and application of the appraisal process, a reasonable and supportable Market Value estimate for the subject property, as of **January 8, 2014**, is:

\$215,000

Two Hundred Fifteen Thousand Dollars