

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(x) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2025

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-12690

UMH PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

22-1890929

(I.R.S. Employer
identification number)

Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code

(732) 577-9997

(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, \$0.10 par value	UMH	New York Stock Exchange
6.375% Series D Cumulative Redeemable Preferred Stock, \$0.10 par value	UMH PD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes X No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer X
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

<u>Class</u>	<u>Outstanding Common Shares as of August 1, 2025</u>
Common Stock, \$0.10 par value per share	84,928,979

UMH PROPERTIES, INC. AND SUBSIDIARIES

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2025

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UMH PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2025 AND DECEMBER 31, 2024
(in thousands except per share amounts)

- ASSETS -	June 30, 2025 (Unaudited)	December 31, 2024
Investment Property and Equipment		
Land	\$ 89,588	\$ 88,037
Site and Land Improvements	1,008,884	970,053
Buildings and Improvements	45,647	44,782
Rental Homes and Accessories	596,115	566,242
Total Investment Property	1,740,234	1,669,114
Equipment and Vehicles	32,148	31,488
Total Investment Property and Equipment	1,772,382	1,700,602
Accumulated Depreciation	(502,132)	(471,703)
Net Investment Property and Equipment	1,270,250	1,228,899
Other Assets		
Cash and Cash Equivalents	79,235	99,720
Marketable Securities at Fair Value	30,159	31,883
Inventory of Manufactured Homes	38,688	34,982
Notes and Other Receivables, net	97,639	91,668
Prepaid Expenses and Other Assets	16,420	14,261
Land Development Costs	62,057	33,868
Investment in Joint Ventures	29,574	28,447
Total Other Assets	353,772	334,829
TOTAL ASSETS	\$ 1,624,022	\$ 1,563,728

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS – CONTINUED
AS OF JUNE 30, 2025 AND DECEMBER 31, 2024
(in thousands except per share amounts)

- LIABILITIES AND SHAREHOLDERS' EQUITY -	June 30, 2025 (Unaudited)	December 31, 2024
LIABILITIES:		
Mortgages Payable, net of unamortized debt issuance costs	\$ 530,193	\$ 485,540
Other Liabilities:		
Accounts Payable	8,527	7,979
Loans Payable, net of unamortized debt issuance costs	27,639	28,279
Series A Bonds, net of unamortized debt issuance costs	101,327	100,903
Accrued Liabilities and Deposits	12,125	15,091
Tenant Security Deposits	10,453	10,027
Total Other Liabilities	160,071	162,279
Total Liabilities	690,264	647,819
Commitments and Contingencies		
Shareholders' Equity:		
Series D – 6.375% Cumulative Redeemable Preferred Stock, \$0.10 par value per share, 18,700 and 13,700 shares authorized as of June 30, 2025 and December 31, 2024, respectively; 12,872 and 12,823 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	321,804	320,572
Common Stock - \$0.10 par value per share, 183,714 and 163,714 shares authorized as of June 30, 2025 and December 31, 2024, respectively; 84,741 and 81,909 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	8,474	8,191
Excess Stock - \$0.10 par value per share, 3,000 shares authorized; no shares issued or outstanding as of June 30, 2025 and December 31, 2024	-0-	-0-
Additional Paid-In Capital	627,068	610,630
Accumulated Deficit	(25,364)	(25,364)
Total UMH Properties, Inc. Shareholders' Equity	931,982	914,029
Non-Controlling Interest in Consolidated Subsidiaries	1,776	1,880
Total Shareholders' Equity	933,758	915,909
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,624,022	\$ 1,563,728

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2025 AND 2024
(in thousands except per share amounts)

	<u>THREE MONTHS ENDED</u>		<u>SIX MONTHS ENDED</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
INCOME:				
Rental and Related Income	\$56,165	\$51,494	\$110,739	\$101,823
Sales of Manufactured Homes	<u>10,478</u>	<u>8,834</u>	<u>17,129</u>	<u>16,185</u>
Total Income	<u>66,643</u>	<u>60,328</u>	<u>127,868</u>	<u>118,008</u>
EXPENSES:				
Community Operating Expenses	23,047	21,595	46,076	42,692
Cost of Sales of Manufactured Homes	7,124	5,461	11,469	11,017
Selling Expenses	1,847	1,744	3,462	3,390
General and Administrative Expenses	6,256	5,506	12,255	10,874
Depreciation Expense	<u>15,739</u>	<u>15,001</u>	<u>32,402</u>	<u>29,742</u>
Total Expenses	<u>54,013</u>	<u>49,307</u>	<u>105,664</u>	<u>97,715</u>
OTHER INCOME (EXPENSE):				
Interest Income	2,060	1,501	4,323	3,068
Dividend Income	375	362	749	722
Loss on Sales of Marketable Securities, net	-0-	(3,778)	-0-	(3,778)
Increase (Decrease) in Fair Value of Marketable Securities	(175)	3,338	(1,737)	(2,031)
Other Income	252	205	429	364
Loss on Investment in Joint Ventures	(133)	(87)	(214)	(224)
Interest Expense	<u>(7,368)</u>	<u>(7,371)</u>	<u>(13,302)</u>	<u>(14,845)</u>
Total Other Income (Expense)	<u>(4,989)</u>	<u>(5,830)</u>	<u>(9,752)</u>	<u>(16,724)</u>
Income before Loss on Sales of Investment Property and Equipment	7,641	5,191	12,452	3,569
Loss on Sales of Investment Property and Equipment	<u>(36)</u>	<u>(10)</u>	<u>(37)</u>	<u>(13)</u>
Net Income	<u>7,605</u>	<u>5,181</u>	<u>12,415</u>	<u>3,556</u>
Preferred Dividends	(5,129)	(4,712)	(10,258)	(9,385)
Loss Attributable to Non-Controlling Interest	<u>56</u>	<u>58</u>	<u>104</u>	<u>92</u>
Net Income (Loss) Attributable to Common Shareholders	<u>\$2,532</u>	<u>\$527</u>	<u>\$2,261</u>	<u>\$(5,737)</u>
Net Income (Loss) Attributable to Common Shareholders Per Share – Basic and Diluted	<u>\$0.03</u>	<u>\$0.01</u>	<u>\$0.03</u>	<u>\$(0.08)</u>
Weighted Average Common Shares Outstanding:				
Basic	<u>83,974</u>	<u>71,418</u>	<u>83,233</u>	<u>70,291</u>
Diluted	<u>84,779</u>	<u>71,884</u>	<u>84,051</u>	<u>70,700</u>

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2025 AND 2024
(in thousands)

	Common Stock Issued and Outstanding		Preferred Stock Series D
	Number	Amount	
Balance December 31, 2024	81,909	\$8,191	\$320,572
Common Stock Issued with the DRIP	152	16	-0-
Common Stock Issued through Restricted Stock Awards	224	22	-0-
Common Stock Issued through Stock Options	25	2	-0-
Common Stock Issued in connection with At-The-Market Offerings, net	515	52	-0-
Preferred Stock Issued in connection with At-The-Market Offerings, net	-0-	-0-	1,232
Distributions	-0-	-0-	-0-
Stock Compensation	-0-	-0-	-0-
Net Income (Loss)	-0-	-0-	-0-
Balance March 31, 2025	82,825	8,283	321,804
Common Stock Issued with the DRIP	136	13	-0-
Common Stock Issued through Restricted Stock Awards	9	1	-0-
Common Stock Issued through Stock Options	10	1	-0-
Common Stock Issued in connection with At-The-Market Offerings, net	1,761	176	-0-
Distributions	-0-	-0-	-0-
Stock Compensation Expense	-0-	-0-	-0-
Net Income (Loss)	-0-	-0-	-0-
Balance June 30, 2025	84,741	\$8,474	\$321,804
Balance December 31, 2023	67,978	\$6,798	\$290,180
Common Stock Issued with the DRIP	168	16	-0-
Common Stock Issued through Restricted Stock Awards	481	48	-0-
Common Stock Issued through Stock Options	179	18	-0-
Common Stock Issued in connection with At-The-Market Offerings, net	1,347	135	-0-
Preferred Stock Issued in connection with At-The-Market Offerings, net	-0-	-0-	4,855
Distributions	-0-	-0-	-0-
Stock Compensation	-0-	-0-	-0-
Net Loss	-0-	-0-	-0-
Balance March 31, 2024	70,153	7,015	295,035
Common Stock Issued with the DRIP	172	17	-0-
Common Stock Issued through Restricted Stock Awards	9	1	-0-
Common Stock Issued through Stock Options	31	3	-0-
Common Stock Issued in connection with At-The-Market Offerings, net	2,385	239	-0-
Preferred Stock Issued in connection with At-The-Market Offerings, net	-0-	-0-	722
Distributions	-0-	-0-	-0-
Stock Compensation Expense	-0-	-0-	-0-
Net Income (Loss)	-0-	-0-	-0-
Balance June 30, 2024	72,750	\$7,275	\$295,757

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2025 AND 2024
(in thousands)

	Additional Paid-In Capital	Undistributed Income (Accumulated Deficit)	Non-Controlling Interest in Consolidated Subsidiary	Total Shareholders' Equity
Balance December 31, 2024	\$610,630	\$(25,364)	\$1,880	\$915,909
Common Stock Issued with the DRIP	2,596	-0-	-0-	2,612
Common Stock Issued through Restricted Stock Awards	(22)	-0-	-0-	-0-
Common Stock Issued through Stock Options	352	-0-	-0-	354
Common Stock Issued in connection with At-The-Market Offerings, net	9,185	-0-	-0-	9,237
Preferred Stock Issued in connection with At-The-Market Offerings, net	(250)	-0-	-0-	982
Distributions	(18,000)	(4,858)	-0-	(22,858)
Stock Compensation Expense	3,149	-0-	-0-	3,149
Net Income (Loss)	-0-	4,858	(48)	4,810
Balance March 31, 2025	607,640	(25,364)	1,832	914,195
Common Stock Issued with the DRIP	2,192	-0-	-0-	2,205
Common Stock Issued through Restricted Stock Awards	(1)	-0-	-0-	-0-
Common Stock Issued through Stock Options	136	-0-	-0-	137
Common Stock Issued in connection with At-The-Market Offerings, net	30,152	-0-	-0-	30,328
Distributions	(16,402)	(7,661)	-0-	(24,063)
Stock Compensation Expense	3,351	-0-	-0-	3,351
Net Income (Loss)	-0-	7,661	(56)	7,605
Balance June 30, 2025	<u>\$627,068</u>	<u>\$(25,364)</u>	<u>\$1,776</u>	<u>\$933,758</u>
Balance December 31, 2023	\$433,106	\$(25,364)	\$2,074	\$706,794
Common Stock Issued with the DRIP	2,455	-0-	-0-	2,471
Common Stock Issued through Restricted Stock Awards	(48)	-0-	-0-	-0-
Common Stock Issued through Stock Options	1,748	-0-	-0-	1,766
Common Stock Issued in connection with At-The-Market Offerings, net	20,260	-0-	-0-	20,395
Preferred Stock Issued in connection with At-The-Market Offerings, net	(456)	-0-	-0-	4,399
Distributions	(20,479)	1,591	-0-	(18,888)
Stock Compensation Expense	1,845	-0-	-0-	1,845
Net Loss	-0-	(1,591)	(34)	(1,625)
Balance March 31, 2024	438,431	(25,364)	2,040	717,157
Common Stock Issued with the DRIP	2,548	-0-	-0-	2,565
Common Stock Issued through Restricted Stock Awards	(1)	-0-	-0-	-0-
Common Stock Issued through Stock Options	310	-0-	-0-	313
Common Stock Issued in connection with At-The-Market Offerings, net	35,844	-0-	-0-	36,083
Preferred Stock Issued in connection with At-The-Market Offerings, net	(63)	-0-	-0-	659
Distributions	(14,622)	(5,239)	-0-	(19,861)
Stock Compensation Expense	1,883	-0-	-0-	1,883
Net Income (Loss)	-0-	5,239	(58)	5,181
Balance June 30, 2024	<u>\$464,330</u>	<u>\$(25,364)</u>	<u>\$1,982</u>	<u>\$743,980</u>

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED
JUNE 30, 2025 AND 2024
(in thousands)

	SIX MONTHS ENDED	
	June 30, 2025	June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$12,415	\$3,556
Non-Cash items included in Net Income:		
Depreciation	32,402	29,742
Amortization of Financing Costs	1,246	1,163
Stock Compensation Expense	3,619	2,543
Provision for Uncollectible Notes and Other Receivables	845	795
Loss on Sales of Marketable Securities, net	-0-	3,778
Decrease in Fair Value of Marketable Securities	1,737	2,031
Loss on Sales of Investment Property and Equipment	37	13
Loss on Investment in Joint Ventures	410	469
Changes in Operating Assets and Liabilities:		
Inventory of Manufactured Homes	(3,706)	954
Notes and Other Receivables, net of notes acquired with acquisitions	(6,816)	(5,664)
Prepaid Expenses and Other Assets	(3,002)	552
Accounts Payable	548	(720)
Accrued Liabilities and Deposits	(2,966)	(1,972)
Tenant Security Deposits	426	365
Net Cash Provided by Operating Activities	<u>37,195</u>	<u>37,605</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Manufactured Home Communities	(25,367)	-0-
Purchase of Investment Property and Equipment	(50,494)	(41,052)
Proceeds from Sales of Investment Property and Equipment	2,072	2,348
Additions to Land Development Costs	(25,308)	(18,249)
Purchase of Marketable Securities through automatic reinvestments	(13)	(12)
Proceeds from Sales of Marketable Securities	-0-	36
Investment in Joint Ventures	(1,538)	(1,829)
Net Cash Used in Investing Activities	<u>(100,648)</u>	<u>(58,758)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Mortgages, net of mortgages assumed	101,392	-0-
Net Payments from Short-Term Borrowings	(928)	(15,837)
Principal Payments of Mortgages and Loans	(55,194)	(5,915)
Financing Costs on Debt	(2,079)	(552)
Proceeds from At-The-Market Preferred Equity Program, net of offering costs	982	5,058
Proceeds from At-The-Market Common Equity Program, net of offering costs	39,565	56,478
Proceeds from Issuance of Common Stock in the DRIP, net of dividend reinvestments	3,131	3,503
Proceeds from Exercise of Stock Options	491	2,079
Preferred Dividends Paid	(10,258)	(9,385)
Common Dividends Paid, net of dividend reinvestments	(34,977)	(27,831)
Net Cash Provided by Financing Activities	<u>42,125</u>	<u>7,598</u>
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(21,328)	(13,555)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	<u>108,811</u>	<u>64,437</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	<u><u>\$87,483</u></u>	<u><u>\$50,882</u></u>

See Accompanying Notes to Consolidated Financial Statements

UMH PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 (UNAUDITED)

NOTE 1 – ORGANIZATION AND ACCOUNTING POLICIES

UMH Properties, Inc., a Maryland corporation, and its subsidiaries (“we”, “our”, “us” or “the Company”) operates as a real estate investment trust (“REIT”) deriving its income primarily from real estate rental operations. As of June 30, 2025, the Company operated 142 manufactured home communities containing approximately 26,600 developed homesites, on which approximately 10,600 Company-owned rental homes are situated. The 142 communities include two communities in central Florida (Sebring Square and Rum Runner) and one community in Pennsylvania (Honey Ridge, which opened for occupancy in June 2025 and was not previously included in our community count) owned through a joint venture with Nuveen Real Estate in which the Company has a 40% interest and also include two communities acquired through the Company’s qualified opportunity zone fund (See Note 6). These 142 communities are located in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana, Maryland, Michigan, Alabama, South Carolina, Florida and Georgia. Subsequent to quarter end, on July 2, 2025, the Company acquired two manufactured home communities containing 191 developed homesites, located in Conowingo, Maryland, for a total purchase price of \$14.6 million (See Note 13). Including these acquisitions, the Company now operates 144 communities containing approximately 26,800 developed homesites.

The Company, through its wholly-owned taxable subsidiary, UMH Sales and Finance, Inc. (“S&F”), sells manufactured homes to residents and prospective residents in our communities. Inherent in the operations of manufactured home communities are site vacancies. S&F was established to enhance the value of the communities by helping to fill these vacancies through the sales of homes. The Company holds a 77% controlling interest in its qualified opportunity zone fund which it created in 2022 to acquire, develop and redevelop manufactured housing communities located in areas designated as Qualified Opportunity Zones by the U.S. Treasury Department to encourage long-term investment in economically distressed areas. The consolidated financial statements of the Company include S&F and all of its other wholly-owned subsidiaries and its qualified opportunity zone fund. All intercompany transactions and balances have been eliminated in consolidation.

The primary focus of our business is the operation of our manufactured home communities – leasing of manufactured homesites and manufactured homes in our communities. The sale of homes is integrated with our leasing of these manufactured homes and homesites. Management views the Company’s business as a single segment based on its method of internal reporting in addition to its allocation of capital and resources. Capital and resources are allocated to further the goal of maintaining and increasing occupancy and net operating income in our communities. Our chief executive officer, with the assistance of our chief operating officer, is the principal decision-maker regarding allocation of resources. These decisions are based on the occupancy of the communities and community net operating income. Sales of homes are necessary to maintain and increase occupancy at our communities. We primarily purchase homes to fill vacant sites in the communities. These homes are either rented or sold,

based on the needs of the potential residents. Although certain components of the sales operation are tracked (sales, cost of sales, etc.), separate discrete financial information for the entire sales operation is not available. Most of the personnel costs, office expenses, maintenance and other expenses are borne by the community and cannot be allocated. The components of the sales operation play no material role in decisions about resources to be allocated. Resources are allocated to maintaining and increasing occupancy and net operating income in our communities.

The Company has elected to be taxed as a REIT under Sections 856-860 of the Internal Revenue Code (the “Code”) and intends to maintain its qualification as a REIT in the future. As a qualified REIT, with limited exceptions, the Company will not be taxed under federal and certain state income tax laws at the corporate level on taxable income that it distributes to its shareholders. For special tax provisions applicable to REITs, refer to Sections 856-860 of the Code. The Company is subject to franchise taxes in some of the states in which the Company owns property.

The interim consolidated financial statements furnished herein have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) applicable to interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s annual report on Form 10-K for the year ended December 31, 2024.

Use of Estimates

In preparing the consolidated financial statements in accordance with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as contingent assets and liabilities as of the dates of the consolidated balance sheets and revenue and expenses for the years then ended. These estimates and assumptions include the allowance for doubtful accounts, valuation of inventory, depreciation, valuation of securities, accounting for land development, reserves and accruals, and stock compensation expense. Actual results could differ from these estimates and assumptions.

Reclassifications

Certain amounts in the financial statements for the prior periods have been reclassified to conform to the statement presentation for the current periods.

Investment in Joint Ventures

The Company accounts for its investment in entities formed under its joint ventures with Nuveen Real Estate under the equity method of accounting in accordance with ASC 323, Investments – Equity Method and Joint Ventures. The Company has the ability to exercise

significant influence, but not control, over the operating and financial decisions of the joint venture entities. Under the equity method of accounting, the cost of an investment is adjusted for the Company's share of the equity in net income or loss from the date of acquisition, reduced by distributions received and increased by contributions made. The income or loss is allocated in accordance with the provisions of the operating agreement. The carrying value of the investment in the joint ventures are reviewed for other than temporary impairment whenever events or changes in circumstances indicate a possible impairment. Financial condition, operational performance, and other economic trends are among the factors that are considered in evaluation of the existence of impairment indicators (See Note 5).

Leases

We account for our leases under ASC 842, "Leases." Our primary source of revenue is generated from lease agreements for our sites and homes, where we are the lessor. These leases are generally for one-year or month-to-month terms and renewable by mutual agreement from us and the resident, or in some cases, as provided by jurisdictional statute.

We are the lessee in other arrangements, primarily for our corporate office and a ground lease at one community. As of June 30, 2025 and December 31, 2024, the right-of-use assets and corresponding lease liabilities of \$2.8 million and \$3.0 million, respectively, are included in prepaid expenses and other assets and accrued liabilities and deposits on the consolidated balance sheets.

Future minimum lease payments under these leases over the remaining lease terms are as follows (*in thousands*):

2025	\$ 230
2026	460
2027	257
2028	111
2029	111
Thereafter	<u>18,392</u>
Total Lease Payments	<u>\$ 19,561</u>

The weighted average remaining lease term for these leases, including renewal options, is 164 years. The right of use assets and lease liabilities was calculated using an interest rate of 5%.

Restricted Cash

The Company's restricted cash consists of amounts primarily held in deposit for tax, insurance and repair escrows held by lenders in accordance with certain debt agreements. Restricted cash is included in prepaid expenses and other assets on the consolidated balance sheets.

The following table presents beginning of period and end of period balances of cash, cash equivalents and restricted cash for the periods shown (*in thousands*):

	<u>6/30/25</u>	<u>12/31/24</u>	<u>6/30/24</u>	<u>12/31/23</u>
Cash and Cash Equivalents	\$79,235	\$99,720	\$39,457	\$57,320
Restricted Cash	<u>8,248</u>	<u>9,091</u>	<u>11,425</u>	<u>7,117</u>
Cash, Cash Equivalents And Restricted Cash	<u>\$87,483</u>	<u>\$108,811</u>	<u>\$50,882</u>	<u>\$64,437</u>

Revenue Recognition

We account for our Sales of Manufactured Homes in accordance with Accounting Standards Update (“ASU”) 2014-09 “Revenue from Contracts with Customers (Topic 606)” (ASC 606). For transactions in the scope of ASC 606, we recognize revenue when control of goods or services transfers to the customer, in the amount that we expect to receive for the transfer of goods or provision of services.

Rental and related income is generated primarily from lease agreements for our sites and homes. The lease component of these agreements is accounted for under ASC 842 “Leases.” The non-lease components of our lease agreements consist primarily of utility reimbursements, which are accounted for with the site lease as a single lease under ASC 842.

Revenue from sales of manufactured homes is recognized in accordance with the core principle of ASC 606, at the time of closing when control of the home transfers to the customer. After closing of the sale transaction, we generally do not have any remaining performance obligations.

Interest income is primarily from notes receivables for the previous sales of manufactured homes. Interest income on these receivables is accrued based on the unpaid principal balances of the underlying loans on a level yield basis over the life of the loans.

Dividend income and gain (loss) on sales of marketable securities are from our investments in marketable securities and are presented separately but are not in the scope of ASC 606.

Other income primarily consists of brokerage commissions for arranging for the sale of a home by a third party and other miscellaneous income. This income is recognized when the transactions are completed and our performance obligations have been fulfilled.

Notes Receivables

We account for our receivables in accordance with ASU No. 2016-13, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” ASU 2016-13 requires that entities use a forward looking “expected loss” model that generally will result in the earlier recognition of allowance for credit losses. The

measurement of expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. As of June 30, 2025 and December 31, 2024, the Company had notes receivable of \$93.4 million and \$87.4 million, net of the fair value adjustment of \$1.9 million and \$1.8 million, respectively. Notes receivables are presented as a component of notes and other receivables, net on our consolidated balance sheets. These receivables represent balances owed to us for previously completed performance obligations for sales of manufactured homes.

Recent Accounting Pronouncements

On November 4, 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2024-03 - Income Statement – Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 requires disaggregated disclosure of income statement expenses for public business entities (PBEs). The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027 and should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. Early adoption is permitted. The Company anticipates making the required disclosures beginning with its Form 10-K for the year ending December 31, 2027.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

NOTE 2 – NET INCOME (LOSS) PER SHARE

Basic Net Income (Loss) per Share is calculated by dividing Net Income (Loss) by the weighted average shares outstanding for the period. Diluted Net Income (Loss) per Share is calculated by dividing Net Income (Loss) less Income (Loss) Attributable to Non-Controlling Interest by the weighted average number of common shares outstanding, and when dilutive, the potential net shares that would be issued upon exercise of stock options pursuant to the treasury stock method. In periods with a net loss, the diluted loss per share equals the basic loss per share as all common stock equivalents are excluded from the per share calculation because they are anti-dilutive.

For the three and six months ended June 30, 2025, common stock equivalents resulting from employee stock options to purchase 6.3 million shares of common stock amounted to 805,000 shares and 818,000 shares, respectively, which were included in the computation of Diluted Net Income per Share. For the three months ended June 30, 2024, common stock equivalents resulting from employee stock options to purchase 4.0 million shares of common stock amounted to 466,000 shares, which were included in the computation of Diluted Net Income per Share. For the six months ended June 30, 2024, common stock equivalents of 409,000 shares were excluded from the

computation of Diluted Net Loss per Share as their effect would be anti-dilutive.

NOTE 3 – INVESTMENT PROPERTY AND EQUIPMENT

Acquisitions

On March 24, 2025, the Company acquired two age-restricted communities, Cedar Grove and Maplewood Village, located in Mantua, New Jersey, for approximately \$24.6 million. These communities contain a total of 266 newly developed homesites, which are 100% occupied. They are situated on approximately 38 total acres.

The Company has evaluated this acquisition and has determined that it should be accounted for as an acquisition of assets. As such, we have allocated the total cash consideration, including transaction costs of approximately \$767,000 for the six months ended June 30, 2025, to the individual assets acquired on a relative fair value basis. The following table summarizes our purchase price allocation for the assets acquired for the six months ended June 30, 2025 (*in thousands*):

	<u>At Acquisition Date</u>
Assets Acquired:	
Land	\$1,448
Depreciable Property	23,919
Total Assets Acquired	<u>\$25,367</u>

See Note 14 for the Unaudited Pro Forma Financial Information relating to this acquisition.

Subsequent to quarter end, on July 2, 2025, the Company acquired two communities, Conowingo Court and Maybelle Manor, located in Conowingo, Maryland, for approximately \$14.6 million (See Note 13). These communities contain a total of 191 newly developed homesites, which are 79% occupied. They are situated on approximately 82 total acres.

NOTE 4 – MARKETABLE SECURITIES

The Company's marketable securities consist primarily of marketable common and preferred stock of other REITs with a fair value of \$30.2 million as of June 30, 2025, which represents 1.4% of undepreciated assets (total assets excluding accumulated depreciation). The Company does not intend to increase its investments in this REIT securities portfolio. The REIT securities portfolio provides the Company with additional diversification, liquidity and income.

As of June 30, 2025, the Company had total net unrealized losses of \$40.3 million in its REIT securities portfolio. For the three and six months ended June 30, 2025, the Company recorded a decrease of \$175,000 and \$1.7 million, respectively, in the fair value of these marketable securities. The Company held eight securities that had unrealized losses as of June 30, 2025.

NOTE 5 – INVESTMENT IN JOINT VENTURES

In December 2021, the Company and Nuveen Real Estate (“Nuveen” or “Nuveen Real Estate”), established a joint venture for the purpose of acquiring manufactured housing and/or recreational vehicle communities that are under development and/or newly developed and meet certain other investment guidelines. The terms of the initial joint venture entity were set forth in a Limited Liability Company Agreement dated as of December 8, 2021 (the “LLC Agreement”) entered into between a wholly owned subsidiary of the Company and an affiliate of Nuveen. The LLC Agreement provided for the parties to initially fund up to \$70 million of equity capital for acquisitions during a 24-month commitment period, with Nuveen having the option, subject to certain conditions, to elect to increase the parties’ total commitments by up to an additional \$100 million and to extend the commitment period for up to an additional four years. The LLC Agreement called for committed capital to be funded 60% by Nuveen and 40% by the Company on a parity basis. The Company serves as managing member of the joint venture entity and is responsible for day-to-day operations of the joint venture entity and management of its properties, subject to obtaining approval of Nuveen Real Estate for major decisions (including investments, dispositions, financings, major capital expenditures and annual budgets). The Company receives property management, asset management and other fees from the joint venture entity. In addition, once each member has recouped its invested capital and received a 7.5% net unlevered internal rate of return, 80% of distributable cash will be allocated pro rata in accordance with the members’ respective percentage interests and the Company and Nuveen will receive a promote percentage equal to 70% (in the case of the Company) and 30% (in the case of Nuveen) of the remaining 20% of distributable cash. After 7 years the Company may elect to consummate the crystallization of the promote.

Under the terms of the LLC Agreement, after December 8, 2024 or, if later, the second anniversary of the acquisition and placing in service of a manufactured housing or recreational vehicle community, Nuveen will have a right to initiate the sale of one or more of the communities owned by the joint venture entity. If Nuveen elects to initiate such a sale process, the Company may exercise a right of first refusal to acquire Nuveen’s interest in the community or communities to be sold for a purchase price corresponding to the greater of the appraised value of such communities or the amount required to provide a 7.5% net unlevered internal rate of return on Nuveen’s investment. In addition, the Company will have the right to buy out Nuveen’s interest in the joint venture entity at any time after December 8, 2031 at a purchase price corresponding to the greater of the appraised value of the portfolio or the amount required to provide a 7.5% net unlevered internal rate of return on Nuveen’s investment.

The LLC Agreement between the Company and Nuveen provided that until the capital contributions to the joint venture are fully funded or the joint venture is terminated, the joint venture will be the exclusive vehicle for the Company to acquire any manufactured housing communities and/or recreational vehicle communities that meet the joint venture’s investment guidelines. These guidelines called for the joint venture to acquire manufactured housing and recreational vehicle communities that have been developed within the previous two years and are less than 20% occupied, are located in certain geographic markets, are projected to meet certain cash flow and internal rate of return targets, and satisfy certain other criteria. The Company agreed to offer Nuveen the opportunity to have the joint venture acquire any manufactured housing community or

recreational vehicle community that meets these investment guidelines. Under the terms of the LLC Agreement, if Nuveen determines not to pursue or approve any such acquisition, the Company would be permitted to acquire the property outside the joint venture. Since the execution of the LLC Agreement, Nuveen has provided the Company with written waivers of the exclusivity provision of the LLC Agreement with regard to two property acquisitions that may have fit the investment guidelines of the joint venture, which permitted the Company to acquire them outside of the Nuveen joint venture. Except for investment opportunities that are offered to and declined by Nuveen, the Company is prohibited from developing, owning, operating or managing manufactured housing communities or recreational vehicle communities within a 10-mile radius of any community owned by the joint venture. However, this restriction does not apply with respect to investments by the Company in existing communities operated by the Company.

The LLC Agreement provides that Nuveen will have the right to remove and replace the Company as managing member of the joint venture and manager of the joint venture's properties if the Company breaches certain obligations or certain events occur. Upon such removal, Nuveen may elect to buy out the Company's interest in the joint venture at 98% of the value of the Company's interest in the joint venture. If Nuveen does not exercise such buy-out right, the Company may, at specified times, elect to initiate a sale of the communities owned by the joint venture, subject to a right of first refusal on the part of Nuveen. The LLC Agreement contains restrictions on a party's right to transfer its interest in the joint venture without the approval of the other party.

The LLC Agreement requires the Company to offer Nuveen the opportunity to have the joint venture acquire a manufactured housing community or recreational vehicle community that meets the investment guidelines. If Nuveen decides not to acquire the community through the joint venture, however, the Company is free to purchase the community on its own outside of the joint venture.

In December 2021, the joint venture entity closed on the acquisition of Sebring Square, a newly developed all-age, manufactured home community located in Sebring, Florida, for a total purchase price of \$22.2 million. This community contains 219 developed homesites situated on approximately 39 acres. In December 2022, the joint venture entity closed on the acquisition of Rum Runner, another newly developed all-age, manufactured home community also located in Sebring, Florida for a total purchase price of \$15.1 million. This community contains 144 developed homesites situated on approximately 20 acres. The Company manages these communities on behalf of the joint venture entity.

During the time since the joint venture with Nuveen was first established in 2021, the Company and Nuveen have continued to seek opportunities to acquire additional manufactured housing and/or recreational vehicle communities that are under development and/or newly developed and meet certain other investment guidelines. During 2022, the Company and Nuveen informally agreed that any future acquisitions would be made by one or more new joint venture entities to be formed for that purpose and that the original joint venture entity formed in December 2021 will not consummate additional acquisitions but will maintain its existing property portfolio, consisting of the Sebring Square and Rum Runner communities. The Company and Nuveen also informally agreed that, unless otherwise determined in connection with any specific future

investment, capital for any such new joint venture entity would continue to be funded 60% by Nuveen and 40% by the Company on a parity basis and that other terms would be similar to those of the LLC Agreement entered into in 2021, except that the amounts of the parties' respective capital commitments will be determined on a property-by-property basis.

In November 2023, the Company expanded its relationship with Nuveen Real Estate and formed a new joint venture entity with Nuveen. The new joint venture entity was established to, directly or through one or more subsidiaries, identify, source, originate, acquire, hold, operate, sell, lease, mortgage, maintain, own, manage, finance, refinance, reposition, improve, renovate, develop, redevelop, pledge, hedge, exchange, and otherwise deal in and with the rental of manufactured housing and/or recreational vehicle communities that meet other investment guidelines. The terms of the new joint venture entity are set forth in a Limited Liability Company Agreement dated as of November 29, 2023 (the "Second LLC Agreement") entered into between a wholly owned subsidiary of the Company and an affiliate of Nuveen. The Company serves as managing member of this new joint venture entity and is responsible for day-to-day operations of the joint venture entity and management of its properties, subject to obtaining approval of Nuveen Real Estate for major decisions (including investments, dispositions, financings, major capital expenditures and annual budgets). The Company receives property management oversight, development and other fees from the joint venture entity. Sixty-one acres of land located in Honey Brook, Pennsylvania, previously owned by the Company, with a carrying value cost basis of \$3.8 million, was contributed to the new joint venture entity. The Company was reimbursed by Nuveen for 60% of the carrying value of this land. This new joint venture entity is focused on the development of a new manufactured housing community on this property. The community contains 113 manufactured home sites situated on approximately 61 acres. This community, named Honey Ridge, opened for occupancy in June 2025 with 16 homes on-site of which five have been sold or have pending offers to be sold.

References in this report to the Company's joint venture relationships with Nuveen are intended to refer to its ongoing relationships with Nuveen.

The Company accounts for its joint ventures with Nuveen Real Estate under the equity method of accounting in accordance with ASC 323, "Investments – Equity Method and Joint Ventures".

NOTE 6 – OPPORTUNITY ZONE FUND

In July 2022, the Company invested \$8.0 million, representing a portion of the capital gain the Company recognized as a result of the Monmouth Real Estate Investment Corp. ("MREIC") merger, in the UMH OZ Fund, LLC ("OZ Fund"), a new entity formed by the Company. The OZ Fund was created to acquire, develop and redevelop manufactured housing communities requiring substantial capital investment and located in areas designated as Qualified Opportunity Zones by the Treasury Department pursuant to a program authorized under the 2017 Tax Cuts and Jobs Act to encourage long-term investment in economically distressed areas. The OZ Fund was designed to allow the Company and other investors in the OZ Fund to defer the tax on recently realized capital gains reinvested in the OZ Fund until December 31, 2026 and to potentially obtain certain other tax benefits. UMH manages the OZ Fund and will receive certain management fees as well as a 15%

carried interest in distributions by the OZ Fund to the other investors (subject to first returning investor capital with a 5% preferred return). UMH will have a right of first offer to purchase the communities from the OZ Fund at the time of sale at their then-current appraised value. On August 10, 2022, the Company, through the OZ Fund, acquired Garden View Estates, located in Orangeburg, South Carolina, for approximately \$5.2 million. On January 19, 2023, the Company, through the OZ Fund, acquired Mighty Oak, located in Albany, Georgia, for approximately \$3.7 million. As of June 30, 2025, the Company's investment in the OZ Fund represented 77% of the total capital contributed to the OZ Fund and is consolidated in the Company's Consolidated Financial Statements. Other investors in the OZ Fund include certain officers, directors and employees of the Company.

NOTE 7 – LOANS AND MORTGAGES PAYABLE AND OTHER LONG-TERM INDEBTEDNESS

Loans Payable

The following is a summary of our loans payable as of June 30, 2025 and December 31, 2024 (*in thousands*):

		6/30/2025		12/31/2024	
		Amount	Rate	Amount	Rate
Margin Loan	(1)	\$-0-	N/A	\$-0-	N/A
Unsecured revolving credit facility	(2)	-0-	N/A	-0-	N/A
Floorplan inventory financing	(3)	4,901	7.86%	5,479	8.27%
FirstBank rental home loan	(4)	23,684	6.15%	24,033	6.15%
FirstBank rental home line of credit	(5)	-0-	N/A	-0-	N/A
Triad rental home loan	(6)	-0-	N/A	-0-	N/A
OceanFirst notes receivable financing	(7)	-0-	N/A	-0-	N/A
Total Loans Payable		28,585	6.44%	29,512	6.54%
Unamortized debt issuance costs		(946)		(1,233)	
Loans Payable, net of unamortized					
debt issuance costs		\$27,639	6.66%	\$28,279	6.83%

(1) Collateralized by the Company's securities portfolio and is due on demand. The Company must maintain a coverage ratio of approximately 2 times.

(2) Represents an unsecured revolving credit facility syndicated with three banks, BMO Capital Markets Corp., JPMorgan Chase Bank, N.A. and Wells Fargo, N.A. Total available borrowings under this facility is \$260 million. Interest is based on the Company's overall leverage ratio and is equal to the Secured Overnight Financing Rate ("SOFR") plus 1.5% to 2.20%, or BMO's prime lending rate plus 0.50% to 1.20%, and maturity is November 7, 2026.

(3) Represents revolving credit agreements totaling \$108.5 million with 21st Mortgage Corporation ("21st Mortgage"), Customers Bank, Northpoint Commercial Finance and Triad Financial Services ("Triad") to finance inventory purchases. Interest rates on these agreements range from prime minus 0.75% to SOFR plus 4%. Subsequent to quarter end, the Company paid down this balance.

(4) Represents a term loan secured by rental homes and rental home leases, with a fixed interest rate of 6.15% and a maturity of date of May 10, 2028.

(5) Represents a \$25 million revolving line of credit secured by rental homes and their leases with a 5-year term and a variable interest rate of prime.

- (6) Represents a \$30 million revolving line of credit secured by rental homes and rental home leases, with an interest rate of prime plus 0.25%, with a minimum of 5%.
- (7) Represents a \$35 million revolving line of credit secured by eligible notes receivable, with an interest rate of prime with a floor of 4.75%. Subsequent to quarter end, the Company renewed this line of credit. See Note 13.

Series A Bonds

On February 6, 2022, the Company issued \$102.7 million of its 4.72% Series A Bonds due 2027, or the 2027 Bonds, in an offering to investors in Israel. The Company received \$98.7 million, net of offering expenses. The 2027 Bonds are unsecured obligations of the Company denominated in Israeli shekels (NIS) and were issued pursuant to a Deed of Trust dated January 31, 2022 between the Company and Reznik Paz Nevo Trusts Ltd., an Israeli trust company, as trustee. The 2027 Bonds pay interest at a rate of 4.72% per year. Interest on the 2027 Bonds is payable semi-annually on August 31, 2022, and on February 28 and August 31 of the years 2023-2026 (inclusive) and on the final maturity date of February 28, 2027. The principal and interest will be linked to the U.S. Dollar. In the event of a future downgrade by two or more notches in the rating of the 2027 Bonds or a failure by the Company to comply with certain covenants in the Deed of Trust, the interest rate on the 2027 Bonds will be subject to increase. However, any such increases, in the aggregate, would not exceed 1.25% per annum. As of June 30, 2025, the Company is in compliance with these covenants.

Under the Deed of Trust, the Company has the right to redeem the 2027 Bonds, in whole or in part, at any time on or after 60 days from February 9, 2022, the date on which the 2027 Bonds were listed for trading on the Tel Aviv Stock Exchange (the "TASE"). Any such voluntary early redemption by the Company will require payment of the applicable early redemption amount calculated in accordance with the Deed of Trust. The Company does not intend to redeem the 2027 Bonds. Upon the occurrence of an event of default or certain other events, including a delisting of the 2027 Bonds by the TASE, the Company may be required to effect an early repayment or redemption of all or a portion of the 2027 Bonds at their par value plus accrued and unpaid interest. The Deed of Trust permits the Company, subject to certain conditions, to issue additional 2027 Bonds without obtaining approval of the holders of the 2027 Bonds.

The 2027 Bonds are general unsecured obligations of the Company and rank equal in right of payment with all of the Company's existing and future unsecured indebtedness. The Deed of Trust includes certain customary covenants, including financial covenants requiring the Company to maintain certain ratios of debt to net operating income, to shareholders' equity and to earnings, and customary events of default. The 2027 Bonds were offered solely to investors outside the United States and were not offered to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act of 1933).

Series B Bonds

Subsequent to quarter end, on July 22, 2025, the Company issued \$80.2 million of its new 5.85% Series B Bonds due 2030, or the Series B Bonds, in an offering to investors in Israel. See Note 13 for additional information.

Mortgages Payable

The following is a summary of our mortgages payable as of June 30, 2025 and December 31, 2024 (*in thousands*):

	<u>6/30/2025</u>		<u>12/31/2024</u>	
	<u>Amount</u>	<u>Weighted Average Rate</u>	<u>Amount</u>	<u>Weighted Average Rate</u>
Fixed rate mortgages	\$535,469	4.52%	\$489,271	4.18%
Unamortized debt issuance costs	<u>(5,276)</u>		<u>(3,731)</u>	
Mortgages Payable, net of unamortized debt issuance costs	<u>\$530,193</u>	<u>4.56%</u>	<u>\$485,540</u>	<u>4.21%</u>

On February 28, 2025, the Company paid off one mortgage totaling approximately \$6.4 million. On April 1, 2025, the Company paid down nine mortgages totaling approximately \$39.3 million. On May 6, 2025, the Company paid off two mortgages totaling approximately \$3.8 million.

On May 15, 2025, the Company completed the addition of ten communities to its Fannie Mae credit facility through Wells Fargo Bank, N.A., for total proceeds of approximately \$101.4 million. This interest only loan is at a fixed rate of 5.855% with a 10-year term. Including this addition, the total outstanding amount as of June 30, 2025 under the Company's Fannie Mae credit facility was approximately \$308.3 million.

As of June 30, 2025 and December 31, 2024, the weighted average loan maturity of mortgages payable was 5.4 years and 4.4 years, respectively.

NOTE 8 – SHAREHOLDERS' EQUITY

Common Stock

On April 1, 2025, the Company announced a \$0.01 increase, representing a 4.7% increase, in its quarterly common stock dividend, raising it to \$0.225 per share from \$0.215 per share, representing an annual dividend rate of \$0.90 per share. This dividend increase represented our fifth consecutive common stock dividend increase within the last five years, resulting in a 25% cumulative increase over this period.

On June 16, 2025, the Company paid total cash dividends of \$18.9 million or \$0.225 per share to common shareholders of record as of the close of business on May 15, 2025, of which \$850,000 was reinvested in the Dividend Reinvestment and Stock Purchase Plan ("DRIP"). On July 1, 2025, the Company declared a dividend of \$0.225 per share to be paid September 15, 2025 to common shareholders of record as of the close of business on August 15, 2025.

During the six months ended June 30, 2025, the Company received, including dividends reinvested of \$1.7 million, a total of \$4.8 million from its DRIP. There were 288,000 shares issued

under the DRIP during this period.

On January 7, 2025, the Board of Directors reaffirmed our Common Stock Repurchase Program (the “Repurchase Program”) that authorizes us to repurchase up to \$25 million in the aggregate of the Company’s common stock. Purchases under the Repurchase Program may be made using a variety of methods, which may include open market purchases, privately negotiated transactions or block trades, or by any combination of such methods, in accordance with applicable insider trading and other securities laws and regulations. The size, scope and timing of any purchases will be based on business, market and other conditions and factors, including price, regulatory and contractual requirements or consents, and capital availability. The Repurchase Program does not require the Company to acquire any particular amount of common stock and may be suspended, modified or discontinued at any time at the Company’s discretion without prior notice. For the six months ended June 30, 2025, the Company did not repurchase any shares of its Common Stock.

Common Stock At-The-Market Sales Programs

On September 16, 2024, the Company terminated the use of its then-existing at-the-market sale program for its Common Stock and entered into a new equity distribution agreement (“September 2024 Common ATM Program”) with BMO Capital Markets Corp., J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, B. Riley Securities, Inc., Compass Point Research & Trading, LLC, and Janney Montgomery Scott LLC, as Distribution Agents under which the Company may offer and sell shares of the Company’s common stock, \$0.10 par value per share, having an aggregate sales price of up to \$150 million from time to time through the Distribution Agents, as agents or principals. Sales of the shares of Common Stock under the Distribution Agreement for the September 2024 Common ATM Program will be in “at the market offerings” as defined in Rule 415 under the Securities Act, including, without limitation, sales made directly on or through the NYSE or to or through a market maker or any other method permitted by law, including, without limitation, negotiated transactions and block trades. The Distribution Agents are not required to sell any specific number or dollar amount of securities, but will use commercially reasonable efforts consistent with their normal trading and sales practices, on mutually agreed terms between the Distribution Agents and the Company. For the six months ended June 30, 2025, 2.3 million shares of Common Stock were issued and sold under the September 2024 Common ATM Program at a weighted average price of \$17.74 per share, generating gross proceeds of \$40.4 million and net proceeds of \$39.6 million, after offering expenses.

As of June 30, 2025, \$49.4 million of common stock remained eligible for sale under the September 2024 Common ATM Program.

6.375% Series D Cumulative Redeemable Preferred Stock

On June 16, 2025, the Company paid \$5.1 million in dividends or \$0.3984375 per share for the period from March 1, 2025 through May 31, 2025 to holders of record as of the close of business on May 15, 2025 of our 6.375% Series D Cumulative Redeemable Preferred Stock, \$0.10 par value per share, Liquidation Preference \$25.00 per share (“Series D Preferred Stock”). Dividends on our Series D Preferred Stock are cumulative and payable quarterly at an annual rate of \$1.59375 per share.

On July 1, 2025, the Company declared a dividend of \$0.3984375 per share for the period from June 1, 2025 through August 31, 2025 to be paid on September 15, 2025 to Series D Preferred shareholders of record as of the close of business on August 15, 2025.

Preferred Stock At-The-Market Sales Program

On January 10, 2023, the Company entered into an At Market Issuance Sales Agreement (“2023 Preferred ATM Program”) with B. Riley Securities, Inc. (“B. Riley”), as distribution agent. Under the 2023 Preferred ATM Program, the Company was permitted to offer and sell shares of the Company’s 6.375% Series D Cumulative Redeemable Preferred Stock, \$0.10 par value per share, with a liquidation preference of \$25.00 per share (the “Series D Preferred Stock”), having an aggregate sales price of up to \$100 million from time to time through B. Riley, as agent or principal. Sales of the shares of Series D Preferred Stock in the 2023 Preferred ATM Program were made in “at the market offerings” as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), including, without limitation, sales made directly on or through the New York Stock Exchange (the “NYSE”) or on any other existing trading market for the Series D Preferred Stock, as applicable, or to or through a market maker or any other method permitted by law, including, without limitation, negotiated transactions and block trades. B. Riley was not required to sell any specific number or dollar amount of securities, but agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between B. Riley and the Company. For the six months ended June 30, 2025, the Company issued and sold 49,000 shares of its Series D Preferred Stock under the 2023 Preferred ATM Program at a weighted average price of \$23.03 per share, generating gross proceeds of \$1.1 million and net proceeds of \$982,000, after offering expenses.

On March 5, 2025, the Company terminated the use of the 2023 Preferred ATM Program and entered into an at market issuance sales agreement (the “2025 Preferred ATM Program”) with B. Riley, as distribution agent, under which the Company may offer and sell shares of the Company’s Series D Preferred Stock having an aggregate sales price of up to \$100 million from time to time through B. Riley, as agent or principal. Sales of the shares of Series D Preferred Stock under the 2025 Preferred ATM Program, if any, will be in “at the market offerings” as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), including, without limitation, sales made directly on or through the New York Stock Exchange (the “NYSE”) or on any other existing trading market for the Series D Preferred Stock, as applicable, or to or through a market maker or any other method permitted by law, including, without limitation, negotiated transactions and block trades. B. Riley is not required to sell any specific number or dollar amount of securities, but will use commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between B. Riley and the Company. At the time of termination of the 2023 Preferred ATM Program, approximately \$16.5 million of Series D Preferred Stock remained unsold under the 2023 Preferred ATM Program.

As of June 30, 2025, the Company has not issued or sold any shares under the 2025 Preferred ATM Program.

In conjunction with the 2025 Preferred ATM Program, on March 5, 2025, the Company filed with the State Department of Assessments and Taxation of the State of Maryland (the “SDAT”) an amendment (the “Articles of Amendment”) to the Articles of Incorporation of the Company to increase the Company’s authorized shares of common stock, par value \$0.10 per share (“Common Stock”), by 25,000,000 shares. Also on March 5, 2025, the Company filed with the SDAT Articles Supplementary (the “Articles Supplementary”) reclassifying and designating 5,000,000 shares of the Company’s Common Stock as shares of Series D Preferred Stock. After giving effect to the Articles of Amendment and the Articles Supplementary, the authorized capital stock of the Company consists of 205,413,800 shares, classified as 183,713,800 shares of Common Stock, 18,700,000 shares of Series D Preferred Stock, and 3,000,000 shares of Excess Stock.

NOTE 9 – STOCK BASED COMPENSATION

The Company accounts for awards of stock, stock options and restricted stock in accordance with ASC 718-10, “Compensation-Stock Compensation.” ASC 718-10 requires that compensation cost for all stock awards be calculated and amortized over the service period (generally equal to the vesting period). The compensation cost for stock option grants is determined using option pricing models, intended to estimate the fair value of the awards at the grant date less estimated forfeitures. The compensation expense for restricted stock is recognized based on the fair value of the restricted stock awards less estimated forfeitures. The fair value of restricted stock awards is equal to the fair value of the Company’s stock on the grant date. Compensation costs of \$3.4 and \$6.5 million, of which \$1.5 and \$2.9 million were capitalized, have been recognized for the three and six months ended June 30, 2025, respectively. Compensation costs of \$1.9 and \$3.7 million, of which \$694,000 and \$1.2 million were capitalized, have been recognized for the three and six months ended June 30, 2024, respectively.

On January 7, 2025, the Company awarded a total of 26,000 shares of restricted stock to six employees under the Company’s 2023 Equity Incentive Award Plan (the “2023 Plan”). The grant date fair value of these restricted stock grants was \$473,000. These grants vest ratably over 5 years.

On January 7, 2025, the Company awarded a total of 7,479 shares of common stock to nine members of our Board of Directors in payment of directors fees. The grant date fair value of these awards was \$136,000.

On January 7, 2025, the Company also awarded a total of 179,944 shares of restricted stock to four employees, pursuant to their employment agreements. These grants are subject to a combination of both performance-based and time-based metrics. The grant date fair value of these restricted stock grants was \$3.3 million. Of these shares, 59,981 shares (time-based) vest over 1 year. The remaining shares (performance-based) vest after 1 year only upon achievement of certain corporate and financial metrics.

On March 6, 2025, the Company granted options to purchase 541,500 shares of common stock to fifty-five employees under the Company’s 2023 Plan. The grant date fair value of these options amounted to approximately \$1.9 million. These grants vest ratably over five years.

On March 25, 2025, the Company awarded a total of 11,007 shares of common stock to nine members of our Board of Directors in payment of directors fees. The grant date fair value of these awards was \$201,000.

On June 16, 2025, the Company granted options to purchase 325,000 shares of common stock to six employees under the Company's 2023 Plan. The grant date fair value of these options amounted to approximately \$1.1 million. These grants vest ratably over five years. Compensation costs for grants issued to a participant who is of retirement age are recognized at the time of the grant.

On June 16, 2025, the Company granted options to purchase 96,000 shares of common stock to eight members of our Board of Directors under the 2023 Plan. The grant date fair value of these options amounted to approximately \$324,000. These grants vest ratably over five years.

On June 16, 2025, the Company awarded a total of 8,896 shares of common stock to eight members of our Board of Directors in payment of directors fees. The grant date fair value of these awards was \$150,000.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants during the six months ended June 30, 2025:

	<u>2025</u>
Dividend yield	4.90%
Expected volatility	27.41%
Risk-free interest rate	4.36%
Expected lives	10
Estimated forfeitures	-0-

During the six months ended June 30, 2025, nine participants in the Company's equity incentive plans exercised options to purchase a total of 35,260 shares of common stock at a weighted-average exercise price of \$13.93 per share for total proceeds of \$491,300. The aggregate intrinsic value of options exercised was \$151,000. During the six months ended June 30, 2025, options to purchase 10,000 shares were forfeited.

As of June 30, 2025, there were options outstanding under the Company's equity incentive plans to purchase 6.3 million shares, with an aggregate intrinsic value of \$11.4 million. On May 28, 2025, the Company's shareholders approved an amendment to the 2023 Plan which increased the shares of common stock available for future awards under the 2023 Plan by 2,250,000 shares. As of June 30, 2025, there were 1.8 million shares available for grant under the 2023 Plan.

NOTE 10 – FAIR VALUE MEASUREMENTS

In accordance with ASC 820-10, "Fair Value Measurements and Disclosures," the Company measures certain financial assets and liabilities at fair value on a recurring basis, including

marketable securities. The fair value of these financial assets and liabilities was determined using the following inputs at June 30, 2025 and December 31, 2024 (*in thousands*):

	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>As of June 30, 2025:</u>				
Marketable Securities - Preferred stock	\$541	\$541	\$-0-	\$-0-
Marketable Securities - Common stock	29,618	29,618	-0-	-0-
Total	<u>\$30,159</u>	<u>\$30,159</u>	<u>\$ -0-</u>	<u>\$-0-</u>
<u>As of December 31, 2024:</u>				
Marketable Securities - Preferred stock	\$509	\$509	\$-0-	\$-0-
Marketable Securities - Common stock	31,374	31,374	-0-	-0-
Total	<u>\$31,883</u>	<u>\$31,883</u>	<u>\$-0-</u>	<u>\$-0-</u>

In addition to the Company's investment in marketable securities at fair value, the Company is required to disclose certain information about fair values of its other financial instruments, as defined in ASC 825-10, Financial Instruments. Estimates of fair value are made at a specific point in time, based upon, where available, relevant market prices and information about the financial instrument. Such estimates do not include any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. All of the Company's marketable securities have quoted market prices. However, for a portion of the Company's other financial instruments, no quoted market value exists. Therefore, estimates of fair value are necessarily based on a number of significant assumptions (many of which involve events outside the control of management). Such assumptions include assessments of current economic conditions, perceived risks associated with these financial instruments and their counterparties, future expected loss experience and other factors. Given the uncertainties surrounding these assumptions, the reported fair values represent estimates only and, therefore, cannot be compared to the historical accounting model. Use of different assumptions or methodologies is likely to result in significantly different fair value estimates.

The fair value of cash and cash equivalents and notes receivable approximates their current carrying amounts since all such items are short-term in nature. The fair value of variable rate loans payable approximate their current carrying amounts since such amounts payable are at approximately a weighted-average current market rate of interest. As of June 30, 2025, the estimated fair value of fixed rate mortgages payable amounted to \$530.3 million and the carrying value of fixed rate mortgages payable amounted to \$535.5 million.

NOTE 11 – CONTINGENCIES, COMMITMENTS AND OTHER MATTERS

The Company is subject to claims and litigation in the ordinary course of business. Management does not believe that any such claim or litigation will have a material adverse effect

on the business, assets, or results of operations of the Company.

The Company had an agreement with 21st Mortgage under which 21st Mortgage provided financing for home purchasers in the Company's communities. The Company did not receive referral fees or other cash compensation under the agreement. If 21st Mortgage made loans to purchasers and those purchasers defaulted on their loans and 21st Mortgage repossessed the homes securing such loans, the Company agreed to purchase from 21st Mortgage each such repossessed home for a price equal to 80% to 95% of the amount under each such loan, subject to certain adjustments. As of June 30, 2025, the total loan balance under this agreement was approximately \$2.1 million. Additionally, 21st Mortgage previously made loans to purchasers in certain communities we acquired. In conjunction with these acquisitions, the Company has agreed to purchase from 21st Mortgage each repossessed home, if those purchasers default on their loans. The purchase price ranges from 55% to 100% of the amount under each such loan, subject to certain adjustments. As of June 30, 2025, the total loan balance owed to 21st Mortgage with respect to homes in these acquired communities was approximately \$479,000. This program was terminated on June 22, 2023. The Company's repurchase obligations for the outstanding loans that were originated by 21st Mortgage remain in effect.

The Company entered into a Manufactured Home Retailer Agreement (the "MHRA") with 21st Mortgage on January 24, 2023, under which 21st Mortgage provides financing for home purchasers in the Company's communities. 21st Mortgage has no recourse against the Company under the MHRA except in instances where the Customer defaults before two scheduled monthly payments are paid by the purchaser and the default is based on any dispute between S&F and the purchaser surrounding the terms or execution of the purchase and sale of the home. Upon such a default, S&F is to take assignment of the loan from 21st Mortgage for the unpaid principal balance plus accrued interest. As of June 30, 2025, no loans have been originated under the MHRA.

S&F entered into a Chattel Loan Origination, Sale and Servicing Agreement ("COP Program") with Triad Financial Services, effective January 1, 2016. Neither the Company, nor S&F, receive referral fees or other cash compensation under the agreement. If the loan is approved under the COP Program, then it is originated by Triad, assigned to S&F and then assigned by S&F to the Company. Included in Notes and Other Receivables is approximately \$91.7 million of loans that the Company acquired under the COP Program as of June 30, 2025.

The Company and one of its subsidiaries are parties to a Limited Liability Company Agreement dated as of December 8, 2021 with an affiliate of Nuveen, which governs the initial joint venture entity between the Company and Nuveen. The LLC Agreement provided for the parties to initially fund up to \$70 million of equity capital for acquisitions during a 24-month commitment period, with Nuveen having the option, subject to certain conditions, to elect to increase the parties' total commitments by up to an additional \$100 million and to extend the commitment period for up to an additional four years. The Company is required to fund 40% of the committed capital and Nuveen is required to fund 60%. All such funding will be on a parity basis. Since the execution of the LLC Agreement, this joint venture entity has acquired two properties. The Company and Nuveen have continued to seek, and are continuing to seek, opportunities to acquire additional manufactured housing and/or recreational vehicle

communities that are under development and/or newly developed and meet certain other investment guidelines. The Company and Nuveen have informally agreed that any future acquisitions would be made by one or more new joint venture entities to be formed for that purpose and that the existing joint venture entity formed in December 2021 will not consummate additional acquisitions but will maintain its existing property portfolio. The Company and Nuveen also informally agreed that, unless otherwise determined in connection with any specific future investment, capital for any such new joint venture entity would continue to be funded 60% by Nuveen and 40% by the Company on a parity basis and that other terms would be similar to those of the LLC Agreement entered into in 2021, except that the amounts of the parties' respective capital commitments will be determined on a property-by-property basis. In 2023, the Company and Nuveen formed a new joint venture entity, governed by a new joint venture agreement, focused on the development of a new manufactured housing community located in Honey Brook, Pennsylvania. The community contains 113 manufactured home sites situated on approximately 61 acres. This community, named Honey Ridge, opened for occupancy in June 2025 with 16 homes on-site of which five have been sold or have pending offers to be sold. As with the 2021 LLC Agreement, capital contributions to the joint venture entity formed for this project are funded 60% by Nuveen and 40% by the Company on a parity basis and the other terms (including restrictions on the Company's right to acquire manufacturing housing communities that meet the LLC Agreement's investment guidelines without first offering Nuveen an opportunity to participate in the acquisition) are similar to those set forth in the LLC Agreement entered into in 2021 (See Note 5).

Earlier this year, the Company entered into a preliminary agreement with a leading national homebuilder regarding the potential formation of a joint venture to develop approximately 131 acres of undeveloped land adjacent to one of the Company's existing manufactured home communities in southern New Jersey. If necessary governmental approvals can be obtained, the purpose of the joint venture would be to construct roads, infrastructure and other site improvements on the property and then sell the improved lots to an affiliate of the Company's joint venture partner, which would construct luxury single family residential homes to sell to purchasers. It is envisioned that the joint venture partner would fully fund the costs of required site improvements, to the extent not financed by a third-party construction lender, and would obtain all required approvals. The Company would contribute the real property to the joint venture and receive a percentage of the sale price of each home. If the parties elect to proceed, it is anticipated that the joint venture partner would seek preliminary subdivision and site plan approvals over the next two years and, if these approvals are obtained, the joint venture would then be formally established. Pursuit of this project would be contingent upon execution of definitive documentation setting forth the terms of certain agreements between the parties. There can be no assurance that the Company and its potential joint venture partner will reach agreement or proceed with this arrangement or that required governmental approvals can be obtained. The parties are currently engaged in a due diligence period during which the Company's joint venture partner is evaluating the feasibility of the project. The parties intend to commence preliminary discussions with the municipality relating to the necessary approvals. The due diligence period has been extended twice and currently expires on September 9, 2025.

NOTE 12 – SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest during the six months ended June 30, 2025 and 2024 was \$14.1 million and \$15.8 million, respectively. Interest cost capitalized to land development was \$2.5 million and \$2.4 million for the six months ended June 30, 2025 and 2024, respectively.

During the six months ended June 30, 2025 and 2024, stock compensation of \$2.9 million and \$1.2 million, respectively, was capitalized to land development.

During the six months ended June 30, 2025 and 2024, the Company had Dividend Reinvestments of \$1.7 million and \$1.5 million, respectively, which required no cash transfers.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were issued.

Since July 1, 2025, the Company issued and sold an additional 160,000 shares of its Common Stock under the September 2024 Common ATM Program at a weighted average price of \$16.99 per share, generating net proceeds, after offering expenses, of \$2.7 million. As of August 1, 2025, \$46.7 million of Common Stock remained eligible for sale under the September 2024 Common ATM Program.

On July 2, 2025, the Company acquired two communities, Conowingo Court and Maybelle Manor, located in Conowingo, Maryland, for approximately \$14.6 million. These communities contain a total of 191 newly developed homesites, which are 79% occupied. They are situated on approximately 82 total acres.

On July 8, 2025, the Company amended its \$35 million revolving line of credit with OceanFirst Bank to extend the maturity date to June 1, 2027. Interest is at prime with a floor of 4.75%. This line is secured by the Company's eligible notes receivable.

On July 22, 2025, the Company issued approximately \$80.2 million aggregate principal amount of its 5.85% Series B Bonds Due 2030 (the "Series B Bonds") in an offering to investors in Israel. The Series B Bonds were issued pursuant to a Deed of Trust between the Company and Reznik Paz Nevo Trusts Ltd., an Israeli trust company, as trustee (the "Trustee"), dated as of July 18, 2025 (the "Deed of Trust"). The Series B Bonds are unsecured obligations of the Company denominated in Israeli shekels ("NIS") and rank pari passu with all other unsecured obligations of the Company. The net proceeds of the sale of the Series B Bonds, after deducting offering discounts, fees and other transaction costs, are estimated to be approximately \$75.2 million, which the Company intends to use for working capital and general corporate purposes.

Principal of the Series B Bonds will be payable on June 30, 2030. The Company will pay interest on the Series B Bonds at a rate of 5.85% per annum, payable semi-annually on June 30 and December 31 of each year, beginning December 31, 2025 and continuing through the maturity date. Payments of principal and interest will be made in NIS and will be adjusted for changes in the

exchange rate of the U.S. Dollar to the NIS as of each payment date. In the event of any future downgrade by two or more notches in the rating of the Series B Bonds (or if the Series B Bonds cease to be rated due to a failure by the Company to comply with certain reporting and other obligations under the Deed of Trust), the interest rate on the Series B Bonds will be subject to increase by up to 1.25% per annum. In addition, the interest rate on the Series B Bonds will be subject to increase by up to 0.5% per annum upon any failure by the Company to comply with certain financial covenants in the Deed of Trust. The maximum aggregate additional interest payable on the Series B Bonds as a result of any such downgrades (or cessation of rating) and/or any such failures to comply with financial covenants would not exceed a rate of 1.5% per annum. Following any such increase in the interest rate, in the event of a subsequent upgrade or reinstatement of rating and/or compliance with such financial covenants, the interest rate will be reduced.

The Deed of Trust includes certain customary covenants, including financial covenants requiring the Company to maintain specified ratios of debt to net operating income, to shareholders equity and to earnings, and customary events of default. In addition, if the Company is not in compliance with one or more of the financial covenants, it will be restricted from making dividend payments other than those necessary to comply with the requirements to maintain its status as a REIT for income tax purposes. The covenants and events of default are substantially similar to those in the Deed of Trust for the Company's 4.72% Series A Bonds Due 2027, which were issued in February 2022, except that the threshold amount for an event of default involving the appointment of a receiver over the Company or its assets has been lowered from 50% to 35% of total assets of the Company.

Under the Deed of Trust, the Company has the right to redeem the Series B Bonds, in whole or in part, at any time on or after 60 days from July 22, 2025, the date on which the Series B Bonds were listed for trading on the Tel Aviv Stock Exchange.

The Series B Bonds and the Deed of Trust are in the Hebrew language and are governed by the laws of the State of Israel.

The Series B Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act or an applicable exemption from such registration requirements. The Series B Bonds were offered solely to investors outside the United States and were not offered to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act).

NOTE 14 – PROFORMA FINANCIAL INFORMATION (UNAUDITED)

The following unaudited pro forma condensed financial information reflects acquisitions through July 2025 (including the two communities in Maryland acquired on July 2, 2025). This information has been prepared utilizing the historical financial statements of the Company and the effect of additional revenue and expenses from the properties acquired during this period assuming that the acquisitions had occurred as of the first day of the applicable period, after giving effect to certain adjustments including: (a) rental and related income; (b) community

operating expenses; (c) interest expense resulting from the assumed increase in mortgages and loans payable related to the new acquisitions; and (d) depreciation expense related to the new acquisitions. The unaudited pro forma condensed financial information is not indicative of the results of operations that would have been achieved had the acquisitions reflected herein been consummated on the dates indicated or that will be achieved in the future (*in thousands*).

	Three Months Ended		Six Months Ended	
	6/30/25	6/30/24	6/30/25	6/30/24
Rental and Related Income	\$56,449	\$52,264	\$111,711	\$103,361
Community Operating Expenses	23,249	21,809	46,476	43,120
Net Income (Loss) Attributable to Common Shareholders	2,242	90	1,573	(6,609)
Net Income (Loss) Attributable to Common Shareholders Per Share – Basic and Diluted	\$0.03	\$0.00	\$0.02	\$(0.09)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and footnotes thereto included elsewhere herein and in the Company’s annual report on Form 10-K for the year ended December 31, 2024.

The Company is a Maryland corporation that operates as a self-administered, self-managed REIT with headquarters in Freehold, New Jersey. The Company’s primary business is the ownership and operation of manufactured home communities, which includes leasing manufactured home spaces on an annual or month-to-month basis to residents. The Company also leases manufactured homes to residents and, through its wholly-owned taxable REIT subsidiary, S&F, sells and finances the sale of manufactured homes to residents and prospective residents of our communities and for placement on customers’ privately-owned land. During 2022, the Company also formed a qualified opportunity zone fund to acquire, develop and redevelop manufactured housing communities requiring substantial capital investment and located in areas designated as qualified opportunity zones by the Treasury Department pursuant to a program authorized under the 2017 Tax Cuts and Jobs Act to encourage long-term investment in economically distressed areas. The Company currently holds a 77% interest in the qualified opportunity zone fund. The Company also has an ownership interest in and operates two communities in Florida, and one community in Pennsylvania which opened for occupancy in June 2025, through its joint venture relationship with Nuveen Real Estate. The Company has a 40% interest in the Nuveen joint venture entities. The Pennsylvania community, named Honey Ridge, is located in Honey Brook, Pennsylvania and contains 113 manufactured home sites situated on approximately 61 acres.

As of June 30, 2025, the Company operated 142 manufactured home communities, 139 of which are communities in which we own either a 100% or majority interest, containing a total of approximately 26,600 developed homesites, on which approximately 10,600 Company-owned rental homes are situated. These 142 communities are located in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana, Maryland, Michigan, Alabama, South Carolina, Florida and Georgia. Subsequent to quarter end, the Company acquired two manufactured home communities containing 191 developed homesites, located in Conowingo, Maryland, for a total purchase price of \$14.6 million (See Note 13). Including these communities, the Company currently operates 144 communities, containing 26,800 developed homesites.

Earlier this year, the Company entered into a preliminary agreement with a leading national homebuilder regarding the potential formation of a joint venture to develop approximately 131 acres of undeveloped land adjacent to one of the Company's existing manufactured home communities in southern New Jersey (See Note 11 of the Notes to Consolidated Financial Statements).

The Company earns income from the operation of its manufactured home communities, leasing of manufactured homesites, the rental of manufactured homes, the sale and finance of manufactured homes and the brokering of home sales, self-storage leases, oil and gas leases, cable service agreements and from appreciation in the values of the manufactured home communities and vacant land owned by the Company. In addition, the Company receives property management and other fees from its joint venture arrangements with Nuveen and from its opportunity zone fund.

The primary focus of our business is the operation of our manufactured home communities – leasing of manufactured homesites and manufactured homes in our communities. The sale of homes is integrated with our leasing of these manufactured homes and homesites. Management views the Company's business as a single segment based on its method of internal reporting in addition to its allocation of capital and resources. Capital and resources are allocated to further the goal of maintaining and increasing occupancy and net operating income in our communities. Our chief executive officer, with the assistance of our chief operating officer, is the principal decision-maker regarding allocation of resources. These decisions are based on the occupancy of the communities and community net operating income. Sales of homes are necessary to maintain and increase occupancy at our communities. We primarily purchase homes to fill vacant sites in the communities. These homes are either rented or sold, based on the needs of the potential residents. Although certain components of the sales operation are tracked (sales, cost of sales, etc.), separate discrete financial information for the entire sales operation is not available. Most of the personnel costs, office expenses, maintenance and other expenses are borne by the community and cannot be allocated. The components of the sales operation play no material role in decisions about resources to be allocated. Resources are allocated to maintaining and increasing occupancy and net operating income in our communities.

The Company believes that its capital structure, which allows for the ownership of assets using a balanced combination of equity obtained through the issuance of common stock, preferred stock and debt, will enhance shareholder returns as the properties appreciate over time.

The Company intends to continue to increase its real estate investments and investments in expansions. Our business plan includes acquiring communities that over time are expected to yield in excess of our cost of funds and then investing in physical improvements, including adding rental homes onto otherwise vacant sites. This has resulted in increased occupancy rates and improved operating results. For the three and six months ended June 30, 2025, rental and related income increased 9% from the prior year periods and Community Net Operating Income (“NOI”), as defined below, increased 11% and 9%, respectively. Same property NOI, which includes communities owned and operated as of January 1, 2024 (excluding Memphis Blues, Duck River Estates and River Bluff Estates), increased 10% and 9% for the three and six months ended June 30, 2025, respectively, over the prior year period driven by an 80 basis point increase in occupancy, to 88.2%, and rental rate increase of 4.2%. We have been positioning ourselves for future growth and will continue to seek opportunistic investments. In addition, on behalf of our joint venture arrangement with Nuveen Real Estate, we will seek opportunities to acquire manufactured home communities that are under development and/or newly developed and meet certain other investment guidelines. We will also seek additional opportunities, through our opportunity zone fund, to acquire communities that require substantial capital investment and are located in qualified opportunity zones.

For the three and six months ended June 30, 2025, sales of manufactured homes increased 19% and 6%, respectively from the prior year periods. Demand for quality affordable housing remains healthy while inventory is scarce. Our property type offers substantial comparative value that should result in increased demand.

The macro-economic environment and current housing fundamentals continue to favor home rentals. Due to high mortgage rates and lack of inventory, the higher cost of buying a home versus renting one is at its most extreme since 1996. According to the National Association of Realtors, reported sales of existing homes fell to 4.06 million in 2024, the lowest level in nearly 30 years. We believe rental homes in a manufactured home community allow the resident to obtain the efficiencies of factory-built housing and the amenities of community living for less than the cost of other forms of affordable housing. We continue to see strong demand for rental homes. We have added an additional 237 rental homes during the first six months of 2025, net of rental home sales. This brought the total number of rental homes to approximately 10,600 rental homes, or 40.4% of total sites. Occupied rental homes represented approximately 43.2% of total occupied sites at quarter end. Occupancy in rental homes continues to be strong and was at 94.4% as of June 30, 2025. Our manufactured home communities compare favorably with other types of rental housing, including apartments, and we will continue to allocate capital to rental home purchases, as demand dictates.

Acquisitions

The following is a summary of the communities acquired during the six months ended June 30, 2025 and during July 2025:

Community	Date of Acquisition	State	Number of Sites	Purchase Price (<i>in thousands</i>)	Number of Acres	Occupancy at Acquisition
Cedar Grove	March 24, 2025	NJ	186	\$17,000	25	100%
Maplewood Village	March 24, 2025	NJ	80	7,600	13	100%
Total as of June 30, 2025			266	24,600	38	100%
Conowingo Court ⁽¹⁾	July 2, 2025	MD	142	9,855	55	70%
Maybelle Manor ⁽¹⁾	July 2, 2025	MD	49	4,770	28	100%
Total 2025 to Date			457	\$39,225	121	91%

(1) See Note 13 to the Consolidated Financial Statements.

See PART I, Item 1 – Business in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 for a more complete discussion of the economic and industry-wide factors relevant to the Company and the opportunities and challenges, and risks on which the Company is focused.

Significant Accounting Policies and Estimates

The discussion and analysis of the Company’s financial condition and results of operations are based upon the Company’s consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the Company’s consolidated financial statements. Actual results may differ from these estimates under different assumptions or conditions.

On a regular basis, management evaluates our assumptions, judgments and estimates. Management believes there have been no material changes to the items that we disclosed as our significant accounting policies and estimates under Item 7, “Management's Discussion and Analysis of Financial Condition and Results of Operations,” in our Annual Report on Form 10-K for the year ended December 31, 2024.

Supplemental Measures

In addition to the results reported in accordance with U.S. GAAP, management's discussion and analysis of financial condition and results of operations include certain non-U.S. GAAP financial measures that in management's view of the business we believe are meaningful as they allow the investor the ability to understand key operating details of our business both with and without regard to certain accounting conventions or items that may not always be indicative of recurring annual cash flows of the portfolio. These non-U.S. GAAP financial measures as determined and presented by us may not be comparable to related or similarly titled measures reported by other companies, and include Community Net Operating Income ("Community NOI"), Funds from Operations Attributable to Common Shareholders ("FFO") and Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO").

We define Community NOI as rental and related income less community operating expenses such as real estate taxes, repairs and maintenance, community salaries, utilities, insurance and other expenses. We believe that Community NOI is helpful to investors and analysts as a direct measure of the actual operating results of our manufactured home communities, rather than our Company overall. Community NOI should not be considered a substitute for the reported results prepared in accordance with U.S. GAAP. Community NOI should not be considered as an alternative to net income (loss) as an indicator of our financial performance, or to cash flows as a measure of liquidity; nor is it indicative of funds available for our cash needs, including our ability to make cash distributions.

The Company's Community NOI for the three and six months ended June 30, 2025 and 2024 is calculated as follows (*in thousands*):

	Three Months Ended		Six Months Ended	
	6/30/25	6/30/24	6/30/25	6/30/24
Rental and Related Income	\$56,165	\$51,494	\$110,739	\$101,823
Less: Community Operating Expenses	23,047	21,595	46,076	42,692
Community NOI	<u>\$33,118</u>	<u>\$29,899</u>	<u>\$64,663</u>	<u>\$59,131</u>

We assess and measure our overall operating results based upon FFO, an industry performance measure which management believes is a useful indicator of our operating performance. FFO is used by industry analysts and investors as a supplemental operating performance measure of a REIT. FFO, as defined by Nareit, represents net income (loss) attributable to common shareholders, as defined by accounting principles generally accepted in the U.S. ("U.S. GAAP"), excluding certain gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, the change in the fair value of marketable securities, and the gain or loss on the sale of marketable securities plus certain non-cash items such as real estate asset depreciation and amortization. Included in the Nareit FFO White Paper - 2018 Restatement, is an option pertaining to assets incidental to our main business in the calculation of Nareit FFO to make an election to include or exclude gains and losses on the sale of these assets, such as marketable equity securities, and include or

exclude mark-to-market changes in the value recognized on these marketable equity securities. In conjunction with the adoption of the FFO White Paper - 2018 Restatement, for all periods presented, we have elected to exclude the change in the fair value of marketable securities from our FFO calculation. Nareit created FFO as a non-U.S. GAAP supplemental measure of REIT operating performance. We define Normalized Funds from Operations Attributable to Common Shareholders (“Normalized FFO”), as FFO, excluding certain one-time charges. FFO and Normalized FFO should be considered as supplemental measures of operating performance used by REITs. FFO and Normalized FFO exclude historical cost depreciation as an expense and may facilitate the comparison of REITs which have a different cost basis. However, other REITs may use different methodologies to calculate FFO and Normalized FFO and, accordingly, our FFO and Normalized FFO may not be comparable to all other REITs. The items excluded from FFO and Normalized FFO are significant components in understanding the Company’s financial performance.

FFO and Normalized FFO (i) do not represent cash flow from operations as defined by U.S. GAAP; (ii) should not be considered as an alternative to net income (loss) as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flow as a measure of liquidity.

The Company’s FFO and Normalized FFO attributable to common shareholders for the three and six months ended June 30, 2025 and 2024 are calculated as follows (*in thousands*):

	Three Months Ended		Six Months Ended	
	6/30/25	6/30/24	6/30/25	6/30/24
Net Income (Loss) Attributable to				
Common Shareholders	\$2,532	\$527	\$2,261	\$(5,737)
Depreciation Expense	15,739	15,001	32,402	29,742
Depreciation Expense from				
Unconsolidated Joint Ventures	221	204	438	401
Loss on Sales of Investment				
Property and Equipment	36	10	37	13
(Increase) Decrease in Fair Value				
of Marketable Securities	175	(3,338)	1,737	2,031
Loss on Sales of Marketable				
Securities, net	-0-	3,778	-0-	3,778
FFO Attributable to Common				
Shareholders	18,703	16,182	36,875	30,228
Adjustments:				
Amortization of Financing Costs	647	607	1,246	1,163
Non- Recurring Other Expense ⁽¹⁾	102	18	151	433
Normalized FFO Attributable to				
Common Shareholders	<u>\$ 19,452</u>	<u>\$ 16,807</u>	<u>\$ 38,272</u>	<u>\$ 31,824</u>

(1) Consists of one-time legal and professional fees (\$102 and \$151, respectively) for the three and six months ended June 30, 2025. Consisted of one-time legal fees (\$18 and \$51, respectively) and costs associated with the liquidation/sale of inventory in a particular sales center (\$0 and \$382, respectively) for the three and six months ended June 30, 2024.

The following are the cash flows provided by (used in) operating, investing and financing activities for the six months ended June 30, 2025 and 2024 (*in thousands*):

	Six Months Ended	
	6/30/25	6/30/24
Operating Activities	\$37,195	\$37,605
Investing Activities	(100,648)	(58,758)
Financing Activities	42,125	7,598

Changes In Results Of Operations

Rental and related income increased 9% from \$51.5 million for the three months ended June 30, 2024 to \$56.2 million for the three months ended June 30, 2025. Rental and related income increased 9% from \$101.8 million for the six months ended June 30, 2024 to \$110.7 million for the six months ended June 30, 2025. This increase was due to acquisitions, increases in rental rates and same property occupancy and additional rental homes. The Company has been raising rental rates by approximately 5% to 6% annually at most communities. Same property occupancy has increased 80 basis points from 87.4% as of June 30, 2024 to 88.2% at June 30, 2025. Occupied rental homes increased 4% from approximately 9,600 homes at June 30, 2024 to 10,000 homes at June 30, 2025.

Community operating expenses increased 7% from \$21.6 million for the three months ended June 30, 2024 to \$23.0 million for the three months ended June 30, 2025. Community operating expenses increased 8% from \$42.7 million for the six months ended June 30, 2024 to \$46.1 million for the six months ended June 30, 2025. These increases were due to acquisitions and an increase in payroll costs, real estate taxes, snow removal and water and sewer costs.

Community NOI increased 11% from \$29.9 million for the three months ended June 30, 2024 to \$33.1 million for the three months ended June 30, 2025. Community NOI increased 9% from \$59.1 million for the six months ended June 30, 2024 to \$64.7 million for the six months ended June 30, 2025. These increases were primarily due to acquisitions, increases in rental rates, occupancy and rental homes. The Company's operating expense ratio (defined as community operating expenses divided by rental and related income) was 41.0% and 41.6% for the three and six months ended June 30, 2025, respectively, and 41.9% for the three and six months ended June 30, 2024. Many recently acquired communities have deferred maintenance requiring higher than normal expenditures in the first few years of ownership. Since most of the community expenses consist of fixed costs, as occupancy rates increase, these expense ratios are expected to continue to improve. Due to the Company's ability to increase its rental rates annually (subject to limitations on rent increases in certain jurisdictions), increasing costs due to inflation and changing prices have generally not had a material effect on revenue and income from continuing operations.

Sales of manufactured homes increased 19% from \$8.8 million, or 105 homes, for the three months ended June 30, 2024 to \$10.5 million, or 102 homes, for the three months ended June 30, 2025. The average sales price was \$103,000 and \$84,000 for the three months ended June 30, 2025 and 2024, respectively. Cost of sales of manufactured homes amounted to \$7.1 million and \$5.5

million for the three months ended June 30, 2025 and 2024, respectively. The gross profit percentage was 32% and 38% for the three months ended June 30, 2025 and 2024, respectively. Selling expenses, which includes salaries, commissions, advertising and other miscellaneous expenses, amounted to \$1.8 million and \$1.7 million for the three months ended June 30, 2025 and 2024, respectively. Gain from the sales operations (defined as sales of manufactured homes, less cost of sales of manufactured homes, less selling expenses, less interest on the financing of inventory) amounted to \$1.3 million or 13% of total sales and \$1.4 million or 16% of total sales for the three months ended June 30, 2025 and 2024, respectively. Gain from the sales operations, excluding interest on the financing of inventory, amounted to \$1.5 million or 14% of total sales and \$1.6 million or 18% of total sales for the three months ended June 30, 2025 and 2024, respectively.

Sales of manufactured homes increased 6% from \$16.2 million, or 200 homes, for the six months ended June 30, 2024 to \$17.1 million, or 173 homes, for the six months ended June 30, 2025. The average sales price was \$99,000 and \$81,000 for the six months ended June 30, 2025 and 2024, respectively. Cost of sales of manufactured homes amounted to \$11.5 million and \$11.0 million for the six months ended June 30, 2025 and 2024, respectively. The gross profit percentage was 33% and 32% for the six months ended June 30, 2025 and 2024, respectively. Selling expenses amounted to \$3.5 million and \$3.4 million for the six months ended June 30, 2025 and 2024, respectively. Gain from the sales operations amounted to \$2.0 million or 11% of total sales and \$1.4 million or 9% of total sales for the six months ended June 30, 2025 and 2024, respectively. Gain from the sales operations, excluding interest on the financing of inventory, amounted to \$2.2 million or 13% of total sales and \$1.8 million or 11% of total sales for the six months ended June 30, 2025 and 2024, respectively. Many of the costs associated with sales, such as salaries, and to an extent, advertising and promotion, are fixed.

Conventional home prices have flattened as sellers begin to outnumber buyers. However, housing market supply remains tight nationally and interest rates remain elevated. The inherent relative affordability of our property type has become more and more apparent, which should result in increased demand. The Company continues to be optimistic about future sales and rental prospects given the fundamental need for affordable housing. The Company believes that sales of new homes produce new rental revenue and represent an investment in the upgrading of our communities.

General and administrative expenses increased 14% from \$5.5 million for the three months ended June 30, 2024 to \$6.3 million for the three months ended June 30, 2025. General and administrative expenses increased 13% from \$10.9 million for the six months ended June 30, 2024 to \$12.3 million for the six months ended June 30, 2025. General and administrative expenses increased primarily due to an increase in payroll and related personnel costs and professional fees. General and administrative expenses as a percentage of gross revenue (total income plus interest, dividends and other income) was 9.0% and 9.2% for the three and six months ended June 30, 2025, respectively, as compared to 8.8% and 8.9% for the three and six months ended June 30, 2024, respectively.

Depreciation expense increased 5% from \$15.0 million for the three months ended June 30, 2024 to \$15.7 million for the three months ended June 30, 2025. Depreciation expense increased 9% from \$29.7 million for the six months ended June 30, 2024 to \$32.4 million for the

six months ended June 30, 2025. This increase was primarily due to acquisitions and the increase in rental homes and expansions during 2024 and 2025.

Interest income increased 37% from \$1.5 million for the three months ended June 30, 2024 to \$2.1 million for the three months ended June 30, 2025. Interest income increased 41% from \$3.1 million for the six months ended June 30, 2024 to \$4.3 million for the six months ended June 30, 2025. This increase was primarily due to an increase in the average balance of notes receivable from \$78.1 million at June 30, 2024 to \$92.3 million at June 30, 2025. The weighted average interest rate earned on these notes receivable increased 10 basis points and were approximately 7.1% and 7.0% as of June 30, 2025 and 2024, respectively.

Dividend income remained relatively stable for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024.

The increase (decrease) in fair value of marketable securities amounted to a decrease of \$175,000 and an increase of \$3.3 million for the three months ended June 30, 2025 and 2024, respectively. The decrease in fair value of marketable securities amounted to \$1.7 million and \$2.0 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, the Company had total net unrealized losses of \$40.3 million in its REIT securities portfolio.

Interest expense, including amortization of financing costs, remained relatively stable for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. Interest expense, including amortization of financing costs, decreased 10% from \$14.8 million for the six months ended June 30, 2024 to \$13.3 million for the six months ended June 30, 2025. This decrease was due to a decrease in the average balance of mortgages and loans from \$579.2 million at June 30, 2024 to \$535.8 million at June 30, 2025. The weighted average interest rate on our total debt was 4.6% at June 30, 2025 and 2024.

Changes in Financial Condition

Total investment property increased 4% or \$71.1 million during the six months ended June 30, 2025. In addition to adding 237 rental homes, net of 78 rental homes sold, to its communities during the six months ended June 30, 2025, the Company is preparing sites for additional homes to be added during the year. The Company also purchased two communities for approximately \$24.6 million during the six months ended June 30, 2025. Occupied rentals increased by 259 rental homes from December 31, 2024 to June 30, 2025. The Company's occupancy rate on its rental homes portfolio increased 40 basis points and was 94.4% at June 30, 2025 as compared to 94.0% at December 31, 2024.

Marketable securities decreased 5% or \$1.7 million during the six months ended June 30, 2025 due to the net decrease in fair value.

Land development costs increased 83% or \$28.2 million during the six months ended June 30, 2025 due to an increase in expansion projects.

Mortgages payable, net of unamortized debt issuance costs, increased 9% or \$44.7 million during the six months ended June 30, 2025, due to a new mortgage of approximately \$101.4 million offset by mortgage payoffs of approximately \$49.5 million and principal payments of approximately \$5.7 million.

Loans payable, net of unamortized debt issuance costs, decreased 2% or \$640,000 during the six months ended June 30, 2025.

Liquidity and Capital Resources

The Company's focus is on real estate investments, including investment in rental homes. The Company's principal liquidity demands have historically been, and are expected to continue to be, distributions to the Company's shareholders, acquisitions, capital improvements, development and expansions of properties, debt service, purchases of manufactured home inventory and rental homes, financing of manufactured home sales and payments of expenses relating to real estate operations. We anticipate that the liquidity demands of the recent properties acquired will be met by the operations of these acquisitions. The Company's ability to generate cash adequate to meet these demands is dependent primarily on income from its real estate investments, the sale of real estate investments, refinancing of mortgage debt, leveraging of real estate investments, availability of bank borrowings, lines of credit, and other incurrence of indebtedness, proceeds from the DRIP, and access to the capital markets, including through its Common and Preferred ATM Programs.

In addition to cash generated through operations, the Company uses a variety of sources to fund its cash needs, including acquisitions. The Company may sell marketable securities from its investment portfolio, borrow on its unsecured credit facility or lines of credit, incur other indebtedness, finance and refinance its properties, and/or raise capital through the DRIP and capital markets, including through the Company's ATM Programs. In order to provide financial flexibility to opportunistically access the capital markets, on September 16, 2024, the Company terminated its successful then-existing at-the-market Common Stock ATM Program and implemented a new September 2024 Common ATM Program which allows the Company to offer and sell shares of the Company's Common Stock, having an aggregate sales price of up to \$150 million, from time to time through the Distribution Agents. As of June 30, 2025, \$49.4 million of common stock remained eligible for sale under the September 2024 Common ATM Program. Additionally, on March 5, 2025, the Company terminated its then-existing 2023 Preferred ATM Program and implemented a new 2025 Preferred ATM Program which allows the Company to offer and sell shares of the Company's Series D Preferred Stock having an aggregate sales price of up to \$100 million from time to time through B. Riley, as Distribution Agent.

The Company intends to continue to increase its real estate investments. Our business plan includes acquiring communities that over time are expected to yield in excess of our cost of funds and then investing in physical improvements, including adding rental homes onto otherwise vacant sites. As part of this plan, we intend to continue to seek opportunities, through our opportunity zone fund, to acquire communities that require substantial capital investment and are located in qualified opportunity zones. In addition, on behalf of our joint venture with

Nuveen Real Estate, we will continue to seek opportunities to acquire manufactured home communities that are under development and/or newly developed and meet certain other investment guidelines. There is no guarantee that any of these additional opportunities will materialize or that the Company will be able to take advantage of such opportunities. The growth of our real estate portfolio and success of our joint venture depends on the availability of suitable properties which meet the Company's investment criteria and appropriate financing. Competition in the market areas in which the Company operates is significant. To the extent that funds or appropriate communities are not available, fewer acquisitions will be made.

The Company continues to strengthen its capital and liquidity positions. During the six months ended June 30, 2025, the Company issued and sold 2.3 million shares of Common Stock through our September 2024 Common ATM Program, at a weighted average price of \$17.74 per share, generating gross proceeds of \$40.4 million and net proceeds of \$39.6 million, after offering expenses. Subsequent to quarter end, the Company issued and sold an additional 160,000 shares of its Common Stock under the September 2024 Common ATM Program at a weighted average price of \$16.99 per share, generating gross and net proceeds, after offering expenses, of \$2.7 million.

In addition, during the six months ended June 30, 2025, the Company issued and sold 49,000 shares of Series D Preferred Stock through our 2023 Preferred ATM Program, at a weighted average price of \$23.03 per share, generating gross proceeds of \$1.1 million and net proceeds of \$982,000, after offering expenses.

The Company also raised \$4.8 million from the issuance of common stock in the DRIP during the six months ended June 30, 2025, which included dividend reinvestments of \$1.7 million. Dividends paid on the common stock for the six months ended June 30, 2025 were \$36.7 million, including the \$1.7 million reinvested. Dividends paid on the Series D Preferred Stock for the six months ended June 30, 2025 totaled \$10.3 million.

Subsequent to quarter end, the Company issued approximately \$80.2 million aggregate principal amount of its 5.85% Series B Bonds due 2030 in an offering to investors in Israel. The net proceeds, after deducting offering discounts, fees and other transaction costs, are estimated to be approximately \$75.2 million. See Note 13 for additional information.

Net cash provided by operating activities amounted to \$37.2 million and \$37.6 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, the Company had cash and cash equivalents of \$79.2 million, marketable securities of \$30.2 million and \$260 million available on our credit facility, with a potential total availability of up to \$500 million pursuant to an accordion feature. We also had approximately \$139 million available on our revolving lines of credit for the financing of home sales and purchases of inventory and \$55 million available on our line of credit secured by rental homes and rental homes leases.

As of quarter end, the Company owned and operated 142 communities (including three communities owned by the Company's joint venture with Nuveen, in which the Company has a minority interest), of which 57 are unencumbered. Subsequent to quarter end, the Company acquired two additional manufactured home communities in Maryland which are also unencumbered. Except for communities in the borrowing base for our unsecured credit facility,

these unencumbered communities can be used to raise additional funds. Our marketable securities, unencumbered properties, and lines of credit provide the Company with additional liquidity. The Company holds a 40% equity interest in the entities formed under its joint venture with Nuveen, which owns three newly developed communities that are unencumbered.

As of June 30, 2025, the Company had total assets of \$1.6 billion and total liabilities of \$690.3 million. The Company's net debt (net of unamortized debt issuance costs and cash and cash equivalents) to total market capitalization as of June 30, 2025 was approximately 31% and the Company's net debt, less securities to total market capitalization as of June 30, 2025 was approximately 29%. As of June 30, 2025, the Company had fourteen mortgages totaling \$75.6 million due within the next 12 months and sixteen mortgages totaling \$99.7 million within the next 18 months. The Company believes that it has the ability to meet its obligations and to generate funds for new investments.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this Form 10-Q, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements provide our current expectations or forecasts of future events. Forward-looking statements include statements about the Company's expectations, beliefs, intentions, plans, objectives, goals, strategies, future events, performance and underlying assumptions and other statements that are not historical facts. Forward-looking statements can be identified by their use of forward-looking words, such as "may," "will," "anticipate," "expect," "believe," "intend," "plan," "should," "seek" or comparable terms, or the negative use of those words, but the absence of these words does not necessarily mean that a statement is not forward-looking.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described below and under the headings "Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our periodic reports filed with the Securities and Exchange Commission. These and other risks, uncertainties and factors could cause our actual results to differ materially from those included in any forward-looking statements we make. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from our expectations include, among others:

- changes in the real estate market conditions and general economic conditions;
- the inherent risks associated with owning real estate, including local real estate market conditions, governing laws and regulations affecting manufactured housing communities and illiquidity of real estate investments;
- increased competition in the geographic areas in which we own and operate manufactured housing communities;
- our ability to continue to identify, negotiate and acquire manufactured housing communities and/or vacant land which may be developed into manufactured housing communities on terms favorable to us;
- our ability to maintain or increase rental rates and occupancy levels;
- changes in market rates of interest;
- inflation and increases in costs, including personnel, insurance and the cost of purchasing manufactured homes;
- our ability to purchase manufactured homes for rental or sale;
- our ability to repay debt financing obligations;
- our ability to refinance amounts outstanding under our credit facilities at maturity on terms favorable to us;
- our ability to comply with certain debt covenants;
- our ability to integrate acquired properties and operations into existing operations;
- the availability of other debt and equity financing alternatives;
- continued ability to access the debt or equity markets;
- the loss of any member of our management team;
- our ability to maintain internal controls and processes to ensure all transactions are accounted for properly, all relevant disclosures and filings are made in a timely manner in accordance with all rules and regulations, and any potential fraud or embezzlement is thwarted or detected;
- the ability of manufactured home buyers to obtain financing;
- the level of repossessions by manufactured home lenders;
- market conditions affecting our investment securities;
- changes in federal or state tax rules or regulations that could have adverse tax consequences;
- our ability to qualify as a real estate investment trust for federal income tax purposes;
- litigation, judgments or settlements, including costs associated with prosecuting or defending claims and any adverse outcomes;
- changes in real estate and zoning laws and regulations;
- legislative or regulatory changes, including changes to laws governing the taxation of REITs;
- risks and uncertainties related to pandemics or other highly infectious or contagious diseases; and
- those risks and uncertainties referenced under the heading "Risk Factors" contained in this Form 10-Q and the Company's other filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2024.

You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. The forward-looking statements contained

in this Form 10-Q speak only as of the date hereof and the Company expressly disclaims any obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to information required regarding quantitative and qualitative disclosures about market risk from the end of the preceding year to the date of this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

The Company's President and Chief Executive Officer (principal executive officer) and the Company's Executive Vice President and Chief Financial Officer (principal financial and accounting officer), with the assistance of other members of the Company's management, have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of the end of such period.

Changes In Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarterly period ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to information required regarding risk factors from the end of the preceding year to the date of this Quarterly Report on Form 10-Q. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A – “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect the Company’s business, financial condition or future results. The risks described in the Company’s Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company’s business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

(a) Information Required to be Disclosed in a Report on Form 8-K, but not Reported – None.

(b) Material Changes to the Procedures by which Security Holders may Recommend Nominees to the Board of Directors – None.

Item 6. Exhibits

- 4.1** Deed of Trust for the 5.85% Series B Bonds due 2030 between UMH Properties, Inc. and Reznik Paz Nevo Trusts Ltd., as trustee, dated as of July 18, 2025 (Filed herewith).

- 10.1 Reaffirmation, Joinder and Fifth Amendment dated as of May 15, 2025 to Master Credit Facility Agreement dated as of August 20, 2020, as previously amended, among certain subsidiaries of the Company, as borrowers, Wells Fargo Bank, National Association, as lender, and Fannie Mae (with attached Master Credit Facility Agreement dated as of August 20, 2020 and Confirmation of Guaranty by UMH Properties, Inc. dated as of May 15, 2025).

- 31.1 Certification of Samuel A. Landy, President and Chief Executive Officer of the Company, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (Filed herewith).

- 31.2 Certification of Anna T. Chew, Chief Financial Officer of the Company, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (Filed herewith).

- 32 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Samuel A. Landy, President and Chief Executive Officer, and Anna T. Chew, Chief Financial Officer (Furnished herewith).

- 101 The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income (Loss), (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.

As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

- 101.INS** Inline XBRL Instance Document
- 101.SCH** Inline XBRL Taxonomy Extension Schema Document
- 101.CAL** Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF** Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB** Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE** Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104** Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UMH PROPERTIES, INC.

DATE: August 6, 2025

By /s/ Samuel A. Landy
Samuel A. Landy
President and Chief Executive Officer
(Principal Executive Officer)

DATE: August 6, 2025

By /s/ Anna T. Chew
Anna T. Chew
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

**[CONVENIENCE TRANSLATION FROM
THE ORIGINAL HEBREW VERSION]**

UMH PROPERTIES, INC.

Deed of Trust

For Bonds Offered to the Public

Prepared and executed on the 18th day of July 2025

Between UMH PROPERTIES, INC. and Reznik Paz Nevo Trusts Ltd.

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DEED OF TRUST

Made and entered into on July 18, 2025

Between: UMH PROPERTIES, INC

File Number 22-1890920
3499 US Highway 9, Ste 3C
Freehold, NJ, 07728-3277 USA
Telephone: +(1) 732-577-997
Fax: +(1)732-577-9980 (the “**Company**”)

The Company’s address in Israel for purposes of service of process:
98 Yigal Alon Street, Tel Aviv 6789141
c/o Goldfarb Gross Seligman & Co. Law Offices
Telephone: 03-608-9999
Facsimile: 03-608-9909

on one side;

And: Reznik Paz Nevo Trusts Ltd.

From 14 Yad Harutzim Street, Tel Aviv, Israel
Tel: 03-6380200
Fax: 03-6289222
(hereinafter: the “**Trustee**”)

on the other;

WHEREAS: The Company was incorporated under the laws of the State of Maryland, USA, its Common Shares and certain other securities are listed on the New York Stock Exchange (NYSE), and its common shares and Series A bonds are listed for trading on the Tel Aviv Stock Exchange; and

WHEREAS: The Company’s Board of Directors resolved on July 18, 2025 to approve an offering to the public in Israel of bonds (the “**Offering**”) under the terms and conditions set forth in this Deed of Trust, and no additional action or resolution is required by the Company in order to pursue the Offering and for assume the undertaking set forth in this Deed of Trust; and

WHEREAS: The Company represents that it has obtained all approvals required under any applicable law (Israeli and foreign laws) and/or any contract for issuing the Bonds, and there is no impediment under any law and/or any contract to effectuating the Offering; and

WHEREAS: The Company intends to issue the Bonds in the manner and in accordance with the provisions set forth in this Deed of Trust; and

WHEREAS: On July 3, 2025, S&P Global Ratings Maalot Ltd. (“Maalot”) issued with respect to the Bonds an ilAA- rating (such rating, or any corresponding rating issued by a successor Rating Agency, the “**Base Credit Rating**”) for a bond issuance by the Company; and

WHEREAS: The Trustee is a company limited by shares and is incorporated in Israel under the Companies Law, 5759-1999 (the “**Companies Law**”), whose main purpose is to engage in trusteeships; and

WHEREAS: The Trustee represents that there is no prevention under the Securities Law (as defined below) and/or any other law for its appointment as the Trustee for the Bonds, nor to its entering into this Deed of Trust with the Company, and that it complies with the requirements and the competency qualification, if any, to serve as Trustee for the Bondholders ; and

WHEREAS: The Company has requested the Trustee to serve as Trustee to the Bondholders, and the Trustee has agreed to serve under Chapter E' of the Securities Law, all subject to and in accordance with the terms of this Deed of Trust; and

WHEREAS: The Trustee has no interest in the Company, and the Company has no interest in the Trustee.

Now, therefore, it is agreed, declared, and stipulated by the parties as follows:

1. Preamble, Interpretation and Definitions

- 1.1 The preamble to this Deed of Trust and the schedules attached hereto constitute a material and integral part hereof.
- 1.2 The division of this Deed of Trust into sections and the provision of headings for such Sections are for the sake of convenience and reference only and shall not be used for purposes of interpretation.
- 1.3 All references in this Deed of Trust in the plural shall also include the singular and *vice versa*, anything appearing in the masculine gender shall also include the feminine and *vice versa*, and any reference to a person shall also include a corporation, unless otherwise explicitly provided.
- 1.4 In this Deed of Trust, its schedules and the Bonds, the following capitalized terms will have the meanings prescribed opposite them, unless explicitly stated otherwise:

“Affiliate” -

An entity in which another person (which is not its parent corporation) holds 25% or more of its Voting Stock or of the Rights conferring voting rights therein, or in which it may appoint 25% or more of its directors;

“Base Rate” -

The average dollar exchange rate, on the Clearing Day of the Offering, as determined in the Bloomberg system in "ILS CMPL Currency", based on the average closing rates in 7 samples to be performed at 15-minute intervals between 12:00 (inclusive) and 13:30 (inclusive). The Company will announce the Base Rate by way of an Immediate Report at

	the end of the Clearing Date and prior to the listing whereby the immediate report shall also include a detailed calculation of the base rate;
“Bond Certificate” -	A certificate in the form set forth in the <u>First Schedule</u> to this Deed;
“Bondholder” or “Holder” -	As the term “Holder” or “Bondholder” is defined in Section 35A of the Securities Law;
“Bondholders’ Meeting” -	A general meeting of the Bondholders convened in accordance with the terms of this Deed of Trust;
“Bonds” or “Bonds (Series B)” -	The Bonds (Series B) issued by the Company pursuant to this Deed, the terms of which are set forth in the Bond Certificate;
“Business Day” -	Any day on which the Stock Exchange Clearing House and most of the banks in Israel are open for carrying out transactions;
“Change of Control” -	If any person, other than one or more Authorized Shareholders (as defined below), is or becomes the holder, directly or indirectly, of more than 50% of the total voting rights of the Voting Stock of the Company or becomes a Controlling Shareholder pursuant to applicable law; provided that if the Company becomes the Subsidiary (as defined below), directly or indirectly, of a holding company, such holding company shall not itself be considered such a person if (a) such holding company owns, directly or indirectly, 100% of the Company’s Share Capital and (b) upon completion of such transaction, no person, other than one or more Authorized Shareholders, is or becomes the holder, directly or indirectly, of more than 50% of the total voting rights of the Voting Stock of such holding company;
“Clearing House” -	The Tel Aviv Stock Exchange Clearing House Ltd.;
“Regulation Codex” -	The Regulation Codex – Title 5 – principles for conducting businesses, Part 2 – equity, measurement and risk management, Chapter 4 – managing investment properties, as published by the Capital Market, Insurance and Savings

Authority of the Ministry of Finance, as updated from time to time;¹

“CFO Certificate” -

A certificate executed by the Chief Financial Officer of the Company with respect to the Company's compliance with specific provisions of this Deed of Trust, which in any event in which it is required under this Deed of Trust, will be in form and content reasonably satisfactory to the Trustee;

“Consumer Price Index” -

The Israeli Consumer Price Index, which includes vegetables and fruit and is published by the Israeli Central Bureau of Statistics, and any similar index published by any successor institute or body, whether or not such index will be based on the same data on which the existing index is based as of the date of this Deed, provided that if such similar index shall be published by a successor institute or body which has not determined the ratio between the existing index as of the date of this Deed and the similar index, such ratio shall be determined by the Israeli Central Bureau of Statistics, and in the event that such ratio shall not have been determined, then the ratio shall be determined by the Trustee following its consultation with an economic expert chosen by the Trustee for such purpose;

“Credit Facility”

With respect to the Company or any of its Subsidiaries, any obligation or debt, or commercial paper facilities with banks or other lenders providing credit, including revolving credit or term loans or any agreement treated as a financial or capital lease in accordance with U.S. GAAP.

“Cross Default”

Calling for the immediate repayment of a Credit Facility, if said calling for an immediate repayment:

(a) was caused by a failure to pay principal of, or interest or premium, if any, on outstanding indebtedness under such Credit Facility (other than non-recourse indebtedness of any of the Company's Subsidiaries) prior to the expiration of the grace period for the repayment payment of such indebtedness set forth in such Credit Facility (**“Payment Default”**); or

¹ <https://www.gov.il/he/Departments/Guides/information-entities-codex>

(b) results in the acceleration of such indebtedness prior to its maturity;

and, in any event, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a call for an Immediate repayment as aforesaid, if any, exceeds \$75,000,000.

“Issuance Date” -	The Business Day on which the Offering proceeds are deposited in the Offering coordinator’s account;
“Deed” or the “Deed of Trust” or “This Deed of Trust”	This Deed of Trust including the schedules attached hereto, which form an integral part thereof;
“Dollar” -	United States dollar;
“Financial Statements” -	The Company’s consolidated statements of assets and liabilities, consolidated statements of operations, consolidated statements of changes in net assets, consolidated statements of cash flows and consolidated schedules of investments for a given fiscal period prepared in accordance with U.S. GAAP and, to the extent required, according to any other accounting standard to which the Company may be subject, as shall be in effect from time to time (including additional statements), with a copy or reference to the filing published on the MAGNA website;
“Group” -	The Company and its Subsidiaries;
“Listing” or “Listed”-	Listing or listed for trade on the Stock Exchange;
“NIS” -	New Israeli Shekel;
“Nominee Company” -	The Tel Aviv Stock Exchange Nominee Company Ltd. or any other substitute nominee company and provided that all the securities which the Company is required to register in a nominee company in Israel, will be registered in its name;
“Ordinary Resolution” -	A resolution, obtained by way of a simple majority, adopted at a Bondholders' Meeting, in which there were present (in person or by proxy), at least two Bondholders that together hold at least twenty-five percent (25%) of the outstanding balance of the par value of the Bonds or at an adjourned

meeting in which there were present any number of holders (in person or by proxy);

“Payment Rate” -	In respect of any payment of Principal or interest under this Deed of Trust (including, without limitation, upon early redemption or acceleration of the Bonds), the Representative Rate published on the Record Date before the applicable payment date, or if the Representative Rate was not published on such date, then the rate on the first subsequent Business Day;
“Authorized Shareholders” -	Any of (a) Eugene Landy and Samuel A. Landy or any of their estates, spouses, and/or descendants; (b) any trust in favor of any of the persons listed in (a) above only;
“Person”	any individual, corporation, partnership, joint venture, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof;
“Offering Clearing Day”	The Business Day on which the Offering proceeds are deposited in the Offering coordinator’s account;
“Principal” -	The aggregate outstanding balance of the principal amount of the Bonds in circulation;
“Prospectus” -	The Company's prospectus, dated July 21, 2025, under which the Company offered the Bonds to the public in Israel;
"Public Tender" -	The public tender to be held in connection with the initial public offering of the Bonds;
“Publishing” or “Publish” -	Publishing on the Israel Security Authority’s MAGNA website, or, if the Company is no longer a Reporting Corporation, reporting to the Trustee in accordance with Subsection 28.4 hereunder;
“Rating Agency” -	An Israeli company engaged in credit ratings that is registered under the Regulation of Activities of Credit Rating Companies Law, 5774-2014;
“Register” -	The register of Bondholders as referred to in Section 26 of this Deed;
“Reporting Corporation”-	As defined in the Securities Law or any corporation listed for trading on a stock exchange outside of Israel set forth in

the Second Schedule or in the Third Schedule of the Securities Law;

“Representative Rate” -

The representative exchange rate of the Dollar to the NIS as published by the Bank of Israel, or any other official exchange rate of the Dollar to the NIS that may replace it, if applicable, provided that during any period in which the Bank of Israel does not publish exchange rates of the Dollar to the NIS, and there is no official exchange rate that replaces it, the Representative Rate shall be the exchange rate of the Dollar to the NIS determined by the Minister of Finance together with the Governor of the Bank of Israel for purposes of Dollar-linked government bonds or, in the absence of such determination, then the Representative Rate shall be the exchange rate of the Dollar to the NIS determined by an economic expert as reasonably selected by the Trustee;

“Securities Law” -

The Securities Law, 5728-1968, and the regulations enacted/ will be enacted thereunder, from time to time;

“Insolvency Law”

Insolvency and Economic Rehabilitation Law, 5778-2018, and regulations enacted /will be enacted pursuant thereto, from time to time;

“Special Resolution” -

A resolution adopted at a Bondholders’ Meeting, there were present (in person or by proxy) Bondholders who together hold at least fifty percent (50%) of the outstanding balance of the par value of the Bonds or at an adjourned meeting attended by (in person or by proxy) Bondholders who together hold at least twenty percent (20%) of the outstanding par value of the Bonds, by a 2/3 (two thirds) majority of Bondholders participating in the vote, excluding abstentions;

“Stock Exchange” or “TASE”-

The Tel Aviv Stock Exchange Ltd.;

“Subsidiary”

In respect of any person, any corporation, limited or general partnership or other business entity that: (a) on the record date more than 50% of the voting rights of the Voting Stock or other interests (including partnership interests) entitled (irrespective of the occurrence of any contingency) to vote in the appointment of directors, managers or trustees thereof is owned or controlled, directly or indirectly, by (i) such person, (ii) such person and one or more Subsidiaries of such person or (iii) one or more Subsidiaries of such person or (b)

on the record date it holds control, directly or indirectly, including joint control.

“Trading Day” -	Any day on which trading takes place on the Stock Exchange;
“Trustee” -	Reznik Paz Nevo Trusts Ltd. or any other Person which will act from time to time as trustee for the Bondholders under this Deed pursuant to Chapter E' of the Securities Law;
“U.S. GAAP” -	United States Generally Accepted Accounting Principles as in effect on 30 June, 2025;
“Voting Stock” -	The capital stock of any corporation or other legal entity as of any date that has a right to vote on the appointing of directors and in general meetings;
“Voting Rights Interests” –	Rights in any corporation or other legal entity at any given time that confer voting entitlement in the appointment of directors and in general meetings.

Other terms not defined above shall bear the meaning prescribed thereto in the Securities Law, unless otherwise explicitly stated.

- 1.5 In any event of a contradiction between this Deed of Trust and its Schedules, the provisions of this Deed of Trust shall prevail. The Company hereby confirms and clarifies, that as of the date of this Deed, there exists no contradiction between this Deed of Trust and the documents ancillary thereto and the provisions described in the Prospectus relating to this Deed and/or the Bonds.
- 1.6 For as long as the Bonds are listed, this Deed of Trust, including its Schedules, shall be subject to the applicable provisions of the bylaws and guidelines of the Stock Exchange, as in effect from time to time, and anywhere the rules of the Stock Exchange apply or shall apply to any action under this Deed of Trust, the rules of the Stock Exchange shall prevail.
- 1.7 Wherever the phrase "including" is used, it shall be interpreted as an example that neither reduces nor limits the generality of that certain term.
- 1.8 Wherever "subject to the provisions of applicable law" or a similar term is used, it shall be interpreted as subject to the provisions of the cogent law.

2. Issuance of the Bonds

- 2.1 The Company shall carry out an initial issuance of the Bonds, which shall be registered by name, in a total amount that shall not exceed the amount to be set forth in the Supplementary

Notice to be Published by virtue of the Prospectus. The Principal and Interest of the Bonds shall be linked to the Dollar.

- 2.2 The Principal of the Bonds shall be repaid in one installment on June 30, 2030.
- 2.3 The Bonds shall bear fixed annual (unlinked) interest at a fixed rate of 5.85% (but subject to adjustments upon a change in the rating of the Bonds (Series B) and/or the Company's failure to comply with the financial covenants set out in Sections 7.1 and 7.2 below) ("**Base Interest**" or the "**Annual Interest**"). The Interest shall be payable in semi-annually installments, on December 31, 2025, and on June 30 and December 31 of the years 2026-2029 (inclusive) and on June 30, 2030 (each, an "**Interest Payment Date**"), for the six (6) month period commencing on the previous Interest Payment Date and ending on the day immediately preceding the applicable Interest Payment Date (the "**Interest Period**"), except for the first Interest Payment Date, which shall take place on December 31, 2025, for the period commencing on the first trading date after the Public Tender and ending on the day immediately preceding the first Interest Payment Date (the "**First Interest Period**") and which shall be calculated on the basis of 365 days in a year and the actual number of days in such period. The final interest payment shall be paid on June 30, 2030, together with final Principal payment and against the delivery of the Bond Certificates to the Company and/or to any third party as instructed by the Company.
- 2.4 **Record Date** – Payments on account of the Principal and/or any Interest thereon shall be paid to the relevant Bondholder on the following dates:
 - 2.4.1. Payments due on December 31 – shall be paid to those holding the Bonds at the end of the Trading Day on December 19.
 - 2.4.2. Payments due June 30 (excluding the final payment of Principal and Interest) – shall be paid to those holding the Bonds at the end of the Trading Day on June 18.
 - 2.4.3. The final payment of Principal and Interest shall be made against the delivery of the Bond Certificates to the Company, on the Payment Date, at a location in Israel as the Company shall instruct the Trustee, no later than five (5) Business Days prior to the final Payment Date.

In the event a certain Payment Date on account of Principal and/or Interest is not a Business Day, the date of such payment shall be postponed to the following Business Day and no interest or other payment shall be due on account of such delay, and the record date for determining the eligibility for redemption or interest shall not be changed as a result of such postponement.

- 2.5 **Currency Repayment and Linkage** – Other than payments for the fees and expenses as set forth in this Deed (including those of the Trustee), all payments which the Company is required to make under this Deed, including but not limited to, repayment of the Principal (whether scheduled, accelerated or upon an early redemption) and Interest payments on the outstanding balance of the Principal, shall be made to the Bondholders in NIS, linked to Dollar, as follows: (i) if the Payment Rate is higher than the Base Rate, then such payment in NIS shall be increased proportionately to the rate of increase of the Payment Rate compared to the Base Rate; (ii) if the Payment Rate is lower than the Base Rate, then such payment in NIS shall be reduced proportionately to the rate of decrease of the Payment Rate compared to the Base Rate; and (iii) if the Payment Rate is equal to the Base Rate, then such payment shall be made in the NIS amount originally determined in the Immediate Report on the results of the Offering.
- 2.6 **Issuance** – The Bonds are being offered initially within the framework of a public offering in Israel only.
- 2.7 **Default Interest** – See Section 3.8 of the Terms and Conditions Overleaf.
- 2.8 **Stock Exchange Listing** – The Company shall List the Bonds on the Stock Exchange.
- 2.9 **Series Expansion and Issuance of Additional Securities:**

Series Expansion

- 2.9.1. The Company shall be entitled, from time to time, at its sole discretion, without being required to obtain approval from the Trustee or the Bondholders, to expand the Bond series and issue additional Bonds (whether by means of a public offering, private placement or otherwise), the terms and conditions of which will be the same as the terms and conditions of these Bonds initially issued, at any price and in any manner as the Company deems fit, including at such discount or premium (including without discount or without premium); this, provided all the following conditions are met: (1) the series expansion of will not lead to the downgrading of the Bonds' rating, as shall be in effect immediately prior to the expansion date, and prior written confirmation thereof has been obtained from the Rating Agency, prior to the institutional tender for Classified Investors being held, to if held, including by way of granting a rating approval for the Bonds to be issued within the framework of the series expansion (in the event more than one Rating Agency is rating the Bonds, the higher rating shall apply); and (2) a CFO Certificate will be delivered by the Company pursuant to Section 6.1 prior to the expansion date, and no later than the date on which the institutional tender for Classified Investors will be held, if held, stating that (a) the Company is in compliance with all the Financial

Covenants (pursuant to Section 6.1) immediately prior to the expansion and will be in compliance with all said Financial Covenants on a pro forma basis following the expansion, according to the most recent Financial Statements published prior to the series expansion and without accounting for any cure or grace period with respect to said covenant; (b) prior to the expansion, there shall exist no grounds for calling for the immediate repayment of the Bonds, nor shall there exist any such grounds as a result of the series expansion, without accounting for any cure or grace period with respect to such grounds; (c) the expansion will not affect the Company's ability to meet its obligations as they come due; and (d) the Company meets all its material undertakings towards the Bondholders.

- 2.9.2. The series expansion shall be subject to obtaining the Stock Exchange's approval to list the additional Bonds.
- 2.9.3. The Trustee shall serve, subject to the provisions of this Deed of Trust, as Trustee for the Bonds in circulation from time to time, including those issued within the framework of a series expansion, and the Trustee's consent for serving as Trustee to the expanded series shall not be required. Bonds in circulation and any additional Bonds that shall be issued in accordance with this Section 2.9 shall constitute (as of their issuance date) a single series for all intents and purposes, and this Deed of Trust in respect of the Bonds shall apply also to all additional Bonds of the same series. The Bonds issued within the framework of a series expansion shall not confer any right to payment of Principal or Interest if the record date for said payment occurred prior to the issuance date of the additional Bonds. The Trustee shall be entitled to demand an increase in the fees payable thereto, pro rata to the increase in the amount of Bonds issued (compared to the original issuance), and the Company hereby grants its consent to the increase in the Trustee's fees as set forth above.
- 2.9.4. In the event the discount rate applicable to the Bonds issued within the framework of the series expansion is different than the discount rate (if any) of the existing Bonds in circulation at such time, the Company shall submit a request to the Israeli Tax Authority, if necessary, prior to expanding the Bond series, in order to obtain its approval of a uniform discount rate regarding withholding tax on the discount amount, according to a formula weighting the different discount rates (if any). Should such approval be obtained, the Company shall calculate, upon the series expansion, the weighted discount rate for all the Bonds, and the Company shall publish in an Immediate Report together with the results of the Offering prior to the listing of the additional Bonds, the uniform weighted discount rate and the

Stock Exchange Members shall withhold tax at the Payment Dates of said Bonds, according to said discount rate and the provisions of applicable law. In the event the Company shall fail to obtain the approval, the Company shall publish, prior to the listing of the additional Bonds, the uniform discount rate, which shall be the highest discount rate determined for the Bonds. In any event, all the provisions of applicable law pertaining to taxation of discount fees shall apply.

- 2.9.5. The applicable Stock Exchange Members shall withhold tax, pursuant to the applicable Israeli taxation laws upon payment on account of the Bonds, according to the discount rate the Company has published as aforesaid. Furthermore, the Company shall withhold tax pursuant to any other tax laws that may apply at said time. Consequently, there may be instances in which tax shall be withheld for the discount higher than the discount amount determined for the Bonds prior to the series expansion. In such event, a Bondholder that held Bonds at the eve of the series expansion shall be entitled to submit a request to the Israel Tax Authority in order to obtain a refund for tax withheld from the discount fees, pursuant to applicable law.
- 2.9.6. The Company shall notify the Trustee immediately after the Company's Board of Directors resolves to expand the Bond series and shall deliver to the Trustee immediately thereafter (on the aforesaid dates), and in any event prior to the date of the Public Tender for Classified Investors, if the expansion is by way of a public offering that includes a Public Tender for Classified Investors, and if there is no Public Tender for Classified Investors then prior to the Public Tender: (i) a CFO Certificate as set forth in Subsection 2.9.1(2) above ; and (ii) the written approval of the Rating Agency as set forth in Subsection 2.9.1(1). The publishing of the Rating Agency's aforementioned approval or a rating report confirming that the rating of the Bonds shall not be impacted due to the expansion (including by way of approving a rating for the Bonds to be issued within the framework of the expansion) shall satisfy the requirement of delivering an approval from the Rating Agency to the Trustee as set forth in this Subsection 2.9.6.
- 2.9.7. For the avoidance of doubt, the Company's undertakings set forth in these Subsections 2.9.1-2.9.6 shall apply only with respect to additional issuances of Bonds by way of expanding the Bonds series issued hereunder, and such undertakings shall not apply with respect to issuances of Bonds by way of expansion of other series in circulation at such time, or with respect to new Bond series, or any other debt incurred by the Company, whether said other or new series or said other debt is rated or not, irrespective of the issuance dates or the dates in

which said debt was incurred or to the proximity of such dates to the series expansion date or to the rating change date.

Issuance of Additional Securities

- 2.9.8. Notwithstanding the foregoing and subject to the provisions of applicable law, the Company reserves the right to issue, at any time, and from time to time (by means of a private placement or prospectus or shelf offering report or otherwise), additional series of bonds or other debt securities of any kind or type, without being required to obtain the approval of the Trustee and/or the Bondholders existing at such time, and on such terms and conditions as shall deem fit, including with respect to payment terms, interest and collaterals; all without derogating from the repayment undertakings imposed on the Company by virtue of this Deed, provided only that any new bond series or any other securities that constitute debt which are issued without collateral shall not have any priority over the Bonds (Series B upon liquidation; and that the bonds or other securities that constitute debt and are secured by any collateral will be have priority only in respect to the collateral by which said bonds or securities have been secured. The Company will provide the Trustee with a CFO certificate confirming that said condition is met prior to the issuance of the other bond series or other debt securities as aforesaid.
- 2.9.9. The foregoing shall by no means derogate from any of the Trustee's rights and the Bondholders' rights under this Deed of Trust, including from their right to call for an immediate repayment of the Bonds pursuant to the provisions of this Deed of Trust.
- 2.10 The provisions of this Deed of Trust shall apply to the Bonds issued under this Deed and which shall be held from time to time by any purchaser of the Bonds, unless otherwise explicitly provided herein. Each Bond, whether issued on the Issuance Date or as a result of an Bond series expansion of, will have equal rights compared to any other Bond in the series (*pari passu*) without any such Bond having priority Notwithstanding the aforesaid, Section 52N1 of the Securities Law will apply.
- 2.11 This Deed of Trust shall enter into effect upon the initial issuance of the Bonds and shall apply as of the Issuance Date. It is hereby agreed that in the event the Offering is cancelled for any reason whatsoever, this Deed of Trust shall be null void *ab initio*.

3. Appointing the Trustee and the Duties Thereof

- 3.1 The Company hereby appoints the Trustee to serve solely as Trustee to the Bondholders by virtue of the provisions of Section 35B of the Securities Law.

- 3.2 The Trustee shall be a trustee to the Bondholders by virtue of the provisions of Chapter E1 of the Securities Law, including for those entitled to payments by virtue of the Bonds that were not paid when due.
- 3.3 Upon the Deed of Trust entering into effect, as is set forth in Section 2.11 of this Deed, the duties of the Trustee shall be in accordance with applicable law and the provisions of the Deed.
- 3.4 In the event the Trustee is replaced by another Trustee, such other Trustee shall act as trustee for the Bondholders, including for those persons entitled to payments by virtue of the Bonds that were not paid when due.
- 3.5 The Trustee is not required to act in any manner not explicitly set forth in this Deed of Trust in order to obtain any information, including information regarding the Company or its business or its ability to meet its obligations towards the Bondholders and such action is not included among its duties.

4. **Powers of the Trustee**

- 4.1 The Trustee shall use the powers, permissions and authorities conferred thereupon under law and under this Deed of Trust, at its sole discretion, or in accordance with a resolution passed at a Bondholders' Meeting; all, subject to the provisions of applicable law which are non-contingent. The Trustee shall not be liable for any damage that may be caused as a result of an error in such discretion, unless the Trustee acted in bad faith or with gross negligence (unless exempt by law), willful misconduct or malicious intent.
- 4.2 The Trustee shall be entitled to deposit any deeds and other documents which evidence, represent and/or stipulate its rights with respect to the trusteeship subject matter of this Deed of Trust, including with respect to any asset that is in its possession at such time, in a safe deposit box and/or at another place it may select, including at any bank, with an attorney and/or with an accountant. The Trustee shall not be liable for any loss that may be incurred in connection with a deposit made in accordance with this Section 4.2, unless the Trustee acted in bad faith or in gross negligence (unless exempt by law), willful misconduct or with malicious intent.
- 4.3 The Trustee shall represent the Bondholders with respect to any matter deriving from the Company's undertakings towards them, and for such purpose it shall be entitled to take action in order to exercise the rights conferred to the Bondholders by law or according to this Deed of Trust.
- 4.4 The Trustee may initiate any proceeding to protect the Bondholders' rights according to applicable law and the provisions set forth in this Deed of Trust.

- 4.5 The Trustee shall be entitled to appoint agents as set forth in Section 22 to this Deed.
- 4.6 The Trustee's actions shall be valid even if a defect is discovered in its appointment or qualifications.
- 4.7 The Trustee's execution of this Deed of Trust does not constitute an opinion on its part with respect to the quality of the Bonds or with respect to the advisability of investing therein.
- 4.8 The Trustee shall not be obliged to notify any party with respect to the execution of this Deed of Trust. The Trustee shall not interfere and shall not be entitled to interfere in any way in the management of the Company's business or its affairs, and no action or inaction by the Company shall require its approval, and these matters shall not form part of its duties. This Section shall not prevent the Trustee from taking any action which it is required to take under the provisions of this Deed or applicable law.
- 4.9 Within the framework of its trusteeship, the Trustee may rely on any written document including letter of instructions, notice, request, consent or approval, appearing to be executed or prepared by any Person or entity, which the Trustee believes in good faith that it had been executed or prepared thereby.
- 4.10 It is clarified that termination of the Trustee's term of office shall not derogate from the Company's and/or the Bondholders' rights, claims or demands towards the Trustee, if any, insofar as their grounds precede the termination of the Trustee's term in office, and the Trustee shall not be released from any liability in accordance with applicable law. In addition, the termination of the Trustee's term in office shall not derogate from the Trustee's rights, claims or demands of towards the Company and/or the Bondholders, if any, in so far as their grounds precede the termination of the Trustee's term in office, and the Company and/or Bondholders shall not be released from any liability in accordance with applicable law.

5. **Repurchase of Bonds by the Company**

- 5.1 The Company reserves, subject to any law, the right to repurchase all the Bonds, or a portion thereof, at any time and from time to time, without derogating from the repayment undertakings of the Bonds in circulation. The Company will file an Immediate Report regarding the repurchase if and to the extent it is required to do so by applicable law. If no Immediate Report is filed, the in the event of such repurchase, the Company shall inform the Trustee thereof in writing.

In the event of a repurchase as aforesaid, the purchased Bonds shall automatically expire and be cancelled and delisted from trade, and the Company shall not be entitled to reissue them.

In the event that the Bonds are repurchased by the Company in the framework of trading on the Stock Exchange, the Company will apply to the Clearing House to withdraw the certificates so purchased, unless otherwise stipulated by the legal provisions as these may be at such time. If according to the legal provisions at such time, the Bonds are neither cancelled nor delisted from trade on the Stock Exchange, the Company will be entitled to sell the Bonds, all or part thereof, at its sole discretion, in accordance with the provisions of the law as these will be at such time, without obtaining the consent of the Trustee and/or the Bondholders.

- 5.2 The foregoing shall not derogate from the Company's right to repay the Bonds by way of an early redemption as is set forth in Section 9 below.

Any subsidiary of the Company and/or a corporation controlled thereby and/or its Associate (*i.e.*, as defined in the Securities Regulations (Periodic and Immediate Reports), 5730-1970) and/or an Affiliate of the Company and/or a Controlling Shareholder of the Company (directly and/or indirectly) and/or any family member thereof (namely, spouse, sibling, parent, parent's parent, descendant or descendant of the spouse, or spouse of any of the above), and/or any corporation controlled thereby (directly or indirectly) (other than the Company itself (to which the provisions of this Section 5.1 above shall apply)) (each, an **"Related Holder"**), may purchase and/or sell at any time and from time to time on or off the Stock Exchange, including by way of the Company's issuance of Bonds to be issued pursuant to the Deed of Trust. In the event of a purchase or sale as aforesaid by a Subsidiary of the Company and/or any corporation controlled thereby, or in the event the Company becomes aware of a purchase or sale by any other Related Holder, the Company shall notify the Trustee thereof. The Bonds held as aforesaid by a Related Holder shall be deemed an asset of the applicable Related Holder and, if listed, shall not be delisted from the Stock Exchange and shall be transferable as the other Bonds. Bonds owned by a Related Holder shall not confer to the Related Holder voting rights at any Bondholders' Meeting and shall not be counted for purposes of determining whether a legal quorum is present as required for convening such a meeting. Bondholders' Meetings shall be held in accordance with the provisions of the Second Schedule to the Deed of Trust. A Related Holder shall report to the Company, to the extent that it is required by law to do so, regarding the purchase of Bonds thereby and the Company shall provide the Trustee, upon its demand, the list of Related Holders and the amounts held thereby on the date requested by the Trustee and this according to said reports received from Related Holders. For the purpose of this Section, an Immediate Report published on the MAGNA filing system or the Maya website, to the extent the Company ceases to be a reporting corporation, shall constitute a report to the Trustee for the purposes of this Section.

5.3 Nothing in this Section above shall in itself obligate the Company or any Related Holder or the Bondholders to purchase and/or sell any Bonds held thereby.

6. **Covenants of the Company**

The Company undertakes towards the Bondholders to pay all Principal and Interest, including any Default Interest in accordance with Section 2.7 above, and Interest applicable in the event of a decrease in rating and/or breach of a Financial Covenant (as defined below) (all as applicable and pursuant to the provisions of this Deed), as well as any linkage differentials, payable to the Bondholders in accordance with the terms of the Bonds and to meet all other terms and obligations imposed on it under the Bonds and this Deed of Trust.²

In addition, during the term of the Bonds, the Company shall (unless the Bondholders by way of a Special Resolution according to the provisions of this Deed have agreed otherwise) comply with the following covenants:

6.1 **Financial Covenants:**

- 6.1.1 **The ratio of Net Financial Debt to NOI shall not exceed 12.**
- 6.1.2 **The ratio of Net Financial Debt to Net CAP net shall not exceed 63%**
- 6.1.3 **The ratio of Net Financial debt to EBITDA shall not exceed 13.**

For the purposes of this section:

"**NOI**" - as the term Community NOI is defined in the Company's quarterly Financial Statements.

"**Net Debt**" - short-term and long-term interest-bearing debt from banks and other financial creditors plus interest-bearing debt to Bondholders for the Bonds issued by the Company, less cash and cash equivalents, as well as short-term investments, marketable securities, and deposits, all based on the Company's most recent Financial Statements. It is clarified that the Net Financial Debt figure appearing in the Company's Financial Statements does not include restricted cash and deposits.

"**Net CAP**" - Total Shareholders' Equity (including minority interest) plus Accumulated Depreciation plus Net Financial Debt, all according to the Company's most recent Financial Statements,

"**EBIDTA**" - net profit/loss plus interest, taxes, depreciation, amortization, profit and loss from the change in fair value of securities as well as the profit or loss from the sale of securities, calculated according to the four quarters ended at the date of

² The Company confirms that it is not subject to restrictions on dividend distributions, except for restrictions under applicable law.

the applicable Financial Statements, all in accordance with the Company's Financial Statements.

The Company's compliance with each of the financial covenants set forth in Subsections 6.1.1 through 6.1.3 (hereinafter: the “**Financial Covenants**”) shall be measured upon the publishing of the Financial Statements for each of the Company’s fiscal quarters. The Company shall provide the Trustee, within five (5) Business Days from the date of the publishing of each of the Company’s Financial Statements, a CFO Certificate with respect to the Company's compliance with each of the Financial Covenants, together with an electronic spreadsheet showing the manner of their calculation. Additionally, the Company will state in the notes to its Financial Statements its compliance with the Financial Covenants.

The terms employed with respect to the Financial Covenants shall be calculated and determined in accordance with U.S. GAAP as in effect as of the date hereof. In the event of a change in U.S. GAAP subsequent to the date hereof that affects the calculation of any of the Financial Covenants, the Financial Covenants will continue to be calculated in accordance with U.S. GAAP rules existing on the date in which this Deed was executed and the CFO Certificate shall include a brief description of such change.

6.2 **Negative pledge:**

The Company shall not create a general floating charge (or an equivalent thereof under the law applicable to the Company) on all its direct assets in favor of any third party whatsoever in order to secure its undertakings towards said third party, unless it obtained the prior consent of the Bondholders by way of a Special Resolution, or unless it grants, concurrently with granting said general floating charge on all the Company’s direct assets and rights as aforesaid in favor of a third party, a floating charge in favor of the Bondholders, and these charges shall be *pari passu* according to the ratio of the Company’s debts to each of the parties. If any such charge is created, it shall be created while coordinating with the Trustee and in a form satisfactory thereto, alongside the provision of Officer Certificates and an Opinion with respect to the creation of said charge and it being valid and enforceable, all pursuant to applicable law. It is clarified that the Trustee will be entitled to appoint an attorney versed in the law applicable to said charge, and the Company will bear all of its costs.

For the avoidance of doubt, the foregoing shall not restrict (1) the Company from creating fixed charges on all or any of its assets, (2) the Company from creating floating charges on one or more specific assets or (3) the ability of corporations controlled by the Company to

create any type of charge (whether fixed or floating) on any (including all or most) of their assets, in each case without any restriction or to guarantee the Company's undertakings.

For the avoidance of doubt, the Trustee is not responsible for examining the possibility and/or the need for registering negative pledges or any registration corresponding thereto in its nature and essence outside of Israel. The Company's declarations in this regard will be adequate with respect to the registration of the charges.

The Company hereby represents and warrants that as at the date of this Deed of Trust it has neither created nor registered floating charges on all its direct assets and rights in respect of which the aforementioned undertaking has been granted, and that under the law applicable to the Company, there is no need to register an undertaking for a negative charge as aforesaid in any registry (external or internal).

6.3 **The Rating of the Bonds**

The Company undertakes to act, insofar that it falls under its control, and as long as the Principal has yet to be repaid in full, to ensure that the Bonds will be rated by a Rating Agency, and accordingly the Company undertakes, *inter alia*, to pay the Rating Agency and provide it with all the information it shall require, including the reports required thereby within the framework of the Company's engagement with the Rating Agency. In this regard, failing to make payments or in providing the information required by the Rating Agency within the framework of the Company's engagement with the Rating Agency shall be deemed, *inter alia*, as reasons and circumstances that are under the Company's control. For the avoidance of doubt, it is clarified that the placing of the Bonds under a watch list or any similar action taken by the Rating Agency will not be considered as a rating termination.

The Company does not undertake to replace the Rating Agency nor that it shall not terminate its engagement therewith throughout the term of the Bonds. In the event that the Company replaces the Rating Agency and/or terminates engagement therewith, including in the event that the Bonds are rated by more than one Rating Agency, the Company undertakes to publish an Immediate Report regarding the termination and/or substitution of the Rating Agency, as well as to notify the Trustee of the circumstances that led to the replacement of the Rating Agency or the termination of the engagement, as the case may be, within two (2) Business Days of the earlier of (a) the replacement (b) the date in which the decision to terminate the engagement with the Rating Agency was made. The Company will also provide the Trustee a document comparing the rating scale of the exiting Rating Agency to those of the new Rating Agency.

It is hereby clarified that the aforementioned provisions shall not derogate from the Company's right to replace a Rating Agency at any time or terminate the engagement with

a Rating Agency (in the event it is not the only Rating Agency) at its sole discretion and for any reason it deems fit and without the Trustee and/or the Bondholders having any claim in such respect (without derogating from the provisions of Section 10.1.13 below).

6.4 **Cross Default:**

Throughout the period in which there exists any Cross Default, at the request of any Bondholder, the Company, to the extent that it is not prevented or restricted under law from doing so, including under the provisions of any relevant credit facility, shall provide to said Bondholder any report or other information that is provided to any lender or other financing source under the credit facility causing the Cross Default. The receipt of such report or other information shall be contingent upon said Bondholder consenting not to divulge the report or information to any third party nor to purchase nor sell any of the Company's securities based on any material, nonpublic information included in such report or other information.

It should be emphasized that without derogating from the aforesaid in this Section, to the extent a Cross Default exists, the Company will notify by way of an Immediate Report the occurrence of a Cross Default and the reasons therefor, and will provide the Trustee with all documents and information described in the beginning of this Section, and the Trustee shall be entitled to provide said information to the Bondholders in a Bondholders' Meeting or by way of a report, without the Trustee having any duty of confidentiality.

6.5 **Appointing a Representative in Israel for the Company**

Until after the full, final and accurate repayment of the Bonds under the terms of the Deed of Trust to the Bondholders, the Company undertakes that it will have a representative on its behalf in Israel, to whom it will be possible to serve court documents concerning the Company and its Officers with respect to all matters pertaining to this Deed of Trust, *in lieu* of them being served at the Company's address abroad as set forth in the preamble to this Deed.

As of the execution date of the Deed, the Company's representative in Israel is Goldfarb Gross Seligman & Co. Law Office (the address of which is specified in the preamble to this Deed) (the "**Company's Representative in Israel**"). Service upon the Company's Representative in Israel shall be considered valid and binding with respect to any claim and/or demand made by the Trustee and/or the Bondholders pursuant to this Deed of Trust. The Company may change the identity of the Company's Representative in Israel from time to time, provided that upon its replacement, the Company shall file an Immediate Report containing the details of the Company's new Representative in Israel no later than one Trading Day following the date on which the Company resolved to appoint another representative and deliver a notice thereof to the Trustee. If a new representative is

appointed, the Immediate Report and the notice to the Trustee shall include also the date on which the appointment of the new representative entered into effect. For so long as the appointment of the new representative has not taken effect, the address of the substituted representative shall be the address for service. For the avoidance of doubt, it should be emphasized that for as long as the Company Representative in Israel resigns from its position (the "**Resigning Representative**"), for so long as there is no replacement who actually serves in that position, the Resigning Representative's address will be the address of the service.

6.6 **Controlling Shareholder Transactions:**

The Company clarifies that as of the execution date of this Deed, various securities of the Company are listed with the Securities and Exchange Commission (SEC) pursuant the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**"). Various of the Company's securities are listed under the Exchange Act and listed for trade on the New York Stock Exchange ("**NYSE**"). Consequently, the Company is subject to the laws and regulations applicable to public companies in the U.S. under the securities laws, rules and regulations of the NYSE governing listed companies.

6.7 **Expense Cushion**

Without derogating from the provisions of Section 23 to the Deed of Trust, out of the net Offering proceeds, the Company shall instruct the Offering coordinator to deposit to with the Trustee, simultaneously with the transfer of the Offering proceeds balance to the Company, an amount equal to \$300,000 (according to the Representative Rate known on the first Trading Day after the Public Tender date) to be used for the payment of ongoing expenses and administrative expenses reasonably incurred by the Trustee with respect to the calling for the immediate repayment of the Bonds pursuant to the provisions of Section 10 or with the Company breaching the provisions set forth herein, reasonably incurred in order to preserve the Bondholders' rights (the "**Prepaid Expenses**"). It is clarified that the actual expenses will be borne by the Company whilst the Trustee will deposit said funds in a bank account opened thereby in its name in trust for the Bondholders only and which will shall serve to secure these payments. The Trustee shall be entitled to make use of said funds for the purposes set forth above, at its discretion, while acting reasonably, if the Company has failed to pay said expenses. Should the Trustee use the said funds as set aforesaid, the Company shall pay the Trustee, within 14 Business Days from the date on which the Company received from the Trustee a written demand for such payment, additional amounts so that the Trustee will have in such account Prepaid Expenses in the amount of \$300,000. The Prepaid Expenses shall be held by the Trustee as aforesaid until the full and final

repayment of the Bonds (insofar as they are not used as specified above). Following the full and final repayment of the Bonds, the balance, if any, of the Prepaid Expenses will be transferred (together with all proceeds accrued thereon), inasmuch as it has not been used, to the Company in accordance with details to be provided by the Company to the Trustee in writing and in advance.

In the event that the aforesaid funds are not sufficient to cover the Trustee's expenses with respect to the calling for the immediate repayment of the Bonds and/or to the Company breaching the provisions of the Deed of Trust as aforesaid, the Trustee shall act pursuant to the provisions of Section 23 below.

For the avoidance of doubt, it is hereby clarified that the account in which the Prepaid Expenses are deposited will be managed solely by the Trustee, which will have sole signatory rights therein. The Prepaid Expenses will be invested in Permitted Investments (as defined in Section 13 below). The Trustee will not be liable towards the Bondholders and/or the Company for any loss that will be incurred due to these investments.

The Trustee will provide the Company, upon its written request, information on the manner in which the Prepaid Expenses are invested as well as of their balance. The Company shall bear all costs associated with the opening, management and closing of said account.

It is clarified that the amounts of the Prepaid Expenses paid by the Company as aforesaid in this Section shall be deemed amounts the Company will be required under any law, in as much as it will be required, to deposit with the Trustee, to the extent legal provisions applicable to the Company in this context will enter into effect.

6.8 Restrictions on Distribution

For long as the Company does not breach any of the Financial Covenants set forth in Section 6.1 above, no distribution restriction will apply to the Company. If the Company deviates from one or more of the Financial Covenants set forth in section 6.1 above, the Company shall be allowed to make a distribution in an amount that does not exceed the amount required to meet the requirements of U.S. law applicable to REITs. If the Company ceases to be a REIT in the United States, then the Company may distribute dividends provided that it is not in breach of one or more of the covenants detailed in Sections 7.2.1(a)-(c) below.

In the event of a distribution while the Company is in breach of one or more of the Covenants set forth above, the Company shall provide the Trustee, in advance, notice of its intent to pursue a distribution together with a confirmation from the Company's Chief Financial Officer that the amount to be distributed does not exceed the amount required to meet the requirements of U.S. law applicable to REITs.

7. Interest Rate Adjustments

7.1 Mechanism for Interest Rate Adjustment due to a Change in Rating

- 7.1.1 In the event the Base Rating of the Bonds is downgraded during any Interest Period (the “**Downgraded Rating**”), the interest rate on the outstanding Principal balance shall be increased by 0.50% per annum (in addition to the Base Interest) against a downgrade of two "notches" (i.e., a double downgrade) from the Base Rating and by an additional 0.25% for each further downgrade, up to a maximum additional interest rate of one and a quarter percent (1.25%) per annum, for the period commencing on the date on which the applicable Downgraded Rating was published by the relevant Rating Agency and until the earlier of (i) the full repayment of the Principal and (ii) the date on which the applicable Rating Agency subsequently upgrades the Bond rating to a rating higher than the Downgraded Rating (such rating, the “**Updated Rating**”).
- 7.1.2 It is hereby clarified that the maximum increase of the Base Interest pursuant to this Section 7.1 shall not exceed 1.25% per annum.
- 7.1.3 No later than two (2) Business Days following the receipt of the Rating Agency’s notice regarding the downgrading of the Bonds to the Downgraded Rating, the Company shall publish in an Immediate Report the following: (A) the fact that the rating was downgraded, the Downgraded Rating and the date in which the Downgraded Rating entered into effect (the “**Rating Downgrade Date**”); (B) the interest rate that the Principal shall bear for the period commencing on the first day of the then-current Interest Period and until the Rating Downgrade Date (calculated on the basis of 365 days in a year and the actual number of days in such period) (in this Section 7.1.3 the “**Original Interest**”); (C) the interest rate the Principal on the Bonds shall bear commencing on the Rating Downgrade Date and until the following Interest Payment Date (assuming no other events affecting such interest rate shall occur and calculated on the basis of 365 days in a year and the actual number of days in such period); (D) the weighted interest rate to be paid by the Company to the Bondholders on the next Interest Payment Date, deriving from the interest payments described in clauses (B) and (C) above; (E) the annual interest rate reflected from the weighted interest rate; and (F) the updated annual interest rate and the semi-annual interest rate for the period commencing on the next Interest Payment Date (*i.e.*, the period commencing immediately following the period during which the Rating Downgrade Date occurred).

- 7.1.4 If the Rating Downgrade Date occurs within the four (4) days preceding the record date for a given interest payment and ending on the Interest Payment Date closest to such record date (in this Subsection 7.1.4, the “**Deferral Period**”), the Company shall pay the Original Interest to the Bondholders on such Interest Payment Date, and the amount of interest deriving from the additional interest at a rate equal to the additional interest rate per annum for the Deferral Period (calculated on the basis of 365 days in a year and the actual number of days in such period) shall be paid on the following Interest Payment Date. The Company shall Publish an Immediate Report detailing the additional interest amount to be paid on the following Interest Payment Date.
- 7.1.5 It is hereby clarified that if following a downgrade which has affected the Base Interest, the Rating Agency shall issue an Upgraded Rating whereby the rating of the Bonds has increased, the interest rate on the Bonds will be reduced in accordance with the interest rate increase steps applicable to downgrading as specified in Section 7.1.1 above, until a total maximum decrease in the interest rate of one percent (1%) per annum (i.e., whereby the increase in rating to the Base Rating shall reinstate the Base Interest on the outstanding Principal balance, without any additional interest, subject to changes pursuant to Section 7.2), and until the full repayment of the unpaid Principal balance or until a change in the rating of the Bonds in accordance with and subject to the provisions of this Section 7.1 In such case, the Company shall act pursuant to the provisions of Sections 7.1.3 and 7.1.4 above, with requisite changes deriving from the fact that the Deviation no longer exists. It is clarified that if the rating of the Bonds exceeds the Base Rating, this shall have no effect on the interest rate borne by the Bonds at that time.
- 7.1.6 In the event the Bonds cease to be rated for reasons attributable to the Company (e.g., due to the Company’s failure to meet its obligations towards the Rating Agency, including its failure to comply with its payment and/or reporting obligations to the Rating Agency) for a period exceeding twenty-one (21) consecutive days, commencing on the date of such rating cessation and until the earlier of: (1) full and final repayment of the Bonds in accordance with the provisions of this Deed; or (2) the date on which the Bonds are once more rated, additional interest shall be paid at a rate of 1.25% per annum (calculated on the basis 365 days in a year and the actual number of days in such period), including upon the Bondholders’ calling for the immediate repayment of the Bonds pursuant to the provisions of Section 10.1. For the avoidance of doubt, it is hereby clarified that (1) in the event the Bonds cease to be rated for reasons not attributable to the

Company, the interest rate on the Bonds shall not be changed and the provisions of this Section 7.1.6 shall not apply; and (2) in the event the Bonds are rated by more than one Rating Agency, the interest rate adjustment pursuant to this Section 7.1.6 shall not apply for as long as the Bonds are rated by at least one Rating Agency.

7.1.7 In the event the Bonds cease to be rated by a Rating Agency, the Company shall Publish an Immediate Report as to the circumstances associated with such cessation.

7.1.8 In the event the Bonds are rated by more than one Rating Agency, the lower rating shall be deemed to be the applicable rating for the Bonds, as updated from time to time.

7.1.9 Any change in the rating outlook of the Bonds and/or any rating downgrade or upgrade due only to a change in the methodology or rating scales of the applicable Rating Agency, shall not be deemed a change in the rating and shall not have any impact on (including by way of increase and/or decrease) the interest rate applicable the Principal.

7.1.10 Notwithstanding the foregoing, in the event of a downgrade or cessation of rating which entitled the Bondholders to additional interest under Section 7.1 above and a deviation entitling the Bondholders to additional interest under Section 7.2 below, the maximum additional aggregate interest that may be received by the Bondholders shall not exceed the rate of 1.5% per annum.

7.2 **Mechanism for Interest Rate Adjustments Resulting from the Company failing to comply with Financial Covenants**

7.2.1 In the event the Company fails to comply with whichever of the Financial Covenants (each non-compliance event shall be referred to hereafter as a “**Deviation**”), as described below:

(A) The ratio of Net Financial Debt to NOI shall not exceed 10.

(B) The ratio of Net Financial Debt to Net CAP shall not exceed 60%.

(C) The ratio of Net Debt to EBITDA shall not exceed 12.

(D) If the Company ceases to maintain its REIT status in the U.S. for more than 90 days.

The annual interest rate on the outstanding Principal balance shall be increased by a 0.25% per annum for each of the foregoing Financial Covenants with respect to which there exists a Deviation, for the period commencing: with respect to

Subsections A through C, on the date of the Company's Publishing of its Financial Statements according to which a Deviation has occurred; and with respect to Subsection D, upon the Company's Publishing a report whereby it ceased to hold REIT status in the U.S. (the "**Deviation Date**"), and until the earlier of: (1) repayment of the Company's liabilities in accordance with the provisions of this Deed; or (2) with respect to Subsections A through C above – the Company's Publishing of Financial Statements (and a CFO Certificate to be provided by Company to the Trustee) in which such Deviation is shown to have been cured, and with respect to Subsection D above – the Company's Publishing a report whereby it resumed to hold REIT status in the U.S. The maximum increase in Base Interest pursuant to this Section 7.2.1 shall not exceed one-half percent (0.5%) per annum.

- 7.2.2 The Company shall provide the Trustee, no later than one (1) Business Day of the Deviation Date, a notice containing information with respect thereto and shall Publish in an Immediate Report the following information: (A) details regarding the non-compliance with the Financial Covenants; (B) the precise interest rate to be borne on the Principal for the period commencing on the first day of the then-current Interest Period and until the Deviation Date (calculated on the basis of 365 days in a year and the actual number of days in such period) (in this Section 7.2.2, the "**Original Interest**"); (C) the interest rate to be borne on the Principal commencing on the Deviation Date and until the following Interest Payment Date (assuming no other events affecting such interest shall occur and calculated on the basis of 365 days in a year and the actual number of days in such period); (D) the weighted interest rate to be paid by the Company to the Bondholders on the next Interest Payment Date, deriving from the interest payments described in clauses (B) and (C) above; (E) the annual interest rate reflected from the weighted interest rate; and (F) the updated annual interest rate and the semi-annual interest rate for the period commencing on the next Interest Payment Date (*i.e.*, the period commencing immediately following the period during which the Deviation occurred).
- 7.2.3 In the event a Deviation occurs within the four (4) days preceding the record date for a given Interest Payment and ending on the Interest Payment Date closest to such record date (in this Subsection 7.2.3, the "**Deferral Period**"), the Company shall pay the Bondholders, on such Interest Payment Date, the Original Interest, and the amount of interest deriving from the additional interest at a rate equal to the additional interest rate per annum for the Deferral Period (calculated on the basis of 365 days in a year and the actual number of days in such period) shall be paid on the following Interest Payment Date. The Company shall announce by way

of Immediate Report the additional interest amount that shall be paid on said following Interest Payment Date.

7.2.4 In the event that after the occurrence of a Deviation in a manner affecting the Base Interest with respect to Subsections A through C above, the Company will Publish its Financial Statements and shall provide a CFO Certificate pursuant to the provisions set forth in Section 6.1 whereby the Deviation is shown to have been cured, and with respect to Subsection D above - the Publishing of a report whereby the Company resumed its REIT status in the U.S.; then the Interest rate shall be decreased by 0.25% per annum for each Financial Covenant cured up to a total maximum decrease of 1.5% per annum, provided that at that time there is no Deviation from at least two additional Financial Covenants (namely, if all Deviations have been cured, the Base Interest on the outstanding Principal balance of the on the Bonds will be reinstated, without any additional interest, subject to changes deriving from the provisions set forth in Section 7.1 above); this, for a period commencing on the date of Publishing the Financial Statements which evidence the termination of the Deviation as aforesaid and until the earlier of the full repayment of the outstanding Principal balance or until the creation of an additional Deviation (the interest rate shall be calculated for any partial interest period on the basis of 365 days in a year and the actual number of days in such period). In such instance, the Company shall act pursuant to the provisions of Sections 7.2.2 and 7.2.3 above, with requisite changes deriving from the fact that the Deviation no longer exists.

7.3 Notwithstanding the foregoing, in the event of a downgrade or the cessation of rating entitling the Bondholders to additional interest pursuant to Section 7.1 above and a Deviation entitling the Bondholders to additional interest pursuant to Section 7.2 above, the maximum aggregate additional interest which will be received by the Bondholders shall not exceed a rate of 1.5% per annum.

8. **Security and Seniority of the Bonds**

8.1 The Bonds are not secured by any collateral and are classified by the Company as unsecured bonds.

8.2 The Trustee has not examined, nor shall it be under any obligation to examine, the need to grant collateral in order to secure the payments to the Bondholders. The Trustee was neither asked to conduct nor did it *de facto* conduct nor will it conduct, due diligence (economic, accounting or legal) regarding the state of the Company's business or that of its Subsidiaries. By entering into this Deed of Trust, including by its consenting to serve as Trustee to the

Bondholders, the Trustee is not expressing any opinion whatsoever, whether explicitly or implicitly, with respect to the Company's ability to meet its obligations towards the Bondholders. The foregoing shall by no means derogate from the Trustee's duties of the under applicable law and/or this under Deed of Trust.

- 8.3 All of the Bonds shall be ranked *pari passu* with amongst themselves with respect of the Company's obligations under the Bonds, without any Bond having a preferred rights or priority over the other, and together they shall rank *pari passu* with the Company's other unsecured obligations, except for obligations assigned priority by virtue of applicable law. The Bonds shall be senior to any of the Company's subordinated obligations.
- 8.4 Subject to the provisions of Section 6.4 above and without derogating from the provisions of Section 10 hereunder, the Company shall be entitled, from time to time, at its sole and absolute discretion, to sell, pledge, lease, assign, deliver or otherwise transfer, all, most or some of its assets, in any way whatsoever, without obtaining the consent of the Trustee and/or that of the Bondholders. It is hereby clarified that no restriction shall apply to the Company with respect to it providing guarantees in favor of another (or others), including to corporations held thereby, directly or indirectly, and subject to the provisions of Section 2.9.8 above, the Company shall not be prevented from receiving any new credit.

9. **Early Redemption**

9.1 **Early Redemption Initiated by the Company**

The Company may, at any time but not before 60 days have elapsed from the listing of the Bonds (Series B), at its sole discretion, effect a full or partial early redemption, in the manner set forth below, subject to the directives of the Israel Securities Authority and to the Stock Exchange Guidelines, as shall be in effect at the relevant date. Any redemption notice may, at the Company's discretion, be subject to one or more conditions precedent, including completion of a refinancing transaction or other corporate transaction:

- 9.1.1 The frequency of the early redemptions shall not exceed one early redemption per quarter. In the event that a partial early redemption is scheduled for a quarter in which an interest payment date, a partial redemption date or a final redemption date is also due, the partial early redemption shall be effected on the date prescribed for said payment. For purposes hereof, a "**Quarter**" shall mean any of the following periods: January through March, April through June, July through September, or October through December.

- 9.1.2 The minimum amount of any early redemption shall not be less than NIS 1 million. Notwithstanding the aforementioned, the Company may effect an early redemption in an amount lower than NIS 1 million, provided that the frequency of the redemptions shall not exceed one early redemption per year. If a partial early redemption is effected, the final redemption amount shall not be less than three million two hundred thousand NIS (NIS 3,200,000). Any amount paid by the Company by way of an early redemption shall be paid with respect to all Bondholders, *pro rata* to the par value of the Bonds held thereby.
- 9.1.3 Upon the Company's resolution to carry out an early redemption, and in any event no less than seventeen (17) days and not more than forty five (45) days prior to the record date of the early redemption (the "**Early Redemption Date**"), the Company shall Publish an Immediate Report about the execution of the early redemption.
- 9.1.4 The Early Redemption Date shall not occur during the period between the record date for the payment of Interest and the *de facto* interest payment date. In the aforesaid Immediate Report, the Company shall set forth the amount of Bonds (expressed as the Principal amount) to be paid by way of early redemption as well as the interest accrued on said Principal amount until the Early Redemption Date.
- 9.1.5 Upon a partial Early Redemption Date, if any, the Company shall Publish an Immediate Report which shall contain the following information: (1) the partial redemption percentage in terms of the outstanding balance of the Bonds, prior to the redemption; (2) the partial redemption expressed as a percentage of the par value of the Bonds at the original Issuance Date; (3) the interest rate on the Principal portion to be redeemed; (4) the interest to be paid, calculated with respect to the outstanding balance; (5) an update regarding the remaining partial redemption rates in terms of the original series (*i.e.*, applying the original amortization schedule to the remaining outstanding balance of the Bonds, following the partial early redemption entering into effect); (6) the record date for the right to receive the early redemption of the Principal, which shall be twelve (12) days prior to the Early Redemption Date. A partial early redemption will be effected *pari passu* with respect to each of the Bondholders.
- 9.1.6 In the event of a partial early redemption, if any, the Company shall pay the Bondholders the interest accrued until the Early Redemption Date only with respect to the portion of the Principal being redeemed by way of the early redemption rather than with respect to the total outstanding balance of the Bonds, all, as part of the

early partial redemption amount to be determined in accordance with Section 9.1.7 below.

- 9.1.7 The amount that shall be paid to the Bondholders in the case of an early redemption shall be the higher of the following: (1) the liability value of the Bonds in circulation to be redeemed, *i.e.*, the Principal plus accrued interest and any linkage differentials payable on the Early Redemption Date; (2) the market value of the Bonds that are to be redeemed in the early redemption (based on the average closing price of the Bonds over the thirty (30) Trading Days preceding the Board of Directors' resolution approving said redemption); however if the Early Redemption Date falls on an Interest Payment Date, only the interest amount, which will be paid separately, will be deducted from the aforementioned average closing price; and (3) the balance of the Bonds cash flow subject to early redemption, according to the original amortization table (*i.e.*, Principal plus the interest borne by the Bonds on the early redemption date), while accounting for the Early Redemption Date, discounted at the Government Bond Yield (as defined below) plus annual interest at a 1.5% rate. The discount of the Bonds to be paid by way of an early redemption shall be calculated from the Early Redemption Date until the final payment date that applied to the Bonds to be paid by way of an early redemption. If additional interest shall be paid due to the early redemption, the additional interest shall be paid with respect to the par value being redeemed by way of an early redemption.

For the purpose of this Subsection, “**Government Bond Yield**” means the average weighted yield to maturity (gross), during a of seven (7) Business Days period, ending two (2) Business Days prior to the date of the early redemption notice, of two (2) series of Israeli Government Dollar-linked Bonds, bearing interest at a fixed rate, and having an average duration most similar to the average duration of the Bonds at the relevant date, *i.e.*, one series with the most similar average duration higher than the average duration of the Bonds at the relevant date, and one series with the most similar average duration lower than the average duration of the Bonds at the relevant date, weighted to reflect the average duration of the Bonds at the relevant date. Below is an example illustrating said calculation:

If the average duration of Government Bond A is 4 years, and the average duration of Government Bond B is 2 years, and the average duration of the balance of the Bonds is 3.5 years, the yield shall be calculated as follows:

$$4X + 2(1-X) = 3.5$$

Whilst

X = weight of the yield of Government Bond A.

$1-X$ = weight of the yield of Government Bond B.

According to the calculation, the annual yield of Government Bond A shall be weighted at a rate of seventy five percent (75%) of the yield, and the average yield of Government Bond B shall be weighted at a rate of twenty five percent (25%) of the yield. It should be noted that insofar as the relevant date there will not be any Dollar Israeli Government Bonds, the examination will be made according to U.S. dollar Government Bonds of similar durations (as stated in the definition of the term "Government Bond Yield").

- 9.1.8 The Company shall provide the Trustee with a CFO Certificate detailing the manner of calculation for the early redemption amount, including an active Excel spreadsheet which demonstrates the calculation performed by the Company, all in a form satisfactory of the Trustee, no later than two (2) Business Days following the date the decision of the Company's relevant organs to effect an early redemption of the Bonds.
- 9.1.9 Amounts paid withing the framework of a partial early redemption shall be deemed to have been made on account of the most recent Principal payments closest to the Early Redemption Date.
- 9.1.10 Following the Early Redemption Date, the outstanding par value of the Bonds series shall decrease and future payments of the Principal shall be decreased pursuant to the provisions of Subsection 9.1.9 above, and in the event of a full early redemption of the Bonds, the Bonds shall be cancelled and no interest shall accrued with respect thereof following the redemption date.

9.2 Early Redemption Initiated by the Stock Exchange

In the event that the Stock Exchange resolves to delist the Bonds in circulation because the value of the Bonds has fallen below the minimum amount prescribed in the Stock Exchange rules regarding the delisting of bonds, the Company shall carry out an early redemption of the Bonds, as follows:

- 9.2.1 Within forty five (45) days from the date on which the Stock Exchange's Board of Directors resolved to delist the Bonds as aforesaid, the Company shall announce by way of an Immediate Report an early redemption date on which a Bondholder shall be entitled to redeem said Bonds.

- 9.2.2 The early redemption date shall occur no earlier than seventeen (17) days from the date in which the notice was published and no later than forty-five (45) days after such date, but not during the period between the record date for an interest payment and its *de facto* payment date.
- 9.2.3 Upon the Early Redemption Date, the Company shall redeem the Bonds the holders thereof requested to redeem, at the par value of said Bonds and interest accrued thereon until the actual payment date (plus linkage if any) (calculated on the basis of 365 days in a year and the actual number of days that elapsed since the most recent interest payment date).
- 9.2.4 The determination of an Early Redemption Date as set forth above shall not prejudice the redemption rights set forth in the Bonds of any of the Bondholders who shall not redeem them on the Early Redemption Date, but said Bonds shall be delisted from the Stock Exchange and shall be subject, *inter alia*, to the tax implications deriving therefrom.
- 9.2.5 Bonds that have been redeemed as set forth above shall be cancelled and no interest shall accrue with respect thereof after the redemption date. The early redemption of the Bonds as aforementioned shall deny the Bondholders of Bonds to be redeemed of the right to payment on account of Principal and/or of interest for the period following the redemption date. The notice of the Early Redemption Date will be Published by way of an Immediate Report delivered to the ISA and the Stock Exchange. This notice shall specify the early redemption amount.
- 9.3 For the avoidance of doubt, the provisions of this Deed concerning withholding tax shall apply in full also to the events described in this Section 9.

10. Call for Immediate Repayment

- 10.1. Upon the occurrence of one or more of the events set forth below, the Trustee and the Bondholders shall be entitled to call for the immediate repayment of the outstanding balance due to the Bondholders under the Bonds and this Deed:
- 10.1.1. If the Company fails to pay the Bondholders any amount it is obligated to pay under the Bonds and/or this Deed of Trust, within five (5) Business Days of the relevant payment date.
- 10.1.2. If the Company materially breaches the terms of the Bonds or this Deed of Trust and/or does not fulfill any of its material undertakings with respect thereof, and the Company fails to cure such breach within fourteen (14) days.

- 10.1.3. If it becomes evident that a material representation made by the Company under the Bonds or this Deed of Trust is incorrect or incomplete, and the Trustee has provided notice thereof to the Company, and the Company failed to cure such breach within fourteen (14) days from the date said notice was received.
- 10.1.4. If the Company adopts a liquidation resolution of (other than a liquidation resulting from a merger with another company) or if a permanent and final liquidation order is granted by the court with respect to the Company or if a permanent receiver is appointed with respect to the Company, or if a similar resolution is adopted or if a similar official is appointed by the Company and/or with respect thereto under the Insolvency Law or any other law, or if a Trustee was appointed pursuant the provisions set forth in the Insolvency Law. It should be clarified that for the purposes of this Subsection, liquidation proceedings or other similar proceedings with respect to the Company shall be proceedings under Israeli law or parallel proceedings under foreign law, similar to the Israeli proceeding.
- 10.1.5. If a temporary liquidation order or an order with similar characteristics according to the provisions of the Insolvency Law, or a similar order under the relevant law, is granted, or if a temporary liquidator or another official of similar characteristics is appointed according to the provisions of the Insolvency Law, or if a temporary trustee, as said term is defined under the Insolvency Law is appointed or if any other similar official is appointed under applicable law or if any judicial resolution is issued by the court, and such order or decision are neither rejected nor cancelled within forty-five (45) days from the date that said order or decision was issued, as applicable. Notwithstanding the foregoing, the Company will not be granted any grace period with respect to motions or orders filed or granted, as applicable, by the Company or with its consent. It should be clarified that for the purposes of this Subsection, liquidation proceedings in respect of the Company shall be proceedings under Israeli law or parallel proceedings under foreign law, similar to the Israeli proceeding.
- 10.1.6. If a foreclosure is imposed, execution actions taken or a pledge exercised on Material Asset of the Company (as defined below), and the foreclosure was not removed or the action was not revoked, as applicable, within forty-five (45) days of them being imposed or executed, as applicable. Notwithstanding the foregoing, the Company will not be granted any grace period in respect of requests or orders submitted or granted, as applicable, by the Company or with its consent. It is clarified that for the purposes of this Subsection, foreclosure proceedings or

execution proceedings or pledge exercise proceedings will be proceedings under Israeli law or similar proceedings under foreign law.

- 10.1.7. If a motion was filed for receivership or for appointing a receiver (temporary or permanent) or any similar official to be appointed by virtue of the law over the Company or over the majority of the Company's assets (as defined below), or an order is issued for the appointment of a temporary receiver or any similar official to be appointed by virtue of the law or an order is issued for the appointment of a trustee, as this term is defined in the Insolvency and Economic Rehabilitation Law, on the Company or on Material Asset of the Company (as defined below) – which was not revoked within forty-five (45) days of the date in which they were filed or granted, as applicable; or if an order for appointing a permanent receiver or an order is issued for the appointment of a trustee, as this term is defined in the Insolvency and Economic Rehabilitation Law for the company or on Material Asset of the Company (as defined below) or a similar order was granted under the law applicable to the Company. Notwithstanding the aforesaid, the Company shall not be granted any cure period with respect to an order for the appointment of a permanent receiver or an order is issued for the appointment of a trustee, as this term is defined in the Insolvency and Economic Rehabilitation Law, or motions or orders submitted or granted, as applicable, by the Company or with its consent. It is clarified that for the purposes of this Subsection, receivership proceedings with respect to the Company shall be proceedings under Israeli law or a corresponding proceeding under foreign law.
- 10.1.8. (A) if the company files a motion for a stay of proceedings under Section 350 of the Companies Law or the Insolvency Law, or a similar proceeding under the provisions of applicable law, or if such a stay of proceedings is granted or if the Company files a petition for the commencement of proceedings order, as this term is defined in the Insolvency and Economic Rehabilitation Law or a similar proceeding under applicable law, or if such an order is granted; or if the Company files a motion for a settlement or arrangement with the Company's creditors under Section 350 to the Companies Law or under the Insolvency Law, or a similar proceeding under applicable law (except for purposes of effecting (1) a merger with another company, including changes in the Company's capital structure that are not prohibited under this Deed and/or (2) an arrangement between the Company and its shareholders which does not impact the Company's ability to repay the Bonds and which is not prohibited under this Deed of Trust); or if the Company offers its creditors in any other manner a settlement or arrangement as a result of the

Company's inability to meet its obligations when they come due or if said motions are filed at the Company's request or with its consent; or (B) if a motion is filed under Section 350 of the Companies Law or the Insolvency Law (or a similar proceeding under applicable law) against the Company and without its consent, which has neither been rejected nor revoked within forty-five (45) days from the date on which it was filed. It will be clarified that for the purposes of this Subsection, proceedings and actions, such as an arrangement, with respect to the Company shall be proceedings as well as actions under Israeli law or similar proceedings under foreign law.

- 10.1.9. If the Company ceased or gave notice of its intention to cease its payments or if it ceased or gave notice of its intention to cease operating its businesses, as these may be from time to time.
- 10.1.10. If the Company's main field of activity is no longer ownership and operation of manufactured home communities.
- 10.1.11. If there occurs a material worsening in the Company's business as compared to its status on the Issuance Date, and there is an actual concern that the Company will not be able to repay the Bonds when due; or if there exists an actual concern that the Company will fail to meet its material undertakings towards the Bondholders.
- 10.1.12. If the Company fails to Publish any Financial Statements under applicable law or under this Deed of Trust which it is required to publish within 30 days from the last date on which it was required to Publish them.
- 10.1.13. If the Bonds cease to be rated by a Rating Agency for a period exceeding sixty (60) consecutive days, for reasons and/or circumstances under the Company's control. The occurrence of the aforementioned event shall not constitute grounds for calling for the immediate repayment of the Bonds so long as the Bonds are rated by one Rating Agency.
- 10.1.14. If (A) one of the Company's other publicly traded bond series (on a standalone basis) was called for immediate repayment, or (B) a Cross Default occurs, unless such calling for an immediate repayment or Cross Default, as aforesaid, is rejected or revoked (including by way of settling said debt) within 30 days from the date on which of notice of the calling for the immediate repayment or of the Cross Default event was given.
- 10.1.15. If a merger was carried out, whether under Israeli law or under the law applicable to the Company, with another entity (except for a company that was merged into

the Company, when prior to such a merger it was fully consolidated in the Company's Financial Statements), without obtaining the prior consent of the Bondholders, by way of an Ordinary Resolution, unless the Company or the surviving entity represented to the Bondholders and the Trustee, at least ten (10) Business Days prior to the effective date of the aforesaid merger that there exists no reasonable concern that the surviving entity will not be able to meet its obligations towards the Bondholders as a result of said merger.

- 10.1.16. If the group sells all or most of its assets (as calculated below), in a transaction or in a series of related transactions (unless during the twelve (12) month period following said sale the Group acquires other assets within its field of activity for an amount not less than 50.01% of the consideration received for the assets sold) without the prior consent of the Bondholders in a Special Meeting and by a Special Resolution.
- 10.1.17. If the Company breaches its undertaking with respect to a negative pledge set forth in Section 6.2.
- 10.1.18. If the Company fails to comply with one or more of the Financial Covenants set forth in Section 6.1 above for two consecutive quarters.
- 10.1.19. If the Company breaches a term under Section 2.9 with respect to the expansion of the Bond series or with respect to the issuance of a bond series or of other securities that constitute debt.
- 10.1.20. If the Stock Exchange has suspended the trading of the Bond, except for a suspension caused by the creation of uncertainty, as specified in Part IV of the Stock Exchange Bylaws, and such suspension has not been revoked within sixty (60) days.
- 10.1.21. If the Bond are delisted from the Stock Exchange.
- 10.1.22. If the rating of the Bond falls below the rating of ilBBB-..
- 10.1.23. If a Change of Control occurs, and the Company does not publish a tender offer for the purchase of all the Bonds, at a price not lower than their par value, within 45 days from the occurrence of said event.
- 10.1.24. If the Company ceases to be a Reporting Corporation.
- 10.1.25. If the Company does not nominate a Company's Representative in Israel as set forth in Section 6.5 above, or is it breaches any of the provisions set forth in Section 6.6 above.

10.1.26. If the company breaches whichever of its undertakings set forth in in Section 6.7 above, with respect to the expense cushion.

10.1.27. If a "Going Concern" note has been recorded in the Company's Financial Statements for two consecutive quarters.

For the purpose of Subsections 10.1.6, 10.1.7 and 10.1.16, "**most of the Company's assets**" shall mean an asset or a number of assets, in the aggregate, whose value, according to the Company's most recent consolidated Financial Statements published prior to the occurrence of the relevant event, constitutes at least 50% (fifty percent) of the total assets according to the Company's most recent consolidated Financial Statements; and - a "**Material Asset of the Company**", shall mean an asset or several assets in aggregate of the Company, whose value according to the most recent Financial Statements published prior to the occurrence of the relevant event, exceeds thirty five (35%) of the scope of total assets according to the said Financial Statements..

10.2. Upon the occurrence of any of the events set forth in the foregoing Section 10.1:

10.2.1 The Trustee shall be required to convene a Bondholders' Meeting, which shall be held twenty-one (21) days following the date of notice thereof (or any earlier date according to the provisions of Subsection 10.2.7 below), the agenda of which shall include a resolution to call for the immediate repayment of the outstanding balance of the Bonds due to the occurrence of any of the events stipulated in Section 10.1 above, as applicable.

10.2.2 The notice of the aforesaid meeting shall state that if the Company shall cause the revocation, cure or removal of the event specified in Section 10.1 above for which the meeting has been called, prior to the date on which the meeting is to be held, the Bondholders' Meeting shall be cancelled.

10.2.3 It is hereby clarified that the foregoing shall by no means prevent the Trustee from convening a Bondholders' Meeting at an earlier date according to the provisions of Subsection 10.2.7 below.

10.2.4 The Bondholders' resolution to call for the immediate repayment of the Bonds shall be adopted at a Bondholders' Meeting at which Holders of at least fifty percent (50%) of the outstanding Principal balance of the Bonds are present, by a majority vote of the Bondholders participating, or by majority the votes of the participants at an adjourned Bondholders' Meeting in which Bondholders of at least twenty percent (20%) of the outstanding Principal balance of the Bonds are present.

- 10.2.5 If until the date on which said meeting is to be held, the events specified in Section 10.1 above for which the meeting has been called are not revoked, cured or removed, and the Bondholders' Meeting resolution, as set forth in Subsection 10.2.1 above to call for the immediate repayment of the outstanding balance of the Bonds, was adopted pursuant to the provisions of Subsection 10.2.4 above, the Trustee shall be required to promptly call for the immediate repayment of the outstanding balance of the Bonds, provided the Trustee has provided the Company seven (7) days' written notice of its intention to do so and the event with respect to which the resolution was adopted was not revoked, cured or removed within such period.
- 10.2.6 The Publishing of the notice of the meeting as set forth in Subsection 10.2.1 above shall be deemed as written notice to the Company with respect to the Trustee's intention to pursue the calling for the immediate repayment of the outstanding balance of the Bonds, including according to Section 10.2.5 above.
- 10.2.7 The Trustee may, at its sole discretion, shorten and even cancel the twenty-one (21) day period (as set forth in Subsection 10.2.1 above) if it is in the opinion that this is necessary for protecting the Bondholders' rights and/or shorten and even cancel the seven (7) days' notice period (as set forth in Subsection 10.2.5 above), if the Trustee is of the opinion that there is a concern that delivering such notice or delaying the meeting or the immediate repayment date will prejudice the possibility of calling for the immediate repayment of the Bonds.
- 10.2.8 If any of the Subsections to Section 10.1 above sets forth a "cure period" during which the Company may act or adopt resolutions resulting in the removal of the grounds for calling for an immediate repayment, the Trustee or the Bondholders shall be entitled to call for the immediate repayment of the Bonds as set forth in this Section 10 only upon the lapse of such period and if the grounds stated therein were not removed within such period; nevertheless, the Trustee may shorten the period prescribed in the Deed of Trust if it is of the opinion that a delay may prejudice the Bondholders' rights.
- 10.2.9 If the Company is provided notice whereby the Bonds have been called for an immediate repayment pursuant to the provisions of this Section 10, the Company undertakes to take, from time to time, and at any time requested to do so by the Trustee, all reasonable actions necessary to enable the Trustee to exercise all the powers vested therein; particularly, the Company shall take all the following actions, no later than ten (10) Business Days of the date of the Trustee's request:

- 10.2.9.1. transfer and deliver to the Trustee the Principal and accrued interest (if any) on the Bonds due for immediate repayment, including Default Interest if applicable, and linkage, if any, irrespective of their maturity dates;
- 10.2.9.2. provide all the declarations and/or execute all the documents and/or take and/or cause the taking of all actions necessary and/or required under law to validate the exercise of authorities, powers and rights of the Trustee and/or its representative in with respect to the immediate repayment;
- 10.2.9.3. provide all notices, orders and instructions as the Trustee deems fit with respect to the immediate repayment.

For purpose of this Section 10 – written notice executed by the Trustee confirming that an action requested thereby, within the scope of its authority, is reasonable, shall constitute *prima facie* evidence thereof.

- 10.2.10 Subject to the provisions of applicable law, the duties of the Trustee under this Section 10 are subject to it being *de facto* knowledgeable of the facts, events, circumstances, and occurrences specified therein.
- 10.2.11 For the avoidance of doubt, it is clarified that the right to call for an immediate repayment as aforesaid or the calling for an immediate repayment shall neither derogate nor prejudice any other or additional remedy available to the Bondholders or to the Trustee under the terms of the Bonds and the provisions of this Deed or under the law, and the non-calling for an immediate repayment or the non-exercise of collateral (if granted) upon the occurrence of any of the events set forth in Section 10.1 above, shall by no means constitute any waiver of the Bondholders' or the Trustee's rights, unless expressly stated otherwise.

11. Claims and Proceedings by the Trustee

- 11.1. Without derogating from any provision of this Deed of Trust, the Trustee shall be entitled, at its sole discretion, with a seven (7) days' written notice to the Company, insofar as such notice would not prejudice the Bondholders' rights, and subject to Section 23 (Indemnification of the Trustee), and shall be obliged, if required by an Ordinary Resolution adopted by the Bondholders pursuant to the following provisions, to initiate all legal proceedings as it deems fit, subject to the provisions of any law, in order to the exercise and/or protect the Bondholders' rights and/or enforce the Company's performance of any of its undertakings under this Deed of Trust. Notwithstanding the foregoing, the right to call

for an immediate repayment shall be governed by the provisions of Section 10 above and not by this Section 11.

- 11.2. The Trustee may, at its sole discretion, file a motion to the court to receive instructions on any matter connected with and/or pertaining to this Deed of Trust.
- 11.3. Subject to the provisions of this Deed of Trust, the Trustee may, but shall not be required to, convene a Bondholders' Meeting at any time in order to discuss and/or obtain instructions by way of an Ordinary Resolution on any matter pertaining to this Deed of Trust, provided that the meeting is convened without delay.
- 11.4. The Trustee may, at its sole discretion, delay the performance of any of its actions pursuant to this Deed of Trust until instructions are provided by the Bondholders' Meeting by way of an Ordinary Resolution, and/or until court instructions are received regarding the course of action, provided that the Trustee is not entitled to delay such proceedings once it has obtained the Bondholder's approval in the Bondholders' Meeting to call for an immediate repayment or initiate any proceedings, as well as in a case in which a delay may prejudice the Bondholders' rights.
- 11.5. For the avoidance of doubt, the foregoing provisions shall by no means prejudice and/or derogate from the right vested to Trustee to apply to the court, at its sole discretion, even before the Bonds are payable, in order to obtain an order concerning its position as Trustee. The expenses accrued under this Section will be covered according to provisions set forth in Section 23 (Indemnification of the Trustee).

12. **Trust over Receipts**

All amounts received by the Trustee from the Company under this Deed, other than the Trustee's fees and expenses, shall be held in trust by the Trustee. Amounts received by the Trustee from the Company under this Deed shall first be used to repay the Trustee's fees, reasonable expenses, payments, levies and liabilities incurred by the Trustee or imposed thereon or those caused during or as a result of actions pertaining to the execution of its role as Trustee under this Deed or those otherwise associated with the terms of the Deed of Trust (provided that the Trustee shall not be paid twice, namely by both the Company and the Bondholders). The balance shall be used, unless otherwise resolved by way of a Bondholders Special Resolution, in advance, for the following purposes and according to the following order of priorities: **first** – to repay the Bondholders, if any, for liabilities incurred and payments expensed thereby exceeding their Pro Rata Portion (as defined in Section 23 below) concerning an indemnity undertaking pursuant to Section 23 below; **second** – to repay the Bondholders for liabilities incurred and payments expensed thereby pursuant to their Pro Rata Portion concerning an indemnity undertaking pursuant to Section 23 below; **third** - to repay the Bondholders, if applicable, any Default Interest due thereto under the terms of the Bonds,

pari passu and *pro rata*, without any individual Bondholder having any preference or priority over another; **fourth** – to repay the Bondholders overdue Principal amounts payable thereto under the terms of the Bonds, *pari passu* and *pro rata*, without any individual Bondholder having any preference or priority over another; **fifth** – to repay the Bondholders interest payments payable thereto under the terms of the Bonds, *pari passu* and *pro rata*, without any individual Bondholder being having any preference or priority over another; **sixth** – to repay the Bondholders Principal amounts, irrespective of their maturity date, *pari passu* and *pro rata*, without any individual Bondholder having to any preference or priority over another. Any excess amounts, if any remain after completing all the above-mentioned distributions, shall be paid by the Trustee to the Company or to any successor entity. Tax shall be withheld from all payments to the Bondholders pursuant to applicable law.

For the avoidance of doubt, to the extent the Company has to bear any of the expenses but has not borne them, the Trustee will act to obtain said amounts from the Company, and in the event it succeeds in obtaining them, these amounts will be held by the Trustee in trust and will be used for the purposes and according to the order of priority set forth in this Section above.

13. **Power to Withhold Distribution of Funds**

Notwithstanding the provisions of Section 12 above, should the amount received as a result of proceedings pursuant to the provisions of Section 11 above, which shall be available at a given time for distribution to the Bondholders, as set forth in Section 12 above, be equal to or lower than NIS one million (1,000,000) (the “**Minimum Amount**”), the Trustee shall not be required to distribute said amount and shall be entitled to invest it, fully or part thereof, in Permitted Investments, as it deems fit.

“**Permitted Investments**” – Investments in bank deposits with one or more of the five largest banks in Israel whose credit rating is not below ilAA or in Dollar-linked bonds issued by the Government of Israel or by the Government of the United States.

At the earlier of (i) the time when the aforementioned investments, including any profits resulting therefrom, is equal to or higher than the Minimum Amount and (ii) the next payment date of Principal and/or Interest thereon to the Bondholders (even if the amount accrued by such date is lower than the Minimum Amount), the Trustee shall distribute said accrued amounts to the Bondholders as set forth in Section 12 above.

Notwithstanding the aforesaid in this Section 13, following an Ordinary Resolution of the Bondholders, the Trustee shall distribute the amounts received thereby as a result of proceedings initiated pursuant to the provisions Section 11 above, even if said amounts fall below the Minimum Amount.

14. **Failure to Make Payment for Reason Beyond the Company's Control**

- 14.1. Any amount payable to a Bondholder which was not actually paid to such Bondholder on the date on which it was due for a reason beyond the Company's control, despite the Company's ability and willingness to make such payment, in full and in a timely fashion, shall cease to bear interest as of the payment date, and such Bondholder shall be entitled only to those amounts to which it was entitled on the date on which the payment was due, provided that said amount has been deposited with the Trustee as set forth in Section 14.2 below. Notwithstanding the foregoing, to the extent said amounts, under the circumstances, remain in the Company's account, the Company shall transfer them to the Bondholder (or the Trustee as set forth in Section 14.2 below) together with all profits accrued thereon, after the deduction of applicable tax, if any.
- 14.2. The Company shall deposit with the Trustee, within fourteen (14) days following the payment date, the amount payable which was not paid for a reason beyond the Company's control, as set forth in Subsection 14.1 above, and shall provide written notice thereof to the relevant Bondholders with, and said deposit shall be deemed as the settling of said payment, and in the event of settling all amounts due in respect of the Bonds, it shall also be deemed to be a final redemption of the Bonds.
- 14.3. The Trustee shall invest any amount that has been deposited in its name pursuant to this Deed of Trust in Permitted Investments (as defined in Section 13 above), as the Trustee shall see fit and subject to the provisions of applicable law. If the Trustee has acted in such manner, it will not be liable to those entitled to said amounts, except for proceeds to be received from the realization of such investments, less the expenses associated therewith, including trust account administration costs and net of any mandatory payments. The payment to the Bondholders shall be made against the presentation of evidence acceptable to the Trustee in its absolute discretion.

The Trustee shall hold said funds and shall invest them in Permitted Investments as described above, until the earlier of (i) the end of one (1) year from the final repayment date of the Bonds and (ii) their date of payment to the Bondholders. After said date, the Trustee shall transfer the remaining amounts to the Company, including any profits earned from the investment thereof, less the Trustee's fees and expenses incurred according to the provisions of this Deed of Trust. The Company shall hold the aforementioned amounts in trust for an additional six (6) year period of from the date on which these were transferred to the Company by the Trustee, in favor of the Bondholders who are entitled to these amounts, and the provisions of the Deed of Trust concerning the investment of the funds as set forth above shall apply, *mutatis mutandis*. Following the transfer of said amounts to the Company, the

Trustee will be released from any payment obligation with respect to said amounts due to the entitled Bondholders. The Company shall confirm to the Trustee in writing that these funds were transferred to the Company and the fact that said funds were received in trust for the entitled Bondholders, and the Company shall indemnify the Trustee in respect of any claim, expense and/or damage whatsoever that may be incurred by the Trustee as a result of and in respect to the transfer of said funds, unless the Trustee acted in bad faith or with gross negligence (unless exempt by law), or with malicious intent. Funds which a Bondholder has not claimed from the Company at the end of seven (7) years from the of final repayment date of the Bonds shall be converted in favor of the Company, and it shall be entitled to use the remaining funds for any purpose whatsoever. For the avoidance of doubt, the foregoing shall not derogate from the Company's undertaking to repay the Bondholders the amounts to which they are entitled under applicable law.

15. **Receipts as Proof**

Without derogating from any other provisions of the Bonds, a receipt signed by any Bondholder or any written evidence from the transferring Stock Exchange member shall constitute proof of the full settlement of any payment that was made by the Company as set forth in such receipt or evidence.

A receipt from a Bondholder regarding the amounts of Principal and Interest that were paid to thereto by the Trustee in respect of a Bond or any evidence from a transferring Stock Exchange Member shall release the Trustee from making the payment of the amounts set forth in the receipt or evidence.

Subject to the provisions of Section 14 above, a receipt from the Trustee regarding the deposit of Principal and interest amounts therewith in favor of the Bondholders shall be deemed a receipt from the Bondholders and shall release the Company in connection therewith.

16. **Undertakings of the Company to the Trustee**

The Company hereby undertakes to the Trustee that for as long as the Bonds (including any interest thereon) have yet to be fully repaid, it shall:

- 16.1 Pursue and manage the Company's business and those of the entities controlled thereby in an orderly and proper manner.
- 16.2 Notify the Trustee of and allow it to participate in all General Meetings (whether annual general meetings or special general meetings) of the Company's Shareholders, even by using means of communication, at the Company's expense, without granting the Trustee voting rights at such meetings. Notices through the MAGNA or Maya systems will be deemed sufficient notice of the General Meetings.

- 16.3 Deliver to the Trustee or to its authorized representative (the Trustee shall notify the Company of the appointment thereof, when appointed) any information about the Company (including explanations, calculations and documents relating to the Company, its business and financial condition and information which at the reasonable discretion of the Trustee is required for protecting the Bondholders' rights) no later than ten (10) Business Days of the Trustee's request, and instruct its accountants and legal advisors to do so no later than ten (10) Business Days of the Trustee's request, provided that in the Trustee's reasonable opinion, the information is required by the Trustee and those empowered thereby for exercising and implementing the Trustee's authorities, powers and rights under this Deed of Trust.
- 16.4 Maintain and keep books and records as required by U.S. GAAP and in accordance with the provisions of any law applicable to the Company and enable the Trustee and/or anyone the Trustee may appoint in writing for such purpose, to inspect, at a date scheduled in advanced and at any reasonable time, no later than ten (10) Business Days of the Trustee's request, any such books and/or records. It should be noted that the documents can be transferred by electronic means and/or by courier, subject to the approval of the Company or they can be transferred by the Trustee to its advisor subject to the same confidentiality requirement that applies to the Trustee.
- 16.5 Notify the Trustee in writing, immediately upon becoming aware of any case in a foreclosure was imposed and/or execution action was initiated with respect to most of the Company's assets (as this term is defined in Section 10.1 above), if a receiver or permanent liquidator or a Trustee is appointed for most of the Company's assets (as this term is defined in Section 10.1 above), within the framework of a motion for stay of proceedings pursuant to Section 350 of the Companies Law or to the Insolvency Law, or under any law applicable to the Company or if any other official was appointed with respect to most of the Company's assets (as said term is defined in Section 10.1 above), and to use, at its expense and as soon as possible, all the reasonable means required to remove such foreclosure or revoke such execution action or remove the receiver, the liquidation or trusteeship, as applicable.
- 16.6 Notify the Trustee immediately and in writing (without accounting for cure and waiting periods set forth in the same sections, if applicable), upon the Company becoming aware, or after the Company's concerns have materialized, as applicable, of the occurrence of any of the events specified in Section 10.1 above, including in all the subsections.
- 16.7 Alongside the delivery of the CFO Certificate with respect to the Financial Covenants pursuant to Section 6.1, the Company shall deliver to the Trustee a certificate signed by the Company's CEO or by its Chief Financial Officer whereby, following the examinations he

or she has conducted, during the period commencing at the later of the date this Deed and the date of the previous certificate delivered to the Trustee, and until the date of the present certificate, the Company has not breached the provisions set forth in this Deed, and did not breach any of the terms of the Bonds, unless explicitly stated otherwise in such certificate.

- 16.8 Provide the Trustee upon its request, with any declarations, representations, documents, details and/or additional information that shall be reasonably required by the Trustee in order to protect the Bondholders' rights no later than 15 Business Days of the date of the Trustee's request.
- 16.9 Provide the Trustee with a copy of any document or information that the Company has delivered to the Bondholders.
- 16.10 Notify the Trustee in writing with respect to any change in the Company's name or address no later than 10 Business Days of the date of such change.
- 16.11 Deliver to the Trustee no later than the end of thirty (30) days of the Issuance Date of the Bonds under a Shelf Offering Report and/or as of the series expansion date a true copy of the Bond Certificate.
- 16.12 Notify the Trustee by way of a written notice signed by the Company's Chief Financial Officer within five (5) Business Days of the Trustee's demand, of the execution of any payment to the Bondholders and the outstanding balance due to the Bondholders at said date (and following the payment).
- 16.13 Provide the Trustee with copies of the notices and invitations that the Company shall provide to the Bondholders as specified in Section 24 of this Deed.
- 16.14 Provide the Trustee, upon its first written request, a written confirmation signed by an accountant that all the payments to the Bondholders were paid when due, showing the par value balance of the of the Bonds in circulation.

The Trustee hereby undertakes to maintain the confidentiality of all information concerning the Company provided thereto under this Deed of Trust and shall neither disclose it to another nor will it make any other use therewith, unless the disclosure or use thereof is required in order for the Trustee to fulfill its role under the law, the Deed of Trust, or under a court order in order to protect the Bondholders' rights. For the avoidance of doubt, the transfer of information to the Bondholders (including by way of Publishing the information) in order to make a decision concerning the their rights under this Deed of Trust, or to provide a report on the Company's status and/or as required under applicable law, shall not constitute a breach of the aforesaid confidentiality undertaking.

17. **The Trustee as Representative**

The Company hereby irrevocably appoints the Trustee as its representative to execute and perform in its name and in its stead all the actions it is obliged to perform according to the terms and conditions of this Deed, and to appoint any other Person the Trustee may deem fit for performing its duties pursuant to this Deed of Trust (subject to appropriate confidentiality undertakings), in each case, if the Company has not performed the actions which it is obliged to perform under the provisions of this Deed within a reasonable period of time, as determined by the Trustee, as of the date of the Trustee's written demand.

The appointment pursuant to this Section 17 does not oblige the Trustee to perform any action, and the Company hereby releases the Trustee in advance in the event that the Trustee does not perform any action when due and and/or performs it inappropriately. In addition, the Company hereby waives in advance any claim against the Trustee and/or its agents with respect to any damage incurred and/or which might to be incurred thereby, whether directly and/or indirectly, due to any action and/or omission of the Trustee pursuant to the provisions of this Section 17, unless the Trustee acted in bad faith or with gross negligence, willful misconduct or malicious intent.

18. **Other Agreements between the Trustee and the Company**

Subject to applicable law, neither the fulfillment of the Trustee's duties hereunder nor its mere status as a Trustee under this Deed of Trust, shall prevent the Trustee from entering into transactions with the Company in the Company's ordinary course of business, provided that such transactions do not place the Trustee in a conflict of interest toward the Bondholders.

19. **Reporting by the Trustee**

As of Issuance Date, the Trustee shall prepare, no later than June 30 of each calendar year, an annual report regarding the affairs of the trusteeship with respect to the Bonds (the "**Annual Report**"), which shall contain reports on extraordinary events associated with the trusteeship that occurred during the preceding year and other information as required under the Securities Law.

The Trustee shall notify the Bondholders of any material breach of this Deed of Trust by the Company of which it becomes aware, including the actions it has taken to prevent such breach or secure the fulfillment of the Company's obligations, as applicable.

The Trustee shall notify the Bondholders of any extraordinary event that is likely to have a material impact on the Bondholders' rights, immediately upon becoming aware thereof.

The Trustee shall provide a report regarding actions performed under the provisions of Chapter E1 to the Securities Law, pursuant to a reasonable demand of Bondholders holding of at least 10% (ten percent) of the par value of the Bonds, within a reasonable time from the date of demand, all subject to the confidentiality duty towards the Company set forth in Section 35J(d) of the Securities Law.

Upon the request of Bondholders holding more than five percent (5%) of the outstanding Principal balance of the Bonds, the Trustee shall furnish to the Bondholders information regarding its expenses associated with the trusteeship under this Deed of Trust.

As at the execution date of this Deed, the Trustee declares that it is insured under professional liability insurance in an amount of ten million Dollars (\$10,000,000)³ for the period (the “**Coverage Amount**”). To the extent that before the full repayment of the Bonds, the Coverage Amount will fall below eight million Dollars (\$8,000,000)⁴ for any reason whatsoever, the Trustee will update the Company no later than seven (7) Business Days from the date on which it was notified by the insurer of the abovementioned decrease in order to publish an Immediate Report on said matter. The provisions of this Section shall apply until the effective date of regulations under the Securities Law which shall regulate the requirement of the insurance coverage of the Trustee enter into effect. Once the said regulations enter into effect, the Trustee shall be required to update the Company only if it fails to comply with the requirements set forth in the regulations.

20. **Trustee’s Fees**

The Company shall pay the Trustee fees for the services rendered thereby with respect to this Deed of Trust, as follows:

- 20.1 In respect of its services as Trustee during the first twelve (12) months after the Issuance Date, a fee of NIS 26,000, which shall be paid immediately following the closing of the Offering (the “**First Term**”).
- 20.2 After the original issuance of the series, whenever additional Bonds of the same series are issued, or if the scope of the series is expanded in any other way, the Trustee’s annual fee shall be increased by an amount reflecting the full increase rate of the series’ volume, in a fixed manner until the end of the trust period.
- 20.3 For each hour of work required for the purpose of special actions taken by the Trustee in connection with its service as Trustee to the Bondholders – a fee of NIS 500 per hour shall be paid. Special actions will include any action which is not in the ordinary course of business, including the following:
 - 20.3.1 Actions which the Trustee may take following the Company breaching or allegedly breaching its obligations under this Deed of Trust.

³ At the time of renewal of the policy.

⁴ See fn. 5.

- 20.3.2 Special actions that may be required or should be performed for the purpose of fulfilling its functions under this Deed with respect to the Bondholders' rights or the protection thereof, including due to the Company's non-compliance with its obligations under this Deed, including convening and attending the Bondholders' Meeting.
- 20.3.3 Involvement in any judicial or quasi-judicial proceedings concerning the fulfillment of its obligations under this Deed of Trust, including according to any order or instruction issued by a competent authority.
- 20.3.4 Any action or duty which will be added or modified by law (including any regulation, order, judicial directives, ISA opinion letters, etc.).
- 20.3.5 Actions concerning the registration or cancellation of registration of collateral in a register maintained under any law (including abroad), as well as inspection, control supervision, enforcement, and so forth of liabilities (such as restrictions on the Company's ability to act freely, pledges imposed on assets, and the like), undertaken or to be undertaken by the Company or by whomever on its behalf or for it, in order to secure the Company's other undertakings or those of whomever on its behalf (such as making payments under the terms of the Bonds) toward the Bondholders, including with respect to the essence of the terms of said collateral and undertakings and the fulfillment thereof.
- 20.3.6 For the Trustee's participation in the Bondholders' Meetings, the Trustee shall be entitled to a fee in the amount of NIS 750.
- 20.3.7 If the Issuance is canceled or deferred or after the Trustee has already carried out work with respect to the drafting of trust documents, the Trustee will charge an amount of NIS 500 per hour, according to a detailed hourly report, and the maximum amount payable shall be NIS 10,000.
- 20.4 The payments set forth in Sections 20.1– 20.2 above shall be linked to the Consumer Price Index, whereby the base index shall be the index for the month of June, which was published on July 15, 2025; nevertheless, in any event, an amount lower than the amount specified in this Deed will not be paid.
- 20.5 Reimbursement of reasonable expenses incurred by the Trustee in its capacity as Trustee to the Bondholders.
- 20.6 Should there be any change to the provisions of applicable law pursuant to which the Trustee shall be required to perform additional actions, examinations and/or prepare additional

reports, the Company undertakes to bear all reasonable expenses incurred by the Trustee in connection therewith.

- 20.7 Value Added Tax shall be added to all payments specified above in this Section 20 in accordance with applicable law on the payment date.
- 20.8 If the Trustee's term of office is terminated in accordance with Section 27 below, the Trustee shall not be entitled to an additional payment or fees following the termination date. For the avoidance of doubt, the Trustee shall be entitled to receive fees even if, during its term office, a receiver is appointed in respect of the Company or if the Company enters into liquidation proceedings.
- 20.9 All the amounts stated in this appendix shall have priority over the funds due to the Bondholders.

21. **Special Powers of the Trustee**

- 21.1 Within the framework of performing its duties associated with the trusteeship created under this Deed of Trust, the Trustee shall be entitled to commission the opinion and/or advice of any attorney, accountant, appraiser, assessor, broker or other expert. The Trustee is entitled to rely upon the opinion and/or advice of such Person whether said opinion and/or advice was prepared at the request of the Trustee or by the Company or whomever on its behalf, and the Trustee shall not be required to pay (and no amount shall be offset from the payments due to the Trustee hereunder) any amount associated with any loss or damage that may be caused as a result of any action and/or omission performed thereby while relying on said opinion and/or advice, unless the Trustee acted in bad faith or with gross negligence, willful misconduct or malicious intent. The Company will bear reasonable fees pertaining to engaging the advisors appointed as aforesaid, provided that the Trustee will provide the Company advance notice of its intention to obtain an expert opinion or advice as aforesaid, to the extent possible under the circumstances, and to the extent it will not prejudice the Bondholders' rights, and in such case the notice shall be provided retrospectively, together with details of the fees required for executing the consultation and the purpose of the opinion or the advice, and that the said fees do not exceed what is customary and acceptable. Nevertheless, the Publishing of the Bondholders' Meeting's results concerning a resolution for the appointing of advisors as aforesaid shall be deemed sufficient notice to the Company thereof.
- 21.2 Any advice and/or opinion may be provided, sent or received by way of letter, telegram, facsimile, e-mail and/or any other electronic means for the transmission of information in writing, and the Trustee will not be responsible in respect of actions it took while relying on advice and/or an opinion or on information transferred in one of the aforementioned

manners, even if it contains errors and/or these were inauthentic, unless the Trustee was aware that the opinion or information transferred in one of the aforementioned manners contained errors or was inauthentic, or otherwise acted in bad faith or with gross negligence (unless exempt by law) or malicious intent.

22. **Trustee's Authority to Engage Agents**

The Trustee shall be entitled to appoint an agent, or agents, to act in its stead, whether an attorney or other Person, in order to execute, or to participate in the execution of, special actions that are required to be performed with respect to the trusteeship created under this Deed, and without derogating from the generality of the foregoing, to initiate legal proceedings, provided that the Trustee provided the Company with advance written notice with respect to the appointment of such agent(s) (unless such advance notice shall prejudice the Bondholders' rights, in which case the notice shall be provided retrospectively, as soon as possible thereafter in order not to impact the Bondholders' rights). The Trustee shall further be entitled to settle, at the Company's expense, the reasonable, documented expenses of any such agent, and the Company shall, upon the Trustee's first demand, immediately reimburse any such expense to the Trustee, provided that the Trustee provided the Company prior notice regarding the appointing of such agent, to the extent possible under the circumstances, and provided it does not prejudice the Bondholders' rights, and in such a case the notice will be provided retrospectively. The Company may object in writing, within seven (7) Business Days of the date on which it received said notice, to the appointment of a particular agent on any reasonable grounds, if the agent is a competitor or if there exists a conflict of interests, whether directly or indirectly in its notice, the Company shall detail its reasonable grounds for such objection. Nevertheless, the Company's objection to the appointment of a certain agent appointed by the Bondholders' Meeting shall not delay the commencement of engagement of said agent if the delay will prejudice the Bondholders' rights.

23. **Indemnification of the Trustee**

23.1. The Company and the Bondholders (as of a given record date, as provided in Section 23.5 below), each in respect of its undertakings as is set forth in this Section 23, hereby undertake to indemnify the Trustee and each of its officers, employees, agents or advisors appointed on its behalf according to the provisions of this Deed and/or a resolution duly adopted by the Bondholders at a Bondholders' Meeting pursuant to the provisions of this Deed (hereinafter, all or any part thereof, jointly or severally, the "**Indemnitees**"), with respect to the following:

23.1.1 Any loss or liability in tort and/or any financial liability pursuant to a final ruling (regarding which no stay of execution has been issued), arbitration award or settlement that has concluded (and so far as the settlement concerns the Company,

the Company's consent to the settlement has been granted) deriving from actions performed by any of the Indemnitees, or actions they must perform by virtue of this Deed and/or their capacity by virtue of this Deed and/or by applicable law and/or by an order of a competent authority with respect to the Bonds and/or at the request of the Bondholders and/or that of the Company;

- 23.1.2 The fees of the Indemnitees and reimbursement for reasonable expenses incurred thereby and/or those which shall be incurred thereby, including within the framework of the trusteeship or in respect thereof, which in their opinion were necessary for the performance of the aforementioned actions and/or for the exercise of authorizations and permissions granted under this Deed and/or for their roles under this Deed, as well as with respect to any legal proceeding, obtaining legal or other expert opinions, negotiations, disagreements, insolvency proceedings, collection proceedings, debt arrangements, debt assessments, valuations, claims and demands associated with any matter and/or actions taken and/or omitted in any manner with respect to the foregoing.

The indemnity undertaking provided under this Section 23 shall be subject to the following conditions:

- 23.1.3 The Indemnitees shall not demand advance indemnification in respect of an urgent matter (without derogating from their right to retrospective indemnification for such matter to the extent they are entitled thereto);
- 23.1.4 A final judicial ruling did not resolve that the Indemnitees have acted in bad faith, and/or that the action with respect to which the indemnification is required, falls beyond the scope of their duties, and/or was not performed pursuant to applicable law and/or this Deed of Trust;
- 23.1.5 A final judicial ruling did not resolve that the Indemnitees have acted with gross negligence which is not exempt by law, as may be in effect from time to time; and
- 23.1.6 A final judicial ruling did not resolve that the Indemnitees have acted with malicious intent.

The indemnity undertakings under this Section 23.1 shall be referred to as the "**Indemnity Undertaking**".

It is hereby agreed that in any event in which a final judicial ruling resolves that the Indemnitees are not entitled to indemnification, the Indemnitees with respect to which such resolution was made shall reimburse the indemnity amounts, to the extent these were paid thereto.

- 23.2. Without derogating from the rights of the Indemnitees pursuant to the Indemnity Undertaking, whenever the Trustee is obligated to take any action under the this Deed of Trust, under applicable law, under an order issued by a competent authority or at the Bondholders' or the Company's, including without limitation, the initiation of proceedings or the filing of claims at the Bondholders' request, the Trustee shall be entitled to refrain from taking any action as aforesaid until it receives a monetary deposit satisfactory thereto, in order to cover the Indemnity Undertaking (the "**Financing Cushion**") in the amount required at first priority from the Company, and in the event that the Company does not deposit the entire Financing Cushion amount at the date required by the Trustee, the Trustee shall contact the Bondholders holding Bonds as of the record date (as provided in Section 23.5 below) and request each Bondholder to deposit its Pro Rata Portion (as defined below) of the Financing Cushion amount with the Trustee.
- 23.3. The Indemnity Undertaking:
- 23.3.1 **Shall apply to the Company** in any event of (1) actions taken at the discretion of the Trustee and/or under applicable law and/or required under the Deed of Trust or required in order to protect the Bondholders' rights (including at a Bondholder's request for such protection) and/or a case in which the Indemnity Undertaking arises under this Deed (except as specified in Section 23.3.2(1) below); and (2) actions taken and/or required by the Company's request.
- 23.3.2 **Shall apply to Bondholders** who held Bonds on the applicable record date (as provided in Section 23.5 below) in any event of (1) actions that were taken and/or those required at the Bondholders' request (excluding actions taken at the Bondholders' request in order to protect the Bondholders' rights), and (2) the Company's failure to pay the Indemnity Undertaking it was required to pay under Subsection 23.3.1 above (subject to the provisions of Section 23.7 below). For the avoidance of doubt, it shall be clarified that non-payment under this Subsection 23.3.2 shall not derogate from the Company's duty to bear the Indemnity Undertaking in accordance with Section 23.3.1 above.
- 23.4. In any event in which (a) the Company fails to pay the amounts required to cover the Indemnity Undertaking and/or fails to deposit the Financing Cushion amount, as applicable, following a request made in accordance with Section 23.3 above, (b) the Indemnity Undertaking applies to the Bondholders pursuant to Subsection 23.3.2 above or (c) the Bondholders were asked to deposit the amount of Financing Cushion amount pursuant to the provisions of Section 23.3 above, the following provisions shall apply to the payment of the applicable amount:

23.4.1 **First** – this amount shall be financed out of the Interest and/or the Principal payments that the Company shall pay the Bondholders after the date of the required action, and the provisions of Section 12 above shall apply; and

23.4.2 **Second** – if the Trustee is of the opinion that the amounts deposited in the Financing Cushion will not satisfy the Indemnity Undertaking, each Bondholder (as of the record date, as provided in Section 23.5 below) shall deposit its *pro rata* portion of the shortfall with the Trustee. The amount deposited by each Bondholder shall bear an annual interest at a rate equal to the annual interest rate of the Bonds (as is set forth in the First Schedule to the Deed of Trust), and shall be paid according to the priorities set forth in Section 12 above.

“**Pro Rata Portion**” means the relative portion of the Bonds held by a Bondholder on a given record date (as provided in Section 23.6 below), out of the total number of Bonds in circulation on such date. For the avoidance of doubt, the calculation of the Pro Rata Portion of any Bondholder shall remain unchanged even if, after such record date, a change shall occur to the number of Bonds held by such Bondholder.

23.5. For the avoidance of doubt it is hereby clarified that Bondholders that shall bear responsibility to cover expenses as aforesaid in this Section may bear expenses as aforesaid in this Section beyond their Pro Rata Portion, in which case the reimbursement of such funds shall be in accordance with the order of priority set forth in Section 12 above. The record date for determining the Bondholders’ Indemnity Undertaking and/or for the Bondholders’ liability of payment of the Financing Cushion shall be as follows:

23.5.1 In any event where the Indemnity Undertaking on or payment of the Financing Cushion is required due to an urgent action necessary in order to prevent a materially adverse impact to the Bondholders’ rights, without a prior resolution adopted at a Bondholders’ Meeting – the record date shall be the end of the Trading Day on which the action has been taken (and if such day is not a Trading Day, the preceding Trading Day).

23.5.2 In any event where the Indemnity Undertaking or payment of the Financing Cushion is required pursuant to a resolution adopted at a Bondholders’ Meeting – the record date for the Indemnity Undertaking shall be the record date for participation at such Bondholders’ Meeting (as such date shall be set forth in the notice convening the Bondholders’ Meeting) and such date shall apply to all the Bondholders, including those who were not present or did not attend the Bondholders’ Meeting.

- 23.5.3 In any other event or in the event of any disagreement with respect to the record date – the record date shall be determined by the Trustee at its sole discretion.
- 23.6. For the avoidance of doubt, the Trustee's receipt from Bondholders of payments paid in respect of the Indemnity Undertaking pursuant to the provisions of Subsection 23.3.2(2) above shall not derogate from the Company's undertaking to make such payments, and the Trustee will use its best efforts to obtain said amounts from the Company according to the provisions of this Section 23.
- 23.7. With respect to priority in reimbursement to Bondholders who bore the payments under this Section out of the proceeds held by the Trustee, see Section 12 of the Deed.

24. Notices

- 24.1 Any notice on behalf of the Company and/or the Trustee to the Bondholders shall be provided by way of a report on the MAGNA System on the Israel Securities Authority website. The Trustee may instruct the Company, and the Company will be required to Publish on the MAGNA System on behalf of the Trustee as soon as possible, any report in the form as shall be provided in writing by the Trustee.
- 24.2 Any notice or demand on behalf of the Trustee to the Company or on behalf of the Company to the Trustee may be provided by way of registered mail to the address set forth in this Deed of Trust, or to other address of which one party has notified the other in writing, or by way of email, facsimile, or courier, and any such notice or demand will be deemed to have been received by the addressee as follows:
- 24.2.1. If by registered mail – upon the lapse of three (3) Business Days of the date on which the addressee was invited to collect the mail according to the post office registries.
- 24.2.2. If by facsimile transmission (followed by telephone receipt confirmation) – upon the lapse of one (1) Business Day of said transmission.
- 24.2.3. If by courier – upon delivery by the courier to the addressee or upon it being presented to the addressee for receipt.
- 24.2.4. If by email – upon receipt of telephone or written confirmation whereby the message was received by the recipient.
- 24.3. Copies of notices and invitations provided on behalf of the Company and/or the Trustee to the Bondholders shall be sent by the Company to the Trustee, and by the Trustee to the Company, as applicable.

25. Waiver and Settlement

- 25.1 The Trustee may from time to time, if convinced that such action does not prejudice the Bondholders, waive any breach or non-fulfillment by the Company of any of the terms under this Deed of Trust, provided that such action does not pertain to changes concerning: payment terms of the Bonds (including payment dates, interest rates and linkage terms), the expense cushions, the appointment of a representative in Israel, grounds for calling for an immediate repayment, a negative pledge, restrictions on series expansion, the Financial Covenants, interest adjustment mechanisms, a change in the identity of the Trustee or to its remuneration, the appointment of a Trustee in lieu of a Trustee whose term has ended, as well as with respect to reports that the Company is required to provide the Trustee.
- 25.2 The Trustee and the Company shall be entitled to, either before or after the outstanding Principal balance has been called for immediate repayment, amend this Deed of Trust, reach a settlement with respect to any of the Bondholders' rights or claims, and agree to any arrangement with respect to the Bondholders' rights, including the waiver of any of the Bondholders' rights or claims against the Company pursuant to this Deed of Trust, if one of the following conditions is met:
- 25.2.1 The Trustee is of the opinion that the proposed change does not prejudice the Bondholders, provided that such amendment does not pertain to the payment terms under the Bonds (including payment dates, interest rates and linkage terms), expense cushions, the appointment of a representative in Israel, grounds for calling for an immediate repayment, a negative pledge, restrictions on series expansion, the Financial Covenants, interest adjustment mechanisms, a change in the identity of the Trustee or to its remuneration, the appointment of a Trustee in lieu of a Trustee whose term has ended, as well as with respect to reports that the Company is required to furnish the Trustee; or
- 25.2.2 The Bondholders have agreed to the proposed change by way of a Ordinary Resolution.
- 25.3 If the Trustee has reached a settlement with the Company after having obtained the Bondholders' approval in advance, by way of a Special Resolution obtained at a Bondholders' Meeting, the Trustee shall be released from any liability in respect thereto.
- 25.4 The Trustee shall be entitled to demand that the Bondholders deliver the Bond Certificates to it or to the Company in any instance in which the Trustee's rights pursuant to this Section 25 are exercised, in order to register a note therein with respect to any compromise, waiver, or amendment as aforesaid, and at the Trustee's request, the Company shall record such note.

- 25.5 The Trustee shall notify the Bondholders of each instance in which it exercised the Trustee's rights pursuant to this Section 25, within a reasonable period of time thereafter, except if the Trustee exercised its right pursuant to Subsection 25.2.1, in which case the Trustee shall notify the Bondholders within a reasonable period of time prior thereof.

26. Bondholders Register

- 26.1. The Company shall keep and maintain a Bondholders Register at its registered office, pursuant to the provisions of the Securities Law.

The Register shall also record all transfers of registered ownership of Bonds pursuant to the provisions of this Deed of Trust. The Trustee and all Bondholder may, at any reasonable time, review the Register.

- 26.2. The Company shall not be required to record in the Register any notice concerning a trust, pledge or charge of any kind whatsoever or any equitable right, claim, or offset, or any other right with respect the Bonds. The Company shall only recognize the ownership of the Person under whose name the Bonds have been registered, provided that the Bondholder's lawful heirs, executors or administrators of the registered Bondholder and any Person who may be entitled to the Bonds as a consequence of the liquidation of any registered Bondholder, shall be entitled to be registered as Bondholders after providing evidence which the Company shall deem sufficient for proving their right to be registered as the Bondholders of the relevant Bonds.
- 26.3. The Company undertakes to provide a copy of the Register to the Trustee immediately after the Bond Issuance. The Company undertakes to notify the Trustee of any change or update made to the Register.

27. Replacement of the Trustee

- 27.1 The Trustee's term of office, including the termination thereof and the appointment and the termination of any new Trustee and the termination thereof, shall be governed by the provisions of the Securities Law, pursuant to which the Trustee and any successor thereof shall be entitled to resign from its position as Trustee, subject to the approval of the court, and said resignation shall enter into effect on the effective date to be set forth in said approval.
- 27.2 A court may dismiss the Trustee if the Trustee has not performed its duties properly or if a court finds another reason for its dismissal.
- 27.3 A resolution to terminate the term of a Trustee and its replacement with another shall be obtained by way of a resolution approved by 75% of the Bondholders participating in the vote (except abstentions) held at a Bondholders' Meeting attended by Bondholders

representing at least fifty percent (50%) of the Bonds in circulation or, in an adjourned meeting, attended by Bondholders representing at least ten percent (10%) of the Bonds in circulation.

- 27.4 A trustee whose term has expired shall continue to serve in said capacity until its successor has been appointed. The successor Trustee shall be appointed at a Bondholders' Meeting convened by the outgoing Trustee or by the Bondholders, pursuant to the provisions of the foregoing Subsection 27.3.
- 27.5 Any successor Trustee shall have the same powers, authorities and other permissions as the outgoing Trustee and may act as though it were appointed as Trustee from the outset.

28. Reports to the Trustee and to the Bondholders

For as long as there remain Bonds in circulation, the Company shall prepare and deliver to the Trustee the following reports and notices:

- 28.1 Audited annual Financial Statements, immediately upon their publication, according to the dates in which the Company is required to publish them as a public company, under any law, even if the Company is not a Reporting Corporation.
- 28.2 Reviewed quarterly Financial Statements, immediately upon their publication, according to the in which the Company is required to publish them as a public company, under any law, even if the Company is not a Reporting Corporation.
- 28.3 Notices regarding the buyback of Bonds by the Company or by a company controlled thereby, or in the event the Company becomes aware of the purchase thereof by any other Related Holder, as set forth in Section 5 above, as well as copies of notices to the public which the Company is required to provide pursuant to applicable law, and of any other notices and/or invitations to Bondholders' Meetings the Company may provide to the Bondholders in its name or on behalf of the Trustee.
- 28.4 In the event the Company ceases to be a Reporting Corporation, any report required from a company that is not a Reporting Corporation pursuant to the Regulation Codex, including the provisions concerning investments made by institutional investors in non-government bonds. Any such report will be executed by the CEO (or such person fulfilling this position even if his or her title is different) and the Company's Chief Financial Officer.

The Company's submission of the documents as required under this Section 28 on the MAGNA website of the Israel Securities Authority shall be deemed a delivery of said documents to the Trustee.

The Trustee shall be entitled, at its sole discretion, to forward to the Bondholders documents it shall receive as set forth above.

29. **Bondholders' Meetings**

Bondholders' Meetings shall be convened and held in accordance with the provisions set forth in the Second Schedule to this Deed of Trust.

30. **Governing Law**

All matters deriving from this Deed or associated therewith shall be interpreted solely pursuant to and subject to the laws of the State of Israel, and for as long as the Bonds are Listed, the provisions set forth in the Stock Exchange's Bylaws and Guidelines. Without derogating from the provisions of Section 1.7 above, with respect to any matter which is not addressed in this Deed and in any event of a contradiction between the cogent provisions of the applicable laws of the State of Israel and the provisions of this Deed, the parties shall act pursuant to the provisions set forth in the laws of the State of Israel. The competent courts of Tel Aviv - Jaffa shall have sole jurisdiction to settle any matter arising from or associated with this Deed and/or the Bonds.

The Company shall not object to any motion filed on behalf of the Trustee and/or a Bondholder which was submitted to a court in Israel in order to apply Israeli law with respect to a settlement, debt arrangement and/or insolvency concerning the Company. The Company shall not object should the Israeli court seek to apply Israeli Law with respect to a settlement, debt arrangement and/or insolvency concerning the Company, and the Company shall not raise arguments against Israeli jurisdiction with respect to proceedings initiated by the Trustee and/or the Bondholders as set forth above.

31. **Trustee's Responsibility**

31.1 Notwithstanding what is stated in any law and anywhere in the Deed of Trust, insofar as the Trustee acted to fulfill its duty in good faith and within a reasonable time and also examined the facts that a reasonable Trustee would have examined under the circumstances, it shall not be liable for damages caused, unless a final ruling resolved that the Trustee acted with gross negligence. It is clarified that to the extent that a contradiction arises between the provision of this Section and another provision of the Deed of Trust, the provision of this Section shall prevail.

31.2 If the Trustee acted in good faith and without negligence in accordance with the provisions of Section 35H(d2) or 35H(d3) of the Law, it shall not be liable for performing said action.

32. **Addresses**

The addresses of the parties are as set forth in the preamble to this Deed, or any other address in respect of which appropriate written notice is provided to the other party.

In witness whereof the parties have hereunto signed:

UMH PROPERTIES, INC

I the undersigned, Adv. _____
hereby confirm that this Deed of Trust
was signed by **UMH PROPERTIES,
INC (“UMH”)**, by _____, and
their signatures bind UMH in all respects.

_____, Adv.

Resnik Paz Nevo Trusts Ltd.

I the undersigned, _____ hereby confirm that
this Deed of Trust was signed by _____, and
that their signatures bind **Resnik Paz Nevo
Trusts Ltd.** (the “Trustee”), in all respects.

_____.

UMH PROPERTIES, INC

The First Schedule

Bond Certificate

NIS ____, Bonds (Series B)

The Principal of the Bonds shall be repaid in one installment, on June 30, 2030.

The Bonds shall bear fixed annual (unlinked) interest at a fixed rate of 5.85% (but subject to adjustments upon a change in the rating of the Bonds (Series B) and/or the Company's failure to comply with the financial covenants set out in Sections 7.1 and 7.2 below). The interest shall be payable in semiannual installments at the end of each period, on December 31, 2025, and on June 30 and December 31 of each of the years 2026-2029 (inclusive) and on June 30, 2030 (each, an "**Interest Payment Date**"), for the six (6) month period commencing on the previous Interest Payment Date and ending on the day immediately preceding the applicable Interest Payment Date (the "**Interest Period**"), except for the First Interest Payment Date, which shall be December 31, 2025, for the period commencing on the first Trading Day after the Public Tender Date and ending on the day immediately preceding the First Interest Payment Date (the "**First Interest Period**") and which shall be calculated on the basis of 365 days in a year and the actual number of days in such period.

Registered Holder of this Bond: _____ (the "**Bondholder**" or "**Holder**")

Certificate Number: _____.

Par value of Bonds subject to this Certificate: _____.

Interest: 5.85 % per annum

This certificate witnesses that **UMH PROPERTIES, INC.** (the "**Company**") shall pay to the Holder or to whomever is the registered as the Holder of this Bond the amount it has undertaken, all subject to the remaining provisions set forth in the Terms and Conditions Overleaf.

The final interest payment shall be paid on June 30, 2030, together with the final Principal repayment and against the delivery of the Bond Certificates to the Company and/or to any third party as instructed by the Company.

All the Bonds in this series are not secured by any collateral and will rank *pari passu* among themselves, without any single Bond having preference or priority over the other. This Bond is being issued subject to the conditions set forth in the Terms and Conditions Overleaf and the conditions set forth in the Deed of Trust between the Company and Resnik Paz Nevo Trusts Ltd. (the “**Trustee**”), dated July 18, 2025 (the “**Deed of Trust**”).

Signed by the Company on ____

By: _____

Name: _____

Title: _____

TERMS AND CONDITIONS OVERLEAF

1. General

- 1.1 In this Bond, terms and expressions shall have the meanings prescribed thereto in the Deed of Trust, unless otherwise explicitly stated
- 1.2 The provisions of the Deed of Trust with respect to the Bond Certificate (including the Terms and Conditions Overleaf) shall be deemed explicitly incorporated in the conditions of these Bonds.
- 1.3 The Bonds shall rank *pari passu* to the other Bonds in the same series, without any Bond having priority over another.
- 1.4 In case of a contradiction between the provisions set forth in the Deed of Trust and those of the Terms and Conditions Overleaf, the Deed of Trust shall prevail.

2. Repayment of the Bonds; Interest

2.1 Repayment of the Bonds

The Principal on the Bonds shall be repaid in one installment, on June 30, 2030.

2.2 Interest

The Bonds shall bear fixed annual (unlinked) interest at a fixed rate of 5.85% but subject to adjustments upon a change in the rating of the Bonds (Series B) and/or the Company's failure to comply with the financial covenants set out in Sections 7.1 and 7.2 below). The interest shall be payable in semi-annual installments at the end of each period, on December 31, 2025, and on June 30 and December 31 of each of the years 2026-2029 (inclusive) and on June 30 2030 (each, an "**Interest Payment Date**"), for the six (6) month period commencing on the previous Interest Payment Date and ending on the day immediately preceding the applicable Interest Payment Date (the "**Interest Period**"), except for the First Interest Payment Date, which shall take payable on December 31, 2025, for the period commencing on the first Trading Day following the Public Tender and ending on the day immediately preceding such First Interest Payment Date (the "**First Interest Period**"), which shall be calculated on the basis of 365 days in a year and the actual number of days in such period.

3. Payments of Principal and Interest on the Bonds

- 3.1. **Record Date** – Payments on account of the Principal and/or any Interest thereon shall be paid to the relevant Bondholder on the following dates:

- 3.1.1. Payments due on December 31 shall be made to those holding Bonds as at the end of the Trading Day on December 19.
- 3.1.2. Payments due on June 30 (excluding the final payment of Principal and Interest) shall be made those holding Bonds as at the end of the Trading Day on June 18.
- 3.1.3. The final payment of Principal and Interest shall be made against the delivery of the Bond Certificates to the Company, on the payment date, at a location in Israel as the Company shall instruct the Trustee, no later than five (5) Business Days prior to the last payment date.

In the event any payment date on account of Principal and/or Interest is not a Business Day, the payment date shall be postponed to the following Business Day and no interest or other payment shall be due on account of such delay, and the record date for determining the eligibility for redemption or interest shall not be changed as a result of such postponement.

- 3.2 The repayment of the Principal (whether scheduled, upon calling for an immediate repayment or upon an early redemption) and interest payments on the outstanding Principal balance, shall be made to the Bondholders in NIS, linked to the Dollar, as follows: (i) if the Payment Rate is higher than the Base Rate, then such payment in NIS shall be increased proportionately to the rate of increase of the Payment Rate compared to the Base Rate; (ii) if the Payment Rate is lower than the Base Rate, then such payment in NIS shall be reduced proportionately to the rate of decrease of the Payment Rate compared to the Base Rate e; and (iii) if the Payment Rate is equal to the Base Rate, then such payment shall be made in the NIS amount originally determined. Pursuant to the Stock Exchange Guidelines, the linkage method cannot be modified.
- 3.3 Payment to a Registered Bondholder will be made by check or wire transfer in favor of said persons whose names are registered in the Register or those who delivered the Bond Certificates in accordance with Subsection 2.3 above.
- 3.4 The Bondholder will inform the Company of its bank account information for crediting the payments to which said Bondholder is entitled under the Bonds, or of any change in said information or in the Bondholder's address, as applicable, by way of a written notice sent to the Company via registered mail. The Company will be obligated to act according to the Bondholder's notice with respect to such change, provided said notice was received after thirty (30) Business Days have elapsed as of the date in which the Bondholders' notice reached the Company. If a Bondholder who is entitled to payment as aforesaid fails to duly provide the Company with information pertaining to its bank account, then each payment on account of the Principal and/or Interest shall be made by way of a check sent via registered mail to its last known address as recorded in the Register. The sending of a check

to a registered Holder via registered mail in accordance with the foregoing shall be deemed, for all intents and purposes, as payment of the amount stated therein on the date in which it was sent via post, unless it was not cleared when duly presented for at the time of its lawful presentation for collection.

- 3.5 A Bondholder wishing to alter the payment instruction it has provided may do so by providing notice sent by registered mail to the Company's registered office, and the Company shall comply with such instructions only if they have been received at the Company's registered office at least 30 days prior to the record date for an applicable payment. In the event such instructions are received after such day, the Company shall act according to said instructions with respect to subsequent payments.
- 3.6 Tax shall be withheld from each payment made by the Company to the Bondholders as required under applicable law, unless the Bondholders have provided the Company with a valid withholding tax exemption from the applicable tax authority, in a form satisfactory to the Company. The Company shall be entitled to rely on the information provided to it by the Nominee Company and which appears in the register maintained by the Stock Exchange Clearing House with respect to Bondholders entitled to payment, including information pertaining to the scope of their holdings in the Bonds and the interest to which they are entitled on any applicable Interest Payment Date.
- 3.7 Payment to an unregistered Bondholder will be made through the Tel Aviv Stock Exchange Clearing House.
- 3.8 Any payment on account of Principal and/or interest thereon that is paid at a date exceeding seven (7) days after the date scheduled for its repayment under the Bonds, for reasons within the Company's control, shall bear an additional default interest for the delay period at an annual interest rate of four percent (4%) ("**Default Interest**"), which shall be added to the interest borne by the Bonds at said time. If applied, the additional interest will be calculated from the date scheduled for the repayment. The Company shall issue an Immediate Report in the MAGNA System and/or on the Maya website, stating the exact rate including any Default Interest, no later than two (2) Business Days after such additional interest will apply to the Bonds.
4. **Failure to Make a Payment for Reason Beyond the Company's Control**
See Section 14 to the Deed of Trust.
5. **Bondholders Register**
See Section 26 to the Deed of Trust.

6. **Transfer and Split of Bond Certificates**

The Bonds are transferrable with respect to any par value amount, provided that it will be in whole New Israeli Shekels. Any transfer of Bonds (excluding a transfer executed by way of trading on the Stock Exchange or a transfer between Bondholders held by a Stock Exchange member) will be carried by way of a deed of transfer in a standard form for transferring securities, duly signed by the registered Bondholder (or its lawful representative) and by the transferee (or its lawful representative), which shall be delivered to the Company at its registered office, together with the Bond Certificate(s) transferred thereby and any other reasonable proof required by the Company in order to evidence the transferor's right to carry out said transference.

The transferring party shall provide the Company with reasonable evidence concerning the settlement of any payment required under applicable law in order to carry out the transference.

In the event whereby only part of the Principal amount set forth in the Bond Certificate is transferred, the Bond Certificate should first be split into several certificates, in the manner specified below.

After the fulfillment of all such conditions, the transfer will be registered in the Register and the transferee shall be bound by the terms specified in the Deed of Trust and in the Bond certificate and will be deemed a "Bondholder" for purposes of the Bond.

Each Bond certificate may be split into several new certificates and the total Principal amounts stated thereon shall be equal to the par value Principal amount of the Bond certificate subject to such split, provided that the new certificates shall each have par value amounts in whole NIS. The split will be carried out against the delivery of said Bond certificate to the Company at its registered office in order to carry out the split. All expenses associated with splitting of Bonds, including any stamp duty and other fees, if any, shall apply to the person requesting the split.

7. **Early Redemption**

See Section 9 to the Deed of Trust.

8. **Bond Buyback**

See Section 5 to the Deed of Trust.

9. **Additional Issuances**

See Section 2.9 to the Deed of Trust.

10. **Waiver and Settlement**

See Section 25 to the Deed of Trust.

11. **Bondholders' Meetings**

Bondholders' Meetings shall be convened and conducted in accordance with the provisions of Second Schedule to the Deed of Trust.

12. **Receipts as Proof**

See Section 15 to the Deed of Trust.

13. **Replacing Bond Certificates**

If a Bond certificate become worn, is lost, or destroyed, the Company may issue a new certificate *in lieu* thereof, under the same terms and conditions, provided that in the event the Bond certificate becomes worn, the worn Bond certificate shall be returned to the Company before the new certificate is issued. Any levies, taxes and other expenses associated with the issuance of the new certificate shall be borne by the person requesting said certificate.

14. **Calling for an Immediate Repayment**

See Section 10 to the Deed of Trust.

15. **Notices**

See Section 24 to the Deed of Trust.

UMH PROPERTIES, INC

Second Schedule

General Meetings of Bondholders

In any event that a different and/or supplementary mechanism for convening and/or holding of a Bondholders' Meeting shall be prescribed under any applicable law, including pursuant to the Stock Exchange's bylaws and guidelines, the provisions of this Schedule shall be automatically adjusted to the provisions of the law, to the extent the provisions of such law so mandate.

Without derogating from any other provision under applicable law or under the Deed of Trust, the following provisions shall apply to Bondholders' Meetings:

Convening Bondholders' Meetings

1. The Trustee, if it deems it necessary, if required by law or if requested by the Company, will convene a Bondholders' Meeting at the Company expense.
2. The Trustee shall convene a Bondholders' meeting if it deems it necessary or at the request of the Company, and shall be obligated to convene such a meeting at the request of one or more Bondholders holding at least 5% of the outstanding unpaid nominal value of the principal of the Bonds in circulation (the "**Holder**" or the "**Holders**"). In the event that the request to convene the meeting is made by the Holders, the Trustee may require the requesting parties to indemnify it for the reasonable expenses incurred in connection therewith. Nothing in this section shall derogate from the provisions of Section 10.2.1 of the Deed of Trust and the Trustee's obligations thereunder. The agenda of such meeting will include the subject which was requested by said Bondholder and may include additional items at the discretion of the Trustee. The Trustee may demand the Bondholders requesting the meeting to reimburse it for the reasonable expenses in connection therewith. For the avoidance of doubt, the Trustee's demand for reimbursement shall not prejudice the convening of a meeting called in order to take action aimed at preventing of a breach of the Bondholders' rights. It is noted that the Trustee's demand for reimbursement will not constitute a condition for convening a Bondholders' Meeting required in order to protect the Bondholders' rights and will not derogate from the Company's obligation to bear the costs of such meeting.
3. If the Trustee convenes a Bondholders' Meeting, it will convene it by publishing an invitation in an Immediate Report on the MAGNA and/or Maya System. This invitation will include notice of

the place, date, and time for the meeting, as well as the agenda and the matters to be discussed therein.

4. The Trustee shall convene a Bondholders' Meeting pursuant to Section 2 above on a date not earlier than seven (7) days and not later than twenty-one (21) days from the date on which the Bondholders' request was submitted thereto; nevertheless, the Trustee may convene a Bondholders' Meeting on an earlier date if it believes that it is required in order to protect the Bondholders' rights and subject to the provisions of Section 7 below. In such case, the Trustee shall specify in the convening notice for such meeting the reasons for convening the Bondholders' Meeting at an earlier date.
5. If the Trustee failed to convene a Bondholders' Meeting upon the request of a Bondholder entitled thereto within the aforementioned period, the Bondholder may convene a Bondholders' Meeting, provided that the meeting shall take place on a date that is within fourteen (14) days from the end of the period in which the Trustee was required to convene such meeting, and the Trustee shall bear the expenses incurred by the Bondholder with respect to the convening thereof.
6. Notwithstanding the foregoing, it is possible to convene a Bondholders' Meeting only for the purpose of consultation and/or reporting, with a one-day prior notice (or more). No Bondholders' resolutions will be adopted in such meeting ("**Consultation Meeting**").
7. The Trustee is authorized to reschedule any Bondholders' Meeting. If a Bondholders' Meeting was not convened as set forth in Section 2 above or as set forth in Section 35B(a1) of the Securities Law, the court shall be entitled, at the request of a Bondholder, to order the convening thereof. In the event the aforesaid court order is granted, the Trustee shall bear the reasonable expenses incurred by the requesting Bondholder associated with obtaining said court order, in the amount determined by the court.
8. The court may, at the request of a Bondholder, order the revocation of a resolution adopted at a Bondholders' Meeting that was convened or conducted without complying with the terms prescribed therefor under applicable law or under the Deed of Trust. In case the fault pertains to the place or the time in which the Bondholders' Meeting is convened, as set forth in the convening notice, a Bondholder who attended said meeting, notwithstanding the fault, may not demand the revocation of the resolution.
9. Each Bondholders' Meeting shall take place at the Company's registered office in Israel, or at another address to be determined by the Company, provided that said address is in Israel.

Record Date; Proof of Ownership

10. The record date with respect to ownership of Bonds in order to establish the Bondholders' entitlement to participate and vote at the Bondholders' Meeting shall be the date set forth in the

notice of the Bondholders' Meeting. The record date shall be determined by the Trustee subject to the law, which currently provides that such date shall be no less than three (3) Trading Days prior to the date on which Bondholders' Meeting is held, and no more than fourteen (14) days prior to the date of said meeting.

11. A Bondholder wishing to vote at a Bondholders' Meeting is entitled to receive from the Stock Exchange member by which the Bonds are held, a confirmation of its ownership of the Bonds. The Bondholder shall deliver to the Trustee at its registered office in Israel or through the ISA's electronic voting system (or in any other way which will be specified in the invitation), no later than the date as determined by the Person calling the Bondholder Meeting in the meeting invitation, said confirmation specifying the number of Bonds held by the Bondholder as of the date specified in said certificate, together with a power of attorney if such ownership confirmation does not indicate the name of the person participating at the meeting.

Meeting Chairperson

12. The Trustee or a person appointed thereby shall serve as the Chairman of the Bondholders' Meeting.

Legal Quorum; Adjourned Meeting

13. The Bondholders' Meeting will commence after it has been confirmed that the legal quorum required for holding a discussion in respect of any of the items on the meeting's agenda is present. In the Bondholders' Meeting, only resolutions which were included in the meeting's agenda will be put to a vote, provided that the legal quorum required for adoption thereof is present as further provided below.
14. The presence of Bondholders (one or more) irrespective of the amount of voting rights held thereby will constitute a legal quorum in a Consultation Meeting. The legal quorum required in order to adopt an Ordinary Resolution shall be the presence of two or more Bondholders, present in person or by proxy within half an hour as of the time prescribed for the beginning of the Bondholders' Meeting, jointly holding or representing at least twenty five percent (25%) of the voting rights assigned to the Bonds except with respect to resolutions for which a different quorum is required under applicable law or under the Deed of Trust.
15. If a legal quorum shall not be present within half an hour from the time prescribed for the beginning of a Bondholders' Meeting, such meeting shall be adjourned to another date which shall be no earlier than two (2) Business Days after the date prescribed for the convening of the original meeting or, if the Trustee believes that the Bondholders' Meeting is required in order to protect the Bondholders' rights, not earlier than one (1) Business Day after the date prescribed for the convening of the original meeting. In the event the Bondholders' Meeting was adjourned, the

Trustee shall specify the reasons therefor in the notice announcing the new time and place of the adjourned Bondholders' Meeting.

16. If a legal quorum shall not be present at an adjourned Bondholders' Meeting within half an hour from the time prescribed for the beginning thereof, such meeting shall be held with any number of participants, unless otherwise provided by applicable law or the Deed of Trust. Notwithstanding the foregoing, if the Bondholders' Meeting was convened at the request of Bondholders as set forth in Section 2 above, the adjourned Bondholders' Meeting may be held only if the number of Bondholders required thereunder for convening a Bondholders' Meeting is present.
17. The presence of Bondholders, in person or by proxy, within half an hour from the time prescribed for the beginning of the Bondholders' Meeting, and jointly holding or representing at least fifty percent (50%) of the outstanding balance of the par value of the Bonds in circulation, shall constitute a legal quorum at any Bondholders' Meeting on the agenda of which there exists a proposal to approve a Special Resolution. If, within half an hour of the time from the time prescribed for the beginning of such meeting, a legal quorum shall not be present, such meeting shall be adjourned and the provisions of Section 12 above shall apply, *mutatis mutandis*. At a Bondholders' Meeting on the agenda of which there exists a proposal to approve a Special Resolution which was adjourned, the presence of at least two or more Bondholders, present in person or by proxy, jointly holding or representing at least twenty percent (20%) of the outstanding balance of the par value of the Bonds in circulation, shall constitute a legal quorum.
18. A Related Holder shall not be counted for purposes of determining the presence of a legal quorum required to open a Bondholders' Meeting (including any adjourned meeting) and will not be entitled to exercise the voting rights inherent in the Bonds held by it.

Continued Meeting

19. The majority of Bondholders at a Bondholders' Meeting in which a legal quorum is present, or the Trustee, may resolve to postpone the continuation of the Bondholders' Meeting, including any discussion or adoption of a resolution with respect to a matter specified in the agenda of such meeting, to another date and place to be determined (a "**Continued Meeting**"). At a Continued Meeting, only such matter which was on the agenda of the original Bondholders' Meeting and with respect thereof a resolution was not previously adopted shall be addressed. In the event that the Bondholders' Meeting was adjourned without amending its agenda, notification regarding the date of the new meeting shall be provided as soon as possible, but in any event no later than twelve (12) hours prior to convening the new Bondholders' Meeting. Notice of such a meeting shall be issued in accordance with the provisions of Section 31 below.

Vote; Required Majority

20. Any Bondholder which is present, in person or by proxy, at a Bondholders' Meeting, is entitled to one vote for every NIS 1 par value of the Principal of the Bonds held thereby, subject to the provisions of the Deed of Trust. The Trustee shall participate at Bondholders' Meetings, without any voting rights.
21. In the event that Bonds are jointly held by two or more Bondholders, only the vote of the Bondholder listed first in the Register of the same Bond series and wishing to vote either in person or by proxy, will be counted.
22. A resolution at a Bondholders' Meeting will be decided based on a tally of votes.
23. Resolutions shall be adopted at Bondholders' Meetings by a simple majority out of all participating votes, excluding abstentions, unless a different majority is prescribed under applicable law or under the Deed of Trust, or if the Trustee resolved, pursuant to the authority granted to it under the Deed of Trust, that a resolution shall be adopted by a majority which is not a simple majority. The adoption of a Special Resolution at a Bondholders' Meeting shall require a majority of at least two thirds (2/3) of all of the participating votes, excluding abstentions.
24. The Chairman's announcement regarding the adoption or rejection of a resolution and the recording thereof in the meeting's minutes, will serve as *prima facie* evidence of its adoption or rejection as aforesaid.
25. A Bondholder may vote in Bondholders' Meetings by itself or via proxy and also by way of a written ballot in which he shall state the manner of its vote, as specified in Section 28 below. A proxy appointing letter shall be made in writing and signed by the appointer or by its representative, who has been authorized in writing to do so. If the appointer is a corporation, the appointing shall be made in writing, the corporate stamp shall be placed thereupon alongside the signature of an Officer or an attorney representing the corporation who is authorized to do so. The proxy appointing letter may be drawn-up in any standard form. A proxy does not have to be a Bondholder.
26. A proxy appointing letter and a power of attorney pursuant to which the appointing form was signed, or a certified copy thereof, shall be delivered to the Trustee's registered office in Israel (or as will be instructed in the invitation) no later than the date as shall be determined by the Person convening the Bondholders' Meeting and as set forth in the meeting's convening notice, unless otherwise determined by the Trustee. The proxy appointing letter will be valid for any adjourned meeting of the meeting referred to in the proxy appointing letter, unless otherwise provided therein.
27. A vote cast in accordance with the provisions set forth in the proxy appointing letter shall be valid even if prior thereto, the appointer has passed away or was declared legally incompetent, or if the

proxy appointing letter was revoked or the Bonds with respect to which the vote was granted were transferred.

28. A Bondholder or its proxy may cast a portion of its votes in favor of a certain proposal, and a portion against, and abstain in respect of others, all as he deems fit.

Minutes

29. The Trustee will record minutes of the Bondholders' Meetings and shall keep a copy of such at its registered office for a period of seven (7) years following the date of such meeting. Minutes executed by the Chairman of the meeting shall serve as *prima facie* evidence of the contents recorded therein. The Trustee shall maintain at its registered office a register containing the minutes recorded at Bondholders' Meetings, which shall be open for the Bondholders' and the Company's review (with respect to the part of the meeting in which only the Company's representatives were present) and a copy thereof shall be sent to any Bondholder at its request.

Written Ballot

30. Bondholders may vote at Bondholders' Meetings by way of a written ballot. A written ballot shall be Published by the Trustee in the MAGNA or Maya system and will specify the deadline for voting. A Bondholder may state the manner of its vote in the written ballot and send it to the Trustee. Subject to applicable law, each Bondholder is entitled to receive a written ballot from the Stock Exchange member by which its Bonds are held. Voting by way of a written ballot, shall be subject to the following conditions: (i) the written ballot shall be delivered to the place, at the dates and to the persons as shall be set forth in the notice of the Bondholders' Meetings and/or in the written ballot, and (ii) the written ballot shall be completed, duly signed and accompanied by all of the required documents attached thereto. A written ballot in which the Bondholder has set forth the manner in which he wishes to vote and was received by the Trustee prior to the last day scheduled therefor, shall be counted for determining a legal quorum. A written ballot received by the Trustee in respect of a certain matter which was not voted on at a Bondholders' Meeting shall be considered as abstaining from the vote at such meeting in respect of a resolution to hold a Continued Meeting according to the provisions of Section 16 above, and shall be counted at the adjourned Bondholders' Meeting to be held pursuant to the provisions of Sections 13 or 16 above. A written ballot which was submitted without the relevant documents or which was not duly completed or signed, will be disqualified from the voting.
31. The trustee may require a holder to declare within the framework of a written ballot the existence or absence of a conflicting interest that he has, and a Holder who will not complete the written ballot in full and/or who does not prove its eligibility to attend and vote at the meeting under the Second Schedule, shall be deemed as one who did not provide a written ballot and chose not to vote on the matters(s) set forth in the written ballot. A Bondholder who declares that he has a

conflicting interest will be considered as instructing the Trustee not to count its vote in the vote (but to count them for the purpose of the legal quorum).

32. The Trustee shall be entitled, at its discretion and subject to any law, to hold voting meetings at which votes shall be held by way of written ballots and without convening the holders, and to hold votes by written ballot at a voting meeting (including at its adjourned meeting) at the opening of which the legal quorum required to adopt the resolution on the agenda was not present, provided that the Trustee obtained, by the closing of the voting meeting, as set forth in the notice for convening the meeting or holding a vote, as applicable, written ballots from Bondholders constituting a legal quorum required to adopt a resolution in the original or adjourned meeting, as applicable.

Presence

33. A person or persons appointed by the Trustee may be present but shall not be entitled to vote at Bondholders' Meetings. The Company's representatives and any other person or persons permitted by the Trustee may be present, with no voting rights. In the event that, at the Trustee's discretion, part of a Bondholders' Meeting calls for a discussion in the absence of a certain person, including the Company's representatives, such person shall not participate in said part of the discussion.

Meeting Notice; Agenda

34. The Trustee shall determine the agenda for a Bondholders' Meeting and shall include therein the matters in respect of which the convening of the Bondholders' Meeting was required pursuant to Section 2 above and any issue requested by a Bondholder as specified in Section 33 below. The Bondholders at a Bondholders' Meeting shall only adopt resolutions in respect of matters specified on the agenda. Notwithstanding the foregoing, the Bondholders at a Bondholders' Meeting may adopt resolutions that differ in wording from the resolutions on the agenda, according to the provisions of applicable law.
35. One Bondholder or more, holding at least five percent (5%) of the outstanding balance of the par value of the Bonds, may request that the Trustee include a certain matter on the agenda of a Bondholders' Meeting that shall be convened in the future, provided that such matter is appropriate for discussion at said meeting, subject to applicable law.

Additional Provisions

36. Nothing stated in Sections 2, 32 and 33 above shall derogate from the Trustee's authority to convene a Bondholders' Meeting if it deems it necessary in order to consult with the Bondholders. Notice of such a Bondholders' Meeting need not specify the matters on its agenda, and the date of such meeting shall be at least one day after the date on which notice thereof was given. No vote shall be held, and no resolutions shall be adopted, at such meeting and the provisions of the

Securities Law shall apply thereto, other than the provisions specified in Section 35(12)26 of the Securities Law.

37. If it is not possible to convene a Bondholders' Meeting or to hold such meeting in the manner prescribed by the Deed of Trust or by the Securities Law, a court may, at the request of the Company, a Bondholder entitled to vote at a Bondholders' Meeting or the Trustee, order that a Bondholders' Meeting be convened and held in a manner determined by the court, and the court shall be entitled to set forth additional instructions for such purpose to the extent deemed fit thereby.

No resolution duly adopted at a Bondholders' Meeting convened in accordance with this Schedule shall be revoked, even if due to an error, notice thereof was not provided to all Bondholders, or if such notice was not received by all of the Bondholders, provided that notice of such meeting (or the adjourned meeting, as applicable) was Published on the MAGNA website of the Israel Securities Authority.

Announcing the of Decision

38. The Chairman's announcement that a resolution at a Bondholders' Meeting has been adopted or rejected, either unanimously or by a certain majority, shall be *prima facie* evidence of what is stated therein.
39. This Schedule will be subject to the Securities Regulations (Voting in Writing, Position Statements and Proof of Ownership in Bonds for the Purpose of Voting at a Bondholders Meeting), 5775-2015.

UMH PROPERTIES, INC

Third Schedule

Urgent Representation of the Bondholders

With respect to the Bonds, inasmuch as an Urgent Representation of the Bondholders is appointed, the Company undertakes that the Urgent Representation shall be appointed to act in accordance with the relevant provisions set forth in the Regulation Codex, as amended and updated from time to time, and the Company further undertakes to fully cooperate with the Urgent Representation and with the Trustee as necessary for them to conduct the investigations required by them and to formulate the Urgent Representation's decisions and to provide the Urgent Representation with any information and documents required by them with respect to the Company.

1. Appointment; term of tenure

- 1.1 The Trustee shall appoint and convene an Urgent Representation from amongst the Bondholders, as specified below (the “**Urgent Representation**”), at its own initiative or upon receiving the Company's written request to do so.
- 1.2 The Trustee shall appoint to the Urgent Representation the three (3) Bondholders which, based on information provided by the Company, hold the highest par value of outstanding Bonds amongst the Bondholders and which declare that the following conditions are true in respect of them (the “**Members of the Urgent Representation**”). In the event any of the aforementioned Bondholders are not able to serve as Members of the Urgent Representation, the Trustee shall appoint in lieu thereof the Bondholder holding the next highest par value of outstanding Bonds and for which all of the conditions specified hereunder hold true:
 - 1.2.1 The Bondholder is not in a material conflict of interest due to the existence of any additional material matter conflicting with the matter deriving from his service on the Urgent Representation and his holding the Bonds. For avoidance of doubt, a Holder who is a Related Holder (as defined in Section 5.2 to the Deed of Trust) shall be deemed to be in a material conflict of interest as aforementioned and shall not serve as a Member of the Urgent Representation; and

- 1.2.2 In the course of the same calendar year, the Bondholder does not serve on similar representations in respect of other bonds with an aggregate value exceeding the percentage out of the asset portfolio managed thereby that was determined as the maximum percentage permitting service on an urgent representation under the directives of the Commissioner of the Anti-Trust Authority ("**the Commissioner**") which apply to the establishment of urgent representations.
- 1.3 If during the service of the Urgent Representation, one of the conditions set forth in Subsection 1.2.1 to 1.2.2 above shall have ceased to hold true with respect to any of its members, the term of such member shall expire and the Trustee shall appoint another member in lieu thereof from amongst the Bondholders as set forth in Section 1.2 above.
- 1.4 Prior to appointing the Members of the Urgent Representation, the Trustee shall receive from the candidates for service as Members of the Urgent Representation, a declaration regarding the existence or absence of material conflicts of interest as set forth in Subsection 1.2.1 above, and regarding service on additional urgent representation as set forth in Subsection 1.2.2 above. In addition, the Trustee shall be entitled to demand such declaration from Members of the Urgent Representation at any time during the term of the Urgent Representation. A Holder who fails to provide such declaration shall be deemed to have a material conflict of interest or to be prohibited from serving by virtue of the Commissioner's directives, as applicable. With respect to the declarations regarding conflict of interests, the Trustee shall examine the existence of the conflicted interests, and if necessary, decide whether the conflict of interests disqualifies such Holder from serving on the Urgent Representation. It is hereby clarified that the Trustee shall rely on such declarations and shall not conduct examinations or other independent investigations. Subject to applicable law, the Trustee's determination in these matters shall be final.
- 1.5 Immediately after the appointment of the Urgent Representation, the Trustee shall notify the Company thereof and shall set forth the names of the members serving thereon.
- 1.6 The term of the Urgent Representation shall end on the date on which the Company shall publish the decisions made by the Urgent Representation with respect to granting an extension to the Company for the purpose of its compliance with the terms under the Deed of Trust as detailed in Section 1.7 below. The Company shall make public all of the information provided to the Urgent Representation upon the termination of the Urgent Representation's term.

- 1.7 The Company shall Publish an Immediate Report immediately after the appointment of the Urgent Representation, stating the appointment of the Urgent Representation, the identity of its members and the powers vested therein. In addition, the Company shall Publish an Immediate report regarding the decisions made by the Urgent Representation.

2. Authority

- 2.1 The Urgent Representation shall have authority to grant a one-time extension to the Company with respect to the dates by which the Company must comply with any of the Financial Covenants set forth in Sections 6.1 and 6.2 of the Deed of Trust, until the earlier of (i) a period of additional ninety (90) days; or (ii) the date of publication of the Company's next consolidated, audited or reviewed (as the case may be) Financial Statements which the Company must publish by such date. It is clarified that the period until the appointment of the Urgent Representation shall be taken into account within the framework of such extension and shall not constitute grounds for the granting any additional extension to the Company beyond the aforementioned period. It is further clarified that the operation of the Urgent Representation and cooperation among its members shall be limited to the discussion of granting such extension, and no other information which does not concern the granting of such extension shall be transferred among the members of the Urgent Representation.
- 2.2 If an Urgent Representation is not appointed according to the provisions of this Schedule, or if the Urgent Representation resolved not to grant the Company an extension as set forth in Section 2.1 above, the Trustee shall act pursuant to the provisions set forth in Section 10.2 to the Deed of Trust.

3. Company Undertakings

- 3.1 The Company undertakes to provide the Trustee with all of the information in its possession or which it can obtain regarding the identity of the Bondholders and the scope of their holdings. In addition, the Trustee shall act to receive such information in accordance with powers granted hereto by law.
- 3.2 Furthermore, the Company undertakes to fully cooperate with the Urgent Representation and with the Trustee as shall be necessary to allow them to conduct the investigations required thereby and formulate the Urgent Representation's resolution, as well as to provide the Urgent Representation with any information and documents required thereby with respect to the Company, subject to the restrictions of the law. Without derogating from the generality of the foregoing, the Company shall provide

the Urgent Representation with information relevant for it to arrive at a conclusion and shall not include any misleading or incomplete information.

- 3.3 The Company shall bear all of the expenses of the Urgent Representation, including expenses with respect to the engagement of advisors and experts by, or on behalf of, the Urgent Representation.
- 3.4 The appointment of the Urgent Representation or its operation shall by no means prejudice the powers granted to the Trustee according to the law and to the Deed of Trust and they will not limit the Trustee in its actions under the law and under the Deed of Trust.

4. Liability

- 4.1 The Urgent Representation shall act on and resolve on the matters at hand, at its sole and absolute discretion, and shall not be liable, nor shall any of its members or their officers, employees or advisors be liable, and the Company and the Bondholders hereby exempt them, with respect to any lawsuit, demand or claim raised against them due to their using, or failing to use, the powers, authorities or discretion conferred thereupon pursuant to the Deed of Trust and this Schedule and in connection therewith or for any other action carried out thereunder, unless they acted maliciously and/or in bad faith.
- 4.2 The indemnity provisions set forth in Section 23 of the Deed of Trust shall apply to actions of the Members of the Urgent Representation and any person acting on their behalf as if they were the Trustee.
- 4.3 Nothing stated shall derogate from the powers of the Trustee to convene a General Meeting of the Bondholders and to set forth on its agenda any matter it deems fit under the circumstances, including the calling for immediate repayment. If such General Meeting was convened and any resolutions were adopted thereby, the resolutions of the General Meeting shall override the resolutions adopted by the Urgent Representation.

* * *

REAFFIRMATION, JOINDER AND FIFTH AMENDMENT TO MASTER CREDIT FACILITY AGREEMENT

This REAFFIRMATION, JOINDER AND FIFTH AMENDMENT TO MASTER CREDIT FACILITY AGREEMENT (this “**Amendment**”) is made as of May 15, 2025, by and among (i) the entities identified as Borrower set forth on Annex I attached hereto (individually and collectively, “**Original Borrower**”); (b) the entities identified as Borrower set forth on Annex II attached hereto (individually and collectively, “**Additional Borrower**”; and together with Original Borrower, “**Borrower**”); (ii) WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (“**Lender**”); and (iii) FANNIE MAE, the corporation duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 et seq. and duly organized and existing under the laws of the United States (“**Fannie Mae**”).

RECITALS

A. Original Borrower and Lender are parties to or have joined into that certain Master Credit Facility Agreement dated as of August 20, 2020, as amended by that certain Amendment No. 1 to Master Credit Facility Agreement, dated as of March 15, 2022, as amended by that certain Reaffirmation, Joinder and Second Amendment to Master Credit Facility Agreement, dated as of September 15, 2022, as amended by that certain Reaffirmation, Joinder and Third Amendment to Master Credit Facility Agreement, dated as of December 14, 2023, and as amended by that certain Fourth Amendment to Master Credit Facility Agreement, dated as of February 7, 2025 (as amended, restated, supplemented, or otherwise modified from time to time, the “**Master Agreement**”).

B. All of Lender’s right, title and interest in the Master Agreement and the Loan Documents executed in connection with the Master Agreement or the transactions contemplated by the Master Agreement have been assigned to Fannie Mae pursuant to that certain Assignment of Master Credit Facility Agreement and Other Loan Documents, dated as of August 20, 2020, by that certain Assignment of Loan Documents dated as of March 15, 2022, by that certain Assignment of Loan Documents dated as of September 15, 2022, and by that certain Assignment of Loan Documents dated as of December 14, 2023 (the “**Assignment**”). Fannie Mae has not assumed (i) any of the obligations of Lender (once an agreement is made for Lender to make a Future Advance) under the Master Agreement to make Future Advances or (ii) any of the obligations of Lender which are servicing obligations delegated to Lender as servicer of the Advances. Fannie Mae has designated Lender as the servicer of the Advances contemplated by the Master Agreement.

C. Borrower has requested that Lender make a Future Advance pursuant to the Master Agreement and that the Mortgaged Properties commonly known as (1) Cedarcrest Village, located in Cumberland County, New Jersey, (2) Brookview Village, located in Saratoga County, New York, (3) Cranberry Village, located in Butler County, Pennsylvania, (4) D&R Village, located in Saratoga County, New York, (5) Hayden Heights, located in Franklin County, Ohio, (6) Kinnebrook Estates, located in Sullivan County, New York, (7) Olmsted Falls, located in

Cuyahoga County, Ohio, (8) Shady Hills, located in Davidson County, Tennessee, (9) Trailmont, located in Davidson County, Tennessee, and (10) Weatherly Estates, located in Wilson County, Tennessee (together, individually and collectively, the “**Additional Mortgaged Property**”) be added to the Collateral Pool.

D. Additional Borrower desires to join into the Master Agreement as if it were an Original Borrower thereunder.

E. The parties are executing this Amendment pursuant to the Master Agreement to reflect (i) the making of a Future Advance by Lender in the amount of \$101,392,000 (the “**Tranche 6 Advance**”); (ii) the addition of the Additional Mortgaged Property to the Collateral Pool; and (iii) the joinder of Additional Borrower into the Master Agreement and other Loan Documents.

AGREEMENT

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and agreements contained in this Amendment and the Master Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

Section 1. Recitals. The recitals set forth above are incorporated herein by reference as if fully set forth in the body of this Amendment.

Section 2. Future Advance. In connection with this Amendment, Lender is making the Tranche 6 Advance to Borrower.

Section 3. Addition of Mortgaged Property. The Additional Mortgaged Property is hereby added to the Collateral Pool under the Master Agreement.

Section 4. Joinder. Additional Borrower hereby joins the Master Agreement and Loan Documents as if it were an Original Borrower thereunder. Borrower agrees that all references to “Borrower” in the Loan Documents (including, but not limited to, the Master Agreement and the Note) shall be deemed to include Additional Borrower and Original Borrower, and all references to “Mortgaged Property” in the Loan Documents (other than the Security Instruments executed by Original Borrower) shall be deemed to include the Additional Mortgaged Property.

Section 5. Reaffirmation and Consent. Original Borrower hereby reaffirms its obligations pursuant to the Master Agreement and consents to the terms hereof.

Section 6. Maintenance Obligations. Article 6 (Property Use, Preservation, and Maintenance) of the Master Agreement is hereby amended by adding the following new Section 6.05 at the end thereof:

Section 6.05 Maintenance Obligations

(a) At any time that the property known as Trailmont (TN) is a Mortgaged Property under this Master Agreement, the following provision shall apply:

(i) Borrower has not defaulted, and shall not default (beyond any applicable notice and cure periods) upon its maintenance obligations under that certain Declaration of Restrictions and Covenants for Stormwater Facilities and Systems recorded on November 21, 2018, in Batch #164379 ESMT, as Instrument No. 20181121-0114590, in the Register's Office of Davidson County, Tennessee, encumbering the Mortgaged Property known as Trailmont, which default would permit the Metro Water, Property Services, to exercise self-help to maintain the stormwater facilities and systems located on the Trailmont Mortgaged Property.

Section 7. Summary of Master Terms. Schedule 2 of the Master Agreement is hereby amended by deleting Section I of the Summary of Master Terms and replacing it with Section I of the Summary of Master Terms attached hereto.

Section 8. Schedule of Advance Terms. Schedule 3 to the Master Agreement is hereby supplemented with Schedule 3.6 attached hereto.

Section 9. Prepayment Premium Schedule. Schedule 4 to the Master Agreement is hereby supplemented with Schedule 4.6 attached hereto.

Section 10. Required Replacement Schedule. Schedule 5 to the Master Agreement is hereby supplemented with Schedule 5.5 attached hereto.

Section 11. Required Repair Schedule. Schedule 6 to the Master Agreement is hereby supplemented with Schedule 6.4 attached hereto.

Section 12. Ownership Interests Schedule. Schedule 13 to the Master Agreement is hereby amended and restated with Schedule 13 attached hereto.

Section 13. Exceptions to Representations and Warranties. Schedule 16 to the Master Agreement (Exceptions to Representations and Warranties Schedule) is hereby amended by adding Schedule 16.5, attached hereto.

Section 14. Oil, Gas and Mineral Rights. Schedule 19 to the Master Agreement (Oil, Gas and Mineral Rights) is hereby amended by adding Schedule 19.3, attached hereto.

Section 15. Expansion Structure General Terms. Schedule 21 to the Master Agreement (Expansion Structure General Terms) is hereby amended by adding Schedule 21.1, attached hereto.

Section 16. Surveys. Schedule 23 to the Master Agreement (Surveys) is hereby amended by adding Schedule 23.3, attached hereto.

Section 17. Waiver of Insurance Imposition Deposits. Schedule 25 and Schedule 25.1 (Waiver of Insurance Imposition Deposits) are hereby deleted in their entirety, and replaced with Schedule 25 attached hereto.

Section 18. Manufactured Housing Community Schedule. Schedule 26.1 (Manufactured Housing Community) and Schedule 26-A-1 (Addenda to Schedule 2 – Manufactured Housing Community) are hereby amended by adding Schedule 26.2 (Manufactured Housing Community) and Schedule 26-A-2 (Addenda to Schedule 26.2 – Manufactured Housing Community) to the Master Agreement.

Section 19. Legal Non-Conforming Status. Schedule 27 (Legal Non-Conforming Status) is hereby amended by adding Schedule 27.1 attached hereto.

Section 20. Exhibit A. Exhibit A to each of the Master Agreement and the Environmental Indemnity Agreement is hereby deleted in its entirety and replaced with Exhibit A attached hereto.

Section 21. General Conditions Schedule. Schedule 7 to the Master Agreement (General Conditions Schedule) is hereby amended by adding the following new subsection (i) at the end thereof:

(i) New York Mortgages.

In connection with the payment in full of one or more Advances Outstanding, if directed by Lender, Borrower shall, at Borrower's election, either Release one or more New York Mortgaged Properties in conjunction with the repayment in accordance with the Mortgaged Property Release Schedule, or, restructure the remaining New York Security Instruments and Title Policies so that following the repayment (and any associated Mortgaged Property Release, if any) Lender continues to benefit from one or more insured New York Security Instruments that secure one hundred twenty-five percent (125%) of the aggregate Allocable Loan Amounts associated with the New York Mortgaged Properties remaining in the Collateral Pool and securing the remaining Advances Outstanding.

Section 22. Capitalized Terms. All capitalized terms used in this Amendment which are not specifically defined herein shall have the respective meanings set forth in the Master Agreement.

Section 23. Full Force and Effect. Except as expressly modified by this Amendment, all terms and conditions of the Master Agreement shall continue in full force and effect.

Section 24. Counterparts. This Amendment may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

Section 25. Applicable Law. The provisions of Section 15.01 of the Master Agreement (Choice of Law; Consent to Jurisdiction) and Section 15.02 (Waiver of Jury Trial) are hereby incorporated into this Amendment by this reference to the fullest extent as if the text of such provisions were set forth in their entirety herein.

Section 26. Authorization. Borrower represents and warrants that Borrower is duly authorized to execute and deliver this Amendment and is and will continue to be duly authorized to perform its obligations under the Master Agreement, as amended hereby.

Section 27. Compliance with Loan Documents. The representations and warranties set forth in the Loan Documents executed or assumed by Borrower, as amended hereby, are true and correct with the same effect as if such representations and warranties had been made on the date hereof, except for such changes as are specifically permitted under the Loan Documents. In addition, Borrower has complied with and is in compliance with all of its covenants set forth in the Loan Documents, as amended hereby.

Section 28. No Event of Default. Borrower represents and warrants that, as of the date hereof, no Event of Default under the Loan Documents executed or assumed by Borrower, as amended hereby, or event or condition which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, has occurred and is continuing.

Section 29. Costs. Borrower agrees to pay all fees and costs (including attorneys' fees) incurred by Fannie Mae and Lender in connection with this Amendment.

Section 30. Additional Origination Fee. Borrower agrees to pay to Lender an Additional Origination Fee equal to \$506,960.00 on the date of the execution and delivery of this Amendment.

Section 31. Continuing Force and Effect of Loan Documents. Except as specifically modified or amended by the terms of this Amendment, all other terms and provisions of the Master Agreement and the other Loan Documents are incorporated by reference herein and in all respects shall continue in full force and effect. Each Borrower, by execution of this Amendment, hereby reaffirms, assumes and binds itself to all of the obligations, duties, rights, covenants, terms and conditions that are contained in the Master Agreement and the other Loan Documents executed or assumed by it, including Section 15.01 of the Master Agreement (Choice of Law; Consent to Jurisdiction), Section 15.02 (Waiver of Jury Trial), Section 15.05 (Counterparts), Section 15.08 (Severability; Entire Agreement; Amendments) and Section 15.09 (Construction) of the Master Agreement

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Amendment under seal (where applicable) or have caused this Amendment to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where Applicable Law so provides, the parties hereto intend that this Amendment shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

UMH MD CINNAMON WOODS, LLC,
UMH OH BUCKEYE, LLC,
UMH OH BUCKEYE II, LLC,
UMH OH HILLCREST, LLC,
UMH OH LAKEVIEW, LLC,
UMH OH MARYSVILLE ESTATES, LLC,
UMH OH WAYSIDE, LLC,
UMH PA CROSSROADS VILLAGE, LLC,
UMH PA HIGH VIEW ACRES, LLC,
UMH PA HILLCREST CROSSING, LLC,
UMH PA HUNTINGDON POINTE, LLC,
UMH PA MOUNT PLEASANT VILLAGE, LLC,
UMH PA SOMERSET ESTATES, LLC,
UMH PA THREE RIVERS, LLC,
UMH PA VOYAGER ESTATES, LLC,
UMH IN FOREST CREEK, LLC,
UMH IN OAK RIDGE ESTATES, LLC,
UMH IN TWIN PINES, LLC,
UMH MI BIRCHWOOD FARMS, LLC,
UMH OH COLONIAL HEIGHTS, LLC,
UMH OH MEADOWOOD, LLC,
UMH OH SOUTHERN TERRACE, LLC,
UMH PA VALLEY VIEW-HONEY BROOK, LLC,
UMH NJ CEDARCREST, LLC,
UMH NY BROOKVIEW MHP, LLC,
UMH PA CRANBERRY VILLAGE, LLC,
UMH NY D&R VILLAGE, LLC,
UMH OH HAYDEN HEIGHTS, LLC,
UMH NY KINNEBROOK MHP, LLC,
UMH OH OLMSTED FALLS, LLC,
UMH TN SHADY HILLS MHP, LLC,
UMH TN TRAILMONT MHP, LLC,
UMH TN WEATHERLY ESTATES, LLC,
each a Delaware limited liability company

By: 

Name: Craig Koster

Title: General Counsel and Secretary

**UMH NY COLLINGWOOD, LLC,
UMH NY BROOKVIEW, LLC,**
each a New York limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

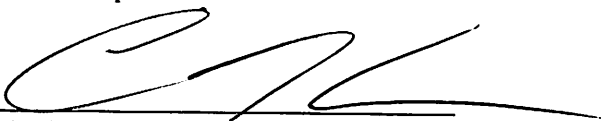
**UMH PA ATHENS, LLC,
UMH PA CHAMBERSBURG, LLC,
UMH PA ROLLING HILLS ESTATES, LLC,
UMH PA BROOKSIDE VILLAGE, LLC,
UMH PA MAPLE MANOR, LLC,
UMH PA MOOSIC HEIGHTS, LLC,
UMH PA PLEASANT VIEW, LLC,**
each a Pennsylvania limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH TN COUNTRYSIDE VILLAGE, LLC,
a Tennessee limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UNITED MOBILE HOMES OF BUFFALO, INC.,
a New York corporation

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH CENTRAL OH, LLC,
UMH NORTHERN OH, LLC,
each an Ohio limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

LENDER:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, a national banking association

By:  (SEAL)
Name: Christian Adrian
Title: Managing Director

FANNIE MAE:

FANNIE MAE, the corporation duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 et seq. and duly organized and existing under the laws of the United States

By: Michael W. Dick

Name: Michael W. Dick

Title: Assistant Vice President

SCHEDULES & EXHIBITS

The Schedules & Exhibits list attached to the Master Agreement is hereby deleted in its entirety and restated as follows:

SCHEDULES & EXHIBITS

Annex

Annex I	List of Original Borrowers
Annex II	List of Additional Borrowers

Schedules:

Schedule 1	Definitions Schedule – General
Schedule 2	Summary of Master Terms
Schedule 3.1	Schedule of Advance Terms (Fixed)
Schedule 3.2	Schedule of Advance Terms (Fixed)
Schedule 3.3	Schedule of Advance Terms (Fixed)
Schedule 3.4	Schedule of Advance Terms (Fixed)
Schedule 3.5	Schedule of Advance Terms (Fixed)
Schedule 3.6	Schedule of Advance Terms (Fixed)
Schedule 4.1	Prepayment Premium Schedule (Fixed)
Schedule 4.2	Prepayment Premium Schedule (Fixed)
Schedule 4.3	Prepayment Premium Schedule (Fixed)
Schedule 4.4	Prepayment Premium Schedule (Fixed)
Schedule 4.5	Prepayment Premium Schedule (Fixed)
Schedule 4.6	Prepayment Premium Schedule (Fixed)
Schedule 5	Required Replacement Schedule
Schedule 5.2	Required Replacement Schedule
Schedule 5.3	Required Replacement Schedule
Schedule 5.4	Required Replacement Schedule
Schedule 5.5	Required Replacement Schedule
Schedule 6	Required Repair Schedule
Schedule 6.2	Required Repair Schedule
Schedule 6.3	Required Repair Schedule
Schedule 6.4	Required Repair Schedule
Schedule 7	General Conditions Schedule
Schedule 8	Property-Related Documents Schedule
Schedule 9	Conversion Schedule
Schedule 10	Mortgaged Property Release Schedule
Schedule 11	Mortgaged Property Addition Schedule
Schedule 12	Intentionally Omitted
Schedule 13	Ownership Interests Schedule
Schedule 14	Future Advance Schedule
Schedule 15	Letter of Credit Schedule
Schedule 16	Exceptions to Representations and Warranties Schedule
Schedule 16.2	Exceptions to Representations and Warranties Schedule
Schedule 16.3	Exceptions to Representations and Warranties Schedule
Schedule 16.4	Exceptions to Representations and Warranties Schedule
Schedule 16.5	Exceptions to Representations and Warranties Schedule

**Reaffirmation, Joinder and Fifth
Amendment to Master Credit Facility
Agreement
List of Schedules & Exhibits
UMH Third Addition/Wells Fargo**

**Form 6601.MCFA.SOFR
09-20**

**Schedules & Exhibits 1
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Schedule 17	SPE Requirements Schedule	
Schedule 18	Additional Reserve Escrows	Form 6268 [04-20]
Schedule 18-A	Addenda to Schedule 2 (Additional Reserve Escrows)	
Schedule 19	Oil, Gas, Mineral Rights for Additional Mortgaged Properties	Form 6262 [12-17]
Schedule 19.1	Oil, Gas, Mineral Rights for Additional Mortgaged Properties	Form 6262 [12-17]
Schedule 19.2	Oil, Gas, Mineral Rights for Additional Mortgaged Properties	Form 6262 [12-17]
Schedule 19.3	Oil, Gas, Mineral Rights for Additional Mortgaged Properties	Form 6262 [12-17]
Schedule 20	Manufactured Housing Communities	Form 6208
	Annex A: Public and Private Sewer Hook-Ups, Public Water Hook-Up, and Private Well Water System	[modified][01-16]
Schedule 20-A	Addenda to Schedule 2 (Manufactured Housing Communities)	Form 6102.01 [modified][08-13]
Schedule 21	Expansion Structure General Terms	
Schedule 21.1	Expansion Structure General Terms	
Schedule 22	Ground Lease Defaults	
Schedule 23	Surveys	
Schedule 23.1	Existing Surveys for Additional Mortgaged Properties	
Schedule 23.2	Existing Surveys for Additional Mortgaged Properties	
Schedule 23.3	Existing Surveys for Additional Mortgaged Properties	
Schedule 24	UMH Homes	
Schedule 24.1	Tranche 3 Additional UMH Homes	
Schedule 25	Waiver of Imposition Deposits	
Schedule 26	Manufactured Housing Communities (with respect only to the Additional Mortgaged Properties)	
Schedule 26.1	Manufactured Housing Communities	
Schedule 26.2	Manufactured Housing Communities	
Schedule 26-A	Addenda to Schedule 2 (Manufactured Housing Communities)	
Schedule 26-A-1	Addenda to Schedule 2 (Manufactured Housing Communities)	
Schedule 26-A-2	Addenda to Schedule 2 (Manufactured Housing Communities)	
Schedule 27	Legal Non-Conforming Status	
Schedule 27.1	Legal Non-Conforming Status	
Schedule 28	Ground Lease Defaults	

Exhibits:

Exhibit A	Schedule of Mortgaged Properties and Initial Valuations
Exhibit B	Conversion Request
Exhibit C	Release Request
Exhibit D	Addition Request
Exhibit E	Future Advance Request
Exhibit F	Termination Request
Exhibit G	Annual Certification (Borrower)
Exhibit H	Annual Certification (Guarantor)
Exhibit I	Confirmation of Guaranty
Exhibit J	Confirmation of Environmental Indemnity Agreement
Exhibit K-1	Organizational Certificate (Borrower)
Exhibit K-2	Organizational Certificate (Guarantor)
Exhibit L	Confirmation of Obligations
Exhibit M	Completion and Expansion Agreement
Exhibit N	Completion Guaranty

Borrower hereby acknowledges and agrees that the Schedules and Exhibits referenced above are hereby incorporated fully into the Master Agreement by this reference and each constitutes a substantive part of the Master Agreement.

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Borrower Initials

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ANNEX I

List of Original Borrowers

1. UMH PA Three Rivers, LLC
2. UMH PA Chambersburg, LLC
3. UMH MD Cinnamon Woods, LLC
4. UMH NY Collingwood, LLC
5. UMH OH Buckeye II, LLC
6. UMH TN Countryside Village, LLC
7. UMH PA Athens, LLC
8. UMH PA Crossroads Village, LLC
9. UMH Central OH, LLC
10. UMH Northern OH, LLC
11. UMH PA High View Acres, LLC
12. UMH PA Hillcrest Crossing, LLC
13. UMH OH Hillcrest, LLC
14. UMH PA Huntingdon Pointe, LLC
15. UMH OH Lakeview, LLC
16. UMH OH Marysville Estates, LLC
17. UMH PA Mount Pleasant Village, LLC
18. UMH PA Rolling Hills Estates, LLC
19. UMH PA Somerset Estates, LLC
20. UMH OH Buckeye, LLC
21. UMH PA Voyager Estates, LLC
22. UMH OH Wayside, LLC
23. United Mobile Homes of Buffalo, Inc.
24. UMH PA Brookside Village, LLC
25. UMH PA Maple Manor, LLC
26. UMH PA Moosic Heights, LLC
27. UMH PA Pleasant View, LLC
28. UMH IN Forest Creek, LLC
29. UMH IN Oak Ridge Estates, LLC
30. UMH IN Twin Pines, LLC
31. UMH MI Birchwood Farms, LLC
32. UMH OH Colonial Heights, LLC
33. UMH OH Meadowood, LLC
34. UMH OH Southern Terrace, LLC
35. UMH PA Valley View-Honey Brook, LLC

ANNEX II

List of Additional Borrowers

1. UMH NJ Cedarcrest, LLC (DE)
2. UMH NY Brookview MHP, LLC (DE)
3. UMH NY Brookview, LLC (NY)
4. UMH PA Cranberry Village, LLC (DE)
5. UMH NY D&R Village, LLC (DE)
6. UMH OH Hayden Heights, LLC (DE)
7. UMH NY Kinnebrook MHP, LLC (DE)
8. UMH OH Olmsted Falls, LLC (DE)
9. UMH TN Shady Hills MHP, LLC (DE)
10. UMH TN Trailmont MHP, LLC (DE)
11. UMH TN Weatherly Estates, LLC (DE)

SCHEDULE 2
TO MASTER CREDIT FACILITY AGREEMENT

Summary of Master Terms

I. GENERAL PARTY AND MANUFACTURED HOME COMMUNITY PROJECT INFORMATION	
Borrower	1. UMH PA Three Rivers, LLC, a Delaware limited liability company 2. UMH PA Chambersburg, LLC, a Pennsylvania limited liability company 3. UMH MD Cinnamon Woods, LLC, a Delaware limited liability company 4. UMH NY Collingwood, LLC, a New York limited liability company 5. UMH OH Buckeye II, LLC, a Delaware limited liability company 6. UMH TN Countryside Village, LLC, a Tennessee limited liability company 7. UMH PA Athens, LLC, a Pennsylvania limited liability company 8. UMH PA Crossroads Village, LLC, a Delaware limited liability company 9. UMH Central OH, LLC, an Ohio limited liability company 10. UMH Northern OH, LLC, an Ohio limited liability company 11. UMH PA High View Acres, LLC, a Delaware limited liability company 12. UMH PA Hillcrest Crossing, LLC, a Delaware limited liability company 13. UMH OH Hillcrest, LLC, a Delaware limited liability company 14. UMH OH Buckeye, LLC, a Delaware limited liability company 15. UMH PA Huntingdon Pointe, LLC, a Delaware limited liability company 16. UMH OH Lakeview, LLC, a Delaware limited liability company 17. UMH OH Marysville Estates, LLC, a Delaware limited liability company 18. UMH PA Mount Pleasant Village, LLC, a Delaware limited liability company

	19. UMH PA Rolling Hills Estates, LLC, a Pennsylvania limited liability company 20. UMH PA Somerset Estates, LLC, a Delaware limited liability company 21. UMH PA Voyager Estates, LLC, a Delaware limited liability company 22. UMH OH Wayside, LLC, a Delaware limited liability company 23. United Mobile Homes of Buffalo, Inc., a New York corporation 24. UMH PA Brookside Village, LLC, a Pennsylvania limited liability company 25. UMH PA Maple Manor, LLC, a Pennsylvania limited liability company 26. UMH PA Moosic Heights, LLC, a Pennsylvania limited liability company 27. UMH PA Pleasant View, LLC, a Pennsylvania limited liability company 28. UMH IN Forest Creek, LLC, a Delaware limited liability company 29. UMH IN Oak Ridge Estates, LLC, a Delaware limited liability company 30. UMH IN Twin Pines, LLC, a Delaware limited liability company 31. UMH MI Birchwood Farms, LLC, a Delaware limited liability company 32. UMH OH Colonial Heights, LLC, a Delaware limited liability company 33. UMH OH Meadowood, LLC, a Delaware limited liability company 34. UMH OH Southern Terrace, LLC, a Delaware limited liability company 35. UMH PA Valley View-Honey Brook, LLC, a Delaware limited liability company 36. UMH NJ Cedarcrest, LLC, a Delaware limited liability company 37. UMH NY Brookview MHP, LLC, a Delaware limited liability company 38. UMH PA Cranberry Village, LLC, a Delaware limited liability company 39. UMH NY D&R Village, LLC, a Delaware limited liability company

	40. UMH OH Hayden Heights, LLC, a Delaware limited liability company 41. UMH NY Kinnebrook MHP, LLC, a Delaware limited liability company 42. UMH OH Olmsted Falls, LLC, a Delaware limited liability company 43. UMH TN Shady Hills MHP, LLC, a Delaware limited liability company 44. UMH TN Trailmont MHP, LLC, a Delaware limited liability company 45. UMH TN Weatherly Estates, LLC, a Delaware limited liability company 46. UMH NY Brookview, LLC, a New York limited liability company
Lender	Wells Fargo Bank, National Association
Key Principal	UMH Properties, Inc., a Maryland corporation
Guarantor	UMH Properties, Inc.
Manufactured Home Community Project	1. 51 Estates 2. Carson's 3. Chambersburg I and II 4. Cinnamon Woods 5. Collingwood 6. Countryside Estates 7. Countryside Village 8. Crestview 9. Crossroads Village 10. Dallas MHC 11. Deer Meadows Manufactured Home Community 12. Evergreen Estates 13. Evergreen Village 14. High View Acres 15. Hillcrest Crossing 16. Hillcrest Estates 17. Hudson Estates 18. Huntingdon Pointe 19. Lakeview Meadows

	20. Marysville Estates and Storage 21. Mount Pleasant Village 22. New Colony Mobile Home Park 23. Rolling Hill Estates 24. Somerset Estates and Whispering Pines 25. Summit Estates 26. Voyager Mobile Home Estates 27. Wayside Estates 28. Woodland Manor 29. Brookside Village 30. Maple Manor 31. Moosic Heights 32. Pleasant View 33. Forest Creek 34. Oak Ridge Estates 35. Twin Pines 36. Birchwood Farms 37. Colonial Heights 38. Meadowood 39. Southern Terrace 40. Valley View – Honeybrook 41. Cedarcrest Village 42. Brookview Village 43. Cranberry Village 44. D&R Village 45. Hayden Heights 46. Kinnebrook Estates 47. Olmsted Falls 48. Shady Hills 49. Trailmont 50. Weatherly Estates
ADDRESSES	
Borrower's General Business Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728
Borrower's Notice Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728 Attention: Anna T. Chew

	Email: achew@umh.com
Manufactured Home Community Project Address	<u>51 Estates</u> 2770 PA-51 Elizabeth, PA 15037 <u>Carson's</u> 649 North Franklin St. Chambersburg, PA 17201 <u>Chambersburg I and II</u> 4660 Sycamore Grove Road and 5368 Philadelphia Ave Chambersburg, PA 17202 <u>Cinnamon Woods</u> 70 Curry Ave Conowingo, MD 21918 <u>Collingwood</u> 358 Chambers Road Horseheads, NY 14845 <u>Countryside Estates</u> 6605 State Route 5 Ravenna, OH 44266 <u>Countryside Village</u> 200 Early Road Columbia, TN 38401 <u>Crestview</u> Wolcott Hollow Road Athens, PA 18810 <u>Crossroads Village</u> 549 Chicory Lane Mt. Pleasant, PA 15666 <u>Dallas MHC</u> 1104 N 4th Street Toronto, OH 43964 <u>Deer Meadows Manufactured Home Community</u>

	12921 Springfield Rd. New Springfield, OH 44443 <u>Evergreen Estates</u> 425 Medina St. Lodi, OH 44254 <u>Evergreen Village</u> 9294 State Route 44 Mantua, OH 44255 <u>High View Acres</u> 399 Blue Jay Lane Apollo, PA 15613 <u>Hillcrest Crossing</u> 100 Lorraine Drive Lower Burrell, PA 15068 <u>Hillcrest Estates</u> 14200 Industrial Parkway Marysville, OH 43040 <u>Hudson Estates</u> 100 Keenan Rd. Peninsula, OH 44264 <u>Huntingdon Pointe</u> 240 Tee Drive Tarrs, PA 15688 <u>Lakeview Meadows</u> 11900 Duff Road Lakeview, OH 43331 <u>Marysville Estates and Storage</u> 506 North Main Street Marysville, OH 43040 <u>Mount Pleasant Village</u> 1 Village Drive Mt. Pleasant, PA 15666

	<u>New Colony Mobile Home Park</u> 3101 Homestead Duquesne Rd. West Mifflin, PA 15122 <u>Rolling Hill Estates</u> 14 Tip Top Circle Carlisle, PA 17015 <u>Somerset Estates And Whispering Pines</u> 1873 Husband Road Somerset, PA 15501 <u>Summit Estates</u> 3305 Summit Rd. Ravenna, OH 44266 <u>Voyager Mobile Home Estates</u> 1002 Satellite Drive West Newton, PA 15089 <u>Wayside Estates</u> 1000 Garfield Avenue Bellefontaine, OH 43311 <u>Woodland Manor</u> 338 County Route 11 West Monroe, NY 13167 <u>Brookside Village</u> 107 Skyline Drive Berwick, PA 18603 <u>Maple Manor</u> 18 William Street Taylor, PA 18517 <u>Moosic Heights</u> 118 1st Street Avoca, PA 18641 <u>Pleasant View</u> 6020 Fort Jenkins Lane Bloomsburg, PA 17815

	<u>Forest Creek</u> 885 E. Mishawaka Road Elkhart, IN, 46517 <u>Oak Ridge Estates</u> 1201 County Road 15 Elkhart, IN, 46516 <u>Twin Pines</u> 2011 West Wilden Avenue Goshen, IN, 46528 <u>Birchwood Farms</u> 8057 Birchwood Drive Birch Run, MI, 48415 <u>Colonial Heights</u> 917 Two Ridge Road Wintersville, OH, 43953 <u>Meadowood</u> 9555 Struthers Road New Middletown, OH, 44442 <u>Southern Terrace</u> 1229 Columbiana-Lisbon Rd. Columbiana, OH, 44408 <u>Valley View - Honeybrook</u> 1 Mark Lane Honey Brook, PA, 19344 <u>Cedarcrest Village</u> 1976 North East Avenue Vineland, NJ 08360 <u>Brookview Village</u> 2025 Route 9N Greenfield Center, NY 12833 <u>Cranberry Village</u> 100 Treesdale Drive

	Cranberry Township, PA 16066 <u>D&R Village</u> 430 Route 146 Clifton Park, NY 12065 <u>Hayden Heights</u> 5501 Cosgray Road Dublin, OH 43016 <u>Kinnebrook Estates</u> 315 State Route 17B Monticello, NY 12701 <u>Olmsted Falls</u> 26875 Bagley Road Olmsted Falls, OH 44138 <u>Shady Hills</u> 1508 Dickerson Pike Nashville, TN 37207 <u>Trailmont</u> 122 Hillcrest Road Goodlettsville, TN 37072 <u>Weatherly Estates</u> 271 Weatherly Drive Lebanon, TN 37087
Key Principal's General Business Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728
Key Principal's Notice Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728 Attention: Anna T. Chew Email: achew@umh.com
Guarantor's General Business Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728
Guarantor's Notice Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728

	Attention: Anna T. Chew Email: achew@umh.com
Lender's General Business Address	Wells Fargo Bank, National Association 1751 Pinnacle Drive, 8th Floor McLean, VA 22102
Lender's Notice Address	Wells Fargo Bank, National Association 1751 Pinnacle Drive, 8th Floor McLean, VA 22102
Lender's Payment Address	Wells Fargo Bank, National Association 1751 Pinnacle Drive, 8th Floor McLean, VA 22102
Facility Minimum Underwriting Strike Rate	N/A

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SCHEDULE 3.6
TO MASTER CREDIT FACILITY AGREEMENT

Schedule of Advance Terms

FIXED ADVANCES

I. INFORMATION FOR \$101,392,000 FIXED ADVANCE MADE MAY 15, 2025	
Advance Amount	\$101,392,000
Advance Term	One Hundred Twenty (120) months
Advance Year	The period beginning on the Effective Date and ending on the last day of May, 2026, and each successive twelve (12) month period thereafter
Amortization Period	Zero (0) months
Amortization Type	[Select <u>only</u> one:] ☐ Amortizing ☒ Full Term Interest Only ☐ Partial Interest Only
Effective Date	May 15, 2025
First Payment Date	The first day of July, 2025
First Principal and Interest Payment Date	N/A
Fixed Rate	5.855%

Interest Accrual Method	[Select <u>only</u> one:] ☐ 30/360 (computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months) or ☒ Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Advance by the Interest Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month)
Interest Only Term	One Hundred Twenty (120) months
Interest Rate	The Fixed Rate
Interest Rate Type	Fixed Rate
Last Interest Only Payment Date	N/A
Maturity Date	The first day of June, 2035, or any earlier date on which the unpaid principal balance of the Advance becomes due and payable by acceleration or otherwise

Monthly Debt Service Payment	(i) \$494,708.47 for the First Payment Date; and (ii) for each Payment Date thereafter until the Advance is fully paid: (a) \$461,727.90 if the prior month was a 28-day month; (b) \$478,218.18 if the prior month was a 29-day month; (c) \$494,708.47 if the prior month was a 30-day month; and (d) \$511,198.75 if the prior month was a 31-day month
Prepayment Lockout Period	The 0 Advance Year of the term of the Advance
Remaining Amortization Period	N/A
II. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION	
Yield Maintenance Period End Date <u>or</u> Prepayment Premium Period End Date	The last day of November, 2034
Yield Maintenance Period Term <u>or</u> Prepayment Premium Period Term	One Hundred Fourteen (114) months

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SCHEDULE 4.6
TO MASTER CREDIT FACILITY AGREEMENT

Prepayment Premium Schedule

(Standard Yield Maintenance – Fixed Rate)

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in this Master Agreement.

2. Prepayment Premium.

Any Prepayment Premium payable under Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of this Master Agreement shall be computed as follows:

(a) If the prepayment is made at any time after the Effective Date and before the Yield Maintenance Period End Date, the Prepayment Premium shall be the greater of:

(1) one percent (1%) of the amount of principal being prepaid; or

(2) the product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Fixed Rate on the Advance, the Yield Rate (as defined below) on the twenty-fifth Business Day preceding (i) the Intended Prepayment Date, or (ii) the date Lender accelerates the Advance or otherwise accepts a prepayment pursuant to Section 2.06 (Application of Collateral) of this Master Agreement,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

r

[r = Yield Rate

n = the number of months remaining between (i) either of the following: (x) in the case of a voluntary prepayment, the last

day of the month in which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of the Advance and (ii) the Yield Maintenance Period End Date.

For purposes of this clause (2), the “**Yield Rate**” means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the “**Fed Release**”) under the heading “U.S. government securities”) closest to the remaining term of the Yield Maintenance Period Term, as follows (rounded to three (3) decimal places):

$a =$ the yield for the longer U.S. Treasury constant maturity

$b =$ the yield for the shorter U.S. Treasury constant maturity

$x =$ the term of the longer U.S. Treasury constant maturity

$y =$ the term of the shorter U.S. Treasury constant maturity

$z =$ “n” (as defined in the present value factor calculation above) divided by twelve (12).

For purposes of this clause (2), if the Yield Rate is calculated to be zero, the number 0.00001 shall be deemed to be the Yield Rate.

Notwithstanding any provision to the contrary, if “z” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.]

(b) If the prepayment is made on or after the Yield Maintenance Period End Date but before the last calendar day of the fourth month prior to the month in which the Maturity Date occurs, the Prepayment Premium shall be one percent (1%) of the amount of principal being prepaid.

(c) Notwithstanding the provisions of Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of this Master Agreement, no Prepayment Premium shall be payable with respect to any prepayment made on or after the last calendar day of the fourth month prior to the month in which the Maturity Date occurs.

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SCHEDULE 5.5
TO MASTER CREDIT FACILITY AGREEMENT

Redacted

SCHEDULE 6.4
TO MASTER CREDIT FACILITY AGREEMENT

Redacted

SCHEDULE 13.3
TO MASTER CREDIT FACILITY AGREEMENT

Redacted

**SCHEDULE 16.5 TO
MASTER CREDIT FACILITY AGREEMENT**

Exceptions to Representations and Warranties Schedule

None.

**SCHEDULE 19.3
TO MASTER AGREEMENT**

Oil, Gas, and Mineral Rights

The foregoing Master Agreement is hereby modified with respect the Additional Mortgaged Properties known as Cranberry Village:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in this Master Agreement.

2. Section 6.01(b) (Property Characteristics) is hereby amended by adding the following provision to the end thereof:

No surface or subsurface activity relating to the exploration, excavation, or removal of oil, gas, or other minerals from or about the Additional Mortgaged Property is on-going and, to Borrower's knowledge, none is planned by any Person.

3. Section 6.02(b) (Property Maintenance) is hereby amended by adding the following provision to the end thereof:

(8) give written notice to Lender of any notice received or knowledge obtained that any Person intends to conduct surface or subsurface activity on, or use the Additional Mortgaged Property for, the exploration, excavation, or removal of oil, gas, or other minerals from or about the Additional Mortgaged Property. Borrower shall indemnify and hold Lender harmless for, from, and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, costs, or expenses, including litigation costs and reasonable attorneys' fees, arising from, or in any way connected with or related to, any surface or subsurface activity on, or use of, the Additional Mortgaged Property for the exploration, excavation, or removal of oil, gas, or other minerals from or about the Additional Mortgaged Property.

SCHEDULE 21.1 TO

MASTER CREDIT FACILITY AGREEMENT

Expansion Structure General Terms (Brookview Village)

Purpose: To allow for the construction of (i) up to 40 additional pads at the Mortgaged Property known as Brookview Village (the “**Brookview Project**”). The cost of these improvements in connection with the Brookview Project will be funded solely with additional equity contributed to the Borrower.

Pre-Approval Condition: With respect to an apparent deed restriction preventing placement on the Brookview Village Mortgaged Property of “trailers, trailer parks or other types of mobile dwellings” contained in that certain Deed, dated July 21, 1998, recorded in Book 1495 Page 752 on July 13, 1998 in the Saratoga County Clerk’s Office, New York, by and between Leo I. Malossi and Dolores G. Malossi, and United Mobile Homes, Inc., as a condition to Lender’s approval of the Brookview Project, Borrower must provide evidence to Lender’s satisfaction that either (a) the restriction is removed of record or (b) the restriction is not otherwise violated by the terms of the expansion.

Transaction Eligibility: The Brookview Project will be separately subject to Fannie Mae’s pre-review and approval of Lender’s package prepared in connection with the Brookview Project. Among other attributes, Fannie Mae will evaluate the operation of the existing property and documented level of demand for the new units (e.g., waiting lists). Borrower shall execute a Completion and Expansion Agreement for the Brookview Project, in the form of Exhibit M attached to this Master Agreement.

Borrower Equity: Expansion funds provided by the Borrower using all equity. Any source of financing for construction of the Brookview Project shall not be (i) secured by partnership interests; (ii) a lien on any of the Mortgaged Properties in the Collateral Pool ; (iii) a pledge of cash flow on any other Borrower property; (iv) preferred equity or mezzanine financing; (v) a lien or right of offset to the operating account or security interests in the property cash flow for any of Borrower’s properties. Borrower must provide Lender with documentation evidencing that the source of financing will not constitute subordinate financing.

Completion of

Construction: Completion of the Brookview Project, or any portion of the Brookview Project should Borrower elect to complete any such Brookview Project in phases, should occur no later than 18 months from the date of commencement of such phase of such Brookview Project, subject to agreed-upon extensions for force majeure.

**Limit of a Number
of Construction
Activities:** [Reserved]

Monitoring: Fannie Mae's standard construction monitoring processes and requirements will apply, including but not limited to:

- Monthly: Third party inspection reports and title updates;
- Quarterly: Operating statements and rent rolls.

Fees: Borrower shall reimburse Fannie Mae or Servicer, as applicable, within ten (10) Business Days after demand, (i) all reasonable out-of-pocket fees, charges, costs and expenses incurred by Fannie Mae or Servicer in connection with all inspections made by Fannie Mae, Servicer or their respective representatives in carrying out Fannie Mae's responsibility to make certain determinations with respect to each of the Brookview Project; and (ii) a review fee of \$10,000 payable to Servicer.

Guaranty: Full completion and performance guarantees for the Brookview Project, in the form of the Completion Guaranty, Exhibit N of this Master Agreement, will be required from Guarantor. The Completion Guaranty will be released upon satisfactory completion of the Brookview Project as determined by Fannie Mae and Lender.

Legal Fees: All Fannie Mae legal fees to be reimbursed by Borrower.

Contract: A fixed-price general contract for the Brookview Project provided by a general contractor (the "**Contractor**") acceptable in all respects to Lender and Fannie Mae, along with, if required by Lender, a payment and performance bond (the "**Bond**") that will be issued by a surety acceptable in all respects to the Lender and Fannie Mae. Copies of all required permits must be delivered to Lender and Fannie Mae prior to the commencement of the Brookview Project.

SCHEDULE 23.3
TO MASTER CREDIT FACILITY AGREEMENT

Intentionally Blank

SCHEDULE 25
TO MASTER CREDIT FACILITY AGREEMENT

Waiver of Imposition Deposits

The foregoing Master Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in this Master Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“Insurance Impositions” means the premiums for maintaining all Required Insurance Coverage.

“Required Insurance Coverage” means the insurance coverage required pursuant to Article 9 (Insurance) of this Master Agreement and under any other Loan Document.

3. Section 12.02 (Impositions – Covenants) of this Master Agreement is hereby amended by adding the following provisions to the end thereof:

(b) Conditional Waiver of Collection of Imposition Deposits.

(1) Intentionally omitted.

(2) Notwithstanding anything contained in this Section 12.02 (Impositions – Covenants) to the contrary, Lender hereby agrees to waive the collection of Imposition Deposits for Insurance Impositions, provided, that:

(A) Borrower shall pay such Insurance Impositions directly to the carrier or agent ten (10) days prior to expiration or as necessary to prevent the Required Insurance Coverage from lapsing due to non-payment of premiums;

(B) Borrower shall provide Lender with proof of payment acceptable to Lender of all Insurance Impositions within five (5) days after the date such Insurance Impositions are paid; and

(C) Borrower shall cause its insurance agent to provide Lender with such certifications regarding the Required Insurance Coverage as Lender may request from time to time evidencing that the Insurance Impositions have been paid in a timely manner and that all of the Required Insurance Coverage is in full force and effect.

(3) Lender reserves the right to require Borrower to deposit the Imposition Deposits with Lender on each Payment Date for Insurance Impositions in accordance with this Section 12.02 (Impositions – Covenants) upon:

(A) Borrower's failure to pay Insurance Impositions or to provide Lender with proof of payment of Insurance Impositions as required in this Section 12.02(b) (Conditional Waiver of Collection of Imposition Deposits);

(B) Borrower's failure to maintain insurance coverage in accordance with the requirements of Article 9 (Insurance);

(C) the occurrence of any Transfer which is not permitted by the Loan Documents, or any Transfer which requires Lender's consent; or

(D) the occurrence of an Event of Default under any of the other terms, conditions and covenants set forth in this Master Agreement or any of the other Loan Documents.

(4) Except as specifically provided in this Section 12.02(b) (Conditional Waiver of Collection of Imposition Deposits), the provisions of Article 9 (Insurance) shall remain in full force and effect.

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**SCHEDULE 26.2 TO
MASTER CREDIT FACILITY AGREEMENT
MANUFACTURED HOUSING COMMUNITY**

The foregoing Master Agreement is hereby modified only with respect to the Mortgaged Properties known as Cedarcrest Village, Brookview Village, Cranberry Village, D&R Village, Hayden Heights, Kinnebrook Estates, Olmsted Falls, Shady Hills, Trailmont, and Weatherly Estates (individually and collectively, the “**Additional Mortgaged Property**”):

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Master Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“**Borrower Affiliate-Owned Homes**” means, individually and collectively, any Manufactured Homes leased or available for lease to residential tenants now or hereafter owned by a Borrower Affiliate.

“**Borrower-Owned Homes**” means any Manufactured Homes now or hereafter owned by Borrower and located at the Additional Mortgaged Property.

“**Community**” means the manufactured housing community known as the Manufactured Community Name, located on the Additional Mortgaged Property, owned and operated by Borrower, consisting of approximately the Number of Sites (inclusive of the Number of MH Sites identified on the Summary of Master Terms), and related amenities, landscaping, roads and infrastructure.

“**Dwelling Units**” means any unit or space in Improvements located on the Additional Mortgaged Property, other than a Manufactured Home, and leased or available for lease to residential tenants.

“**First Anniversary**” means the first day after the end of one year anniversary of the Effective Date of this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement.

“**Homeowner**” means a Person, other than Borrower or Borrower Affiliate, who owns a Manufactured Home located or to be located in the Community.

“**Implementation Failure**” has the meaning set forth in Section 7.03(c)(2).

“**Implementation Requirement**” has the meaning set forth in Section 7.03(c)(1).

“**Manufactured Community Name**” has the meaning set forth in the Summary of Master Terms.

“Manufactured Home” means a “manufactured home,” as that term is defined in the National Manufactured Home Standards, and any related fixtures and personal property.

“MH Lease” means a residential Lease for the occupancy of a Manufactured Home.

“MH Site” means a lot on the Mortgaged Property leased or anticipated to be leased to a Homeowner or tenant in possession of a Manufactured Home.

“MH Site Lease” means a residential Lease of a Site for a Manufactured Home.

“MH Site Lease Protection Payment” has the meaning set forth in the Summary of Master Terms.

“MH Site Lease Protections” means the applicable rights afforded to an MH Site Lessee, through an MH Site Lease that includes the following minimum benefits (or such greater benefits as may be required by applicable federal, state, or local law):

(a) has an MH Site Lease term of not less than one (1) year, renewable at MH Site Lessee’s election, unless there is good cause for nonrenewal (including, (1) MH Site Lessee being in default under the MH Site Lease at the time of renewal, (2) MH Site Lessee’s serious or repeated violation of the material terms and conditions of the MH Site Lease, or (3) MH Site Lessee’s violation of applicable federal, state, or local law); provided, however, this Section (a) shall not apply to any lease, license, or other rental agreement with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease;

(b) contains a provision that requires Borrower to give MH Site Lessee not less than thirty (30) days’ written notice prior to an increase in the rent payable under the MH Site Lease;

(c) contains a provision that provides for a minimum five (5) day grace period for the non-payment of rent under the MH Site Lease, and the right for MH Site Lessee to cure defaults on rent payments within any applicable cure period set forth in the MH Site Lease, and if such MH Site Lease does not provide for a cure period for defaults on rent payments, then within ten (10) days of the expiration of the foregoing grace period;

(d) contains a provision that allows any Homeowner the right to (1) sell the Manufactured Home without the obligation to first relocate it out of the Community, (2) sublease or assign the MH Site Lease (for the unexpired term remaining) to a purchaser or sublessee of the Manufactured Home without any

unreasonable restraint, provided such purchaser or sublessee otherwise satisfies the Rules and Regulations and all of Borrower's then-applicable credit and background check requirements, (3) post "for sale" signs on the Site, provided, such signs comply with the Rules and Regulations, and (4) sell the Manufactured Home in place within forty-five (45) days after eviction and, during such forty-five (45) day period, Borrower shall allow the Manufactured Home to remain on the Site and connected to public and private utilities; provided, however, nothing in this Section (d) shall preclude Borrower from exercising any other right or remedy available against a tenant under applicable law; and

(e) contains provisions that require Borrower to give MH Site Lessee at least sixty (60) days' written notice of a planned sale or closure of the Community.

"MH Site Lessee" means, individually and collectively, any Homeowner or tenant in possession of a Manufactured Home.

"National Manufactured Home Standards" means the standards for Manufactured Homes set forth in (a) the National Manufactured Home Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.), as amended, and (b) 24 C.F.R. Part 3280 - Manufactured Home Construction and Safety Standards, as amended.

"Number of MH Sites" means the total number of MH Sites on the Additional Mortgaged Property as of the Effective Date, as identified in the Summary of Master Terms, as such number may be increased by forty (40) for the Brookview Village Mortgaged Property once approved by Lender pursuant to Schedule 21.1 of the Master Agreement.

"Number of Sites" means the total number of Sites on the Additional Mortgaged Property as of the Effective Date, as identified in the Summary of Master Terms, as such number may be increased by forty (40) for the Brookview Village Mortgaged Property once approved by Lender pursuant to Schedule 21.1 of the Master Agreement.

"R&R Site Lease Protection Implementation Requirements" means the following requirements in the event that MH Site Lease Protections have been or will be implemented through the Rules and Regulations in compliance with Section 7.02(a)(6): (a) the Rules and Regulations with the MH Site Lease Protections must be posted in a conspicuous, public location within the Mortgaged Property, and (b) Borrower must notify each MH Site Lessee individually in writing (e.g. via a flyer under the door or in the mailbox) that the Rules and Regulations include the MH Site Lease Protections, and such writing must state that the MH Site Lease Protections will inure to the benefit of each MH Site Lessee.

“Rules and Regulations” means written rules and regulations governing tenant conduct for the Community.

“RV Site” means a lot on the Additional Mortgaged Property leased or anticipated to be leased to a recreational vehicle (inclusive of any “park model recreational vehicle”).

“Site” means an MH Site or a lot on the Additional Mortgaged Property leased or anticipated to be leased to an owner of or tenant in possession of a recreational vehicle.

“Site Lease” means, individually and collectively, any (a) MH Site Lease, and (b) residential Lease of a Site for a recreational vehicle.

3. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 3.02(a) (Personal Liability of Borrower (Exceptions to Non-Recourse Provision) – Personal Liability Based on Lender’s Loss) of the Master Agreement is hereby amended by adding the following section 3.02(a)(12) after Section 3.02(a)(11):

(12) failure to timely pay the MH Site Lease Protection Payment pursuant to Section 7.03(c)(2).

4. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 4.01(h) (Borrower Status – Representations and Warranties – Borrower Single Asset Status) of the Master Agreement is hereby amended by adding the following provision to the end thereof:

(21) does not engage in the ownership, retail sale or financing of Manufactured Homes (A) which are occupied only by an on-site property manager and are not otherwise leased or (B) for a short period following a tenant eviction); and

(22) does not include any provision in any MH Site Lease which provides that, upon payment of the stipulated rent or a nominal charge, title to the Manufactured Home shall convey or be conveyed to the lessee.

5. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 4.02(d) (Borrower Status – Covenants – Borrower Single Asset Status) of the Master Agreement is hereby amended by adding the following new language at the end thereof:

(19) shall not engage in the ownership, retail sale or financing of Manufactured Homes (A) which are occupied only by an on-site property

manager and are not otherwise leased or (B) for a short period following a tenant eviction); and

(20) shall not enter into an MH Site Lease which provides that, upon payment of the stipulated rent or a nominal charge, title to the Manufactured Home shall convey or be conveyed to the lessee.

6. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 6.01 (Property Use, Preservation and Maintenance – Representations and Warranties) of the Master Agreement is hereby amended by adding the following provisions to the end thereof:

(h) Manufactured Housing Community.

(1) The Community is located on the Additional Mortgaged Property and is owned and operated by Borrower;

(2) construction of the Community is complete, except as otherwise contemplated in Schedule 21.1;

(3) the Community complies with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(4) all public and private utilities on the Mortgaged Property comply with local conditions and code requirements;

(5) the Community has paved roads;

(6) the Community consists of approximately the Number of Sites and approximately the Number of MH Sites;

(7) the Community has at least fifty (50) MH Sites;

(8) intentionally omitted;

(9) intentionally omitted;

(10) there are no Borrower-Owned Homes;

(11) the total number of Borrower Affiliate-Owned Homes at the Mortgaged Property is set forth in the Summary of Master Terms

(12) no Borrower-Owned Home, if any, is subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Improvements, the Fixtures, the Personalty, or any other part of the

Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien and Permitted Encumbrances;

(13) all Manufactured Homes in the Community conform to the requirements of the National Manufactured Home Standards; provided, however, to the extent any Manufactured Homes located on the Mortgaged Property on the Effective Date were constructed before 1974 and are "grandfathered" in and not subject to and do not conform to the requirements of the National Manufactured Home Standards, such Manufactured Homes comply with all local, state and federal safety requirements;

(14) all Manufactured Homes are professionally skirted;

(15) hitches on all Manufactured Homes are concealed;

(16) the Community has a minimum of one (1) paved parking space per MH Site, which may be on or off-street, as permitted by local ordinance;

(17) *check if applicable:* ☐ the Communities known as N/A have a septic system or a private treatment plant system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity;

(18) *check if applicable:* ☒ applicable law requires public sewer hookup, and the Communities known as Forest Creek, Oak Ridge Estates, Twin Pines, Birchwood Farms, Colonial Heights, Meadowood, Southern Terrace, and Valley View - Honeybrook have established a special escrow to cover all hook-up costs including tap fees; and

(19) *check if applicable:* ☒ applicable law requires public water hookup, and the Communities known as Birchwood Farms, Colonial Heights, Forest Creek, Meadowood, Oak Ridge Estates, Southern Terrace and Twin Pines have established a special escrow to cover all hook-up costs including tap fees, or ☒ the Community known as Valley View - Honeybrook has a private water well system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity.

(20) Commercial income (including the Gross Revenue attributable to recreational vehicles on lease terms of 30 days or less) does not exceed

thirty-five percent (35%) of effective gross income at any individual Additional Mortgaged Property or exceed thirty-five percent (35%) of the net rentable space at any individual Additional Mortgaged Property.

(i) Operation of the Community.

(1) The Community has Rules and Regulations that are appropriate and enforceable and maintain the viability and physical condition of the Community;

(2) Borrower does not own any Manufactured Homes or engage in the retail sale or financing of Manufactured Homes;

(3) each Lease arises from a bona fide lease of the Manufactured Home to a tenant in possession of a Borrower-Owned or Borrower Affiliate-Owned Home;

(4) there are (A) no other agreements between Borrower and a Homeowner other than the MH Site Lease and the Rules and Regulations, and (B) no other agreements between Borrower and a tenant in possession of Manufactured Home other than the MH Site Lease, the MH Lease of a Borrower-Owned Home (if applicable), and the Rules and Regulations; and

(5) Borrower has complied with (and, if there are any Borrower Affiliate-Owned Homes, has caused Borrower Affiliate to comply with) all laws and regulations applicable to (A) the application for credit of each Homeowner (or tenant in possession of a Borrower-Owned Home, a Borrower Affiliate-Owned Home, or a Dwelling Unit or an owner or tenant in possession of a recreational vehicle as applicable), (B) the advertising, making and servicing of each MH Site Lease and any MH Lease (if applicable), and (C) the development, ownership and operation of the Community, including the Federal Trade Commission Act and all rules and regulations promulgated thereunder; the National Manufactured Home Standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

7. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 6.02(a)(2) (Property Use, Preservation and Maintenance – Covenants – Use of Property) of the Master Agreement is hereby deleted and restated in its entirety to read as follows:

(2) convert any individual dwelling units or common areas to commercial use, convert any common area or commercial use to individual dwelling units, convert any MH Site to an RV Site or convert any RV Site to an MH Site;

8. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 6.02 (Property Use, Preservation and Maintenance – Covenants) of the Master Agreement is hereby amended by adding the following provision to the end thereof:

(h) Location of Mortgaged Property; Site Stability.

(1) Any Borrower Affiliate-Owned Homes and any Borrower-Owned Homes shall be located on the Mortgaged Property, Borrower shall not move or permit a move of a Borrower Affiliate-Owned Home or Borrower-Owned Home from the Mortgaged Property without Lender's prior written consent, and any Manufactured Home owned by Borrower or Borrower Affiliate shall be located on the Mortgaged Property;

(2) Borrower shall not permit any Manufactured Home which is not a Borrower-Owned Home to be moved from a Site, except in accordance with the terms of the MH Site Lease for such Manufactured Home;

(3) the Community shall be located on the Mortgaged Property and shall be owned and operated by Borrower;

(4) the Community shall comply with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(5) all public and private utilities on the Mortgaged Property shall comply with local conditions and code requirements;

(6) the Community shall have paved roads;

(7) the Community shall consist of approximately the Number of Sites and the Number of MH Sites;

(8) the Community shall have at least fifty (50) MH Sites;

(9) intentionally omitted;

(10) intentionally omitted;

(11) Borrower shall have clear title to each Borrower-Owned Home, and Borrower Affiliate shall have clear title to each Borrower Affiliate-Owned Home;

(12) no Borrower Affiliate-Owned Home shall be subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien and Permitted Encumbrances;

(13) all Manufactured Homes in the Community shall conform to the requirements of the National Manufactured Home Standards; provided, however, to the extent any Manufactured Homes located on the Mortgaged Property were constructed before 1974 and are "grandfathered" in and not subject to and do not conform to the requirements of the National Manufactured Home Standards, such Manufactured Homes comply with all local, state and federal safety requirements; provided further, however, Borrower shall not permit any new or replacement Manufactured Homes to be added or replaced at a Mortgaged Property after the Effective Date that do not conform to the then current requirements of the National Manufactured Home Standards;

(14) all Manufactured Homes shall be professionally skirted;

(15) hitches on all Manufactured Homes shall be concealed;

(16) the Community shall have a minimum of one (1) paved parking spaces per MH Site, which may be on or off-street, as permitted by local ordinance;

(17) the Community shall have Rules and Regulations that are appropriate, enforceable and shall maintain the viability and physical condition of the Community;

(18) intentionally omitted;

(19) intentionally omitted;

(20) there shall be (A) no other agreements between Borrower and a Homeowner other than the MH Site Lease and the Rules and Regulations, and (B) no other agreements between Borrower and a tenant in possession of Manufactured Home other than the MH Site Lease, the MH Lease of a Borrower-Owned Home (if applicable), and the Rules and Regulations; and

(21) Borrower shall comply with (and, if applicable, shall cause Borrower Affiliate to comply with) all laws and regulations applicable to (A) the application for credit of each Homeowner (and each tenant in possession of a Borrower-Owned Home, a Borrower Affiliate-Owned Home, and a Dwelling Unit and each owner or tenant in possession of a recreational vehicle, as applicable), (B) the advertising, making and servicing of each Site Lease and any MH Lease (if applicable), and (C) the development, ownership and operation of the Community, including the Federal Trade Commission Act and all rules and regulations promulgated thereunder; the National Manufactured Home Standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

9. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, a new Section 7.01(d) (MH Site Lease Protections for Additional Mortgaged Property) is hereby added to the Master Agreement as follows:

(d) MH Site Lease Protections for Additional Mortgaged Property.

As of the Effective Date of this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, (1) the percentage of MH Site Leases at the Mortgaged Property that are subject to MH Site Lease Protections is identified on the Summary of Master Terms, and (2) the MH Site Lease Protections for such MH Site Leases have been implemented directly in the MH Site Leases or indirectly through the Rules and Regulations in accordance with the R&R Site Lease Protection Implementation Requirements. If implemented through the Rules and Regulations, such MH Site Lease Protections are enforceable against Borrower by each MH Site Lessee as an intended third party beneficiary.

10. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, Section 7.02(a)(3), Section 7.02(a)(4) (Leases), Section 7.02(a)(5) and Section 7.02(a)(6) are hereby deleted and restated in their entirety, as follows:

(3) require that all Site Leases (A) comply with applicable law and (B) have initial lease terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market for properties comparable to the Mortgaged Property, Site Leases with terms of less than six (6) months (but in no case less than one (1)

month) may be permitted with Lender's prior written consent), provided however with respect to (B):

(i) Short-Term Rentals (regardless of the duration of the term) shall not be permitted unless otherwise expressly approved by Lender in writing, and

(ii) this Section 7.02(a)(3)(B) shall not apply to (x) any lease, license, or other rental agreement with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease; and (y) any MH Site Lease in compliance with the MH Site Lease Protections;

(4) not permit any Site Lease to contain an option to purchase or right of first refusal to purchase or right of first offer to purchase the Site or the Additional Mortgaged Property (except when such option or right is required by applicable law);

(5) (A) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b) (Commercial Leases)) and (B) upon Lender's written request, promptly provide Lender a copy of each Site Lease and any MH Lease for a Borrower-Owned Home or Borrower Affiliate-Owned Home, if any (including any lease, license, or other rental agreement with respect to recreational vehicles, or Dwelling Units) then in effect; and

(6) as of the First Anniversary (the first day after the end of one year anniversary of the Effective Date this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement) and continually thereafter, use best efforts to subject each existing and future MH Site Lease to MH Site Lease Protections:

(A) that shall be either included in (1) the applicable MH Site Lease, or (2) the Rules and Regulations in accordance with the R&R Site Lease Protection Implementation Requirements; and

(B) which Borrower agrees and acknowledges shall be enforceable against Borrower by each MH Site Lessee as an intended beneficiary (whether direct or third-party), and Borrower shall assert no claim or defense to the contrary.

Any failure to comply with this Section 7.02(a)(6) shall be subject to the MH Site Lease Protection Payment pursuant to Section 7.03(c)(2).

11. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property Section 7.03(b) (Residential Lease Form) of the Master Agreement is hereby deleted and restated in its entirety to read as follows:

(b) Site Lease Form.

All Site Leases entered into from and after the Effective Date of this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement shall be on forms approved by Lender. Borrower shall give Lender thirty (30) days' written notice of any material changes to the Rules and Regulations and the form(s) of the Site Lease(s).

12. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property, a new Section 7.03(c) (Compliance with MH Site Lease Protections) is hereby added to the Master Agreement as follows:

(c) Compliance with MH Site Lease Protections.

(1) Borrower shall use best efforts to cause one hundred percent (100%) of the MH Site Leases to comply with the provisions of Section 7.02(a)(6) on or before the First Anniversary, and continually thereafter (the "**Implementation Requirement**"). Borrower shall comply with all obligations of landlord enumerated in the MH Site Lease Protections. Borrower shall include with each annual certification submitted in accordance with Section 8.02(b)(2)(E) the following: (A) a certified copy of the Rules and Regulations currently in effect at the Community, (B) a certified copy of the current form of MH Site Lease, (C) a certified copy of the of the notice sent to all MH Site Lease tenants if the MH Site Lease Protections were implemented by the Rules and Regulations, (D) copies of any MH Site Lease requested by Lender, and (E) a written certification setting forth the percentage of all MH Site Leases at the Mortgaged Property that are subject to MH Site Lease Protections as of the date of such certification, and ratifying and affirming that (i) there have been no material changes to the Rules and Regulations or to the form of the MH Site Lease related to the MH Site Lease Protections (other than to include the MH Site Lease Protections required hereunder) since the earlier of the Effective Date and the last annual certification delivered to Lender; (ii) Borrower satisfied the Implementation Requirement as of the First Anniversary and has satisfied such Implementation Requirement at all

times thereafter, and (iii) Borrower has complied with its obligations as landlord under the MH Site Lease Protections on and after the First Anniversary.

(2) For any year that (A) the Implementation Requirement is not satisfied in accordance with Section 7.02(a)(6) (an “**Implementation Failure**”) or (B) Borrower otherwise fails to comply with any other provision of this Article 7.03(c), Borrower shall, within ten (10) Business Days after notice from Lender of such noncompliance, pay Lender the MH Site Lease Protection Payment. Payment of the MH Site Lease Protection Payment shall cure any default related solely to an Implementation Failure.

13. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Ninth Addition Mortgaged Property Section 14.01(a) (Events of Default – Automatic Events of Default) of the Master Agreement is hereby amended by adding the following provisions to the end thereof:

(15) any change by Borrower in the occupancy requirements for Site Leases regarding age restrictions; and

(16) failure to timely pay the MH Site Lease Protection Payment pursuant to Section 7.03(c)(2).

14. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property Section 14.01(c) (Events of Default – Events of Default Subject to Extended Cure Period) of the Master Agreement is hereby amended by adding the following provisions to the end thereof:

(2) failure by Borrower to comply with the provisions of Section 7.02(a)(6) or Section 7.03(c)(2), provided that no such written notice, grace period, or extension shall apply to any such failure not subject to a cure.

15. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Property Section 14.02(a) (Remedies – Acceleration; Foreclosure) of the Master Agreement is hereby amended by adding the following new language to the end thereof:

In the event that there are Borrower-Owned Homes, at Lender’s option, Lender may repossess the Borrower-Owned Homes peacefully without Borrower’s permission. Lender also may require Borrower to make the Borrower-Owned Homes available to Lender at a place Lender designates that is reasonably convenient to Borrower and Lender. At Lender’s option, Lender may detach and remove the Borrower-Owned Homes from the Mortgaged Property, or Lender may take possession of it and leave it on the Mortgaged Property. Borrower agrees to cooperate with Lender if Lender exercises these rights. After Lender repossesses,

Lender may then sell the Borrower-Owned Homes and apply what Lender receives to Lender's reasonable repossession, repair, storage, and sale expenses, and then toward any other amounts Borrower owes under the Loan Documents, as allowed by law.

16. With respect only to this Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement, and with respect only to the Additional Mortgaged Properties, Sections 7.02(c) (Payment of Rents) and 7.02(d) (Assignment of Rents) of the Master Agreement are hereby amended to remove the UMH Affiliate.

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SCHEDULE 26-A-2

ADDENDA TO SCHEDULE 2 – SUMMARY OF MASTER TERMS

**(MANUFACTURED HOUSING COMMUNITY INFORMATION FOR ADDITIONAL:
MORTGAGED PROPERTIES ONLY)**

Redacted

**SCHEDULE 27.1 TO
MASTER CREDIT FACILITY AGREEMENT**

**MODIFICATIONS TO MASTER CREDIT FACILITY AGREEMENT
(Legal Non-Conforming Status)**

The foregoing Master Agreement is hereby modified as follows only with respect to the Mortgaged Property known as Cedarcrest Village, Brookview Village, Cranberry Village, D&R Village, Hayden Heights, Kinnebrook Estates, Olmsted Falls, Shady Hills, Trailmont, and Weatherly Estates:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Master Agreement.

2. Section 3.02(a) (Personal Liability Based on Lender's Loss) of the Master Agreement is hereby amended by adding the following subsection to the end thereof:

(14) any casualty or Condemnation Action affecting the Mortgaged Property if:

(A) the Mortgaged Property is a legal non-conforming use or has legally non-conforming status under any applicable law, ordinance, rule, or regulation, including any building, zoning, or land use laws; and

(B) the affected Improvements cannot be rebuilt to their pre-casualty or pre-condemnation condition under any applicable law, ordinance, rule, or regulation, including any building, zoning, or land use laws.

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EXHIBIT A TO MASTER CREDIT FACILITY AGREEMENT

Redacted

MASTER CREDIT FACILITY AGREEMENT
BY AND BETWEEN
BORROWERS SIGNATORY HERETO
AND
WELLS FARGO BANK, NATIONAL ASSOCIATION
DATED AS OF
August 20, 2020



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MASTER CREDIT FACILITY AGREEMENT

This MASTER CREDIT FACILITY AGREEMENT (as amended, restated, replaced, supplemented, or otherwise modified from time to time, and further defined in the Definitions Schedule, the “**Master Agreement**”) is made as of August 20, 2020, by and among (i) the entities listed as “Borrower” on Schedule 2, as Borrower, and (ii) WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Lender.

RECITALS

A. Borrower owns one (1) or more Manufactured Home Communities as more particularly described in Exhibit A to this Master Agreement.

B. Borrower has requested that Lender make a loan in favor of Borrower, comprised of a \$105,984,000.00 Fixed Advance. Future Advances may be made by Lender to Borrower in accordance with the terms of this Master Agreement.

C. To secure the obligations of Borrower under this Master Agreement and the other Loan Documents, Borrower shall create a Collateral Pool in favor of Lender. The Collateral Pool shall be comprised of (i) the Manufactured Home Communities listed on Exhibit A and (ii) any other collateral pledged to Lender from time to time by Borrower pursuant to this Master Agreement or any other Loan Documents.

D. Each Note and Security Document shall be cross-defaulted (i.e., a default under any Note, Security Document or this Master Agreement shall constitute a default under each other Note and Security Document and under this Master Agreement) and cross-collateralized (i.e., each Security Instrument shall secure all of Borrower’s obligations under each Note, this Master Agreement, and the other Loan Documents). It is the intent of the parties to this Master Agreement that, after an Event of Default, Lender may accelerate any Note without the obligation but with the right to accelerate any other Note and that in the exercise of its rights and remedies under the Loan Documents, Lender may exercise and perfect any and all of its rights and remedies in and under the Loan Documents with regard to any Mortgaged Property without the obligation but with the right to exercise and perfect its rights and remedies with respect to any other Mortgaged Property. Any such exercise shall be without regard to the Allocable Facility Amount assigned to such Mortgaged Property. Lender may recover an amount equal to the full amount Outstanding in respect of any of the Notes in connection with such exercise and any such amount shall be applied to the Indebtedness as determined by Lender pursuant to the terms of this Master Agreement, the Notes, and the other Loan Documents.

E. It is the intent of the parties that, notwithstanding anything to the contrary herein or the existence of any cash management system maintained by Borrower, and/or Guarantor or Borrower Affiliates or the provision by Guarantor of the Guaranty, Lender is making Advances to Borrower (not to Guarantor or Borrower Affiliates). Lender has underwritten the making of the Advances based on its analysis of the value of the Collateral. In making the Advances, Lender is relying on each Borrower being and maintaining itself as a Single Purpose entity whose sole asset is its Mortgaged Property and ancillary property related thereto. Lender acknowledges that it

views its credit risk as the performance and value of the Mortgaged Properties and it views the Guaranty as independent supplemental support in the event that one of the exceptions to the non-recourse events occurs.

F. Subject to the terms, conditions, and limitations of this Master Agreement, Lender has agreed to make the Advances.

G. It is anticipated that Lender shall assign each Advance made hereunder to Fannie Mae; however Fannie Mae shall not assume (i) any of the obligations of Lender, if any, under this Master Agreement to make Future Advances, or (ii) any of the obligations of Lender which are servicing obligations delegated to Lender as servicer of the Advances.

NOW, THEREFORE, in consideration of Borrower and Lender entering into this Master Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereby covenant, agree, represent, and warrant as follows:

AGREEMENTS

Article 1 DEFINITIONS; SUMMARY OF TERMS

Section 1.01 Defined Terms.

Capitalized terms not otherwise defined in the body of this Master Agreement shall have the meanings set forth in the Definitions Schedule attached to this Master Agreement.

Section 1.02 Schedules, Exhibits, and Attachments Incorporated.

The schedules, exhibits, and any other addenda or attachments are incorporated fully into this Master Agreement by this reference and each constitutes a substantive part of this Master Agreement.

Article 2 ADVANCES; COLLATERAL EVENTS

Section 2.01 Advance Types.

Subject to the terms, conditions, and limitations of this Master Agreement:

(a) Variable Advance.

Lender agrees to make Variable Advances to Borrower in accordance with the terms and provisions of this Master Agreement. Future Advances may be made pursuant to Section 2.02(c)(2) (Future Advances). Pursuant to the terms of Section 2.10(a) (Conversion from Variable Note to Fixed Note), Borrower may convert a Variable Note to a Fixed Note.

(b) Fixed Advance.

Lender agrees to make Fixed Advances to Borrower in accordance with the terms and provisions of this Master Agreement. Future Advances may be made pursuant to Section 2.02(c)(2) (Future Advances).

(c) Protective Advances.

As provided in the Security Instrument, Lender may take such actions or disburse such funds as Lender reasonably deems necessary to perform the obligations of Borrower under this Master Agreement and the other Loan Documents and to protect Lender's interest in the Mortgaged Property.

Section 2.02 Advances Generally.

(a) Request.

Assuming Advances are available to Borrower under this Master Agreement and this Section 2.02 (Advances Generally), Borrower shall request a Future Advance by giving Lender a Future Advance Request. The Future Advance Request shall indicate whether the Request is for a Fixed Advance or Variable Advance or more than one type of Advance.

(b) Limitations on Executions.

Notwithstanding anything in this Master Agreement or any other Loan Document to the contrary, any Future Advance (whether a Variable Advance or a Fixed Advance) and any Conversion of an Advance shall be subject to the precondition that Lender must confirm with Fannie Mae that Fannie Mae is generally offering to purchase in the marketplace advances of the execution type requested by Borrower at the time of the Request and at the time the rate for such Advance is locked. In the event Fannie Mae is not purchasing advances of the type requested by Borrower, Lender agrees to offer, to the extent available from Fannie Mae, alternative advance executions based on the types of executions Fannie Mae is generally offering to purchase in the marketplace at that time. Any alternative execution offered would be subject to mutually agreeable documentation necessary to implement the terms and conditions of such alternative execution.

(c) Making Advances.

(1) Initial Advances.

Assuming conditions of Lender have been met prior to or as of the date of this Master Agreement, Lender shall make the Initial Advance(s) to Borrower.

(2) Future Advances.

(A) Subject to Section 2.02(b) (Limitations on Executions) and satisfaction of the terms in the Future Advance Schedule, Borrower may request a Future Advance. Lender is not committing in this Master Agreement to make a

Future Advance and any Future Advance will be at the option of Lender except for a Borrow Up provided in the proviso of Section 2.02(c)(2)(B) (Future Advances) below, subject to the requirements of such proviso and this Master Agreement. Once made, any Future Advance shall be subject to this Master Agreement in all respects and shall be secured by the Security Instruments encumbering the Mortgaged Properties.

(B) Any Future Advance shall be made in connection with the Addition of Additional Mortgaged Properties; provided, however, so long as there are at least two (2) or more Mortgaged Properties in the Collateral Pool, Borrower may request that one or more Future Advances made pursuant to Section 2.02(c)(2)(A) (Future Advances) above be made without the Addition of Additional Mortgaged Property (each a “**Borrow Up**”) based on compliance with the terms of the Future Advance Schedule and the Underwriting and Servicing Requirements subject to the terms of this Section 2.02(c)(2) (Future Advances) and Section 2.02(b) (Limitations on Executions). Such Borrow Up shall be made during the period beginning on the First Anniversary and ending on the Fifth Anniversary (the “**Borrow Up Period**”) but not more than one (1) time per Facility Year and in no event more than two (2) times total during the Term of this Master Agreement.

(C) All Future Advances must satisfy the terms of the Future Advance Schedule and any addition of Additional Mortgaged Property shall satisfy the terms of the Mortgaged Property Addition Schedule.

(D) [Intentionally Deleted.]

(E) [Intentionally Deleted.]

(F) Notwithstanding anything to the contrary in this Master Agreement, no Future Advance or Conversion shall be permitted unless immediately after such Future Advance or Conversion the Advances then Outstanding will not exceed one hundred percent (100%) of the aggregate fair market value of all real property securing such Advances (where fair market value is determined for these purposes based upon a current Appraisal or some other commercially reasonable valuation method).

(3) Closing of Future Advance.

If the conditions set forth in this Section 2.02 (Advances Generally) and the Future Advance Schedule are satisfied (and, if applicable, all conditions set forth on the Mortgaged Property Addition Schedule are satisfied), Lender shall make the requested Future Advance on an Effective Date as Borrower and Lender may agree.

Section 2.03 Advance Terms and Payments on Advances.

(a) Debt Service Payments.

(1) Short Month Interest.

If the date the proceeds of an Advance are disbursed is any day other than the first day of the month, interest for the period beginning on the disbursement date and ending on and including the last day of the month in which the disbursement occurs shall be payable by Borrower on the date the Advance proceeds are disbursed. In the event that the disbursement date is not the same as the Effective Date, then:

(A) the disbursement date and the Effective Date must be in the same month, and

(B) the Effective Date shall not be the first day of the month.

(2) Interest Accrual and Computation; Amortization; Interest Rate Cap.

(A) Except as provided in Section 2.03(a)(1) (Short Month Interest), interest shall be paid in arrears. Except as otherwise provided in this Master Agreement, for Fixed Advances, interest shall accrue at the Interest Rate until fully paid; and for Variable Structured ARM Advances, interest shall accrue at the Adjustable Rate until fully paid. If the Interest Accrual Method is "Actual/360," Borrower acknowledges and agrees that the amount allocated to interest for each month will vary depending on the actual number of calendar days during such month.

(B) With respect to any Variable Structured ARM Advances, the following provisions shall apply:

(i) The Initial Adjustable Rate shall be effective until the first Rate Change Date. Thereafter, the Adjustable Rate shall change on each Rate Change Date based on fluctuations in the Current Index.

(ii) Each amortizing Monthly Debt Service Payment shall include a principal payment equal to the Fixed Monthly Principal Component.

(iii) Before each Payment Change Date, Lender shall notify Borrower of any change in the Adjustable Rate and the amount of the next Monthly Debt Service Payment.

(iv) If Lender determines at any time that it has miscalculated the amount of a Monthly Debt Service Payment (whether because of a miscalculation of the Adjustable Rate or otherwise), then Lender shall give

notice to Borrower of the corrected amount of the Monthly Debt Service Payment (and the corrected Adjustable Rate, if applicable) and (1) if the corrected amount of the Monthly Debt Service Payment represents an increase, then Borrower shall, within thirty (30) calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated, or (2) if the corrected amount of the Monthly Debt Service Payment represents a decrease and Borrower is not otherwise in default under any of the Loan Documents, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated.

(v) [Intentionally Deleted.]

(vi) If required by Lender, to protect against fluctuations in interest rates during the Term of this Master Agreement, Borrower shall enter into the Cap Security Agreement. Pursuant to the terms of the Cap Security Agreement, Borrower shall make arrangements for a LIBOR-based interest rate cap in form and substance satisfactory to Lender with a counterparty satisfactory to Lender (“**Interest Rate Cap**”) to be in place and maintained at all times with respect to any Variable Advance which has been funded and remains Outstanding. The seller of the Interest Rate Cap (seller and its transferees and assigns, the “**Counterparty**”) shall be a financial institution meeting the minimum requirements for hedge counterparties acceptable to Lender. The Interest Rate Cap shall have a minimum initial term of five (5) years. Borrower shall be required to make Monthly Deposits (as defined in the Cap Security Agreement) to be held in an Interest Rate Cap Reserve Escrow Account (as defined in the Cap Security Agreement). As set forth in the Cap Security Agreement, Borrower agrees to pledge its right, title, and interest in the Interest Rate Cap to Lender as additional collateral for the Indebtedness.

(C) The amortization and payment of interest (and principal, if applicable) for each Advance shall be determined at the Effective Date of each Advance.

(3) Monthly Debt Service Payments.

Consecutive monthly debt service installments (comprised of either interest only or principal and interest, depending on the Amortization Type), each in the amount of the applicable Monthly Debt Service Payment for an Advance, shall be due and payable on the First Payment Date, and on each Payment Date thereafter until the Maturity Date of such Advance, at which time all Indebtedness relating to such Advance shall be due. Any regularly scheduled Monthly Debt Service Payment that is received by Lender before the

applicable Payment Date shall be deemed to have been received on such Payment Date solely for the purpose of calculating interest due. All payments made by Borrower under this Master Agreement shall be made without set-off, counterclaim, or other defense.

(4) Payment at Maturity.

(A) The unpaid principal balance of an Advance, any Accrued Interest thereon, and all other Indebtedness relating to such Advance shall be due and payable on the applicable Maturity Date for such Advance.

(B) Except in connection with a complete repayment of all Advance(s), if Borrower pays any Advances at maturity of such Advance and requests a Release of any Mortgaged Property, such Release shall be subject to the Release Price and release tests in the Mortgaged Property Release Schedule.

(5) Maturity Dates.

(A) The Maturity Date of each Variable Advance shall be specified by Borrower for such Variable Advance, provided that such Maturity Date shall be no earlier than the date that is the first day of the month following the date five (5) years after the Effective Date of such Variable Advance and no later than the date that is the first day of the month following the date ten (10) years after the Effective Date of such Variable Advance provided no Maturity Date shall exceed the date that is the first day of the month following the date fifteen (15) years after the Initial Effective Date.

(B) The Maturity Date of each Fixed Advance shall be specified by Borrower for such Fixed Advance, provided that such Maturity Date shall be no earlier than the date that is the first day of the month following the date five (5) years after the Effective Date for such Fixed Advance and no later than the date that is the first day of the month following the date fifteen (15) years after the Effective Date of such Fixed Advance provided no Maturity Date shall exceed the date that is the first day of the month following the date fifteen (15) years after the Initial Effective Date.

(6) Interest Rate Type; Notes.

(A) The obligation of Borrower to repay each Variable Advance shall be evidenced by one or more separate Variable Notes. Each Variable Note shall be payable to the order of Lender and shall be made in the original principal amount of such Variable Advance.

(B) The obligation of Borrower to repay each Fixed Advance shall be evidenced by one or more separate Fixed Notes. The Fixed Note shall be payable to the order of Lender and shall be made in the original principal amount of such Fixed Advance.

(b) Capitalization of Accrued but Unpaid Interest.

Any accrued and unpaid interest on an Advance remaining past due for thirty (30) days or more may, at Lender's election, be added to and become part of the unpaid principal balance of such Advance.

(c) Late Charges.

(1) If any Monthly Debt Service Payment due hereunder is not received by Lender within ten (10) days after the applicable Payment Date, or any amount payable under this Master Agreement (other than the payment due on the applicable Maturity Date for repayment of an Advance in full) or any other Loan Document is not received by Lender within ten (10) days after the date such amount is due, inclusive of the date on which such amount is due, Borrower shall pay to Lender, immediately without demand by Lender, the Late Charge.

(2) The Late Charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 2.03(d) (Default Rate).

(3) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Advances;

(B) it is extremely difficult and impractical to determine those additional expenses;

(C) Lender is entitled to be compensated for such additional expenses; and

(D) the Late Charge represents a fair and reasonable estimate, taking into account all circumstances existing on the date hereof, of the additional expenses Lender will incur by reason of any such late payment.

(d) Default Rate.

(1) Default interest shall be paid as follows:

(A) If any amount due in respect of an Advance (other than amounts due on the Maturity Date) remains past due for thirty (30) days or more, interest on such unpaid amount(s) shall accrue from the date payment is due at the Default Rate and shall be payable upon demand by Lender.

(B) If any Indebtedness due is not paid in full on the applicable Maturity Date, then interest shall accrue at the Default Rate on all such unpaid amounts from such Maturity Date until fully paid and shall be payable upon demand by Lender.

(2) Absent a demand by Lender, any such amounts shall be payable by Borrower in the same manner as provided for the payment of Monthly Debt Service Payments. To the extent permitted by Applicable Law, interest shall also accrue at the Default Rate on any judgment obtained by Lender against Borrower in connection with the Advances. To the extent Borrower or any other Person is vested with a right of redemption, interest shall continue to accrue at the Default Rate during any redemption period until such time as the Mortgaged Property has been redeemed.

(3) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Advances; and

(B) in connection with any failure to timely pay all amounts due in respect of an Advance on the applicable Maturity Date, or during the time that any amount due in respect of an Advance is delinquent for more than thirty (30) days:

(i) Lender's risk of nonpayment of the Advance will be materially increased;

(ii) Lender's ability to meet its other obligations and to take advantage of other investment opportunities will be adversely impacted;

(iii) Lender will incur additional costs and expenses arising from its loss of the use of the amounts due;

(iv) it is extremely difficult and impractical to determine such additional costs and expenses;

(v) Lender is entitled to be compensated for such additional risks, costs, and expenses; and

(vi) the increase from the Interest Rate to the Default Rate represents a fair and reasonable estimate of the additional risks, costs, and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquency on the Advance (taking into account all circumstances existing on the applicable Effective Date).

(e) Address for Payments.

All payments due pursuant to the Loan Documents shall be payable at Lender's Payment Address, or such other place and in such manner as may be designated from time to time by written notice to Borrower by Lender.

(f) Application of Payments.

Subject to the terms of Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule, if at any time Lender receives, from Borrower or otherwise, any payment in respect of the Indebtedness that is less than all amounts due and payable at such time, then Lender may apply such payment to amounts then due and payable in any manner and in any order determined by Lender or hold in suspense and not apply such payment at Lender's election. Neither Lender's acceptance of a payment that is less than all amounts then due and payable, nor Lender's application of, or suspension of the application of, such payment, shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such payment to the Indebtedness, Borrower's obligations under this Master Agreement and the other Loan Documents shall remain unchanged.

Section 2.04 Prepayment; Prepayment Lockout; Prepayment Premium.

(a) Subject to the terms and conditions of the applicable Prepayment Premium Schedule and the requirements relating to application of the Release Price set forth in the Mortgaged Property Release Schedule, Notes are prepayable in whole or in part, provided that Borrower shall not make a voluntary full or partial prepayment of a Note during any Prepayment Lockout Period, if any. Except as expressly provided in this Master Agreement (including as provided in the Prepayment Premium Schedule applicable to such Note), a Prepayment Premium calculated in accordance with the Prepayment Premium Schedule applicable to such Note shall be payable in connection with any prepayment of such Note.

(b) If a Prepayment Lockout Period applies to the applicable Note, and during such Prepayment Lockout Period Lender accelerates the unpaid principal balance of the Note or otherwise applies collateral held by Lender to the repayment of any portion of the unpaid principal balance of the Note for any reason other than as set forth in Section 2.07 (Casualty and Condemnation), the Prepayment Premium shall be due and payable and equal to the amount obtained by multiplying the percentage indicated (if at all) in the Prepayment Premium Schedule for such Note by the amount of principal being prepaid at the time of such acceleration or application.

(c) In connection with any such voluntary prepayment, Borrower acknowledges and agrees that interest shall always be calculated and paid through the last day of the month in which the prepayment occurs (even if the Permitted Prepayment Date for such month is not the last day of such month, or if Lender approves prepayment on an Intended Prepayment Date that is not a Permitted Prepayment Date). Borrower further acknowledges that Lender is not required to accept a voluntary prepayment of a Note on any day other than a Permitted Prepayment Date. However, if Lender does approve an Intended Prepayment Date that is not a Permitted Prepayment Date and accepts a prepayment on such Intended Prepayment Date, such prepayment shall be deemed to be received on the immediately following Permitted Prepayment Date. If Borrower fails to prepay the applicable Note (or such portion of the Note as is intended to be prepaid) on the Intended Prepayment Date for any reason (including on any Intended Prepayment Date that is approved by Lender) and such failure either continues for five (5) Business Days, or into the following month,

Lender shall have the right to recalculate the payoff amount. If Borrower prepays a Note either in the following month or more than five (5) Business Days after the Intended Prepayment Date that was approved by Lender, Lender shall also have the right to recalculate the payoff amount based upon the amount of such payment and the date such payment was received by Lender. Borrower shall immediately pay to Lender any additional amounts required by any such recalculation.

(d) After receipt of a partial prepayment, Lender shall re-calculate the Monthly Debt Service Payment based upon the remaining unpaid principal balance of the applicable Note for each subsequent monthly debt service installment due under such Note. For amortizing Advances, the subsequent Monthly Debt Service Payments shall be calculated by amortizing the remaining unpaid principal balance of the applicable Note over the Remaining Amortization Period utilizing the Fixed Rate and the Interest Accrual Method set forth in the applicable Schedule of Advance Terms. Lender shall notify Borrower of the new required Monthly Debt Service Payment following receipt of a partial prepayment and, upon Lender's written request, Borrower shall execute any amendment requested by Lender to evidence such new required monthly installment(s).

Section 2.05 Acceleration of Advances.

Upon acceleration of any Advance, Borrower shall pay to Lender:

- (a) the entire unpaid principal balance of the Advances;
- (b) all Accrued Interest (calculated through the last day of the month in which the acceleration occurs);
- (c) the Prepayment Premium; and
- (d) all other Indebtedness.

Section 2.06 Application of Collateral.

Except as set forth in Section 2.07 (Casualty and Condemnation), any application by Lender of any collateral or other security to the repayment of all or any portion of the unpaid principal balance of the Advances prior to the Maturity Date in accordance with the Loan Documents shall be deemed to be a prepayment by Borrower. Any such prepayment shall require the payment to Lender by Borrower of the Prepayment Premium calculated on the amount being prepaid in accordance with this Master Agreement and applied in accordance with Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule.

Section 2.07 Casualty and Condemnation.

Notwithstanding any provision of this Master Agreement to the contrary, no Prepayment Premium shall be payable with respect to any prepayment occurring as a result of the application of any insurance proceeds or amounts received in connection with a casualty or a Condemnation Action in accordance with this Master Agreement.

Section 2.08 No Effect on Payment Obligations.

Unless otherwise expressly provided in this Master Agreement, any prepayment required by any Loan Document of less than the entire unpaid principal balance of the Advance(s) shall not extend or postpone the due date of any subsequent Monthly Debt Service Payments, Monthly Replacement Reserve Deposit, or other payment.

Section 2.09 Loss Resulting from Prepayment.

In any circumstance in which a Prepayment Premium is due under this Master Agreement, Borrower acknowledges that:

(a) any prepayment of the unpaid principal balance of any Advance, whether voluntary or involuntary, or following the occurrence of an Event of Default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional risk, expense, and frustration or impairment of Lender's ability to meet its commitments to third parties;

(b) it is extremely difficult and impractical to ascertain the extent of such losses, risks and damages;

(c) the formula for calculating the Prepayment Premium represents a reasonable estimate of the losses, risks, and damages Lender will incur as a result of a prepayment; and

(d) the provisions regarding the Prepayment Premium contained in this Master Agreement are a material part of the consideration for this Master Agreement, and that the terms of this Master Agreement are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to such prepayment provisions.

Section 2.10 Collateral Events.

(a) Conversion from Variable Note to Fixed Note.

Subject to and in accordance with the terms and conditions of the Conversion Schedule, Borrower shall have the right, from time to time during the Conversion Availability Period, to convert all or any portion of a Variable Note to a Fixed Note.

(b) Right to Obtain Releases of Mortgaged Property.

Subject to and in accordance with the terms and conditions of the Mortgaged Property Release Schedule, Borrower shall have the right from time to time to obtain a release of one or more Mortgaged Properties and/or UMH Homes (a "**Release**") from the Collateral Pool.

(c) Right to Add Additional Mortgaged Properties as Collateral.

Subject to and in accordance with the terms and conditions of the Mortgaged Property Addition Schedule, Borrower shall have the right, from time to time to add one or more Additional Mortgaged Properties or UMH Homes (an "**Addition**") to the Collateral Pool. Any financing of

UMH Homes shall be subject to the precondition that Lender must confirm with Fannie Mae that Fannie Mae is generally offering to purchase in the marketplace advances for Manufactured Homes of the execution type requested by Borrower at the time of the Request and at the time the rate for such Advance is locked.

(d) Right to Substitutions.

Subject to and in accordance with the terms and conditions of the Mortgaged Property Release Schedule and the Mortgaged Property Addition Schedule, Borrower shall have the right to obtain the release of one or more Mortgaged Properties by replacing such Mortgaged Property with one (1) or more Additional Mortgaged Properties that meet the requirements of this Master Agreement thereby effecting a “**Substitution**” of Collateral.

(e) Limitation on Collateral Events.

Notwithstanding anything to the contrary in this Master Agreement:

(1) no Collateral Event (other than a Conversion) shall be permitted unless immediately after such Collateral Event the Advances then Outstanding will not exceed one hundred percent (100%) of the aggregate fair market value of all real property securing such Advances (where fair market value is determined for these purposes based upon a current Appraisal or some other commercially reasonable valuation method as determined by Lender); and,

(2) No Appraisals shall be required for the Mortgaged Properties in the Collateral Pool in connection with a Release or a Substitution, other than for the proposed Additional Mortgaged Property coming into the Collateral Pool replacing the Released Mortgaged Property.

Section 2.11 Termination of Master Agreement.

Subject to the terms and conditions set forth below, Borrower shall have the right to terminate this Master Agreement and receive a Release of all of the Collateral.

(a) Request.

To terminate this Master Agreement, Borrower shall deliver a Termination Request to Lender.

(b) Conditions Precedent.

The right of Borrower to terminate this Master Agreement and to receive a Release of all of the Collateral from the Collateral Pool and Lender’s obligation to execute and deliver the Termination Documents on the Effective Date are subject to the following conditions precedent:

- (1) receipt by Lender of the fully executed Termination Request;
- (2) payment by Borrower in full of each Note Outstanding on the Effective Date, including any associated Prepayment Premiums or other amounts due under each Note and all of the other amounts owing by Borrower to Lender under this Master Agreement and the Other Loan Documents; and
- (3) payment by Borrower of Lender's and Fannie Mae's reasonable third party out-of-pocket fees and expenses payable in accordance with this Master Agreement, including Lender's and Fannie Mae's legal fees and expenses.

(c) Closing.

(1) If all conditions precedent contained in this Section 2.11 (Termination of Master Agreement) are satisfied, this Master Agreement shall terminate, and Lender shall cause all of the Collateral to be Released on an Effective Date selected by Lender, within thirty (30) Business Days after all of the conditions with respect to such Termination Request have been satisfied (or on such other date as Borrower and Lender may agree), and all applicable parties shall execute and deliver, all at the sole cost and expense of Borrower, the Termination Documents.

(2) Notwithstanding the provisions of the Section 2.11(e)(1) (Closing), if requested by Borrower, Lender shall use best efforts to execute documents for the assignment of any Note and the Liens of the Security Instruments securing repayment of such Note(s) to a new Lender designated by Borrower, in lieu of Termination Documents and such assignment, if consummated, shall be at Borrower's sole cost and expense, and without recourse, representation, or warranty of any kind from Lender.

Article 3

PERSONAL LIABILITY

Section 3.01 Non-Recourse Liability; Exceptions.

Except as otherwise provided in this Article 3 (Personal Liability) or in any other Loan Document, none of Borrower, or any director, officer, manager, member, partner, shareholder, trustee, trust beneficiary, or employee of Borrower, shall have personal liability under this Master Agreement or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Loan Documents, and Lender's only recourse for the satisfaction of such Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Properties and any other Collateral held by Lender as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against Guarantor under any Loan Document.

Section 3.02 Personal Liability of Borrower.

(a) Personal Liability Based on Lender's Loss (Partial Recourse).

Borrower shall be personally liable to Lender for the repayment of the portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of, subject to any notice and cure period, if any, or in any manner relating to:

(1) failure to pay as directed by Lender upon demand after an Event of Default (to the extent actually received by Borrower and to the extent permitted by Applicable Law):

(A) all Rents to which Lender is entitled under the Loan Documents; and

(B) the amount of all security deposits then held or thereafter collected by Borrower from tenants and not properly applied pursuant to the applicable Leases;

(2) failure to maintain all insurance policies required by the Loan Documents, except to the extent Lender has the obligation to pay the premiums pursuant to Section 12.03(c) (Payment of Impositions; Sufficiency of Imposition Deposits);

(3) failure to apply all insurance proceeds received by Borrower or any amounts received by Borrower in connection with a Condemnation Action as required by the Loan Documents;

(4) failure to comply with any provision of this Master Agreement or any other Loan Document relating to the delivery of books and records, statements, schedules, and reports;

(5) except to the extent directed otherwise by Lender pursuant to Section 3.02(a)(1) (Personal Liability Based on Lender's Loss (Partial Recourse)), failure to apply Rents, to the extent of Rents received from the Mortgaged Properties, to the ordinary and necessary expenses of owning and operating the Mortgaged Properties and Debt Service Amounts, as and when each is due and payable, except that Borrower will not be personally liable with respect to Rents that are distributed by Borrower in any Calendar Year if Borrower has paid all ordinary and necessary expenses of owning and operating the Mortgaged Properties and Debt Service Amounts for such Calendar Year;

(6) waste or abandonment of any Mortgaged Property;

(7) grossly negligent or reckless unintentional material written misrepresentation or omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder (provided, for so long as ownership of Guarantor and/or Key Principal includes shares of publicly traded stock, shareholders of such publicly traded stock shall be limited to Major Shareholders), or trustee of Borrower,

Guarantor, or Key Principal in connection with ongoing financial or other reporting required by the Loan Documents, or any request for action or consent by Lender;

(8) a Transfer consisting solely of a breach of Section 7.02(b)(1) or Section 7.02(b)(2); or

(9) failure to comply with each of the Single Purpose requirements of Section 4.02(d)(3), (4), (7)-(12), and (14)-(17) (Borrower Status – Covenants – Single Purpose Status) of this Master Agreement (subject to possible full recourse liability as set forth in Section 3.02(b)(1) (Full Personal Liability (Full Recourse))); provided, however, no such recourse liability shall arise until the expiration of the cure periods set forth in this Section 3.02(a)(8) (Personal Liability Based on Lender's Loss (Partial Recourse)). Borrower must deliver on an annual basis or upon Lender's written request, a certification as to compliance with the covenants set forth in Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status). If Borrower breaches a covenant set forth in Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status), then, if such breach can be cured, Borrower shall have thirty (30) days from the earlier of (A) the date of delivery of the annual Officer's Certificate set forth in Section 8.02(b)(5) (Items to Furnish to Lender) indicating such breach, (B) the date Lender notices Borrower of such breach, or (C) the date Borrower discovers such breach, to cure such breach, provided that if such breach can be cured but cannot reasonably be cured within such thirty (30) day period and Borrower shall have commenced to cure such breach within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such breach, it being agreed that no such extension shall be for a period in excess of sixty (60) days for any individual breach.

Notwithstanding the foregoing, Borrower shall not have personal liability under clauses (1), (3), or (5) above to the extent that Borrower lacks the legal right to direct the disbursement of the applicable funds due to an involuntary Bankruptcy Event with respect to Borrower or SPE Owner that occurs without the consent, encouragement, or active participation of Borrower, SPE Owner, Guarantor, Key Principal or any Borrower Affiliate.

(b) Full Personal Liability (Full Recourse).

Borrower shall be personally liable to Lender for the repayment of all of the Indebtedness, and the Advances shall be fully recourse to Borrower, upon the occurrence of any of the following:

(1) failure to comply with each of the Single Purpose requirements of:

(A) Section 4.02(d)(1), (2), (5), (6) and (13) (Borrower Status – Covenants – Single Purpose Status) of this Master Agreement; and

(B) Section 4.02(d)(3), (4), (7)-(12), and (14)-(17) (Borrower Status – Covenants – Single Purpose Status) of this Master Agreement and, pursuant to a final non-appealable court order, a court of competent jurisdiction holds or

determines that such failure or combination of failures is the basis, in whole or in part, for the substantive consolidation of the assets and liabilities of Borrower or any SPE Owner or Identified Party with the assets and liabilities of a debtor pursuant to Title 11 of the Bankruptcy Code;

(2) a Transfer (other than a conveyance of a Mortgaged Property at a Foreclosure Event pursuant to the Security Instrument and this Master Agreement, or a Transfer consisting solely of a breach of clause (1) or clause (2) of Section 7.02(b) (Commercial Leases)) that is not permitted under this Master Agreement or any other Loan Document;

(3) the occurrence of any Bankruptcy Event with respect to Borrower or SPE Owner (other than an acknowledgement in writing as described in clause (b) of the definition of “Bankruptcy Event”); provided, however, in the event of an involuntary Bankruptcy Event with respect to Borrower or SPE Owner, Borrower shall only be personally liable if such involuntary Bankruptcy Event occurs with the consent, encouragement or active participation of Borrower, Guarantor, Key Principal, SPE Owner or any Borrower Affiliate;

(4) fraud, written intentional material misrepresentation, or material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder (provided, for so long as ownership of Guarantor and/or Key Principal includes shares of publicly traded stock, shareholders of such publicly traded stock shall be limited to Major Shareholders), or trustee of Borrower, Guarantor, or Key Principal in connection with any application for or creation of the Indebtedness;

(5) fraud, written intentional material misrepresentation or intentional material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder (provided, for so long as ownership of Guarantor and/or Key Principal includes shares of publicly traded stock, shareholders of such publicly traded stock shall be limited to Major Shareholders), or trustee of Borrower, Guarantor, or Key Principal in connection with ongoing financial or other reporting required by the Loan Documents, or any request for action or consent by Lender; or

(6) a Division that is not permitted under this Master Agreement or any other Loan Document.

Section 3.03 Personal Liability for Indemnity Obligations.

Borrower shall be personally and fully liable to Lender for Borrower’s indemnity obligations under Section 13.01(e) (Replacement Reserves and Repairs – Indemnification) of this Master Agreement, the Environmental Indemnity Agreement and any other express indemnity obligations provided by Borrower under any Loan Document. Borrower’s liability for such indemnity obligations shall not be limited by the amount of the Indebtedness, the repayment of the Indebtedness, or otherwise, provided that Borrower’s liability for such indemnities shall not

include any loss caused by the gross negligence or willful misconduct of Lender as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

Notwithstanding the foregoing, Borrower and Guarantor shall have no liability under this Section 3.03 or the Guaranty, or the Environmental Indemnity on account of acts or omissions committed by the Lender, its agents, any purchaser at foreclosure, any transferee of Lender, or a receiver following a foreclosure, deed-in-lieu of foreclosure, or appointment of a receiver on all or a portion of the Mortgaged Property.

Section 3.04 Lender's Right to Forego Rights Against Mortgaged Property.

To the extent that Borrower has personal liability under this Master Agreement or any other Loan Document, Lender may exercise its rights against Borrower personally to the fullest extent permitted by Applicable Law without regard to whether Lender has exercised any rights against any Mortgaged Property, the UCC Collateral or any other security, or pursued any rights against Guarantor, or pursued any other rights available to Lender under this Master Agreement, any other Loan Document, or Applicable Law. For purposes of this Section 3.04 (Lender's Right to Forego Rights Against Mortgaged Property) only, the term "Mortgaged Property" shall not include any funds that have been applied by Borrower as required or permitted by this Master Agreement prior to the occurrence of an Event of Default, or that Borrower was unable to apply as required or permitted by this Master Agreement because of a Bankruptcy Event with respect to Borrower. To the fullest extent permitted by Applicable Law, in any action to enforce Borrower's personal liability under this Article 3 (Personal Liability), Borrower waives any right to set off the value of a Mortgaged Property against such personal liability.

Section 3.05 Borrower Agency Provisions.

(a) Each Borrower shall irrevocably designate Borrower Agent to be its agent and in such capacity to receive on behalf of Borrower all proceeds, receive all notices on behalf of Borrower under this Master Agreement, make all requests under this Master Agreement, and execute, deliver, and receive all instruments, certificates, requests, documents, amendments, writings, and further assurances now or hereafter required hereunder, on behalf of such Borrower, and hereby authorizes Lender to pay over all proceeds hereunder in accordance with the request of Borrower Agent. Each Borrower hereby acknowledges that all notices required to be delivered by Lender to any Borrower shall be delivered to Borrower Agent and thereby shall be deemed to have been received by such Borrower.

(b) The handling of this Master Agreement as a co-borrowing facility with a Borrower Agent in the manner set forth in this Master Agreement is solely as an accommodation to each of Borrower and Guarantor and is at their mutual request. Lender shall not incur liability to Borrower or Guarantor as a result thereof. To induce Lender to do so and in consideration thereof, each Borrower hereby indemnifies Lender and holds Lender harmless from and against any and all liabilities, expenses, losses, damages, and claims of damage or injury asserted against Lender by any Person arising from or incurred by reason of Borrower Agent handling of the financing arrangements of Borrower as provided herein, reliance by Lender on any request or instruction from Borrower Agent or any other action taken by Lender with respect to this Section 3.05

(Borrower Agency Provisions) except due to willful misconduct or gross negligence of the indemnified party as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order.

Section 3.06 Joint and Several Obligation; Cross-Guaranty.

Notwithstanding anything contained in this Master Agreement or the other Loan Documents to the contrary (but subject to the provisions of Section 3.01 (Non-Recourse Liability; Exceptions), Section 3.02(a) (Personal Liability Based on Lender's Loss (Partial Recourse)) and Section 3.02(b) (Full Personal Liability (Full Recourse))), the last sentence of this Section 3.06 (Joint and Several Obligation; Cross-Guaranty) and the provisions of Section 3.13 (Maximum Liability of Each Borrower), each Borrower shall have joint and several liability for the Indebtedness. Notwithstanding the intent of all of the parties to this Master Agreement that the Indebtedness of each Borrower under this Master Agreement and the other Loan Documents shall be joint and several obligations of each Borrower, each Borrower, on a joint and several basis, hereby irrevocably guarantees on a non-recourse basis, subject to the exceptions to non-recourse provisions of Section 3.01 (Non-Recourse Liability; Exceptions), Section 3.02(a) (Personal Liability Based on Lender's Loss (Partial Recourse)) and Section 3.02(b) (Full Personal Liability (Full Recourse)), to Lender and its successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Indebtedness owed or hereafter owing to Lender by each other Borrower. Each Borrower agrees that its non-recourse guaranty obligation hereunder is an unconditional guaranty of payment and performance and not merely a guaranty of collection. The Indebtedness of each Borrower under this Master Agreement shall not be subject to any counterclaim, set-off, recoupment, deduction, cross-claim, or defense based upon any claim any Borrower may have against Lender or any other Borrower.

Section 3.07 Waivers With Respect to Other Borrower Secured Obligation.

To the extent that a Security Instrument or any other Loan Document executed by one Borrower secures an Obligation of another Borrower (the **"Other Borrower Secured Obligation"**), or to the extent that a Borrower has guaranteed the debt of another Borrower pursuant to Article 3 (Personal Liability), Borrower who executed such Loan Document or guaranteed such debt (the **"Waiving Borrower"**) hereby agrees to the extent permitted by law, to the provisions of this Section 3.07 (Waivers with Respect to Other Borrower Secured Obligation). To the extent that any Mortgaged Properties are located in California, and to the extent permitted by law, the references to the California statutes below shall apply to this Master Agreement and any California Security Instrument securing or encumbering a Mortgaged Property located in California; otherwise the California statutes referenced below shall have no effect on this Master Agreement or any other Loan Document. All references in Article 3 (Personal Liability) to California law are only applicable if any Mortgaged Property is located in California. To the maximum extent permitted by Applicable Law:

(a) the Waiving Borrower hereby waives any right it may now or hereafter have to require the beneficiary, assignee, or other secured party under such Loan Document, as a condition to the exercise of any remedy or other right against it thereunder or under any other Loan

Document executed by the Waiving Borrower in connection with the Other Borrower Secured Obligation: (1) to proceed against any other Borrower or any other Person, or against any other collateral assigned to Lender by any Borrower or any other Person; (2) to pursue any other right or remedy in Lender's power; (3) to give notice of the time, place, or terms of any public or private sale of real or personal property collateral assigned to Lender by any other Borrower or any other Person (other than the Waiving Borrower), or otherwise to comply with Section 9615 of the California Commercial Code (as modified or recodified from time to time) with respect to any such personal property collateral located in the State of California; or (4) to make or give (except as otherwise expressly provided in the Security Documents) any presentment, demand, protest, notice of dishonor, notice of protest, or other demand or notice of any kind in connection with the Other Borrower Secured Obligation or any collateral for the Other Borrower Secured Obligation;

(b) the Waiving Borrower hereby waives any defense it may now or hereafter have that relates to: (1) any disability or other defense of any other Borrower or any other Person; (2) the cessation, from any cause other than full performance, of the Other Borrower Secured Obligation; (3) the application of the proceeds of the Other Borrower Secured Obligation, by any other Borrower or any other Person, for purposes other than the purposes represented to the Waiving Borrower by any other Borrower or any other Person, or otherwise intended or understood by the Waiving Borrower or any other Borrower; (4) any act or omission by Lender which directly or indirectly results in or contributes to the release of any other Borrower or any other Person or any collateral for any Other Borrower Secured Obligation; (5) the unenforceability or invalidity of any Security Document or Loan Document (other than the Security Instrument executed by the Waiving Borrower that secures the Other Borrower Secured Obligation) or guaranty with respect to any Other Borrower Secured Obligation, or the lack of perfection or continuing perfection or lack of priority of any Lien (other than the Lien of the Security Instrument executed by the Waiving Borrower that secures the Other Borrower Secured Obligation) which secures any Other Borrower Secured Obligation; (6) any failure of Lender to marshal assets in favor of the Waiving Borrower or any other Person; (7) any modification of any Other Borrower Secured Obligation, including any renewal, extension, acceleration, or increase in interest rate; (8) any and all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Waiving Borrower's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise; (9) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation; (10) any failure of Lender to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person; (11) the election by Lender, in any bankruptcy proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the Bankruptcy Code; (12) any extension of credit or the grant of any lien under Section 364 of the Bankruptcy Code; (13) any use of cash collateral under Section 363 of the Bankruptcy Code; or (14) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person. The Waiving Borrower further waives any and all rights and defenses that it may have because the Other Borrower Secured Obligation is secured by real property; this means, among other things, that: (A) Lender may collect from the Waiving Borrower without first foreclosing on any real or

personal property collateral pledged by any other Borrower; (B) if Lender forecloses on any real property collateral pledged by any other Borrower, then (i) the amount of the Other Borrower Secured Obligation may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (ii) Lender may foreclose on the real property encumbered by the Security Instrument executed by the Waiving Borrower and securing the Other Borrower Secured Obligation, or otherwise collect from the Waiving Borrower, even if Lender, by foreclosing on the real property collateral of any one or more of the other Borrowers, has destroyed any right the Waiving Borrower may have to collect from such other Borrowers. Subject to the last sentence of Section 3.06 (Joint and Several Obligation; Cross-Guaranty), the foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses the Waiving Borrower may have because the Other Borrower Secured Obligation is secured by real property. These rights and defenses being waived by the Waiving Borrower include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure. Without limiting the generality of the foregoing or any other provision hereof, the Waiving Borrower further expressly waives, except as provided in Section 3.07(g) (Waivers with Respect to Other Borrower Secured Obligation) below, to the extent permitted by law any and all rights and defenses that might otherwise be available to it under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d, and 726, or any of such sections;

(c) the Waiving Borrower hereby waives any and all benefits and defenses under California Civil Code Section 2810 and agrees that by doing so the Security Instrument executed by the Waiving Borrower and securing the Other Borrower Secured Obligation shall be and remain in full force and effect even if one or more of the other Borrowers had no liability at the time of incurring the Other Borrower Secured Obligation, or thereafter ceases to be liable. The Waiving Borrower hereby waives any and all benefits and defenses under California Civil Code Section 2809 and agrees that by doing so the Waiving Borrower's liability may be larger in amount and more burdensome than that of any one or more of the other Borrowers. The Waiving Borrower hereby waives the benefit of all principles or provisions of law that are or might be in conflict with the terms of any of its waivers, and agrees that the Waiving Borrower's waivers shall not be affected by any circumstances that might otherwise constitute a legal or equitable discharge of a surety or a guarantor. The Waiving Borrower hereby waives the benefits of any right of discharge and all other rights and defenses under any and all statutes or other laws relating to guarantors or sureties, to the fullest extent permitted by law, diligence in collecting the Other Borrower Secured Obligation, presentment, demand for payment, protest, all notices with respect to the Other Borrower Secured Obligation that may be required by statute, rule of law, or otherwise to preserve Lender's rights against the Waiving Borrower hereunder, including notice of acceptance, notice of any amendment of the Loan Documents evidencing the Other Borrower Secured Obligation, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, notice of the incurring by the other Borrower of any obligation or indebtedness and all rights to require Lender to (1) proceed against the other Borrower, (2) proceed against any general partner of the other Borrower, (3) proceed against or exhaust any collateral held by Lender to secure the Other Borrower Secured Obligation, or (4) if the other Borrower is a partnership, pursue any other remedy it may have

against the other Borrower, or any general partner of the other Borrower, including any and all benefits under California Civil Code Sections 2845, 2849, and 2850;

(d) the Waiving Borrower understands that the exercise by Lender of certain rights and remedies contained in a Security Instrument executed by any other Borrower (such as a nonjudicial foreclosure sale) may affect or eliminate the Waiving Borrower's right of subrogation against such other Borrower and that the Waiving Borrower may therefore incur a partially or totally nonreimburseable liability. Nevertheless, the Waiving Borrower hereby authorizes and empowers Lender to exercise, in its sole and absolute discretion, any right or remedy, or any combination thereof, that may then be available, since it is the intent and purpose of the Waiving Borrower that its waivers shall be absolute, independent and unconditional under any and all circumstances;

(e) in accordance with Section 2856 of the California Civil Code, the Waiving Borrower also waives any right or defense based upon an election of remedies by Lender, even though such election (e.g., nonjudicial foreclosure with respect to any collateral held by Lender to secure repayment of the Other Borrower Secured Obligation) destroys or otherwise impairs the subrogation rights of the Waiving Borrower to any right to proceed against one or more of the other Borrowers for reimbursement by operation of Section 580d of the California Code of Civil Procedure or otherwise;

(f) subject to the last sentence of Section 3.06 (Joint and Several Obligation; Cross-Guaranty), in accordance with Section 2856 of the California Civil Code, the Waiving Borrower waives any and all other rights and defenses available to the Waiving Borrower by reason of Sections 2787 through 2855, inclusive, of the California Civil Code, including any and all rights or defenses the Waiving Borrower may have by reason of protection afforded to one or more of the other Borrowers with respect to the applicable Other Borrower Secured Obligation pursuant to the antideficiency or other laws of the State of California limiting or discharging such Other Borrower Secured Obligation, including Sections 580a, 580b, 580d, and 726 of the California Code of Civil Procedure;

(g) in accordance with Section 2856 of the California Civil Code and pursuant to any other Applicable Law, the Waiving Borrower agrees to withhold the exercise of any and all subrogation, contribution, and reimbursement rights against all other Borrowers, against any other Person, and against any collateral or security for the Other Borrower Secured Obligation, including any such rights pursuant to Sections 2847 and 2848 of the California Civil Code, until the Other Borrower Secured Obligation has been indefeasibly paid and satisfied in full, all obligations owed to Lender under the Loan Documents have been fully performed, and Lender has released, transferred or disposed of all of its right, title, and interest in such collateral or security;

(h) each Borrower hereby irrevocably and unconditionally agrees that, notwithstanding Section 3.07(g) (Waivers with Respect to Other Borrower Secured Obligation) hereof, in the event, and to the extent, that its agreement and waiver set forth in Section 3.07(g) (Waivers with Respect to Other Borrower Secured Obligation) is found by a court of competent jurisdiction to be void or voidable for any reason and such Borrower has any subrogation or other rights against any other Borrower, any such claims, direct or indirect, that such Borrower may have by subrogation rights

or other form of reimbursement, contribution, or indemnity, against any other Borrower or to any security or any such Borrower, shall be, and such rights, claims, and indebtedness are hereby, deferred, postponed, and fully subordinated in time and right of payment to the prior payment, performance, and satisfaction in full of the Indebtedness. Until payment and performance in full with interest (including post-petition interest in any case under any chapter of the Bankruptcy Code) of the Indebtedness, each Borrower agrees not to accept any payment or satisfaction of any kind of Indebtedness of any other Borrower in respect of any such subrogation rights arising by virtue of payments made pursuant to this Article 3 (Personal Liability), and hereby assigns such rights or indebtedness to Lender, including (1) the right to file proofs of claim and to vote thereon in connection with any case under any chapter of the Bankruptcy Code and (2) the right to vote on any plan of reorganization. In the event that any payment on account of any such subrogation rights shall be received by any Borrower in violation of the foregoing, such payment shall be held in trust for the benefit of Lender, and any amount so collected must be turned over to Lender for, at Lender's option, application to the Indebtedness;

(i) at any time without notice to the Waiving Borrower, and without affecting or prejudicing the right of Lender to proceed against the Collateral described in any Loan Document executed by the Waiving Borrower and securing the Other Borrower Secured Obligation, (1) the time for payment of the principal of or interest on, or the performance of, the Other Borrower Secured Obligation may be extended or the Other Borrower Secured Obligation may be renewed in whole or in part; (2) the time for any other Borrower's performance of or compliance with any covenant or agreement contained in the Loan Documents evidencing the Other Borrower Secured Obligation, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (3) the maturity of the Other Borrower Secured Obligation may be accelerated as provided in the related Note or any other related Loan Document; (4) the related Note or any other related Loan Document may be modified or amended by Lender and the applicable other Borrower in any respect, including an increase in the principal amount; and (5) any security for the Other Borrower Secured Obligation may be modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Other Borrower Secured Obligation; and

(j) it is agreed among each Borrower and Lender that all of the foregoing waivers are of the essence of the transaction contemplated by this Master Agreement and the Loan Documents and that but for the provisions of this Article 3 (Personal Liability) and such waivers Lender would decline to enter into this Master Agreement.

Section 3.08 No Impairment.

Each Borrower agrees that the provisions of this Article 3 (Personal Liability) are for the benefit of Lender and its successors and assigns, and nothing herein contained shall impair, as between any other Borrower and Lender, the obligations of such other Borrower under the Loan Documents.

Section 3.09 Election of Remedies.

(a) Lender, in its discretion, may (1) bring suit against any one or more Borrowers, jointly and severally, without any requirement that Lender first proceed against any other Borrower or any other Person; (2) compromise or settle with any one or more Borrowers, or any other Person, for such consideration as Lender may deem proper; (3) release one or more Borrowers, or any other Person, from liability; and (4) otherwise deal with any Borrower and any other Person, or any one or more of them, in any manner, or resort to any of the Collateral at any time held by it for performance of the Indebtedness or any other source or means of obtaining payment of the Indebtedness, and no such action shall impair the rights of Lender to collect from any Borrower any amount guaranteed by any Borrower under this Article 3 (Personal Liability).

(b) If, in the exercise of any of its rights and remedies, Lender shall forfeit any of its rights or remedies, including its rights to enter a deficiency judgment against any Borrower or any other Person, whether because of any Applicable Law pertaining to “election of remedies” or the like, each Borrower hereby consents to such action by Lender and waives any claim based upon such action, even if such action by Lender shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Lender. Any election of remedies that results in the denial or impairment of the right of Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower’s obligation to pay the full amount of the Indebtedness. In the event Lender shall bid at any foreclosure or trustee’s sale or at any private sale permitted by law or any of the Loan Documents, Lender may bid all or less than the amount of the Indebtedness and the amount of such bid need not be paid by Lender but shall be credited against the Indebtedness. The amount of the successful bid at any such sale, whether Lender or any other party is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral and the difference between such bid amount and the remaining balance of the Indebtedness shall be conclusively deemed to be the amount of the Indebtedness guaranteed under this Article 3 (Personal Liability), notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency claim to which Lender might otherwise be entitled but for such bidding at any such sale.

Section 3.10 Subordination of Other Obligations.

(a) Each Borrower hereby irrevocably and unconditionally agrees that all amounts payable from time to time to such Borrower by any other Borrower pursuant to any agreement, whether secured or unsecured, whether of principal, interest, or otherwise, other than the amounts referred to in this Article 3 (Personal Liability) (collectively, the “**Subordinated Obligations**”), shall be and such rights, claims, and indebtedness are, hereby deferred, postponed, and fully subordinated in time and right of payment to the prior payment, performance, and satisfaction in full of the Indebtedness; provided, however, that payments may be received by any Borrower in accordance with, and only in accordance with, the provisions of Section 3.10 (Subordination of Other Obligations) hereof.

(b) Until the Indebtedness has been finally paid in full or fully performed and all the Loan Documents have been terminated, each Borrower irrevocably and unconditionally agrees it

will not ask, demand, sue for, take, or receive, directly or indirectly, by set-off, redemption, purchase, or in any other manner whatsoever, any payment with respect to, or any security or guaranty for, the whole or any part of the Subordinated Obligations, and in issuing documents, instruments, or agreements of any kind evidencing the Subordinated Obligations, each Borrower hereby agrees that it will not receive any payment of any kind on account of the Subordinated Obligations, so long as any of the Indebtedness is outstanding or any of the terms and conditions of any of the Loan Documents are in effect; provided, however, that, notwithstanding anything to the contrary contained herein, if no Potential Event of Default or Event of Default has occurred and is continuing under any of the Loan Documents, then payments may be received by such Borrower in respect of the Subordinated Obligations in accordance with the stated terms thereof. Except as aforesaid, each Borrower agrees not to accept any payment or satisfaction of any kind of indebtedness of any other Borrower in respect of the Subordinated Obligations and hereby assigns such rights or indebtedness to Fannie Mae, including the right to file proofs of claim and to vote thereon in connection with any case under any chapter of the Bankruptcy Code, including the right to vote on any plan of reorganization. In the event that any payment on account of Subordinated Obligations shall be received by any Borrower in violation of the foregoing, such payment shall be held in trust for the benefit of Lender, and any amount so collected shall be turned over to Lender upon demand.

Section 3.11 Insolvency and Liability of Other Borrower.

So long as any of the Indebtedness is Outstanding, if a petition under any chapter of the Bankruptcy Code is filed by or against any Borrower (the “**Subject Borrower**”), each other Borrower (each, an “**Other Borrower**”) agrees to file all claims against the Subject Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law in connection with indebtedness owed by the Subject Borrower and to assign to Lender all rights thereunder up to the amount of such indebtedness. In all such cases, the Person or Persons authorized to pay such claims shall pay to Lender the full amount thereof and Lender agrees to pay such Other Borrower any amounts received in excess of the amount necessary to pay the Indebtedness. Each Other Borrower hereby assigns to Lender all of such Other Borrower’s rights to all such payments to which such Other Borrower would otherwise be entitled but not to exceed the full amount of the Indebtedness. In the event that, notwithstanding the foregoing, any such payment shall be received by any Other Borrower before the Indebtedness shall have been finally paid in full, such payment shall be held in trust for the benefit of and shall be paid over to Lender upon demand. Furthermore, notwithstanding the foregoing, the liability of each Borrower hereunder shall in no way be affected by:

(a) the release or discharge of any Other Borrower in any creditors’ receivership, bankruptcy, or other proceedings; or

(b) the impairment, limitation, or modification of the liability of any Other Borrower or the estate of any Other Borrower in bankruptcy resulting from the operation of any present or future provisions of any chapter of the Bankruptcy Code or other statute or from the decision in any court.

Section 3.12 Preferences, Fraudulent Conveyances, Etc.

If Lender is required to refund, or voluntarily refunds, any payment received from any Borrower because such payment is or may be avoided, invalidated, declared fraudulent, set aside, or determined to be void or voidable as a preference, fraudulent conveyance, impermissible setoff, or a diversion of trust funds under the Insolvency Laws or for any similar reason, including any judgment, order, or decree of any court or administrative body having jurisdiction over any Borrower or any of its property, or upon or as a result of the appointment of a receiver, intervenor, custodian, or conservator of, or trustee or similar officer for, any Borrower or any substantial part of its property, or otherwise, or any statement or compromise of any claim effected by Lender with any Borrower or any other claimant (a “**Rescinded Payment**”), then each Other Borrower’s liability to Lender shall continue in full force and effect, or each Other Borrower’s liability to Lender shall be reinstated and renewed, as the case may be, with the same effect and to the same extent as if the Rescinded Payment had not been received by Lender, notwithstanding the cancellation or termination of any of the Loan Documents, and regardless of whether Lender contested the order requiring the return of such payment. In addition, each Other Borrower shall pay, or reimburse Lender for, all expenses (including all reasonable attorneys’ fees, court costs, and related disbursements) incurred by Lender in the defense of any claim that a payment received by Lender in respect of all or any part of the Indebtedness must be refunded. The provisions of this Section 3.12 (Preferences, Fraudulent Conveyances, Etc.) shall survive the termination of the Loan Documents and any satisfaction and discharge of any Borrower by virtue of any payment, court order, or any federal or state law.

Section 3.13 Maximum Liability of Each Borrower.

Notwithstanding anything contained in this Master Agreement or any other Loan Document to the contrary, if the obligations of any Borrower under this Master Agreement or any of the other Loan Documents or any Security Instruments granted by any Borrower are determined to exceed the reasonably equivalent value received by such Borrower in exchange for such obligations or grant of such Security Instruments under any Fraudulent Transfer Law (as hereinafter defined), then the liability of such Borrower shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations under this Master Agreement or all the other Loan Documents subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the “**Fraudulent Transfer Laws**”), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of Indebtedness to any other Borrower or any other Person that is an affiliate of the other Borrower to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Borrower in respect of the Indebtedness) and after giving effect (as assets) to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification, or contribution of such Borrower pursuant to Applicable Law or pursuant to the terms of any agreement including the Contribution Agreement.

Section 3.14 Liability Cumulative.

The liability of each Borrower under this Article 3 (Personal Liability) is in addition to and shall be cumulative with all liabilities of such Borrower to Lender under this Master Agreement and all the other Loan Documents to which such Borrower is a party or in respect of any Indebtedness of any other Borrower.

Article 4 BORROWER STATUS

Section 4.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 4.01 (Borrower Status – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Due Organization and Qualification; Organizational Agreements.

(1) Each Borrower is validly existing and qualified to transact business and is in good standing in (A) the state in which it is formed or organized, (B) the Property Jurisdiction and (C) each other jurisdiction that qualification or good standing is required according to Applicable Law to conduct its business with respect to the Mortgaged Property, in each case, where the failure to be so qualified or in good standing would adversely affect Borrower's operation of its Mortgaged Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Master Agreement or any other Loan Document. The managing member or general partner of Borrower, as applicable, is validly existing and qualified to transact business and is in good standing in the state in which it is organized and in each other jurisdiction in which such qualification and/or standing is necessary to the conduct of its business in each case where the failure to be so qualified or in good standing would materially adversely affect (x) Borrower's operation of its Mortgaged Property, or (y) the validity or enforceability of, or the ability of Borrower to perform its obligations under, this Master Agreement or any other Loan Document.

(2) Borrower's organizational Documents prohibit a Division of Borrower.

(3) True, correct and complete Organizational Documents of each Borrower Entity and each Identified Party have been delivered to Lender prior to each Effective Date. The Ownership Interests Schedule attached hereto sets forth:

(A) the direct owners of Borrower and their respective interests;

(B) the indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and

(C) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests.

(4) The Organizational Documents of Borrower and SPE Owner, if any, require Borrower and SPE Owner, if any, to comply with the provisions of Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status) of this Master Agreement.

(b) Location.

Borrower's General Business Address (or such other address as may hereafter be designated in a written notice to Lender in accordance with the applicable Loan Documents) is Borrower's principal place of business and principal office. Guarantor's General Business Address (or such other address as may hereafter be designated in a written notice to Lender in accordance with the applicable Loan Documents) is Guarantor's principal place of business and principal office. Key Principal's General Business Address is Key Principal's principal place of business and principal office.

(c) Power and Authority.

Each Borrower has the requisite power and authority:

(1) to own its Mortgaged Property and to carry on its business as now conducted and as contemplated to be conducted in connection with the performance of its obligations under this Master Agreement and under the other Loan Documents to which it is a party; and

(2) to execute and deliver this Master Agreement and the other Loan Documents to which it is a party, and to carry out the transactions contemplated by this Master Agreement and the other Loan Documents to which it is a party.

(d) Due Authorization.

(1) The execution, delivery, and performance of this Master Agreement and the other Loan Documents to which it is a party have been duly authorized by all necessary action and proceedings by or on behalf of Borrower, and no further approvals or filings of any kind, including any approval of or filing with any Governmental Authority, are required by or on behalf of Borrower as a condition to the valid execution, delivery, and performance by Borrower of this Master Agreement or any of the other Loan Documents to which it is a party, except filings required to perfect and maintain the liens to be granted under the Loan Documents and routine filings to maintain good standing and its existence.

(2) The execution, delivery, and performance by UMH Affiliate of the Assignment of Leases and Rents and the other Loan Documents to which it is a party have been duly authorized by all necessary action and proceedings by or on behalf of UMH Affiliate, and no further approvals or filings of any kind, including any approval of or filing with any Governmental Authority, are required by or on behalf of UMH Affiliate as a condition to the valid execution, delivery, and performance by UMH Affiliate of the Assignment of Leases and Rents and the other Loan Documents to which it is a party, except filings required to perfect and maintain the liens to be granted under the Assignment of Leases and Rents and routine filings to maintain the good standing and existence of UMH Affiliate.

(e) Valid and Binding Obligations.

(1) This Master Agreement and the other Loan Documents to which it is a party have been duly executed and delivered by Borrower and constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(2) The Assignment of Leases and Rents and the other Loan Documents to which it is a party have been duly executed and delivered by UMH Affiliate and constitutes the legal, valid, and binding obligations of UMH Affiliate, enforceable against UMH Affiliate in accordance with its terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(f) Effect of Master Agreement on Financial Condition.

Borrower, Borrower's general partner or sole member, and any SPE Owner will not be rendered Insolvent by the transactions contemplated by the provisions of this Master Agreement and the other Loan Documents. Borrower has sufficient working capital, including proceeds from the Advances, cash flow from the Mortgaged Properties, or other sources, not only to adequately maintain the Mortgaged Properties in accordance with the terms of the Loan Documents, but also to pay all of Borrower's outstanding debts as they come due, including all Debt Service Amounts, exclusive of Borrower's ability to refinance or pay in full any Advance on its Maturity Date. In connection with the execution and delivery of this Master Agreement, the Security Instruments and the other Loan Documents (and the delivery to, or for the benefit of, Lender of any collateral contemplated thereunder), and the incurrence by Borrower of the obligations under this Master Agreement and the other Loan Documents, Borrower did not receive less than reasonably equivalent value in exchange for the incurrence of the obligations of Borrower under this Master Agreement and the other Loan Documents.

(g) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) No Borrower Entity, or to Borrower's knowledge, any Identified Party, or any Person Controlled by Borrower Entity that also has a direct or indirect Ownership Interest in any Borrower Entity, is in violation of any applicable civil or criminal laws or

regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) No Borrower Entity, or to Borrower's knowledge, any Identified Party, or any Person Controlled by Borrower Entity that also has a direct or indirect Ownership Interest in any Borrower Entity, is a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.01(g)(1) (Borrower Status – Representations and Warranties – Economic Sanctions, Anti-Money Laundering, and Anti-Corruption);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.01(g)(1) (Borrower Status – Representations and Warranties – Economic Sanctions, Anti-Money Laundering, and Anti-Corruption);

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Master Agreement and the other Loan Documents under any other Applicable Law; or

(D) that is deemed is a Sanctioned Person.

(3) Each Borrower Entity is in compliance with all applicable Economic Sanctions laws and regulations.

(h) Single Purpose Status.

Each Borrower and SPE Owner at all times since its formation:

(1) has not acquired, held, owned, leased, developed, or improved, and does not own or lease any real property, personal property, or assets other than the Mortgaged Property or, for any SPE Owner, equity interests in a Person that owns the Mortgaged Property, and assets explicitly excluded from the definition of "Mortgaged Property" (if any) in the Loan Documents;

(2) has not acquired or owned and does not own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or, for any SPE Owner, equity interests in a Person that owns the Mortgaged Property, and incidental activities related thereto;

(3) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property) that (i) are not evidenced by a promissory note, (ii) are payable within sixty (60) days of the date incurred, and (iii) as of the Effective Date such Mortgaged Property is added to the Collateral Pool, do not exceed, the lesser of (x) four percent (4%) of the Allocable Facility Amount for such Mortgaged Property and (y) in the aggregate, when added to unsecured trade payables for all other Mortgaged Properties in the Collateral Pool, two percent (2%) of the principal balance of the Advances Outstanding;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and,

(D) the Contribution Agreement;

(4) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person and has not listed its assets on the financial statement of any other Person (unless Borrower's assets have been included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) has not commingled its assets or funds with those of any other Person (except for other Borrowers), and has held all its assets or funds under its own name, unless such assets or funds can easily be segregated and identified in the ordinary course of business and in such a manner that it will not be costly or difficult to segregate, ascertain, or identify its individual assets from those of any other Person;

(6) has been adequately capitalized in light of its contemplated business operations; provided, however, if Gross Revenues are insufficient to pay all Operating Expenses, including salaries of employees, if any, and all Debt Service Amounts, no Person shall be obligated to capitalize Borrower in order for Borrower to pay such amounts.

(7) has not assumed, guaranteed, or become obligated for the liabilities or obligations of any other Person or pledged its assets for the benefit of any other Person (except in connection with the Contribution Agreement, this Master Agreement or other

mortgage loans or other liabilities or obligations that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument), or held out its credit as being available to satisfy the obligations of any other Person, in each case excluding the other Borrowers;

(8) has not made loans or advances to any other Person;

(9) has not entered into and is not a party to any transaction with any Borrower Affiliate, except: (a) in the ordinary course of business and on terms which are no more favorable to such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party, and (b) in connection with the Contribution Agreement;

(10) has not acquired any obligations or securities of any other Person except for other Borrowers, as applicable;

(11) has paid its own liabilities, including the salaries of its own employees, if any, from its own funds (other than pursuant to the Contribution Agreement) and maintained a sufficient number of employees in light of its contemplated business operations; provided, however, if Gross Revenues are insufficient to pay all Operating Expenses, including salaries of employees, if any, and all Debt Service Amounts, no Person shall be obligated to capitalize Borrower in order for Borrower to pay such amounts;

(12) does not fail to and has not failed to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name (or any name franchised or licensed to it or fictitious name registered with the applicable Governmental Authority) or failed to correct any known misunderstanding regarding its separate identity;

(13) has allocated fairly and reasonably any overhead for shared expenses;

(14) has maintained its existence as an entity duly organized, validly existing, and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and has done all things necessary to observe organizational formalities;

(15) has not, other than SPE Owner's Ownership Interest in Borrower, does not own any subsidiary or any investment in, any Person other than as has been terminated or consented to by Lender in writing;

(16) without the prior written consent of Lender or unless otherwise required or permitted by a Cap Security Agreement, has not entered into, guaranteed, provided security for, or otherwise undertaken any form of contingent obligation with respect to any Hedging Arrangement; and

(17) has not sought and has no plans to Divide at any time during the Term of this Master Agreement.

(i) No Bankruptcies or Judgments.

No Borrower, Borrower's general partner or sole member, nor any SPE Owner is currently:

(1) the subject of or a party to any completed or pending bankruptcy, reorganization, including any receivership or other insolvency proceeding;

(2) preparing or intending to be the subject of a Bankruptcy Event;

(3) the subject of any judgment unsatisfied of record or docketed in any court;
or

(4) Insolvent.

(j) No Actions or Litigation.

(1) Other than residential eviction actions in the ordinary course of business, there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending against or, to Borrower's knowledge, threatened against or affecting Borrower or any Mortgaged Property not otherwise covered by insurance (exclusive of any deductibles thereunder) (except lawsuits filed in a court of competent jurisdiction regarding fair housing, anti-discrimination, or equal opportunity, which shall always be disclosed); and

(2) there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending or, to Borrower's knowledge, threatened in writing against or affecting Guarantor or Key Principal, which claims, actions, suits, or proceedings, if adversely determined (individually or in the aggregate) reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal or the condition, operation, or ownership of the Mortgaged Property (except lawsuits filed in a court of competent jurisdiction regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(k) Payment of Taxes, Assessments, and Other Charges.

Borrower confirms that:

(1) it has filed all federal, state, county, and municipal tax returns and reports required to have been filed by Borrower;

(2) it has paid, before any fine, penalty interest, lien, or costs may be added thereto, all taxes, governmental charges, and assessments due and payable with respect to such returns and reports (or is contesting the same in accordance with the provisions of this Master Agreement);

(3) there is no controversy or objection pending, or to the knowledge of Borrower, threatened in respect of any tax returns of Borrower (other than contests initiated after the date hereof in accordance with the provisions of this Master Agreement); and

(4) it has made adequate reserves on its books and records for all taxes that have accrued but which are not yet due and payable.

(l) Not a Foreign Person.

Borrower is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(m) ERISA.

Borrower represents and warrants that:

(1) Borrower is not an Employee Benefit Plan;

(2) no asset of Borrower constitutes “plan assets” (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3 101) of an Employee Benefit Plan;

(3) no asset of Borrower is subject to any laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(4) neither Borrower nor any ERISA Affiliate is subject to any obligation or liability with respect to any ERISA Plan.

(n) Default Under Other Obligations.

(1) The execution, delivery, and performance of the obligations imposed on Borrower under this Master Agreement and the Loan Documents to which it is a party will not cause Borrower to be in default under the provisions of any agreement, judgment or order to which Borrower is a party or by which Borrower is bound.

(2) There are no defaults by Borrower or, to the knowledge of Borrower, by any other Person under any contract to which Borrower is a party, including any management, rental, service, supply, security, maintenance or similar contract, other than defaults which do not have, and are not reasonably expected to have, a Material Adverse Effect.

(o) Prohibited Person.

No Borrower Entity is a Prohibited Person. To Borrower’s knowledge, none of the following is a Prohibited Person:

(1) any Person Controlling any Borrower Entity; or

(2) any Person Controlled by and having a direct or indirect Ownership Interest in any Borrower Entity.

(p) No Contravention; No Liens.

Neither the execution and delivery of this Master Agreement and the other Loan Documents to which Borrower is a party, nor the fulfillment of or compliance with the terms and conditions of this Master Agreement and the other Loan Documents to which Borrower is a party, nor the performance of the obligations of Borrower under this Master Agreement and the other Loan Documents:

(1) does or will conflict with or result in any breach or violation of (A) any Applicable Law enacted or issued by any Governmental Authority or other agency having jurisdiction over Borrower, the Mortgaged Properties or any other portion of the Collateral or other assets of Borrower, or (B) any judgment or order applicable to Borrower or to which Borrower, the Mortgaged Properties or other assets of Borrower are subject;

(2) does or will conflict with or result in any breach or violation of, or constitute a default under, any of the terms, conditions or provisions of Borrower's Organizational Documents, any indenture, existing agreement or other instrument to which Borrower is a party or to which Borrower, the Mortgaged Properties or any other portion of the Collateral or other assets of Borrower are subject;

(3) does or will result in or require the creation of any Lien on all or any portion of the Collateral or the Mortgaged Properties, except for the Permitted Encumbrances or Liens permitted under Section 11.02(a); or

(4) does or will require the consent or approval of any creditor of Borrower, any Governmental Authority or any other Person except such consents or approvals which have already been obtained.

(q) Lockbox Arrangement.

Borrower is not party to any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower is party to any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing.

(r) No Reliance.

Borrower acknowledges, represents, and warrants that it understands the nature and structure of the transactions contemplated by this Master Agreement and the other Loan Documents to which Borrower is a party (including the cross-collateralization and cross-default of the Indebtedness), that it is familiar with the provisions of all of the documents and instruments relating to such transactions; that it understands the risks inherent in such transactions, including

the risk of loss of all or any of the Mortgaged Properties; with respect to the cross-collateralization and cross-default of the Indebtedness, that it has obtained all consents required pursuant to the Organizational Documents of each Borrower Entity and Identified Party and any owners thereof; and that it has not relied on Lender, Fannie Mae, or their counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Master Agreement or any other Loan Document to which Borrower is a party or otherwise relied on Lender, Fannie Mae, or their counsel in any manner in connection with interpreting, entering into or otherwise in connection with this Master Agreement, any other Loan Document or any of the matters contemplated hereby or thereby.

(s) Investment Company Act.

Borrower is not (1) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; (2) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Energy Policy Act of 2005, as amended; or (3) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

Section 4.02 Covenants.

(a) Maintenance of Existence; Organizational Documents.

(1) Each of Borrower, its general partner, sole member, or managing member (as applicable), SPE Owner, Guarantor and Key Principal shall maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable). Borrower shall continue to be duly qualified and in good standing to transact business in each jurisdiction in which qualification or standing is required according to Applicable Law to conduct its business with respect to its Mortgaged Property and where the failure to do so would adversely affect Borrower’s operation of its Mortgaged Property or the validity, enforceability, or the ability of Borrower to perform its obligations under this Master Agreement or any other Loan Document. Neither Borrower nor any partner, member, manager, officer, or director of Borrower shall:

(A) make or allow any material change to the Organizational Documents or organizational structure of Borrower, including changes relating to the Control of Borrower or changes that could lead to noncompliance with the SPE Requirements or the provisions of Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status), or

(B) file any action, complaint, petition, or other claim to:

(i) divide, partition, or otherwise compel the sale of any Mortgaged Property, or

(ii) otherwise change the Control of Borrower.

(2) [Intentionally Omitted].

(b) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) Each Borrower Entity, any Identified Party, or any Person Controlled by Borrower Entity that also has a direct or indirect Ownership Interest in any Borrower Entity shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) At no time shall any Borrower Entity or any Identified Party, or any Person Controlled by Borrower Entity that also has a direct or indirect Ownership Interest in any Borrower Entity, be a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.02(b)(1) (Borrower Status – Covenants – Economic Sanctions, Anti-Money Laundering, and Anti-Corruption);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.02(b)(1) (Borrower Status – Covenants – Economic Sanctions, Anti-Money Laundering, and Anti-Corruption);

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Master Agreement and the other Loan Documents under any other Applicable Law; or

(D) that is deemed a Sanctioned Person.

(3) Borrower, Guarantor, and Key Principal shall at all times remain in compliance with any applicable Economic Sanctions laws and regulations.

(c) Payment of Taxes, Assessments, and Other Charges.

Borrower shall file all federal, state, county, and municipal tax returns and reports required to be filed by Borrower and (subject to Borrower's right to contest the amount or validity of any Imposition pursuant to Section 12.03(e) (Contesting Impositions)) shall pay, before any fine, penalty interest, or cost may be added thereto, all taxes payable with respect to such returns and reports.

(d) Single Purpose Status.

Until the Indebtedness is fully paid (or Borrower is otherwise Released from this Master Agreement), Borrower and SPE Owner:

(1) shall not acquire, hold, develop, lease, or improve any real property, personal property, or assets other than (A) the Mortgaged Property or (B) for any SPE Owner, equity interests in a Person that owns the Mortgaged Property, and assets explicitly excluded from the definition of “Mortgaged Property” in the Loan Documents;

(2) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, financing (to the extent permitted under this Master Agreement), and maintenance of the Mortgaged Property or, for any SPE Owner, equity interests in a Person that owns the Mortgaged Property, and incidental activities related thereto;

(3) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person except for other Borrowers;

(4) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower’s assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (i) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (ii) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables (1) are not evidenced by a promissory note, (2) are payable within sixty (60) days of the date incurred, and (3) as of any date, do not exceed the lesser of (x) four percent (4%) of the Allocable Facility Amount for such Mortgaged Property and (y) in the aggregate, when added to unsecured trade payables for all other Mortgaged Properties in the Collateral Pool, two percent (2%) of the principal balance of the Advances Outstanding;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower’s obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and,

(D) the Contribution Agreement;

(6) shall not assume, guaranty, or become obligated for the liabilities or obligations of any other Person, or pledge its assets for the benefit of any other Person (except in connection with the Contribution Agreement, this Master Agreement or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person except for another Borrower pursuant to the terms of the Contribution Agreement;

(7) shall not make loans or advances to any other Person;

(8) shall not enter into or become a party to, any transaction with any Borrower Affiliate, except (a) in the ordinary course of business and on terms which are no more favorable to such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party; and (b) in connection with the Contribution Agreement;

(9) shall not acquire obligations or securities of any other Person except for the other Borrowers;

(10) shall pay (or shall cause Property Manager on behalf of Borrower from Borrower's own funds to pay) its own liabilities, including the salaries of its own employees, if any, from its own funds and maintain a sufficient number of employees in light of its contemplated business operations; provided, however, if Gross Revenues are insufficient to pay all Operating Expenses, including salaries of employees, if any, and all Debt Service Amounts, no Person shall be obligated to capitalize Borrower in order for Borrower to pay such amounts;

(11) shall not fail to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name (or any name licensed or franchised to it or fictitious name registered with the applicable Governmental Authority) or fail to correct any known misunderstanding regarding its separate identity;

(12) shall allocate fairly and reasonably any overhead for shared expenses;

(13) shall maintain its existence as an entity duly organized and validly existing, under the laws of the jurisdiction of its formation or organization;

(14) shall be in good standing (if applicable) under the laws of the jurisdiction of its formation or organization if the failure to be so qualified or in good standing would

materially adversely affect (x) Borrower's operation of its Mortgaged Property, or (y) the validity or enforceability of, or the ability of Borrower to perform its obligations under, this Master Agreement or any other Loan Document;

(15) shall not, other than SPE Owner's Ownership Interest in Borrower, own any subsidiary or make any investment in, any Person without the prior written consent of Lender;

(16) without the prior written consent of Lender or unless otherwise required or permitted by a Cap Security Agreement, shall not enter into or guarantee, provide security for, or otherwise undertake any form of contingent obligation with respect to any Hedging Arrangement; ,

(17) shall not Divide; and

(18) (A) if a limited liability company Borrower or any limited liability company SPE Owner has only one member as of the Effective Date the applicable Borrower becomes party to this Master Agreement, any such Borrower and any such SPE Owner shall maintain Organizational Documents that provide that upon the occurrence of any event that causes its sole member to cease to be a member while the Advances are Outstanding, (i) at least one of two special members (if such special members are natural persons) or the sole special member (if such special member is an entity) will automatically be admitted as the sole member of such Borrower and/or such SPE Owner, as applicable, and (ii) such admittance will preserve and continue the existence of such Borrower and any such SPE Owner without dissolution, and (B) if a limited liability company Borrower or any limited liability company SPE Owner has two or more members as of the Effective Date the applicable Borrower becomes party to this Master Agreement, Borrower and any such SPE Owner shall maintain at least two members at all times and at no time shall become a single-member limited liability company.

(e) ERISA.

Borrower covenants that:

(1) no asset of Borrower shall constitute "plan assets" (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3 101) of an Employee Benefit Plan;

(2) no asset of Borrower shall be subject to the laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(3) neither Borrower nor any ERISA Affiliate shall incur any obligation or liability with respect to any ERISA Plan.

(f) Notice of Litigation or Insolvency.

Borrower shall give immediate written notice to Lender of any claims, actions, suits, or proceedings at law or in equity (including any insolvency, bankruptcy, or receivership proceeding) by or before any Governmental Authority pending or, to Borrower's knowledge, threatened against or affecting any Borrower Entity or Identified Party or the Mortgaged Property (the parties agreeing that only claims, actions, suits or proceedings disclosed in a public filing of a Publicly-Held Corporation or a Publicly-Held Trust shall be deemed to materially adversely affect the financial condition or business of such Publicly-Held Corporation or Publicly-Held Trust or any of its subsidiaries other than Borrower or Property Operator), which claims, actions, suits or proceedings, if adversely determined reasonably would be expected to materially adversely affect the financial condition or business of any Borrower Entity or Identified Party or the condition, operation, or ownership of the Mortgaged Property (including any claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(g) Payment of Costs, Fees, and Expenses.

In addition to the payments specified in this Master Agreement, Borrower shall pay, within ten (10) days after Lender's written request therefor, all of Lender's and Fannie Mae's out-of-pocket fees, costs, charges, or expenses (including the reasonable fees and expenses of attorneys, accountants, and other experts) incurred by Lender and Fannie Mae in connection with:

(1) any amendment to, consent, or waiver required under, or Request made pursuant to, this Master Agreement or any of the Loan Documents (whether or not any such amendment, consent, waiver, or Request is entered into);

(2) defending or participating in any litigation arising from actions by third parties and brought against or involving Lender with respect to:

(A) any Mortgaged Property;

(B) any event, act, condition, or circumstance in connection with any Mortgaged Property; or

(C) the relationship between or among Lender, Fannie Mae, Borrower, Key Principal, and Guarantor in connection with this Master Agreement or any of the transactions contemplated by this Master Agreement;

in each case, except for litigation arising out of claims by third parties based on gross negligence or willful misconduct committed solely by Lender (and not Borrower, Key Principal or Guarantor) as determined by a court of competent jurisdiction pursuant to a final non-appealable court order;

(3) the administration or enforcement of, or preservation of rights or remedies under, this Master Agreement or any other Loan Documents including or in connection

with any litigation or appeals, any Foreclosure Event or other disposition of any collateral granted pursuant to the Loan Documents; and

(4) any Bankruptcy Event of any Borrower, Borrower's general partner, sole member, or managing member, SPE Owner, or Guarantor.

Notwithstanding anything to the contrary in the foregoing, to the extent any out-of-pocket fees, costs, charges, or expenses are incurred by Lender or Fannie Mae in connection with a Request for which there is a closing, then all such fees, charges, or expenses shall be due and payable at such closing.

(h) Restrictions on Distributions.

No distributions or dividends of any nature with respect to Rents or other income from the Mortgaged Property shall be made to any Person having direct Ownership Interest in Borrower or SPE Owner if, at the time of such distribution, (1) Borrower has knowledge that after such distribution it will be unable to make any required payments under the Loan Documents (but excluding any repayments of principal other than scheduled amortizing Monthly Debt Service Payments) as and when such payments become due and payable, (2) an Event of Default has occurred and is continuing, or (3) a Bankruptcy Event has occurred with respect to any Borrower Entity or any SPE Owner.

(i) Lockbox Arrangement.

Borrower shall not enter into any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower shall enter into any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing. Lender's approval of any such cash management arrangement may be conditioned upon requiring Borrower to enter into a lockbox agreement or similar cash management arrangement with Lender in form and substance acceptable to Lender with regard to Rents and other income from the Mortgaged Property.

(j) Confidentiality of Certain Information.

Borrower shall not disclose, and shall not permit to be disclosed, any terms, conditions, underwriting requirements, or underwriting procedures of this Master Agreement or any of the Loan Documents which are not generally available to borrowers of Lender or Fannie Mae or members of the public through form documents, descriptions of financing programs or underwriting processes or otherwise; provided, however, that such information may be disclosed (1) as required by law or pursuant to GAAP, (2) to actual or prospective investors, direct or indirect, in Borrower, any SPE Owner, Guarantor and/or Key Principal, and to officers, directors, employees, agents, partners, attorneys, accountants, engineers, and other consultants of such Borrower Entity or Identified Party who need to know such information, provided such Persons are instructed to treat such information confidentially, (3) to any regulatory authority having jurisdiction over such Borrower Entity or Identified Party, (4) in connection with any filings with

the Securities and Exchange Commission or other Governmental Authorities, or (5) to any other Person to which such delivery or disclosure may be necessary or appropriate (A) in compliance with any law, rule, regulation, or order applicable to such Borrower Entity or Identified Party, (B) in response to any subpoena or other legal process or information investigative demand, or (C) in any legal proceeding arising from a dispute between the parties.

Article 5

THE ADVANCES

Section 5.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 5.01 (The Advances – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Receipt and Review of Loan Documents.

Borrower has received and reviewed this Master Agreement and all of the other Loan Documents.

(b) No Default.

No default exists under any of the Loan Documents.

(c) No Defenses.

The Loan Documents are not currently subject to any right of rescission, set-off, counterclaim, or defense by either Borrower or Guarantor, including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable (subject to principles of equity and bankruptcy, Insolvency Laws, and other laws generally affecting creditors' rights and the enforcement of debtors' obligations), and neither Borrower nor Guarantor has asserted any right of rescission, set-off, counterclaim, or defense with respect thereto.

(d) Loan Document Taxes.

All mortgage, mortgage recording, stamp, intangible, or any other similar taxes required to be paid by any Person under Applicable Law currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents, including the Security Instrument, have been paid or will be paid in the ordinary course of the closing of any Advance.

Section 5.02 Covenants.

(a) Ratification of Covenants; Estoppels; Certifications.

Borrower shall:

(1) promptly notify Lender in writing upon any violation of any covenant set forth in any Loan Document of which Borrower has notice or knowledge; provided, however, any such written notice by Borrower to Lender shall not relieve Borrower of, or result in a waiver of, any obligation under this Master Agreement or any other Loan Document; and

(2) within ten (10) Business Days after a request from Lender, provide a written statement, signed and acknowledged by Borrower (but absent an Event of Default, no more frequently than once in any six (6) month period), certifying to Lender or any Person designated by Lender, as of the date of such statement:

(A) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications);

(B) the unpaid principal balance of the Advances Outstanding;

(C) the date to which interest on the Advances Outstanding has been paid;

(D) that Borrower is not in default in paying the Advances Outstanding or in performing or observing any of the covenants or agreements contained in this Master Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail);

(E) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and

(F) any additional facts reasonably requested in writing by Lender with respect to the Mortgaged Property, the Advances, or any of the Loan Documents.

(b) Further Assurances.

(1) Other Documents As Lender May Require.

Within ten (10) Business Days after request by Lender, Borrower shall, subject to Section 5.02(d) (Limitations on Further Acts of Borrower) below, execute, acknowledge, deliver, and, if necessary, file or record, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to

Lender the rights intended to be granted, now or in the future, to Lender under this Master Agreement and the other Loan Documents and take such further action as Lender from time to time may reasonably request as reasonably necessary, desirable, or proper to carry out more effectively the purposes of this Master Agreement or any of the other Loan Documents.

(2) Corrective Actions.

Within ten (10) days after request by Lender, Borrower shall provide, or cause to be provided, to Lender, at Borrower's cost and expense, such further documentation or information reasonably deemed necessary or appropriate by Lender in the exercise of its rights under the related commitment letter between Borrower and Lender or to correct patent mistakes in the Loan Documents, the Title Policy, or the funding of the Advances.

(3) Compliance with Investor Requirements.

Without limiting the generality of subsections (1) and (2) above, Borrower shall subject to Section 5.02(d) (Limitations on Further Acts of Borrower) below, take all reasonable actions necessary to comply with the requirements of Lender to enable Lender to sell any MBS backed by an Advance or achieve or preserve the expected federal income tax treatment of any MBS trust that directly or indirectly holds an Advance and issues MBS as a fixed investment trust or real estate mortgage investment conduit, as the case may be, within the meaning of the Treasury Regulations.

(c) Sale of Advances.

Borrower shall, subject to Section 5.02(d) (Limitations on Further Acts of Borrower) below:

(1) comply with the reasonable requirements of Lender or any Investor or provide, or cause to be provided, to Lender or any Investor within ten (10) days after the request, at Borrower's cost and expense, such further documentation or information as Lender or Investor may reasonably require in order to:

(A) enable Lender to sell the Advance to such Investor;

(B) enable Lender to obtain a refund of any commitment fee from any such Investor;

(C) enable any such Investor to further sell or securitize the Advance; or

(D) achieve or preserve the expected federal income tax treatment of any MBS trust that directly or indirectly holds an Advance and issues MBS as a fixed investment trust or real estate mortgage investment conduit, as the case may be, within the meaning of the Treasury Regulations.

(2) ratify and affirm in writing the representations and warranties set forth in any Loan Document as of such date specified by Lender modified as necessary to reflect changes that have occurred subsequent to the Effective Date;

(3) confirm that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Master Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); and

(4) execute and deliver to Lender and/or any Investor such other documentation, including any amendments, corrections, deletions, or additions to this Master Agreement or other Loan Document(s) as is reasonably required by Lender or such Investor which are reasonably necessary to accomplish the purposes of the Loan Documents.

(d) Limitations on Further Acts of Borrower.

Nothing in Section 5.02(b) (Further Assurances) or Section 5.02(c) (Sale of Advances) shall require Borrower to do any further act that has the effect of changing the economic terms, determined upon rate lock, imposing on Borrower or Guarantor greater personal liability, or materially changing the rights and obligations of Borrower or Guarantor, under the Loan Documents or imposing on Borrower or Guarantor third-party, out of pocket costs and expenses of greater than \$100,000 per request or series of related requests, provided that in each such case, any limitations under this Section 5.02(d) shall not apply with respect to Borrower's obligations under Section 5.02(b)(2) or, except as may be required to correct patent mistakes or defects.

(e) Financing Statements; Record Searches.

(1) Borrower shall pay all costs and expenses associated with:

(A) any filing or recording of any financing statements, including all continuation statements, termination statements, and amendments or any other filings related to security interests in or liens on collateral; and

(B) any record searches for financing statements that Lender may require.

(2) Borrower hereby authorizes Lender to file any financing statements, continuation statements, termination statements, and amendments (including an "all assets" or "all personal property" collateral description or words of similar import) in form and substance as Lender may require in order to protect and preserve Lender's lien priority and security interest in any Mortgaged Property (and to the extent Lender has filed any such financing statements, continuation statements, or amendments prior to the applicable Effective Date, such filings by Lender are hereby authorized and ratified by Borrower).

(f) Loan Document Taxes.

Borrower shall pay, on demand, any transfer taxes, documentary taxes, assessments, or charges made by any Governmental Authority in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents or the Advances; provided, however, Borrower will not be obligated to pay any franchise, excise, estate, inheritance, income excess profits or similar tax of Lender.

(g) Date-Down Endorsements.

In connection with a Collateral Event, and at any time and from time to time that Lender has reason to believe that an additional lien may encumber any Mortgaged Property or in order to protect Lender's interest in the Collateral, Lender may obtain, at Borrower's cost, an endorsement to the Title Policy for each Mortgaged Property, amending the effective date of such Title Policy to the date of the title search performed in connection with the endorsement; provided, however, Lender shall not obtain date-down endorsements to the Title Policies for the existing Mortgaged Properties in the Collateral Pool in connection with a Release, Addition, or Substitution unless the applicable title insurance company advises that such endorsement is necessary to preserve the validity of such Title Policy on account of the Release, Addition, or Substitution.

Section 5.03 Administrative Matters Regarding Advances.

(a) Determination of Allocable Facility Amount and Valuations.

(1) Initial Determinations.

On the Initial Effective Date, Lender shall determine in accordance with the Underwriting and Servicing Requirements, (A) the Allocable Facility Amount and Valuation for each Initial Mortgaged Property, and (B) the Aggregate Debt Service Coverage Ratio and the Aggregate Loan to Value Ratio. Changes in Allocable Facility Amount, Valuations, the Aggregate Debt Service Coverage Ratio, and the Aggregate Loan to Value Ratio shall be made pursuant to Section 5.03(a)(2) (Subsequent Monitoring Determinations).

(2) Subsequent Monitoring Determinations.

(A) Once each Calendar Quarter, within twenty (20) Business Days after Borrower has delivered to Lender the reports required in Section 8.02 (Books and Records; Financial Reporting – Covenants), Lender shall determine in accordance with the Underwriting and Servicing Requirements the Aggregate Debt Service Coverage Ratio, and the Aggregate Loan to Value Ratio and any other requirements set forth in the Loan Documents and whether Borrower is in compliance with the Interest Rate Cap requirements (including requirements for set forth in Section 2.03(a)(2)(B)(vi) (Interest Accrual and Computation; Amortization; Interest Rate Cap). At any time, Lender may redetermine Allocable Facility Amounts and Valuations for the Manufactured Home Communities in accordance with the

Underwriting and Servicing Requirements if, in Lender's reasonable judgment, changed market or property conditions warrant such redetermination or any other event has occurred that invalidates the outstanding determination. In connection with all Collateral Events (including any Borrow Up) occurring after the First Anniversary, Lender shall redetermine Allocable Facility Amounts and Valuations upon receipt of a Request for a Collateral Event and immediately upon closing such Collateral Event, in each case to take account of such Collateral Event.

(B) Lender shall promptly disclose its determinations to Borrower. Until redetermined, the outstanding Allocable Facility Amounts and Valuations shall remain in effect. Upon receipt by Borrower of any such new determinations by Lender, Borrower shall promptly acknowledge such receipt.

Notwithstanding anything in this Master Agreement to the contrary, no change in Allocable Facility Amounts, Valuations, the Aggregate Loan to Value Ratio, or the Aggregate Debt Service Coverage Ratio shall (i) result in a Potential Event of Default or Event of Default, (ii) require the prepayment of any Advance in whole or in part (unless otherwise required in connection with a Collateral Event), or (iii) require the addition of Collateral to the Collateral Pool.

Article 6

PROPERTY USE, PRESERVATION, AND MAINTENANCE

Section 6.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 6.01 (Property Use, Preservation and Maintenance – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Law; Permits and Licenses.

(1) To Borrower's knowledge, all improvements to the Land and the use of the Mortgaged Properties comply with all Applicable Law, including all applicable statutes, rules, and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing, and rent control, and Borrower has no knowledge of any action or proceeding (or threatened action or proceeding) regarding noncompliance or nonconformity with any of the foregoing.

(2) To Borrower's knowledge, there is no evidence of any illegal activities on the Mortgaged Properties.

(3) To Borrower's knowledge, no permits or approvals from any Governmental Authority, other than those previously obtained and furnished to Lender, are necessary for the commencement and completion of the Repairs or Replacements, as applicable, other than those permits or approvals which will be timely obtained in the ordinary course of business.

(4) To Borrower's knowledge after due inquiry, all required permits, licenses, and certificates to comply with all Applicable Law, and for the lawful use and operation of the Mortgaged Properties, including certificates of occupancy, apartment licenses, or the equivalent, have been obtained and are in full force and effect.

(5) No portion of any Mortgaged Property has been purchased with the proceeds of any illegal activity.

(b) Property Characteristics.

No part of the Land is included or assessed under or as part of another tax lot or parcel, and no part of any other property is included or assessed under or as part of the tax lot or parcels for the Land.

(c) Property Ownership.

Borrower is the sole owner or ground lessee of the Mortgaged Property. If any Mortgaged Property is a condominium, Borrower is and shall be subject to the representations and covenants specific to such Mortgaged Property and attached to the Loan Documents.

(d) Condition of the Mortgaged Property.

Borrower represents that:

(1) Borrower has not made any claims, and to Borrower's knowledge, no claims have been made, against any contractor, engineer, architect, or other party with respect to the construction or condition of any Mortgaged Property or the existence of any structural or other material defect therein that has not been fully corrected;

(2) except with respect to a Release Mortgaged Property that is the subject of a Release Request, no Mortgaged Property has sustained any damage other than damage which has been fully repaired, or is fully insured (exclusive of deductible) and is being repaired in the ordinary course of business; and

(3) except as disclosed in any third party report delivered to Lender prior to the date on which any Mortgaged Property is added to the Collateral Pool, to the knowledge of Borrower, the applicable Mortgaged Property is in good condition, order, and repair (ordinary wear and tear excepted), and there exist no structural or other material defects in any Mortgaged Property (whether patent, latent, or otherwise), and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in any Mortgaged Property, or any part of it, which would adversely affect the insurability of such Mortgaged Property or cause the imposition of extraordinary premiums or charges for insurance or of any termination or threatened termination of any policy of insurance or bond.

(e) Personal Property.

Borrower owns (or, to the extent disclosed on the Exceptions to Representations and Warranties Schedule, leases) all of the Personal Property and all of the Personalty (as defined in the UCC) that is material to and is used in connection with the management, ownership, and operation of its respective Mortgaged Property; provided, however, Borrower shall not own any Manufactured Home.

(f) Surveys.

(1) The most recent Survey of each Mortgaged Property identified on Schedule 23 to this Master Agreement properly depicts the present boundaries of such Mortgaged Property and the location and configuration of all structures and improvements located thereon, except as otherwise described on Schedule 23 to this Master Agreement.

(2) There have been no additions, modifications or alterations to the improvements on any of the Mortgaged Properties which resulted in any changes in the distances between the walls of the improvements and the lot lines shown on the most recent Survey of each Mortgaged Property identified on Schedule 23 to this Master Agreement, except as otherwise described on Schedule 23 to this Master Agreement.

(3) There are no encroachments onto or off of any Mortgaged Property (or onto any easement affecting any Mortgaged Property), except as shown on the most recent Survey of such Mortgaged Property identified on Schedule 23 to this Master Agreement.

(4) There have been no changes to the lot lines of any Mortgaged Property, nor any fences erected or free standing improvements placed along said lot lines, except as shown on the most recent Survey of such Mortgaged Property identified on Schedule 23 to this Master Agreement.

(5) No easements, rights of way or other matters have been granted and no encroachments onto any Mortgaged Property exist, except as shown on the most recent Survey of such Mortgaged Property identified on Schedule 23 to this Master Agreement, as described in Schedule 23 to this Master Agreement or otherwise disclosed in the Title Policy for such Mortgaged Property.

Section 6.02 Covenants.

(a) Use of Property.

From and after the Effective Date, Borrower shall not, unless permitted under Section 6.02(f) or required by Applicable Law or Governmental Authority:

- (1) change the use of all or any part of its Mortgaged Property;

(2) convert any individual dwelling units or common areas to commercial use, or convert any common area or commercial use to individual dwelling units without Lender's consent;

(3) initiate or acquiesce in a change in the zoning classification of the Land;

(4) establish any condominium or cooperative regime with respect to its Mortgaged Property;

(5) subdivide the Land; or

(6) suffer, permit, or initiate the joint assessment of any Mortgaged Property with any other real property constituting a tax lot separate from such Mortgaged Property which could cause the part of the Land to be included or assessed under or as part of another tax lot or parcel, or any part of any other property to be included or assessed under or as part of the tax lot or parcels for the Land.

(b) Property Maintenance.

Borrower shall:

(1) pay the expenses of operating, managing, maintaining, and repairing its Mortgaged Property (including insurance premiums, utilities, Repairs, and Replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added;

(2) keep its Mortgaged Property in good repair and marketable condition (ordinary wear and tear excepted) (including the replacement of Personalty and Fixtures with items of equal or better function and quality) and subject to Section 9.03(b)(3) (Application of Proceeds on Event of Loss) and Section 10.03(d) (Preservation of Mortgaged Property) restore or repair promptly, in a good and workmanlike manner, any damaged part of such Mortgaged Property to the equivalent of its original condition or condition immediately prior to the damage (if improved after the Effective Date), whether or not any insurance proceeds received upon an event of loss or any or amounts received in connection with a Condemnation Action are available to cover any costs of such restoration or repair;

(3) commence all Required Repairs, Additional Lender Repairs, and Additional Lender Replacements as follows:

(A) with respect to any Required Repairs, promptly following the Effective Date (subject to Force Majeure, if applicable), in accordance with the timelines set forth on the Required Repair Schedule, or if no timelines are provided, as soon as practical following the Effective Date;

(B) with respect to Additional Lender Repairs, in the event that Lender determines that Additional Lender Repairs are necessary from time to time or pursuant to Section 6.03(c) (Property Condition Assessment), promptly following Lender's written notice of such Additional Lender Repairs (subject to Force Majeure, if applicable), commence any such Additional Lender Repairs in accordance with Lender's timelines, or if no timelines are provided, as soon as practical; and

(C) with respect to Additional Lender Replacements, in the event that Lender determines that Additional Lender Replacements are necessary from time to time or pursuant to Section 6.03(c) (Property Condition Assessment), promptly following Lender's written notice of such Additional Lender Replacements (subject to Force Majeure, if applicable), commence any such Additional Lender Replacements in accordance with Lender's timelines, or if no timelines are provided, as soon as practical;

(4) make, construct, install, diligently perform, and complete all Replacements, Repairs, Restoration, and any other work permitted under the Loan Documents:

(A) in a good and workmanlike manner as soon as practicable following the commencement thereof, free and clear of any Liens, including mechanics' or materialmen's liens and encumbrances (except Permitted Encumbrances and mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials); provided, nothing herein shall require Borrower to pay for any work or materials so long as Borrower in good faith and at its own expense and by proper legal proceedings is diligently contesting the validity, amount or application of such work or materials and at the time of commencement of the proceeding and during the pendency thereof (i) no Mortgaged Property will be in material danger of being sold, forfeited or lost, as determined by Lender, (ii) Borrower shall furnish such security as may be required in such proceeding or as may be reasonably requested by Lender to insure the payment of the amounts contested and (iii) such contest operates to suspend collection or enforcement of the contested amount, as applicable;

(B) in accordance with all Applicable Law;

(C) in accordance with all applicable insurance and bonding requirements; and

(D) within all timeframes required by Lender, and Borrower acknowledges that it shall be an Event of Default if Borrower abandons or ceases work on any Repair at any time prior to the completion of the Repairs for a period of longer than twenty (20) days (except when Force Majeure exists and Borrower is diligently pursuing the reinstitution of such work; provided, however, any such

abandonment or cessation shall not in any event allow the Repair to be completed after the Completion Period, subject to Force Majeure);

(5) subject to the terms of Section 6.03(a) (Property Management), provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender under a contract approved by Lender in writing;

(6) give written notice to Lender of, and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect any Mortgaged Property, Lender's security for the Advances, or Lender's rights under this Master Agreement; and

(7) upon Lender's written request, submit to Lender any contracts or work orders described in Section 13.02(b) (Approvals of Contracts; Assignment of Claims).

(c) Property Preservation.

Borrower shall:

(1) not commit waste or abandon or (ordinary wear and tear excepted) permit impairment or deterioration of any Mortgaged Property;

(2) subject to the provisions of Section 6.02(f) (Alterations to any Mortgaged Property), not (or otherwise to the extent Borrower has the legal right to do so, permit any other Person to) demolish, make any change in the unit mix, otherwise alter any Mortgaged Property or any part of any Mortgaged Property, or remove any Personalty or Fixtures from the Mortgaged Property, except for: (A) alterations required in connection with Repairs and Replacements; or (B) the replacement of tangible Personalty or Fixtures, provided (i) such Personalty or Fixtures are replaced with items of equal or better function and quality, and (ii) such replacement does not result in any disruption in occupancy (other than in connection with the routine re-leasing of units);

(3) not engage in or knowingly permit, and shall take appropriate measures to prevent and abate or cease and desist, any illegal activities at any Mortgaged Property that could endanger tenants or visitors, result in damage to such Mortgaged Property, result in forfeiture of the Land or otherwise materially impair the lien created by the Security Instrument or Lender's interest in such Mortgaged Property;

(4) not permit any condition to exist on any Mortgaged Property that would invalidate any part of any insurance coverage required by this Master Agreement; or

(5) not subject any Mortgaged Property to any voluntary, elective, or non-compulsory tax lien or assessment (or opt in to any voluntary, elective, or non-compulsory special tax district or similar regime).

(d) Property Inspections.

Borrower shall:

(1) permit Lender, its agents, representatives, and designees to enter upon and inspect the Mortgaged Properties (including in connection with any Replacement, Repair, or Restoration, or to conduct any Environmental Inspection pursuant to the Environmental Indemnity Agreement), and shall cooperate and provide access to all areas of the Mortgaged Properties (subject to the rights of tenants under the Leases):

(A) during normal business hours;

(B) at such other reasonable time upon reasonable notice of not less than one (1) Business Day;

(C) at any time when exigent circumstances exist; or

(D) at any time after an Event of Default has occurred and is continuing;
and

(2) pay for reasonable costs or expenses incurred by Lender or its agents in connection with any such inspections other than Lender's annual inspection of the Mortgaged Properties, for which Borrower shall not be obligated to pay for the costs or expenses.

(e) Compliance with Laws.

Borrower shall:

(1) comply in all material respects with Applicable Law and all recorded lawful covenants and agreements relating to or affecting any Mortgaged Property, including all laws, ordinances, statutes, rules and regulations, and covenants pertaining to construction of improvements on the Land, fair housing, and requirements for equal opportunity, anti-discrimination, and Leases;

(2) procure and maintain all required permits, licenses, charters, registrations, and certificates necessary to comply with all zoning and land use statutes, laws, ordinances, rules and regulations, and all applicable health, fire, safety, and building codes and for the lawful use and operation of each Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent;

(3) comply with all Applicable Law that pertain to the maintenance and disposition of tenant security deposits;

(4) at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 6.02(e) (Compliance with Laws);

(5) promptly after Borrower's receipt or notification thereof, provide Lender copies of any building code or zoning violation from any Governmental Authority with respect to any Mortgaged Property; and

(6) cooperate fully with Lender with respect to any proceedings before any court, board, or other Governmental Authority which may in any way affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

(f) Alterations to any Mortgaged Property.

No alteration, improvement, demolition, removal, or construction (collectively, "Alterations") shall be made to any Mortgaged Property without the prior written consent of Lender if:

(1) such Alteration could reasonably be expected to adversely affect the value of such Mortgaged Property or its operation as a Manufactured Home Community in substantially the same manner in which it is being operated on the date such property became Collateral;

(2) the construction of such Alteration could reasonably be expected to result in interference to the occupancy of tenants of such Mortgaged Property such that tenants in occupancy with respect to five percent (5%) or more of the tenants under the Leases would be displaced or permitted to terminate their Leases or to abate the payment of all or any portion of their rent; or

(3) such Alteration will be completed in more than twelve (12) months from the date of commencement or in the last year of the Term of this Master Agreement.

In addition, Borrower must obtain Lender's prior written consent to construct Alterations with respect to any Mortgaged Property costing in excess of, with respect to any Mortgaged Property, the number of units in such Mortgaged Property multiplied by \$5,000, but in any event, costs in excess of \$250,000, Borrower must give prior written notice to Lender of its intent to construct Alterations at any time with respect to any Mortgaged Property costing in excess of \$100,000; provided, however, that the preceding requirements shall not be applicable to Alterations made, conducted, or undertaken by Borrower as part of Borrower's routine maintenance and repair of the Mortgaged Properties as required by the Loan Documents (including any Repair or Replacement).

Section 6.03 Administration Matters Regarding the Property.

(a) Property Management.

From and after the applicable Effective Date, each property manager and each property management agreement must be approved by Lender. In the event that the Management

Agreement expires or is terminated (without limiting any obligation of Borrower to obtain Lender's consent to any termination or modification of the Management Agreement in accordance with the terms and provisions of the Loan Documents), Borrower shall promptly enter into a replacement management agreement consented to in writing by Lender with a property manager that is approved in advance by Lender in writing. If Lender waives in writing the requirement that Borrower enter into a written contract for management of a Mortgaged Property, and Borrower later elects to enter into a written contract or change the management of such Mortgaged Property, such new property manager or the property management agreement must be approved by Lender. As a condition to any approval by Lender, Lender may require that Borrower and such new property manager enter into a collateral assignment of the property management agreement on a form approved by Lender.

(b) Subordination of Fees to Affiliated Property Managers.

Any property manager that is a Borrower Affiliate to whom fees are payable for the management of a Mortgaged Property must enter into an assignment of management agreement or other agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require; provided such subordination and other provisions shall be pursuant to Fannie Mae's then-current forms.

(c) Property Condition Assessment.

If, in connection with any inspection of any Mortgaged Property, Lender determines that the condition of such Mortgaged Property has deteriorated (ordinary wear and tear excepted) since the Effective Date that such Mortgaged Property was added to the Collateral Pool, Lender may obtain, at Borrower's expense, a property condition assessment of each Mortgaged Property. Lender's right to obtain a property condition assessment pursuant to this Section 6.03(c) (Property Condition Assessment) shall be in addition to any other rights available to Lender under this Master Agreement in connection with any such deterioration. Any such inspection or property condition assessment may result in Lender requiring Additional Lender Repairs or Additional Lender Replacements as further described in Section 13.02(a)(9)(B) (Additional Lender Replacements and Additional Lender Repairs).

Section 6.04 Carson's Restrictions.

Borrower hereby acknowledges that portions of the Mortgaged Property known as Carson's (collectively, the "**Carson's Parcel**") are subject to covenants and restrictions (the "**Carson's Restrictions**") that prohibit, *inter alia* (i) dwellings below a certain value and below certain square footages on the Carson's Parcel, (ii) any trailer or other outbuilding erected on the Carson's Parcel from being used as a residence, and (iii) residences of a temporary character on the Carson's Parcel. In accordance with Section 6.02(e) of this Master Agreement, Borrower shall at all times cause the Mortgaged Property known as Carson's ("**Carson's**") to be in compliance with the Carson's Restrictions. Borrower shall promptly notify Lender of any written allegation that any portion of Carson's is in violation of any of the Carson's Restrictions.

Article 7

LEASES AND RENTS

Section 7.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 7.01 (Leases and Rents – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Assignment of Rents.

Borrower has not executed any:

(1) prior assignment of Rents (other than an assignment of Rents securing prior indebtedness that has been paid off and discharged or will be paid off and discharged with the proceeds of the Initial Advance or a Future Advance); or

(2) Neither Borrower nor UMH Affiliate have executed any instrument which would prevent Lender from exercising its rights under this Master Agreement, the Security Instrument or the Assignment of Leases and Rents.

(b) Prepaid Rents.

Borrower has not accepted, and does not expect to receive prepayment of, any Rents for more than two (2) months prior to the due dates of such Rents.

Section 7.02 Covenants.

(a) Leases.

Borrower shall:

(1) comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits;

(2) surrender possession of the applicable Mortgaged Property, including all Leases and all security deposits and prepaid Rents, immediately upon appointment of a receiver or Lender's entry upon and taking of possession and control of such Mortgaged Property, as applicable;

(3) require that all Residential Leases have initial terms of not less than six (6) months and not more than twenty-four (24) months; provided, however, if customary in the applicable market for properties comparable to the applicable Mortgaged Property, Residential Leases with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent, not to be unreasonably

withheld, delayed, or conditioned, provided however, Short-Term Rentals (regardless of the duration of the term) shall not be permitted unless otherwise expressly approved by Lender in writing; and

(4) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b) (Commercial Leases)), and, upon Lender's written request, promptly provide Lender a copy of any Residential Lease then in effect.

(b) Commercial Leases.

(1) With respect to Material Commercial Leases, Borrower shall not:

(A) enter into any Material Commercial Lease except with the prior written consent of Lender (not to be unreasonably withheld, delayed, or conditioned); or

(B) modify the terms of, extend, or terminate any Material Commercial Lease (including any Material Commercial Lease in existence on the Effective Date) without the prior written consent of Lender.

(2) With respect to any non-Material Commercial Lease, Borrower shall not:

(A) enter into any non-Material Commercial Lease that materially alters the use and type of operation of the premises subject to the Lease in effect as of the Effective Date or reduced the number or size of Sites at a Mortgaged Property; or

(B) modify the terms of any non-Material Commercial Lease (including any non-Material Commercial Lease in existence on the Effective Date) in any way that materially alters the use and type of operation of the premises subject to such non-Material Commercial Lease in effect as of the Effective Date, reduces the number or size of residential units at a Mortgaged Property, or results in such non-Material Commercial Lease being deemed a Material Commercial Lease.

(3) With respect to any Material Commercial Lease or non-Material Commercial Lease, Borrower shall use commercially reasonable efforts to cause the applicable tenant to provide within ten (10) Business Days after a request by Borrower, a certificate of estoppel, or if not provided by tenant within such ten (10) Business Day period, Borrower shall provide such certificate of estoppel, certifying:

(A) that such Material Commercial Lease or non-Material Commercial Lease is unmodified and in full force and effect (or if there have been modifications, that such Material Commercial Lease or non-Material Commercial Lease is in full force and effect as modified and stating the modifications);

(B) the term of the Lease including any extensions thereto;

(C) the dates to which the Rent and any other charges hereunder have been paid by tenant;

(D) the amount of any security deposit delivered to Borrower as landlord;

(E) whether or not Borrower is in default (or whether any event or condition exists which, with the passage of time, would constitute an event of default) under such Lease;

(F) the address to which notices to tenant should be sent; and

(G) any other information as may be reasonably required by Lender.

(c) Payment of Rents.

Borrower and UMH Affiliate shall with respect to their respective interests only:

(1) pay to Lender upon demand all Rents after an Event of Default has occurred and is continuing;

(2) cooperate with Lender's efforts in connection with the assignment of Rents set forth in the Security Instrument and the assignment of and rents generated from the leasing of UMH Homes set forth in the Assignment of Leases and Rents; and

(3) not accept Rent under any Lease (whether a Residential Lease or a non-Residential Lease) for more than two (2) months in advance.

(d) Assignment of Rents.

Neither Borrower nor UMH Affiliate shall:

(1) perform any acts nor execute any instrument that would prevent Lender from exercising its rights under the assignment of Rents granted in the Security Instrument or in any other Loan Document or the assignment of rents generated from the leasing of UMH Homes granted in the Assignment of Leases and Rents; nor

(2) interfere with Lender's collection of such Rents and rents generated from the leasing of UMH Homes pursuant to Lender's rights granted under the Security Instrument and any other Loan Document or under the Assignment of Leases and Rents.

(e) Further Assignments of Leases and Rents.

Borrower, with respect to the Rents from the Mortgaged Properties, and UMH Affiliate, with respect to rents generated from the leasing of UMH Homes, shall execute and deliver any further assignments of Leases and Rents as Lender may reasonably require.

(f) Options to Purchase by Tenants.

No Lease (whether a Residential Lease or a non-Residential Lease) shall contain an option to purchase, right of first refusal to purchase or right of first offer to purchase a Site, except as required by Applicable Law.

Section 7.03 Administration Regarding Leases and Rents.

(a) Material Commercial Lease Requirements.

Each Material Commercial Lease, including any renewal or extension of any Material Commercial Lease in existence as of the Effective Date, shall provide, directly or pursuant to a subordination, non-disturbance and attornment agreement approved by Lender, that:

(1) the tenant shall, upon written notice from Lender after the occurrence of an Event of Default, pay all Rents payable under such Lease to Lender;

(2) such Lease and all rights of the tenant thereunder are expressly subordinate to the lien of the Security Instrument;

(3) the tenant shall attorn to Lender and any purchaser at a Foreclosure Event (such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a Foreclosure Event or by Lender in any manner);

(4) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a Foreclosure Event may from time to time request; and

(5) such Lease shall not terminate as a result of a Foreclosure Event unless Lender or any other purchaser at such Foreclosure Event affirmatively elects to terminate such Lease pursuant to the terms of the subordination, non-disturbance and attornment agreement.

(b) Residential Lease Form.

All Residential Leases entered into from and after the Effective Date shall be on forms approved by Lender .

**Article 8
BOOKS AND RECORDS; FINANCIAL REPORTING**

Section 8.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 8.01 (Books and Records; Financial Reporting – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Financial Information.

All financial statements and data, including statements of cash flow and income and operating expenses, that have been delivered to Lender by Borrower or an Affiliate of Borrower in respect of the Mortgaged Properties:

- (1) are true, complete, and correct in all material respects; and
- (2) accurately represent the financial condition of the Mortgaged Properties and present fairly the financial condition of Borrower and Guarantor.

(b) No Change in Facts or Circumstances.

All information in the Loan Application and in all financial statements, rent rolls, reports, certificates, and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

Section 8.02 Covenants.

(a) Obligation to Maintain Accurate Books and Records; Access; Discussions with Officers and Accountants.

(1) Borrower shall keep and maintain at all times at the Mortgaged Property or the property management agent's offices or Borrower's General Business Address and, upon Lender's written request, shall make available at the Land:

(A) complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property; and

(B) copies of all written contracts, Leases and other instruments that affect Borrower or the Mortgaged Property.

(2) To the extent permitted by Applicable Law and subject to the provisions of Section 6.02(d) (Property Inspections), Borrower shall permit Lender to:

(A) inspect, make copies and abstracts of, and have reviewed, such of Borrower's books and records as may relate to the obligations of Borrower under this Master Agreement and the other Loan Documents or the Mortgaged Properties;

(B) at any time discuss Borrower's affairs, finances, and accounts with Senior Management or property managers and independent public accountants;

(C) discuss the Mortgaged Properties' conditions, operation, or maintenance with the Property Manager, the officers, and employees of Borrower, Guarantor, and Key Principal; and

(D) receive any other information that Lender reasonably deems necessary or relevant in connection with any Loan Document or the obligations of Borrower under this Master Agreement from the officers and employees of such Borrower.

(3) Borrower shall promptly inform Lender in writing of:

(A) the occurrence of any act, omission, change, or event that has, or would have, a Material Adverse Effect, subsequent to the date of the most recent financial statements of Borrower delivered to Lender pursuant to Section 8.02 (Books and Records; Financial Reporting – Covenants); and

(B) any material change in Borrower's accounting policies or financial reporting practices.

(b) Items to Furnish to Lender.

Borrower shall furnish to Lender the following, certified as true, complete, and accurate, in all material respects, by an individual having authority to bind Borrower (or Guarantor, as applicable), in such form and with such detail as Lender reasonably requires:

(1) within forty-five (45) days after the end of each first, second, and third Calendar Quarter, a statement of income and expenses for Borrower on a year-to-date basis as of the end of each Calendar Quarter;

(2) within one hundred twenty (120) days after the end of each Calendar Year:

(A) for any Borrower that is an entity, a statement of income and expenses and a statement of cash flows for such Calendar Year;

(B) for any Borrower that is an individual, or a trust established for estate-planning purposes, a personal financial statement for such Calendar Year;

(C) when requested in writing by Lender, balance sheet(s) showing all assets and liabilities of Borrower and a statement of all contingent liabilities required to be reported under GAAP as of the end of such Calendar Year;

(D) if an energy consumption metric for the Mortgaged Property is required to be reported to any Governmental Authority, the Fannie Mae Energy Performance Metrics report, as generated by ENERGY STAR® Portfolio Manager, for the Mortgaged Property for such Calendar Year, which report must include the ENERGY STAR score, the Source Energy Use Intensity (EUI), the month and year ending period for such ENERGY STAR score and such Source Energy Use Intensity, and the ENERGY STAR Portfolio Manager Property Identification Number; provided that, if the Governmental Authority does not require the use of ENERGY STAR Portfolio Manager for the reporting of the energy consumption

metric and Borrower does not use ENERGY STAR Portfolio Manager, then Borrower shall furnish to Lender the Source Energy Use Intensity for the Mortgaged Property for such Calendar Year;

(E) an Annual Certification (Borrower) in the form attached as Exhibit G;

(F) an Annual Certification (Guarantor) in the form attached as Exhibit H;

(G) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;

(H) written confirmation of:

(i) any changes occurring since the Effective Date (or that no such changes have occurred since the Effective Date) in (1) the direct owners of Borrower, (2) the indirect owners (and any non-member managers) of Borrower that Control Borrower or own a Restricted Ownership Interest in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), or (3) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the Ownership Interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), and their respective interests;

(ii) the names of all officers and directors of (1) any Borrower which is a corporation, (2) any corporation which is a general partner of any Borrower which is a partnership, or (3) any corporation which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(iii) the names of all managers who are not members of (1) any Borrower which is a limited liability company, (2) any limited liability company which is a general partner of any Borrower which is a partnership, or (3) any limited liability company which is the managing member or non-member manager of any Borrower which is a limited liability company;

(I) if not already provided pursuant to Section 8.02(b)(2)(A) (Items to Furnish to Lender) above, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each Calendar Year;

(3) within forty-five (45) days after the end of each first, second, and third Calendar Quarter and within one hundred twenty (120) days after the end of each Calendar Year, and at any other time upon Lender's written request, a rent schedule for the Mortgaged Property showing the name of each tenant and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;

(4) upon Lender's written request (but, absent an Event of Default, no more frequently than once in any six (6) month period):

(A) any item described in Section 8.02(b)(1) or Section 8.02(b)(2) (Items to Furnish to Lender) for Borrower, certified as true, complete, and accurate by an individual having authority to bind Borrower;

(B) a property management or leasing report for the Mortgaged Property, showing the number of rental applications received from tenants or prospective tenants and deposits received from tenants or prospective tenants, and any other information requested by Lender;

(C) a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each month for such period as requested by Lender, which statement shall be delivered within thirty (30) days after the end of such month requested by Lender;

(D) a statement of real estate owned directly or indirectly by Borrower and Guarantor for such period as requested by Lender, which statement shall be delivered within thirty (30) days after the end of such month requested by Lender; and

(E) for any Guarantor, by the later of thirty (30) days after the date requested by Lender and the date one hundred twenty (120) days after the end of the most recent Calendar Year:

(i) that is an entity, a statement of income and expenses and a statement of cash flows for such calendar year;

(ii) that is an individual, or a trust established for estate-planning purposes, a personal financial statement for such calendar year; and

(iii) balance sheet(s) showing all assets and liabilities of Guarantor and a statement of all contingent liabilities as of the end of such calendar year;

provided, however, the foregoing shall not be required for any Guarantor that is a Publicly-Held Corporation or a Publicly-Held Trust; and,

(F) a statement that identifies:

(i) the direct owners of Borrower and their respective interests;

(ii) the indirect owners (and any non-member managers) of Borrower that Control Borrower or own a Restricted Ownership Interest in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and

(iii) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the Ownership Interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and

(5) Borrower shall furnish to Lender within one hundred twenty (120) days after the end of each Calendar Year, or upon Lender's written request, an Officer's Certificate stating whether or not Borrower and SPE Owner, if applicable, are in compliance with the covenants set forth in Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status) and, if not in compliance, setting forth the particulars of such noncompliance and the steps that Borrower and SPE Owner (as applicable) have taken, are taking or intend to take to cure such noncompliance.

(c) Audited Financials.

In the event Borrower or Guarantor receives or obtains any audited financial statements and such financial statements are required to be delivered to Lender under Section 8.02(b) (Items to Furnish to Lender), Borrower shall deliver or cause to be delivered to Lender the audited versions of such financial statements.

(d) Delivery of Books and Records.

If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender, upon written demand, all books and records relating to the Mortgaged Property or its operation.

Section 8.03 Administration Matters Regarding Books and Records and Financial Reporting.

(a) Lender's Right to Obtain Audited Books and Records.

Lender may require that Borrower's or Guarantor's books and records be audited, at Borrower's expense, by an independent certified public accountant selected by Lender in order to produce or audit any statements, schedules, and reports of Borrower, Guarantor, or the Mortgaged Property required by Section 8.02 (Books and Records; Financial Reporting – Covenants), if

(1) Borrower or Guarantor fails to provide in a timely manner the statements, schedules, and reports required by Section 8.02 (Books and Records; Financial Reporting

– Covenants) and, thereafter, Borrower or Guarantor fails to provide such statements, schedules and reports within the cure period provided in Section 14.01(c) (Events of Default Subject to Extended Cure Period or Release);

(2) the statements, schedules, and reports submitted to Lender pursuant to Section 8.02 (Books and Records; Financial Reporting – Covenants) are not full, complete, and accurate in all material respects as determined by Lender and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c) (Events of Default Subject to Extended Cure Period or Release); or

(3) an Event of Default has occurred and is continuing.

Notwithstanding the foregoing, the ability of Lender to require the delivery of audited financial statements shall be limited to not more than once per Borrower's fiscal year so long as no Event of Default has occurred during such fiscal year (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing). Borrower shall cooperate with Lender in order to satisfy the provisions of this Section 8.03(a) (Lender's Right to Obtain Audited Books and Records). All related costs and expenses of Lender shall become due and payable by Borrower within ten (10) Business Days after demand therefor.

(b) Credit Reports; Credit Score.

No more often than once in any twelve (12) month period, Lender is authorized to obtain a credit report (if applicable) on Borrower or Guarantor, the cost of which report shall be paid by Borrower. Lender is authorized to obtain a Credit Score (if applicable) for Borrower or Guarantor at any time at Lender's expense.

Article 9 INSURANCE

Section 9.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 9.01 (Insurance – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Insurance Requirements.

Borrower is in compliance with Lender's insurance requirements (or has obtained a written waiver from Lender for any non-compliant coverage) and has timely paid all premiums on all required insurance policies. With respect to each Mortgaged Property, Borrower has delivered to Lender certificates of insurance and duplicate original Insurance Policies currently in effect as of the date such Mortgaged Property was added to the Collateral Pool.

(b) Property Condition.

(1) No Mortgaged Property has been damaged by fire, water, wind, or other cause of loss; or

(2) if previously damaged, any previous damage to any Mortgaged Property has been repaired and such Mortgaged Property has been fully restored.

Section 9.02 Covenants.

(a) Insurance Requirements.

As required by Lender and Applicable Law, and as may be modified from time to time, Borrower shall:

(1) keep the Improvements insured at all times against any hazards, which insurance shall include coverage against loss by fire and all other perils insured by the “special causes of loss” coverage form, general boiler and machinery coverage, business income coverage, and flood (if any of the Improvements are located in an area identified by the Federal Emergency Management Agency (or any successor) as an area having special flood hazards and to the extent flood insurance is available in that area), and may include sinkhole insurance, mine subsidence insurance, earthquake insurance, terrorism insurance, windstorm insurance and, if any Mortgaged Property does not conform to applicable building, zoning, or land use laws, ordinance and law coverage;

(2) maintain at all times commercial general liability insurance, workmen’s compensation insurance, and such other liability, errors and omissions, and fidelity insurance coverage; and

(3) maintain builder’s risk and public liability insurance, and other insurance in connection with completing the Repairs or Replacements, as applicable.

(b) Delivery of Policies, Renewals, Notices, and Proceeds.

Borrower shall:

(1) cause all insurance policies (including any policies not otherwise required by Lender) which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender’s assigns) to be so endorsed;

(2) promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;

(3) deliver evidence, in form and content acceptable to Lender, that each Insurance Policy under this Article 9 (Insurance) has been renewed not less than fifteen (15) days prior to the applicable expiration date, and (if such evidence is other than

an original or duplicate original of a renewal policy) deliver the original or duplicate original of each renewal policy (or such other evidence of insurance as may be required by or acceptable to Lender) in form and content acceptable to Lender within ninety (90) days after the applicable expiration date of the original Insurance Policy;

(4) provide immediate written notice to the insurance company and to Lender of any event of loss;

(5) execute such further evidence of assignment of any insurance proceeds as Lender may require; and

(6) provide immediate written notice to Lender of Borrower's receipt of any insurance proceeds under any Insurance Policy required by Section 9.02(a)(1) (Insurance Requirements) above and, if requested by Lender, deliver to Lender all of such proceeds received by Borrower to be applied by Lender in accordance with this Article 9 (Insurance).

Section 9.03 Administration Matters Regarding Insurance.

(a) Lender's Ongoing Insurance Requirements.

Borrower acknowledges that Lender's insurance requirements may change from time to time. All insurance policies and renewals of insurance policies required by this Master Agreement shall be:

(1) in the form and with the terms required by Lender;

(2) in such amounts, with such maximum deductibles and for such periods required by Lender; and

(3) issued by insurance companies satisfactory to Lender.

BORROWER ACKNOWLEDGES THAT ANY FAILURE OF BORROWER TO COMPLY WITH THE REQUIREMENTS SET FORTH IN SECTION 9.02(a) (Insurance Requirements) OR SECTION 9.02(b)(3) (Delivery of Policies, Renewals, Notices, and Proceeds) ABOVE SHALL PERMIT LENDER TO PURCHASE THE APPLICABLE INSURANCE AT BORROWER'S COST. SUCH INSURANCE MAY, BUT NEED NOT, PROTECT BORROWER'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT BORROWER MAKES OR ANY CLAIM THAT IS MADE AGAINST BORROWER IN CONNECTION WITH ANY MORTGAGED PROPERTY. IF LENDER PURCHASES INSURANCE FOR ANY MORTGAGED PROPERTY AS PERMITTED HEREUNDER, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AT THE DEFAULT RATE AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR THE EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE SHALL BE

ADDED TO BORROWER'S TOTAL OUTSTANDING BALANCE OR OBLIGATION AND SHALL CONSTITUTE ADDITIONAL INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN ON ITS OWN. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING EVIDENCE THAT BORROWER HAS OBTAINED INSURANCE AS REQUIRED BY THIS MASTER AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(b) Application of Proceeds on Event of Loss.

(1) Upon an event of loss, Lender may, at Lender's option:

(A) hold such proceeds in the Restoration Reserve Account to be applied to reimburse Borrower for the cost of Restoration (in accordance with Article 13 (Replacement, Repairs, and Restoration)) and Lender's then-current policies relating to Restoration of similar manufactured home communities); or

(B) apply such proceeds to the payment of the Indebtedness, whether or not then due; provided, however, Lender shall not apply insurance proceeds to the payment of the Indebtedness and shall require Restoration pursuant to Section 9.03(b)(1)(A) (Application of Proceeds on Event of Loss) if all of the following conditions are met:

(i) no Potential Event of Default or Event of Default has occurred and is continuing;

(ii) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;

(iii) Lender determines that after completion of the Restoration (1) the Net Cash Flow generated by the applicable Mortgaged Property will be sufficient to support the Debt Service Coverage Ratio set forth in the definition of Individual Property Coverage and LTV Tests (on a pro forma basis), and (2) the Loan to Value Ratio of such Mortgaged Property will be no greater than the Loan to Value Ratio immediately prior to the event of loss, but in no event greater than ninety percent (90%);

(iv) Lender determines that the Restoration will be completed before the earlier of (1) one year before the latest Maturity Date of any Advance Outstanding, or (2) one (1) year after the date of the loss or casualty subject, if appropriate, to the time frame required under applicable law to preserve the Mortgaged Property's legal non-conforming status, if any, imposed by the jurisdiction in which the Mortgaged Property is located; and

(v) Borrower provides Lender, upon written request, evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Master Agreement.

(2) Notwithstanding the foregoing, if any loss is estimated to be in an amount equal to or less than \$100,000, Lender shall not exercise its rights and remedies as power of attorney herein and shall allow Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such policies of property damage insurance, and to collect and receive the proceeds of property damage insurance; provided that each of the following conditions shall be satisfied:

(A) Borrower shall immediately notify Lender of the casualty giving rise to the claim;

(B) no Potential Event of Default or Event of Default has occurred and is continuing;

(C) the Restoration will be completed before the earlier of (i) one year before the latest Maturity Date of any Advance Outstanding, or (ii) one year after the date of the loss or casualty;

(D) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;

(E) all proceeds of property damage insurance shall be issued in the form of joint checks to Borrower and Lender;

(F) all proceeds of property damage insurance shall be applied to the Restoration;

(G) Borrower shall deliver to Lender evidence satisfactory to Lender of completion of the Restoration and obtainment of all lien releases;

(H) Borrower shall have complied to Lender's satisfaction with the foregoing requirements on any prior claims subject to this provision, if any; and

(I) Lender shall have the right to inspect the applicable Mortgaged Property (subject to the rights of tenants under the Leases).

(3) If Lender elects to apply insurance proceeds to the Indebtedness in accordance with the terms of this Master Agreement, Borrower shall not be obligated to restore or repair the applicable Mortgaged Property. Rather, Borrower shall restrict access to the damaged portion of such Mortgaged Property and, at its expense and regardless of whether such costs are covered by insurance, clean up any debris resulting from the casualty event, and, if required or otherwise permitted by Lender, demolish or raze any

remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable and marketable condition. Nothing in this Section 9.03(b) (Application of Proceeds on Event of Loss) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Master Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Master Agreement.

(c) Payment Obligations Unaffected.

The application of any insurance proceeds to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Master Agreement or in any other Loan Document. Notwithstanding the foregoing, if Lender applies insurance proceeds to the Indebtedness in connection with a casualty of less than an entire Mortgaged Property, then Lender shall permit an adjustment to the Monthly Debt Service Payments that become due and owing thereafter, based on the Underwriting and Servicing Requirements.

(d) Foreclosure Sale.

If a Mortgaged Property is transferred pursuant to a Foreclosure Event or Lender otherwise acquires title to a Mortgaged Property, Borrower acknowledges that Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums applicable to such Mortgaged Property and in and to the proceeds resulting from any damage to such Mortgaged Property prior to such Foreclosure Event or such acquisition.

(e) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

Article 10 CONDEMNATION

Section 10.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 10.01 (Condemnation – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Condemnation Action.

No part of any Mortgaged Property has been taken in connection with a Condemnation Action.

(b) Pending Condemnation Actions.

Except with respect to a Release Mortgaged Property that is the subject of a Release Request, no Condemnation Action is pending nor, to Borrower's knowledge, is threatened for the partial or total condemnation or taking of any Mortgaged Property.

Section 10.02 Covenants.

(a) Notice of Condemnation.

Borrower shall:

- (1) promptly notify Lender of any Condemnation Action of which Borrower has knowledge;
- (2) appear in and prosecute or defend, at its own cost and expense, any action or proceeding relating to any Condemnation Action, including any defense of Lender's interest in any Mortgaged Property tendered to Borrower by Lender, unless otherwise directed by Lender in writing; and
- (3) execute such further evidence of assignment of any condemnation award in connection with a Condemnation Action as Lender may require.

(b) Condemnation Proceeds.

Borrower shall pay to Lender all awards or proceeds of a Condemnation Action promptly upon receipt.

Section 10.03 Administration Matters Regarding Condemnation.

(a) Application of Condemnation Awards.

Lender may apply any awards or proceeds of a Condemnation Action, after the deduction of Lender's expenses incurred in the collection of such amounts, to:

- (1) the restoration or repair of the applicable Mortgaged Property, if applicable;
 - (2) the payment of the Indebtedness, with the balance, if any, paid to Borrower;
- or
- (3) Borrower.

(b) Payment Obligations Unaffected.

The application of any awards or proceeds of a Condemnation Action to the Indebtedness shall not extend or postpone any Maturity Date, or the due date or the full payment of any Monthly

Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Master Agreement or in any other Loan Document.

(c) Appointment of Lender as Attorney-In-Fact.

(1) Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

(2) Notwithstanding anything to the contrary herein, if the award from the settlement or compromise from any Condemnation Action is equal to or less than \$10,000 in the aggregate, Lender will not apply such award to payment of Borrower's Indebtedness, and instead Borrower may collect and receive such award (provided Borrower must apply such proceeds to restoration or repair of the applicable Mortgaged Property, if applicable).

(d) Preservation of Mortgaged Property.

If a Condemnation Action results in or from damage to any Mortgaged Property and Lender elects to apply the proceeds or awards from such Condemnation Action to the Indebtedness in accordance with the terms of this Master Agreement, Borrower shall not be obligated to restore or repair such Mortgaged Property. Rather, Borrower shall restrict access to any portion of the Mortgaged Property which has been damaged or destroyed in connection with such Condemnation Action and, at Borrower's expense and regardless of whether such costs are covered by insurance, clean up any debris resulting in or from the Condemnation Action, and, if required by any Governmental Authority or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section 10.03(d) (Preservation of Mortgaged Property) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Master Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Master Agreement.

Article 11

LIENS, TRANSFERS, AND ASSUMPTIONS

Section 11.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 11.01 (Liens, Transfers, and Assumptions – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) No Labor or Materialmen's Claims.

All parties furnishing labor and materials on behalf of Borrower have been paid in full; except for any such contests initiated by Borrower with respect to amounts owed which are contested in accordance with Section 11.02(a). There are no mechanics' or materialmen's liens

outstanding for work, labor, or materials (and no claims or work outstanding that under Applicable Law could give rise to any such mechanics' or materialmen's liens), other than those permitted under Section 11.02 affecting any Mortgaged Property, whether prior to, equal with, or subordinate to the lien of the Security Instrument.

(b) No Other Interests.

No Person:

(1) other than Borrower has any possessory ownership or interest in any Mortgaged Property or right to occupy the same except under and pursuant to the provisions of existing Leases, the material terms of all such Leases having been previously disclosed in writing to Lender; nor

(2) has an option, right of first refusal, or right of first offer (except as required by Applicable Law) to purchase any Mortgaged Property, or any interest in any Mortgaged Property.

Section 11.02 Covenants.

(a) Liens; Encumbrances.

Borrower shall not permit the grant, creation, or existence of any Lien, whether voluntary, involuntary, or by operation of law, on all or any portion of any Mortgaged Property (including any voluntary, elective, or non-compulsory tax lien or assessment pursuant to a voluntary, elective, or non-compulsory special tax district or similar regime) other than:

(1) Permitted Encumbrances;

(2) the creation of:

(A) any tax lien, municipal lien, utility lien, mechanics' lien, materialmen's lien, or judgment lien against any Mortgaged Property if bonded off, released of record, or otherwise remedied to Lender's satisfaction within sixty (60) days after the earlier of the date Borrower has actual notice or constructive notice of the existence of such lien; or

(B) any mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, any Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(3) the lien created by the Loan Documents.

Notwithstanding the foregoing, nothing herein shall require Borrower to pay any Lien so long as Borrower in good faith and at its own expense and by proper legal proceedings is diligently contesting the validity, amount or application of such Lien and at the time of commencement of

the proceeding and during the pendency thereof (i) the Mortgaged Property will not be in material danger of being sold, forfeited or lost, as determined by Lender; (ii) Borrower shall furnish such security as may be required in such proceeding or as may be requested by Lender to insure the payment of the amounts contested (after taking into account any reserves held by Lender for such purpose); and (iii) such contest operates to suspend collection or enforcement of the contested amount, as applicable.

(b) Transfers.

(1) Mortgaged Property.

A Transfer as described in clause (b) of the definition of Transfer of all or any part of any Mortgaged Property (including any interest in any Mortgaged Property) shall not occur other than:

(A) a Transfer to which Lender has consented in writing;

(B) Leases permitted pursuant to the Loan Documents;

(C) the grant of a non-Material Commercial Lease;

(D) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality which are free of Liens (other than those created by the Loan Documents);

(E) the grant of an easement, right-of-way, servitude, or restrictive covenant to which Lender has consented, and Borrower has paid to Lender, within ten (10) Business Days, all costs and expenses incurred by Lender in connection with reviewing Borrower's request (including reasonable attorneys' fees and a \$5,000 review fee, which shall be in lieu of any other the Review Fee);

(F) a Permitted Encumbrance or a lien permitted pursuant to Section 11.02 (Liens, Transfers, and Assumptions – Covenants) of this Master Agreement; or

(G) the conveyance of any Mortgaged Property following a Foreclosure Event.

Lender shall not unreasonably withhold its consent to or withhold its agreement to subordinate the lien of the applicable Security Instrument to (1) the grant of a utility easement or right-of-way serving such Mortgaged Property to a publicly operated utility, or (2) the grant of an easement or right-of-way related to expansion or widening of roadways, provided that any such easement or right-of-way is in form and substance reasonably acceptable to Lender and does not materially and adversely affect the lien of the Security Instrument or the access, use or marketability of such Mortgaged Property

(2) No Transfers of Interests in Borrower, Key Principal, or Guarantor.

Subject to the provisions of this Article 11 (Liens, Transfers, and Assumptions), a Transfer as described in clause (a) of the definition of Transfer, a Change of Control, or a Transfer of the Restricted Ownership Interest shall not occur.

Notwithstanding the restrictions on Control and Restricted Ownership Interests, to the extent a Restricted Ownership Interest is held by a Publicly-Held Corporation or a Publicly-Held Trust, a Transfer of any Ownership Interests in such Publicly-Held Corporation or Publicly-Held Trust shall not be prohibited under this Master Agreement as long as (A) such Transfer does not result in a conversion of such Publicly-Held Corporation or Publicly-Held Trust to a privately held entity, and (B) Borrower provides written notice to Lender not later than thirty (30) days thereafter of any such Transfer that results in any Person owning ten percent (10%) or more of the Ownership Interests in such Publicly-Held Corporation or Publicly-Held Trust.

(3) Name Change or Entity Conversion.

Lender shall consent to a Borrower changing its name, changing its jurisdiction of organization, or converting from one type of legal entity into another type of legal entity for any lawful purpose, provided that:

(A) Lender receives written notice at least thirty (30) days prior to such change or conversion, which notice shall include organizational charts that reflect the structure of such Borrower both prior to and subsequent to such name change or entity conversion;

(B) such Transfer is not otherwise prohibited under the provisions of Section 11.02(b)(2) (No Transfers of Interests in Borrower, Key Principal, or Guarantor);

(C) Borrower executes an amendment to this Master Agreement and any other Loan Documents required by Lender documenting the name change or entity conversion;

(D) Borrower agrees and acknowledges, at Borrower's expense, that (i) Borrower will execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such name change or entity conversion (or provide Lender with written confirmation from the title company (via electronic mail or letter) that no such instrument is required), (ii) Borrower will execute any additional documents required by Lender, including the amendment to this Master Agreement, and allow such documents to be recorded or filed in the land records of the Property Jurisdiction, (iii) Lender will obtain a "date-down" endorsement to the Lender's Title Policy (or obtain a new Title Policy if a "date-down" endorsement is not available in the Property Jurisdiction), evidencing title to the Mortgaged Property being in the name of the successor entity and the Lien of the Security Instrument against the Mortgaged Property and the lien of the

Assignment of Leases and Rents against the Secured Collateral (as defined therein), and (iv) Lender will file any required UCC-3 financing statement and make any other filing deemed necessary to maintain the priority of its Liens on the Mortgaged Property; and

(E) no later than ten (10) days subsequent to such name change or entity conversion, Borrower shall provide Lender (i) the documentation filed with the appropriate office in such Borrower's state of formation evidencing such name change or entity conversion, (ii) copies of the Organizational Documents of such Borrower, including any amendments, filed with the appropriate office in Borrower's state of formation reflecting the post-conversion Borrower name, form of organization, and structure, and (iii) if available, new certificates of good standing or valid formation for such Borrower.

Notwithstanding the foregoing, Borrower shall provide Lender prompt notice of any name change or entity conversion of any other Borrower Entity or Identified Party

(4) No Delaware Statutory Trust or Series LLC Conversion.

Notwithstanding any provisions herein to the contrary, no Borrower Entity shall convert to a Delaware Statutory Trust or a series limited liability company.

(5) Plans of Division

Borrower shall not Divide. Lender shall consent to a Division by Guarantor or Key Principal provided that:

(A) Lender receives written notice at least thirty (30) days prior to the effective date of such Division, which notice shall include (i) a certification acceptable to Lender that such Division is not otherwise prohibited under the provisions of Article 11 (Liens, Transfers, and Assumptions), (ii) a copy of the plan of division, and (iii) organizational charts that reflect the organizational structure of Borrower, Guarantor, and Key Principal both prior to and subsequent to such Division;

(B) Notwithstanding the foregoing, Borrower shall provide Lender prompt notice of any name change or entity conversion of any other Borrower Entity or Identified Party no later than ten (10) days subsequent to such Division, Borrower shall provide Lender (i) the certificate of division or such other documentation filed with the appropriate office evidencing such Division, (ii) copies of the organizational documents of Borrower (if amended), Guarantor, and Key Principal, including any amendments thereto, that reflect the post-Division organizational structure, and (iii) new certificates of good standing or valid formation for Borrower (if amended), Guarantor, and Key Principal; and

(C) Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request (including reasonable attorneys' fees and a \$25,000 review fee, which shall be in lieu of any other Review Fee or Transfer Fee).

(c) No Other Indebtedness.

Other than the Advances, Borrower shall not incur or be obligated at any time with respect to any loan or other indebtedness (except trade payables as otherwise permitted in this Master Agreement), including any indebtedness secured by a Lien on, or the cash flows from, the Mortgaged Property.

(d) No Mezzanine Financing or Preferred Equity.

Neither Borrower nor any direct or indirect owner of Borrower shall: (1) incur any Mezzanine Debt other than Permitted Mezzanine Debt; (2) issue any Preferred Equity other than Permitted Preferred Equity; or (3) incur any similar indebtedness or issue any similar equity.

Section 11.03 Administration Matters Regarding Liens, Transfers, and Assumptions.

(a) Transfer of Collateral Pool.

Lender shall consent to a Transfer of the entire Collateral Pool to and an assumption of the Loan Documents by a new borrower (or a group of new borrowers) and/or a new key principal and/or a new guarantor if each of the following conditions is satisfied prior to the Transfer:

(1) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(a) (Transfer of Collateral Pool);

(2) no Event of Default has occurred and is continuing, and no Potential Event of Default has occurred and is continuing;

(3) Lender determines that:

(A) the proposed new borrower, new key principal, and any other new guarantor fully satisfy all of Lender's then-applicable borrower, key principal, or guarantor eligibility, credit, management, and other loan underwriting standards, which shall include an analysis of (i) the previous relationships between Lender and the proposed new borrower, new key principal, new guarantor, and any Person in Control of them, and the organization of the new borrower, new key principal, and new guarantor (if applicable), and (ii) the operating and financial performance of the Mortgaged Property, including physical condition and occupancy;

(B) After giving effect to the Transfer, the SPE Requirements shall be satisfied;

(C) none of the proposed new borrower, new key principal, and any new guarantor, or any owners of the proposed new borrower, new key principal, and any new guarantor, are a Prohibited Person; and

(D) none of the proposed new borrower, new key principal, and any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Termination Date;

(4) [reserved];

(5) the proposed new borrower has:

(A) executed an assumption agreement acceptable to Lender that, among other things, requires the proposed new borrower to assume and perform all obligations of Borrower (or any other transferor), and that may require that the new borrower comply with any provisions of any Loan Document which previously may have been waived by Lender for Borrower, subject to the terms of Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent);

(B) if required by Lender, delivered to the Title Company for filing or recording in all applicable jurisdictions, all applicable Loan Documents including the assumption agreement to correctly evidence the assumption and the confirmation, continuation, perfection, and priority of the Liens created hereunder and under the other Loan Documents; and

(C) delivered to Lender a "date-down" endorsement to the Title Policy acceptable to Lender (or a new title insurance policy if a "date-down" endorsement is not available);

(6) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(A) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Loan Documents; or

(B) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender;

(7) Lender has reviewed and approved the Transfer documents;

(8) Lender (or a replacement designated by Fannie Mae) shall be the servicer of the Loan Documents;

(9) the successor, if any, to UMH Affiliate with respect to UMH Affiliate executes a new Assignment of Leases and Rents as required by Lender;

(9) Borrower has satisfied the applicable provision of Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent) including Lender's receipt of the fees described in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent); and

(10) if any MBS is Outstanding, the Transfer shall not result in a "significant modification," as defined under applicable Treasury Regulations, of any Advance that has been securitized in an MBS.

(b) Permitted Transfers of Ownership Interests.

Notwithstanding the provisions of Section 11.02(b)(2) (No Transfers of Interests in Borrower, Key Principal, or Guarantor), the following Transfers are permitted without the consent of Lender ("**Permitted Transfers**"):

(1) a Transfer of any direct or indirect Ownership Interest in Borrower, Guarantor, Key Principal, or any Identified Party; provided, however, that no Change of Control and no Transfer of the Restricted Ownership Interest occurs as the result of such Transfer;

(2) the issuance by Borrower, Guarantor, Key Principal, or any Identified Party of additional membership interests, partnership interests, or stock (including by creation of a new class or series of interests or stock), as the case may be, and the subsequent direct or indirect Transfer of such interests or stock; provided, however, that no Change of Control and no Transfer of the Restricted Ownership Interest occurs as the result of such Transfer;

(3) a merger with or acquisition of another entity by Key Principal or Guarantor, as applicable, provided that (A) such Key Principal or Guarantor, as applicable, is the surviving entity after such merger or acquisition, (B) no Change of Control or Transfer of the Restricted Ownership Interest occurs, and (C) such merger or acquisition does not result in an Event of Default;

(4) a Transfer of any direct or indirect Ownership Interest in Borrower or any Identified Party to a subsidiary of Guarantor or Key Principal, provided that no Transfer of the Restricted Ownership Interest occurs; and

(5) any conversion of Key Principal or Guarantor from one type of entity to another type of entity or any amendment, modification, or any other change in the governing instrument or instruments of Key Principal or Guarantor; provided, however, that

(A) no Change of Control or Transfer of the Restricted Ownership Interest occurs as a result of any such Transfer;

(B) the decision-making powers and rights of the board of directors of Key Principal and the board of directors of Guarantor are not eliminated, materially

impaired, or materially reduced as a result of such Transfer (provided, however, that the creation of new committees of the board of directors of Key Principal or the board of directors of Guarantor that are delegated certain powers and authority of the board of directors of Key Principal or the board of directors of Guarantor (as applicable) will not be deemed to be an elimination, material impairment, or material reduction of the decision-making powers of the board of directors of Key Principal or the board of directors of Guarantor, so long as the board of directors of Key Principal or the board of directors of Guarantor, as applicable, Controls the composition of any such committee and has the right to rescind any such delegation); and

(C) the board of directors of Key Principal and the board of directors of Guarantor continue to exist and Control the Key Principal or Guarantor, as applicable.

If the conditions set forth in this Section 11.03(b) (Permitted Transfers of Ownership Interests) are satisfied, the Transfer Fee and Review Fee shall be waived provided Borrower shall provide Lender ten (10) Business Days' prior written notice of any Transfer in Section 11.03(b)(3), (4) or (5) above, which notice for any Transfer pursuant to Section 11.03(b)(3) and (4) above shall include organizational charts that reflect the structure of Borrower and Guarantor both prior to and subsequent to such Transfer.

(c) Estate Planning.

Notwithstanding the provisions of Section 11.02(b)(2) (No Transfers of Interests in Borrower, Key Principal, or Guarantor), so long as (1) the Transfer does not cause a Change of Control and (2) Key Principal and Guarantor, as applicable, maintain the same right and ability to Control Borrower as existed prior to the Transfer, Lender shall consent to Transfers of direct or indirect Ownership Interests in Borrower, and Transfers of direct or indirect Ownership Interests in an entity Key Principal or entity Guarantor to:

(A) Immediate Family Members of such transferor each of whom must have obtained the legal age of majority;

(B) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor; or

(C) partnerships or limited liability companies of which the partners or members, respectively, are comprised entirely of (i) such transferor and Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, (ii) all Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, or (iii) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor.

If the conditions set forth in this Section 11.03(c) (Estate Planning) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(d) Termination or Revocation of Trust.

If any of Borrower, Guarantor, or Key Principal is a trust (other than a REIT), or if a Restricted Ownership Interest would be Transferred, or if Control of Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust is an unpermitted Transfer; provided that the termination or revocation of the trust due to the death of an individual trustor shall not be considered an unpermitted Transfer so long as:

- (1) Lender is notified within thirty (30) days of the death; and
- (2) such Borrower, Guarantor, Key Principal, or other Person, as applicable, is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 11.03(a) (Transfer of Collateral Pool) within ninety (90) days of the date of the death causing the termination or revocation.

If the conditions set forth in this Section 11.03(d) (Termination or Revocation of Trust) are satisfied, the Transfer Fee shall be waived; provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(e) Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death.

(1) If a Key Principal or Guarantor that is a natural person dies, or if a Transfer of the Restricted Ownership Interest or a Change of Control occurs as a result of the death of a Person (except in the case of trusts which is addressed in Section 11.03(d) (Termination or Revocation of Trust)), Borrower must notify Lender in writing within ninety (90) days in the event of such death. Unless waived in writing by Lender, the deceased shall be replaced by an individual or entity within one hundred eighty (180) days, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death);

(B) Lender determines that, if applicable:

(i) any proposed new key principal and any other new guarantor (or Person Controlling such new key principal or new guarantor) fully satisfies all of Lender's then-applicable key principal or guarantor

eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new key principal and new guarantor (or Person Controlling such new key principal or new guarantor) and the organization of the new key principal and new guarantor);

(ii) none of any proposed new key principal or any new guarantor, or any owners of the proposed new key principal or any new guarantor, is a Prohibited Person; and

(iii) none of any proposed new key principal or any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) if applicable, one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with this Master Agreement; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Key Principal, Guarantor, or other Person is required by Lender due to the death described in this Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death), and such replacement has not occurred within such period, the period for replacement may be extended by Lender to a date not more than one year from the date of such death; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender's Consent).

(f) [Intentionally Deleted.]

(g) Further Conditions on Transfers Requiring Lender's Consent.

(1) In connection with any Transfer for which Lender's approval is required under this Master Agreement including any Transfer under Section 11.02(b)(1)(A) (Liens, Transfers, and Assumptions – Covenants – Transfers – Mortgaged Property) and Section 11.03(a) (Transfer of Collateral Pool), Lender may, as a condition to any such approval, require:

(A) additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of any Mortgaged Property;

(B) amendment of the Loan Documents to delete or modify any specially negotiated terms or provisions previously granted for the exclusive benefit of original Borrower, Key Principal, or Guarantor and to restore the original provisions of the standard Fannie Mae form manufactured home community loan documents, to the extent such provisions were previously modified;

(C) a modification to the amounts required to be deposited into the Reserve/Escrow Account pursuant to the terms of Section 13.02(a)(3)(B) (Adjustment of Deposits – Transfers);

(D) in connection with any assumption of the Loan Documents, after giving effect to the assumption, the provisions of the General Conditions Schedule shall be satisfied;

(E) delivery to the Title Company for filing or recording in all applicable jurisdictions, all applicable Loan Documents including assumption documents and any other appropriate documents in form and substance reasonably satisfactory to Lender in form proper for recordation as may be necessary in the opinion of Lender to correctly evidence the assumptions and the confirmation of Liens created hereunder; or

(F) if any MBS is Outstanding, the Transfer shall not result in a "significant modification," as defined under applicable Treasury Regulations, of any Advance that has been securitized in an MBS.

(2) In connection with any request by Borrower for consent to a Transfer, Borrower shall pay to Lender:

(A) the Transfer Fee (to the extent charged by Lender) at the closing of such Transfer;

(B) the Review Fee on demand by Lender (regardless of whether Lender approves or denies such request); and

(C) all of Lender's out-of-pocket costs (including reasonable attorneys' fees) on demand by Lender incurred in reviewing the Transfer request, regardless of whether Lender approves or denies such request.

Article 12

IMPOSITIONS

Section 12.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 12.01 (Impositions – Representations and Warranties) are made as of each Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Payment of Taxes, Assessments, and Other Charges.

Borrower has:

(1) paid (or with the approval of Lender, established an escrow fund sufficient to pay when due and payable) all amounts and charges relating to the Mortgaged Properties that have become due and payable before any fine, penalty interest, lien, or costs may be added thereto, including Impositions, leasehold payments, and ground rents;

(2) paid all Taxes for the Mortgaged Properties that have become due before any fine, penalty interest, lien, or costs may be added thereto pursuant to any notice of assessment received by Borrower and any and all taxes that have become due against Borrower before any fine, penalty interest, lien, or costs may be added thereto;

(3) no knowledge of any basis for any additional assessments;

(4) no knowledge of any presently pending special assessments against all or any part of the Mortgaged Properties, or any presently pending special assessments against Borrower; and

(5) not received any written notice of any contemplated special assessment against any Mortgaged Property, or any contemplated special assessment against Borrower.

Section 12.02 Covenants.

(a) Imposition Deposits, Taxes, and Other Charges.

Borrower shall:

(1) deposit the Imposition Deposits with Lender on each Payment Date (or on another day designated in writing by Lender) in amount sufficient, in Lender's discretion, to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added, plus an amount equal to no more than one-sixth ($1/6$) (or the amount permitted by Applicable Law) of the Impositions for the trailing twelve (12) months (calculated based on the aggregate annual Imposition costs divided by twelve (12) and multiplied by two (2));

(2) deposit with Lender, within ten (10) days after written notice from Lender (subject to Applicable Law), such additional amounts estimated by Lender to be reasonably necessary to cure any deficiency in the amount of the Imposition Deposits held for payment of a specific Imposition;

(3) except as set forth in Section 12.03(c) (Payment of Impositions; Sufficiency of Imposition Deposits) or Section 12.03(e) (Contesting Impositions), pay all Impositions, leasehold payments, ground rents, and Taxes when due and before any fine, penalty interest, lien, or costs may be added thereto;

(4) promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and, if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments (and Lender shall thereupon release to Borrower the amount of any Imposition Deposits specifically reserved for the payment of such Imposition in accordance with Lender's standard servicing practices); and

(5) promptly deliver to Lender a copy of all notices of any special assessments and contemplated special assessments against any Mortgaged Property or Borrower.

Section 12.03 Administration Matters Regarding Impositions.

(a) Maintenance of Records by Lender.

Lender shall maintain records of the monthly and aggregate Imposition Deposits held by Lender for the purpose of paying Taxes, insurance premiums, and each other obligation of Borrower for which Imposition Deposits are required.

(b) Imposition Accounts.

All Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency and which accounts meet the standards for custodial accounts as required by Lender from time to time.

Lender shall not be obligated to open additional accounts, or deposit Imposition Deposits in additional institutions, when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. No interest, earnings, or profits on the Imposition Deposits shall be paid to Borrower unless Applicable Law so requires. Imposition Deposits shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose in accordance with this Master Agreement. For the purposes of §9-104(a)(3) of the UCC, Lender is the owner of the Imposition Deposits and shall be deemed a “customer” with sole control of the account holding the Imposition Deposits.

(c) Payment of Impositions; Sufficiency of Imposition Deposits.

Lender may pay an Imposition according to any bill, statement, or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement, or estimate or into the validity of the Imposition. Imposition Deposits shall be required to be used by Lender to pay Taxes, insurance premiums and any other individual Imposition only if:

- (1) no Event of Default exists;
- (2) Borrower has timely delivered to Lender all applicable bills or premium notices that it has received; and
- (3) sufficient Imposition Deposits are held by Lender for each Imposition at the time such Imposition becomes due and payable.

Lender shall have no liability to Borrower or any other Person for failing to pay any Imposition if any of the conditions are not satisfied. If at any time the amount of the Imposition Deposits held for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender to be held in connection with such Imposition, the excess may be credited against future installments of Imposition Deposits for such Imposition.

(d) Imposition Deposits Upon Event of Default.

If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in such amount and in such order as Lender determines, to pay any Impositions or as a credit against the Indebtedness.

(e) Contesting Impositions.

Other than insurance premiums, Borrower may contest, at its expense, by appropriate legal proceedings, the amount or validity of any Imposition if:

- (1) Borrower notifies Lender of the commencement or expected commencement of such proceedings;

(2) Lender determines that the applicable Mortgaged Property is not in danger of being sold or forfeited;

(3) Borrower deposits with Lender (or the applicable Governmental Authority if required by Applicable Law) reserves sufficient to pay the contested Imposition, if required by Lender (or the applicable Governmental Authority);

(4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested in writing by Lender; and

(5) Borrower commences, and at all times thereafter diligently prosecutes, such contest in good faith until a final determination is made by the applicable Governmental Authority.

(f) Release to Borrower.

Upon payment in full of all sums secured by the Security Instrument and this Master Agreement and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower the balance of any Imposition Deposits then on deposit with Lender.

Article 13

REPLACEMENTS, REPAIRS, AND RESTORATION

Section 13.01 Covenants.

(a) Initial Deposits to Replacement Reserve Account, Repairs Escrow Account, and Restoration Reserve Account.

(1) On the Effective Date, Borrower shall pay to Lender:

(A) the Initial Replacement Reserve Deposit for deposit into the Replacement Reserve Account; and

(B) the Repairs Escrow Deposit for deposit into the Repairs Escrow Account.

(2) After an event of loss, Borrower shall deliver or cause to be delivered to Lender any insurance proceeds received under any insurance policy required to be maintained in accordance with Article 9 (Insurance).

(b) Monthly Replacement Reserve Deposits.

Borrower shall deposit the applicable Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

(c) Payment and Deliverables for Replacements, Repairs, and Restoration.

Borrower shall:

(1) pay all invoices for Replacements, Repairs, and Restoration, regardless of whether funds on deposit in the applicable Reserve/Escrow Account, are sufficient to pay the full amount of such invoices, prior to any request for disbursement from such Reserve/Escrow Account (unless Lender has agreed to issue joint checks in connection with a particular Replacement, Repair, or Restoration);

(2) pay all applicable fees and charges of any Governmental Authority on account of the Replacements, Repairs, and Restoration, as applicable;

(3) provide evidence satisfactory to Lender of completion of the Replacements, Restoration (within the period required under Section 9.03(b)(1)(B)(iv) (Application of Proceeds on Event of Loss) or such other period required by Lender), and any Required Repairs (within the Completion Period or within such other period or by such other date set forth in the Required Repair Schedule and any Borrower Requested Repairs and Additional Lender Repairs (by the date specified by Lender for any such Borrower Requested Repairs or Additional Lender Repairs)); and

(4) prior to commencement of any Restoration, Borrower shall deliver to Lender, for Lender's review and approval:

(A) a copy of the plans and specifications for the Restoration; and

(B) a copy of all building and other permits and authorizations required by any law, ordinance, statute, rule or regulation of the Governmental Authority to carry out the Restoration.

(d) Assignment of Contracts for Replacements, Repairs, and Restoration.

Borrower shall collaterally assign to Lender as additional security any contract or subcontract for Replacements, Repairs, or Restoration, upon Lender's written request, on a form of assignment approved by Lender.

(e) Indemnification.

If Lender elects to exercise its rights under Section 14.03 (Additional Lender Rights; Forbearance) due to Borrower's failure to timely commence or complete any Replacements, Repairs, or Restoration, Borrower shall indemnify and hold Lender harmless for, from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance by Lender of the Replacements, Repairs, or Restoration or investment of the Reserve/Escrow Account Funds; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages,

obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender's agents, employees, or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

(f) Amendments to Loan Documents.

Subject to Section 5.02 (Advances – Covenants) Borrower shall execute and deliver to Lender, upon written request, an amendment to this Master Agreement, the Security Instrument, any other Loan Document deemed necessary or desirable to perfect Lender's lien upon any portion of each Mortgaged Property for which Reserve/Escrow Account Funds were expended.

(g) Administrative Fees and Expenses.

Borrower shall pay to Lender:

(1) by the date specified in the applicable invoice, the Repairs Escrow Account Administrative Fee, the Replacement Reserve Account Administration Fee, and the Restoration Reserve Account Administration Fee for Lender's services in administering the Reserve/Escrow Accounts and investing the Reserve/Escrow Account Funds;

(2) within ten (10) Business Days after a demand therefor, a reasonable inspection fee, not exceeding the Maximum Inspection Fee, for each inspection of a Mortgaged Property by Lender in connection with a Repair, Replacement, or Restoration item, plus all other reasonable costs and out-of-pocket expenses relating to such inspections; and

(3) within ten (10) Business Days after a demand therefor, all reasonable fees charged by any engineer, architect, inspector or other person inspecting a Mortgaged Property on behalf of Lender for each inspection of such Mortgaged Property in connection with a Repair, Replacement, or Restoration item, plus all other reasonable costs and out-of-pocket expenses relating to such inspections.

Section 13.02 Administration Matters Regarding Reserves.

(a) Accounts, Deposits, and Disbursements.

(1) Custodial Accounts.

(A) The Replacement Reserve Account shall be an interest-bearing account that meets the standards for custodial accounts as required by Lender from time to time. Lender shall not be responsible for any losses resulting from the investment of the Replacement Reserve Deposits or for obtaining any specific level or percentage of earnings on such investment. All interest, if any, earned on the Replacement Reserve Deposits shall be added to and become part of the Replacement Reserve Account; provided, however, if Applicable Law requires, and

so long as no Event of Default has occurred and is continuing under any of the Loan Documents, Lender shall pay to Borrower the interest earned on the Replacement Reserve Account not less frequently than the Replacement Reserve Account Interest Disbursement Frequency.

(B) Lender shall not be obligated to deposit the Repairs Escrow Deposits or any funds held in the Restoration Reserve Account into an interest-bearing account.

(C) In no event shall Lender be obligated to disburse funds from any Reserve/Escrow Account if an Event of Default has occurred and is continuing.

(2) Disbursements by Lender Only.

Only Lender or a designated representative of Lender may make disbursements from the Reserve/Escrow Accounts. Except as provided in Section 13.02(a)(7) (Conditions to Disbursement), disbursements shall only be made upon Borrower request and after satisfaction of all conditions for disbursement.

(3) Adjustment to Deposits.

(A) Mortgaged Properties in Collateral Pool over Ten (10) Years.

If any Mortgaged Property is part of the Collateral Pool for ten (10) years or more, a property condition assessment shall be ordered by Lender for such Mortgaged Property at the expense of Borrower (which expense may be paid out of the Replacement Reserve Account if excess funds are available). The property condition assessment shall be performed no earlier than the sixth (6th) month and no later than the ninth (9th) month of the tenth (10th) year after such Mortgaged Property was added to the Collateral Pool (and of the twentieth (20th) year if applicable). After review of the property condition assessment, the amount of the Monthly Replacement Reserve Deposit may be adjusted by Lender for the remaining Facility Year by written notice to Borrower so that the Monthly Replacement Reserve Deposits are sufficient to fund the Replacements as and when required and/or the amount to be held in the Repairs Escrow Account may be adjusted by Lender so that the Repairs Escrow Deposit is sufficient to fund the Repairs as and when required.

(B) Transfers.

In connection with any Transfer of any Mortgaged Property in connection with an assumption, or any Transfer of Ownership Interest(s) in a Borrower Entity that requires Lender's consent, Lender may review the amounts on deposit, if any, in the Reserve/Escrow Accounts, the amount of the Monthly Replacement Reserve Deposit for the applicable Mortgaged Property(ies) and the likely repairs and replacements required by such Mortgaged Property(ies), and the related

contingencies which may arise during the remaining Term of this Master Agreement. Based upon that review, Lender may require an additional deposit to the Replacement Reserve Account, the Repairs Escrow Account, or the Restoration Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit as a condition to Lender's consent to such Transfer.

(4) Insufficient Funds.

Lender may, upon thirty (30) days' prior written notice to Borrower, require an additional deposit(s) to the Replacement Reserve Account, the Repairs Escrow Account, or the Restoration Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit, if Lender determines that the amounts on deposit in any of the Reserve/Escrow Accounts are not sufficient to cover the costs for Required Repairs, Required Replacements, or the Restoration or, pursuant to the terms of Section 13.02(a)(9) (Replacements and Repairs Other than Required Replacements or Required Repairs), not sufficient to cover the costs for Borrower Requested Repairs, Additional Lender Repairs, Borrower Requested Replacements, or Additional Lender Replacements. Borrower's agreement to complete the Replacements, the Repairs, or the Restoration as required by this Master Agreement shall not be affected by the insufficiency of any balance in the Reserve/Escrow Accounts.

(5) Disbursements for Replacements, Repairs, and Restoration.

(A) With respect to Replacements, disbursement requests may only be made after completion of the applicable Replacements and only to reimburse the applicable Borrower for the actual approved costs of the Replacements. Lender shall not disburse from the Replacement Reserve Account the costs of routine maintenance to any Mortgaged Property or for costs which are to be reimbursed from any other Reserve/Escrow Account. Disbursement from the Replacement Reserve Account shall not be made more frequently than the Maximum Replacement Reserve Disbursement Interval for such Mortgaged Property. Other than in connection with a final request for disbursement, disbursements from the Replacement Reserve Account shall not be less than the Minimum Replacement Reserve Disbursement Amount for such Mortgaged Property.

(B) With respect to Repairs, disbursement requests may only be made after completion of the applicable Repairs and only to reimburse the applicable Borrower for the actual cost of the Repairs, up to the Maximum Repair Cost for such Mortgaged Property. Lender shall not disburse any amounts which would cause the funds remaining in the Repairs Escrow Account after any disbursement (other than with respect to the final disbursement) to be less than the Maximum Repair Cost of the then-current estimated cost of completing all remaining Repairs. Lender shall not disburse from the Repairs Escrow Account the costs of routine maintenance to any Mortgaged Property or for costs which are to be reimbursed from any other Reserve/Escrow Account or any similar account. Disbursement

from the Repairs Escrow Account shall not be made more frequently than the Maximum Repair Disbursement Interval. Other than in connection with a final request for disbursement, disbursements from the Repairs Escrow Account shall not be less than the Minimum Repairs Disbursement Amount for such Mortgaged Property.

(C) With respect to Restoration, disbursement requests may only be made after completion of the applicable Restoration and only to reimburse Borrower for the actual approved costs of the Restoration. Each disbursement shall be equal to the amount of the actual approved costs of the Restoration items covered by the disbursement request. In addition, Lender shall not disburse any amounts which would cause the funds remaining in the Restoration Reserve Account after any disbursement (other than with respect to the final disbursement) to be less than the then-current estimated cost of completing all remaining Restoration. Lender shall not disburse from the Restoration Reserve Account the costs of routine maintenance to the Mortgaged Property or for costs which are to be reimbursed from any other Reserve/Escrow Account. Disbursement from the Restoration Reserve Account shall not be made more frequently than the Maximum Restoration Reserve Disbursement Interval. Other than in connection with a final request for disbursement, disbursements from the Restoration Reserve Account shall not be less than the Minimum Restoration Reserve Disbursement Amount.

(6) Disbursement Requests.

Borrower must submit a disbursement request in writing for each disbursement from a Reserve/Escrow Account, which disbursement request must specify the items of Replacement, Repairs, or Restoration for which reimbursement is requested (provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9) (Replacements and Repairs Other than Required Replacements or Required Repairs)), and must:

(A) if applicable, specify the quantity and price of the items or materials purchased, grouped by type or category;

(B) if applicable, specify the cost of all contracted labor or other services, including architectural services, involved in the Replacement, Repair, or Restoration for which such request for disbursement is made;

(C) if applicable, include copies of invoices for all items or materials purchased and all contracted labor or services provided;

(D) include evidence of payment of such Replacement, Repair, or Restoration satisfactory to Lender (unless Lender has agreed to issue joint checks

in connection with a particular Repair, Replacement, or Restoration item as provided in this Master Agreement);

(E) if applicable, contain a certification by Borrower that the Repair, Replacement, or Restoration has been completed lien free and in a good and workmanlike manner, in accordance with any plans and specifications previously approved by Lender (if applicable) and in compliance with all Applicable Law, and otherwise in accordance with the provisions of this Master Agreement; and

(F) if applicable, include evidence that any certificates of occupancy required by Applicable Law or any Governmental Authority have been issued

(7) Conditions to Disbursement.

In addition to each disbursement request and information required in connection with such disbursement request, Lender may require any or all of the following at the expense of Borrower as a condition to disbursement of funds in excess of \$25,000 or funds for the life-safety Repairs or Replacements Reserve/Escrow Account Funds (provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9) (Replacements and Repairs Other than Required Replacements or Required Repairs)):

(A) an inspection by Lender of the applicable Mortgaged Property and the applicable Replacement, Repair, or Restoration item;

(B) an inspection or certificate of completion by an appropriate independent qualified professional (such as an architect, engineer or property inspector, depending on the nature of the Repair, Replacement, or Restoration) selected by Lender;

(C) either:

(i) a search of title to the applicable Mortgaged Property effective to the date of disbursement; or

(ii) a “date-down” endorsement to Lender’s Title Policy (or a new Lender’s Title Policy if a “date-down” is not available) extending the effective date of such policy to the date of disbursement, and showing no Liens other than (1) Permitted Encumbrances, (2) liens which Borrower is diligently contesting in good faith that have been bonded off to the satisfaction of Lender, or (3) mechanics’ or materialmen’s liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the

payment for any such work or materials; provided, however, Lender shall not require a “date-down” (or a new Lender’s Title Policy if a “date-down” is not available) unless the search of title first reveals that a “date-down” endorsement (or a new Lender’s Title Policy if a “date-down” is not available) would be necessary to preserve the validity or the protection afforded by the applicable Title Policy; and

(D) an acknowledgement of payment, waiver of claims, and release of lien for work performed and materials supplied from each contractor, subcontractor or materialman in accordance with the requirements of Applicable Law and covering all work performed and materials supplied (including equipment and fixtures) for the applicable Mortgaged Property by that contractor, subcontractor, or materialman through the date covered by the disbursement request (or, in the event that payment to such contractor, subcontractor, or materialman is to be made by a joint check, the release of lien shall be effective through the date covered by the previous disbursement).

(8) Joint Checks for Periodic Disbursements.

Lender may, upon Borrower’s written request, issue joint checks, payable to Borrower and the applicable supplier, materialman, mechanic, contractor, subcontractor or other similar party, if:

(A) the cost of the Replacement, Repair, or Restoration item exceeds the Replacement Threshold, the Repair Threshold, or the Restoration Threshold, as applicable, for such Mortgaged Property and the contractor performing such Replacement, Repair, or Restoration requires periodic payments pursuant to the terms of the applicable written contract;

(B) the contract for such Replacement, Repair, or Restoration requires payment upon completion of the applicable portion of the work;

(C) Borrower makes the disbursement request after completion of the applicable portion of the work required to be completed under such contract;

(D) the materials for which the request for disbursement has been made are on site at the applicable Mortgaged Property and are properly secured or installed;

(E) Lender determines that the remaining funds in the Reserve/Escrow Account are sufficient to pay the cost of the Replacement, Repair, or Restoration item, as applicable, and the then-current estimated cost of completing all remaining Required Replacements, Restoration, or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender;

(F) each supplier, materialman, mechanic, contractor, subcontractor, or other similar party receiving payments shall have provided, if requested in writing by Lender, a waiver of liens with respect to amounts which have been previously paid to them; and

(G) all other conditions for disbursement have been satisfied.

(9) Replacements and Repairs Other than Required Replacements or Required Repairs.

(A) Borrower Requested Replacements and Borrower Requested Repairs.

Borrower may submit a disbursement request from the Replacement Reserve Account or the Repairs Escrow Account to reimburse Borrower for any Borrower Requested Replacement or Borrower Requested Repair. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements for Borrower Requested Replacements or Borrower Requested Repairs if:

(i) they are of the type intended to be covered by the Replacement Reserve Account or the Repairs Escrow Account, as applicable;

(ii) the costs are commercially reasonable;

(iii) the amount of funds in the Replacement Reserve Account or Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(iv) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Master Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit in connection with any such Borrower Requested Replacements, or an additional deposit to the Repairs Escrow Account for any such Borrower Requested Repairs.

(B) Additional Lender Replacements and Additional Lender Repairs.

Lender may require, as set forth in Section 6.02(b) (Property Maintenance), Section 6.03(c) (Property Condition Assessment), or otherwise from time to time, upon written notice to Borrower, that Borrower make Additional Lender Replacements or Additional Lender Repairs. Lender shall make disbursements from the Replacement Reserve Account for Additional Lender Replacements or from the Repairs Escrow Account for Additional Lender Repairs, as applicable, if:

(i) the costs are commercially reasonable;

(ii) the amount of funds in the Replacement Reserve Account or the Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(iii) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Master Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit for any such Additional Lender Replacements or an additional deposit to the Repairs Escrow Account for any such Additional Lender Repair.

(10) Excess Costs.

In the event any Replacement, Repair, or Restoration item exceeds the approved cost set forth on the Required Replacement Schedule for Replacements, the Maximum Repair Cost for Repairs, or the initial cost approved by Lender for Restoration, as applicable, Borrower may submit a disbursement request to reimburse Borrower for such excess cost. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements from the applicable Reserve/Escrow Account, if:

(A) the excess cost is commercially reasonable;

(B) the amount of funds in the applicable Reserve/Escrow Account is sufficient to pay such excess costs and the then-current estimated cost of completing all remaining Required Replacements, Restoration, or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested

Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(C) all conditions for disbursement from the applicable Reserve/Escrow Account have been satisfied.

(11) Final Disbursements.

Upon completion and satisfaction of all conditions for disbursements for any Repairs and Restoration, and further provided no Event of Default has occurred and is continuing, Lender shall disburse to Borrower any amounts then remaining in the Repairs Escrow Account or the Restoration Reserve Account, as applicable. Upon payment in full of the Indebtedness and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower any and all amounts then remaining in the Reserve/Escrow Accounts (if not previously released).

(b) Approvals of Contracts; Assignment of Claims.

Lender retains the right, upon Lender's written request, to approve all contracts or work orders with materialmen, mechanics, suppliers, subcontractors, contractors, or other parties providing labor or materials in connection with the Replacements, Repairs, or Restoration. Notwithstanding Borrower's assignment (in the Security Instrument) of its rights and claims against all Persons supplying labor or materials in connection with the Replacements, Repairs, or Restoration, Lender will not pursue any such right or claim unless an Event of Default has occurred and is continuing or as otherwise provided in Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

(c) Delays and Workmanship.

If any work for any Replacement, Repair, or Restoration item has not timely commenced, has not been timely performed in a workmanlike manner, or has not been timely completed in a workmanlike manner, Lender may, without notice to Borrower:

- (1) withhold disbursements from the applicable Reserve/Escrow Account;
- (2) proceed under existing contracts or contract with third parties to make or complete such Replacements, Repairs, or Restoration items;
- (3) apply the funds in the applicable Reserve/Escrow Account toward the labor and materials necessary to make or complete such Replacements, Repairs, or Restoration items, as applicable; or
- (4) exercise any and all other remedies available to Lender under this Master Agreement or any other Loan Document, including any remedies otherwise available upon an Event of Default pursuant to the terms of Section 14.02 (Remedies), subject to Borrower's right to cure under Section 14.01(c).

To facilitate Lender's completion and performance of such Replacements, Repairs, or Restoration items, Lender shall have the right to enter onto each Mortgaged Property and perform any and all work and labor necessary to make or complete the Replacements, Repairs, or Restoration and employ watchmen to protect such Mortgaged Property from damage. All funds so expended by Lender shall be deemed to have been advanced to Borrower, and included as part of the Indebtedness and secured by the Security Instrument and this Master Agreement.

(d) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

(e) No Lender Obligation.

Nothing in this Master Agreement shall:

- (1) make Lender responsible for making or completing the Replacements, Repairs, or Restoration;
- (2) require Lender to expend funds, whether from any Reserve/Escrow Account, or otherwise, to make or complete any Replacement, Repair, or Restoration item;
- (3) obligate Lender to proceed with the Replacements, Repairs, or Restoration;
or
- (4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement, Repair, or Restoration item.

(f) No Lender Warranty.

Lender's approval of any plans for any Replacement, Repair or Restoration, release of funds from any Reserve/Escrow Account, inspection of any Mortgaged Property by Lender or its agents, representatives, or designees, or other acknowledgment of completion of any Replacement, Repair, or Restoration in a manner satisfactory to Lender shall not be deemed an acknowledgment or warranty to any Person that the Replacement, Repair, or Restoration has been completed in accordance with applicable building, zoning or other codes, ordinances, statutes, laws, regulations or requirements of any Governmental Authority, such responsibility being at all times exclusively that of Borrower.

Article 14

DEFAULTS/REMEDIES

Section 14.01 Events of Default.

The occurrence of any one or more of the following in this Section 14.01 (Events of Default) shall constitute an Event of Default under this Master Agreement.

(a) Automatic Events of Default.

Any of the following shall constitute an automatic Event of Default:

(1) any failure by Borrower to pay or deposit when due any amount required by the Note, this Master Agreement or any other Loan Document;

(2) any failure by Borrower to maintain the insurance coverage required by any Loan Document;

(3) any failure by Borrower to comply with the provisions of Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status) relating to its single asset status other than a failure to observe corporate formalities pursuant to Section 4.02(d)(14) which Borrower must cure within 20 days of any such failure;

(4) if any warranty, representation, certification, or statement of Borrower or Guarantor in this Master Agreement or any of the other Loan Documents is false, inaccurate, or misleading in any material respect when made;

(5) fraud, gross negligence, willful misconduct or material misrepresentation or material omission by or on behalf of Borrower, Guarantor or Key Principal or any of their officers, directors, trustees, partners, members, or managers in connection with:

(A) the application for, or creation of, the Indebtedness;

(B) any financial statement, rent roll, or other report or information provided to Lender during the Term of this Master Agreement; or

(C) any request for Lender's consent to any proposed action, including a request for disbursement of Reserve/Escrow Account Funds or Collateral Account Funds;

(6) the occurrence of any Transfer (other than a Transfer consisting solely of a breach of Section 7.02(b)(1) or Section 7.02(b)(2)) not permitted by the Loan Documents;

(7) the occurrence of a Bankruptcy Event of Borrower, SPE Owner or Guarantor;

(8) the commencement of a forfeiture action or other similar proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of any Mortgaged Property or otherwise materially impair the lien created by this Master Agreement or the Security Instrument or Lender's interest in any Mortgaged Property;

(9) if Borrower, Guarantor or Key Principal is a trust (other than a REIT), or if a Transfer of the Restricted Ownership Interest or a Change of Control occurs due to the termination or revocation of a trust, the termination or revocation of such trust, except as set forth in Section 11.03(d) (Termination or Revocation of Trust);

(10) subject to the provisions of Section 6.02(b)(4)(D), any failure by Borrower to complete any Repair related to fire, life, or safety issues in accordance with the terms of this Master Agreement within the Completion Period (or such other date set forth on the Required Repair Schedule or otherwise required by Lender in writing for such Repair);

(11) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust, or deed to secure debt on any Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable; or

(12) a dissolution or liquidation for any reason (whether voluntary or involuntary) of Borrower Entity or any general partner, managing member, or sole member of any Borrower Entity.

(b) Events of Default Subject to a Specified Cure Period.

Any of the following shall constitute an Event of Default subject to the cure period set forth in the Loan Documents:

(1) if Key Principal or Guarantor is a natural Person, the death of such individual, unless all requirements of Section 11.03(e) (Death of Key Principal or Guarantor; Restricted Ownership Interest/Controlling Interest Transfer Due to Death) are met;

(2) a Transfer consisting solely of a breach of clause (1) or clause (2) of Section 7.02(b) (Commercial Leases), for which Borrower shall have thirty (30) days to cure;

(3) any failure by Borrower, Key Principal, or Guarantor to comply with the provisions of Section 5.02(b) (Further Assurances) and Section 5.02(c) (Sale of Advances); and

(4) any failure by Borrower to perform any obligation under this Master Agreement or any Loan Document that is subject to a specified written notice and cure period, which failure continues beyond such specified written notice and cure period as set forth herein or in the applicable Loan Document.

(c) Events of Default Subject to Extended Cure Period or Release.

The following shall constitute an Event of Default if the existence of such condition or event, or such failure to perform or default in performance continues for a period of thirty (30) days after written notice by Lender to Borrower of the existence of such condition or event, or of such failure to perform or default in performance; provided, however, such period may be extended for up to an additional thirty (30) days if Borrower, in the discretion of Lender, is diligently pursuing a cure of such; provided further, however, no such written notice, grace period or extension shall apply if, in Lender's discretion, immediate exercise by Lender of a right or remedy under this Master Agreement or any Loan Document is required to avoid harm to Lender or impairment of the Indebtedness, the Mortgaged Property or any other security given to secure the Indebtedness:

(1) any failure by Borrower to perform any of its obligations under this Master Agreement or any Loan Document (other than those specified in Section 14.01(a) (Automatic Events of Default) or Section 14.01(b) (Events of Default Subject to a Specified Cure Period)) as and when required.

Notwithstanding anything to the contrary herein or in any other Loan Document, if an Event of Default shall occur hereunder or under any other Loan Document because a representation, warranty, affirmative covenant, negative covenant, or other provision hereunder or thereunder shall be breached or violated that in Lender's sole and exclusive judgment is with respect to a particular Mortgaged Property (other than any misappropriation of funds collected in respect thereof) (each, a **"Property-Specific Event of Default"**), such Event of Default shall be deemed cured if Borrower shall satisfy all of the conditions set forth in Section 2.10(b) (Right to Obtain Releases of Mortgaged Property) of this Master Agreement relating to the Release of such Mortgaged Property from the Collateral Pool within thirty (30) days of Borrower acquiring knowledge of such Event of Default (the **"Release Cure Period"**). During the Release Cure Period, Lender agrees that it shall not have the right to exercise the remedy set forth in Section 14.02 (Remedies) of this Master Agreement; provided, however, that the foregoing shall not impair Lender's right to exercise the remedies available to Lender under any of the other Loan Documents or at law or in equity or under Section 14.03(b) (No Waiver of Rights or Remedies) during such Release Cure Period. If Lender shall elect to exercise any such remedies during such period, and if Borrower releases such Mortgaged Property pursuant to the provisions of the Mortgaged Property Release Schedule as described in the preceding sentence and at the time of such release no other Event of Default has occurred and is continuing, Lender shall cease exercising such remedies with respect to the applicable Property-Specific Event of Default and discontinue any proceedings it may have initiated in connection therewith, and the parties shall be restored to their former positions and rights hereunder; provided, however, that if Borrower shall fail to satisfy all of the conditions set forth in the Mortgaged Property Release Schedule relating to the release of such Mortgaged Property from the Collateral Pool during the Release Cure Period, Lender may thereafter exercise any and all remedies available to Lender under Article 14 (Defaults/Remedies) of this Master Agreement, including, without limitation, the remedies set forth in Section 14.02 (Remedies).

Section 14.02 Remedies.

(a) Acceleration; Foreclosure.

(1) If an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Advances Outstanding, any Accrued Interest, interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other Indebtedness, at the option of Lender, shall immediately become due and payable, without any prior written notice to Borrower, unless Applicable Law requires otherwise (and in such case, after any required written notice has been given). Lender may exercise this option to accelerate regardless of any prior forbearance. In addition, Lender shall have all rights and remedies afforded to Lender hereunder and under the other Loan Documents, including, foreclosure on and/or the power of sale of any or all of the Mortgaged Properties, as provided in the Security Instrument, and any rights and remedies available to Lender at law or in equity (subject to Borrower's statutory rights of reinstatement, if any). Any proceeds of a Foreclosure Event may be held and applied by Lender as additional collateral for the Indebtedness pursuant to this Master Agreement. Notwithstanding the foregoing, the occurrence of any Bankruptcy Event of Borrower shall automatically accelerate the Indebtedness, which Indebtedness shall be immediately due and payable without written notice or further action by Lender.

(2) Lender may Accelerate any Note without the obligation, but the right to accelerate any other Note (if more than one). In the exercise of its rights and remedies under the Loan Documents, Lender may, except as provided in this Master Agreement, exercise and perfect any and all of its rights in and under the Loan Documents with regard to any Mortgaged Property without the obligation (but with the right) to exercise and perfect its rights and remedies with respect to any other Mortgaged Property. Any such exercise shall be without regard to the Allocable Facility Amount assigned to such Mortgaged Property. Lender may recover an amount equal to the full amount Outstanding in respect of any of the Notes in connection with such exercise. Any such amount shall be applied to the Obligations as determined by Lender.

(b) Loss of Right to Disbursements from Collateral Accounts.

If an Event of Default has occurred and is continuing, Borrower shall immediately lose all of its rights to receive disbursements from the Reserve/Escrow Accounts and any Collateral Accounts. During the continuance of any such Event of Default, Lender may use the Reserve/Escrow Account Funds and any Collateral Account Funds (or any portion thereof) for any purpose, including:

(1) repayment of the Indebtedness, including principal prepayments and the Prepayment Premium applicable to such full or partial prepayment, as applicable (however, such application of funds shall not cure or be deemed to cure any Event of Default);

(2) reimbursement of Lender for all losses and expenses (including reasonable legal fees) suffered or incurred by Lender as a result of such Event of Default;

(3) completion of the Replacement, Repair, or Restoration, or for any other replacement or repair to a Mortgaged Property; and

(4) payment of any amount expended in exercising (and the exercise of) all rights and remedies available to Lender at law or in equity or under this Master Agreement or under any of the other Loan Documents.

Nothing in this Master Agreement shall obligate Lender to apply all or any portion of the Reserve/Escrow Account Funds or Collateral Account Funds on account of any Event of Default by Borrower or to repayment of the Indebtedness or in any specific order of priority.

(c) Remedies Cumulative.

Each right and remedy provided in this Master Agreement is distinct from all other rights or remedies under this Master Agreement or any other Loan Document or afforded by Applicable Law, and each shall be cumulative and may be exercised concurrently, independently or successively, in any order. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of additional default by Borrower in order to exercise any of its remedies with respect to an Event of Default.

Section 14.03 Additional Lender Rights; Forbearance.

(a) No Effect Upon Obligations.

Lender may, but shall not be obligated to, agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, Guarantor, Key Principal, or other third party obligor, to take any of the following actions:

(1) the time for payment of the principal of or interest on the Indebtedness may be extended, or the Indebtedness may be renewed in whole or in part;

(2) the rate of interest on or period of amortization of the Advances or the amount of the Monthly Debt Service Payments payable under the Loan Documents may be modified;

(3) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(4) any or all payments due under this Master Agreement or any other Loan Document may be reduced;

(5) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Advances;

(6) any amounts under this Master Agreement or any other Loan Document may be released;

(7) any security for the Indebtedness may be modified, exchanged, released, surrendered, or otherwise dealt with, or additional security may be pledged or mortgaged for the Indebtedness;

(8) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; or

(9) any other terms of the Loan Documents may be modified.

(b) No Waiver of Rights or Remedies.

Any waiver of an Event of Default or forbearance by Lender in exercising any right or remedy under this Master Agreement or any other Loan Document or otherwise afforded by Applicable Law, shall not be a waiver of any other Event of Default or preclude the exercise or failure to exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise or failure to exercise of any other right available to Lender. Lender's receipt of any insurance proceeds or amounts in connection with a Condemnation Action shall not operate to cure or waive any Event of Default.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any officer of Lender or any Person designated by Lender for that purpose) as Borrower's true and lawful proxy and attorney-in-fact (and agent-in-fact) in Borrower's name, place, and stead, with full power of substitution, to:

(1) use any Reserve/Escrow Account Funds for the purpose of making or completing the Replacements, Repairs, or Restoration;

(2) make such additions, changes, and corrections to the Replacements, Repairs, or Restoration as shall be necessary or desirable to complete the Replacements, Repairs, or Restoration;

(3) employ such contractors, subcontractors, agents, architects, and inspectors as shall be required for such purposes;

(4) pay, settle, or compromise all bills and claims for materials and work performed in connection with the Replacements, Repairs, or Restoration, or as may be necessary or desirable for the completion of the Replacements, Repairs, or Restoration, or for clearance of title;

(5) adjust and compromise any claims under any and all policies of insurance required pursuant to this Master Agreement and any other Loan Document, subject only to Borrower's rights under this Master Agreement;

(6) appear in and prosecute any action arising from any insurance policies;

(7) collect and receive the proceeds of insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds;

(8) commence, appear in, and prosecute, in Lender's or Borrower's name, any Condemnation Action;

(9) settle or compromise any claim in connection with any Condemnation Action;

(10) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents;

(11) prosecute and defend all actions or proceedings in connection with any Mortgaged Property or the rehabilitation and repair of any Mortgaged Property;

(12) take such actions as are permitted in this Master Agreement and any other Loan Documents;

(13) execute such financing statements and other documents and to do such other acts as Lender may require to perfect and preserve Lender's security interest in, and to enforce such interests in, the collateral; and

(14) carry out any remedy provided for in this Master Agreement and any other Loan Documents, including endorsing Borrower's name to checks, drafts, instruments, and other items of payment and proceeds of the collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of Borrower, changing the address of Borrower to that of Lender, opening all envelopes addressed to Borrower, and applying any payments contained therein to the Indebtedness.

Borrower hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable and shall not be affected by the disability or incompetence of Borrower. Borrower specifically acknowledges and agrees that this power of attorney granted to Lender may be assigned by Lender to Lender's successors or assigns as holder of the Note (and the other Loan Documents). The foregoing powers conferred on Lender under this Section 14.03(c) (Appointment of Lender as Attorney-In-Fact) shall not impose any duty upon Lender to exercise any such powers and shall not require Lender to incur any expense or take any action. Borrower hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Master Agreement and any other Loan Documents.

Notwithstanding the foregoing provisions, Lender shall not exercise its rights as set forth in this Section 14.03(c) (Appointment of Lender as Attorney-In-Fact) unless: (A) an Event of Default has occurred and is continuing or (B) Lender determines, in its discretion, that exigent circumstances exist or that such exercise is necessary or prudent in order to protect and preserve the Mortgaged Property, or Lender's lien priority and security interest in the Mortgaged Property.

(d) Borrower Waivers.

If more than one Person signs this Master Agreement as Borrower, each Borrower, with respect to any other Borrower, hereby agrees that Lender, in its discretion, may:

- (1) bring suit against Borrower, or any one or more of Borrower, jointly and severally, or against any one or more of them;
- (2) compromise or settle with any one or more of the persons constituting Borrower, for such consideration as Lender may deem proper;
- (3) release one or more of the persons constituting Borrower, from liability; or
- (4) otherwise deal with Borrower, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from any Borrower the full amount of the Indebtedness.

Section 14.04 Waiver of Marshaling.

Notwithstanding the existence of any other security interests in the Mortgaged Properties held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Properties (or any part thereof) shall be subjected to the remedies provided in this Master Agreement, any other Loan Document or Applicable Law. Lender shall have the right to determine the order in which all or any part of the Indebtedness is satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in any Mortgaged Property and who has actual or constructive notice of this Master Agreement waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Properties be sold in the inverse order of alienation or that any of the Mortgaged Properties be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by Applicable Law or provided in this Master Agreement or any other Loan Documents.

Lender shall account for any moneys received by Lender in respect of any foreclosure on or disposition of collateral hereunder and under the other Loan Documents provided that Lender shall not have any duty as to any collateral, and Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers. NONE OF LENDER OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL BE RESPONSIBLE TO BORROWER (a) FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR

WILLFUL MISCONDUCT AS FINALLY DETERMINED PURSUANT TO A FINAL, NON-APPEALABLE COURT ORDER BY A COURT OF COMPETENT JURISDICTION, OR (b) FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

Section 14.05 Severed Loan Documents.

Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages, and other security documents (the “**Severed Loan Documents**”) in such denominations as Lender shall determine in its discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder, provided that:

- (a) the amount of Advances Outstanding immediately after the effective date of such modification equals the amount of Advances Outstanding immediately prior to such modification;
- (b) the weighted average of the interest rates for Advances Outstanding immediately after the effective date of such modification equals the weighted average of the interest rates for Advances Outstanding immediately prior to such modification;
- (c) each future principal payment shall be ratably allocated to each Advance based on the Outstanding principal balance of such Advance at the time of such modification and each future amortization payment shall be ratably paid in accordance with such allocation at all times;
- (d) there shall be no other change to the economic and/or other material terms, rights and obligations of Borrower under the Loan Documents; and
- (e) the Collateral and the revenue therefrom shall continue to secure, and be available to be applied against, the total Advances Outstanding.

Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described above, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such documents under such power until three (3) days after notice has been given to Borrower by Lender of Lender’s intent to exercise its rights under such power. Borrower shall be obligated to pay any costs or expenses incurred in connection with the preparation, execution, recording, or filing of the Severed Loan Documents, and the Severed Loan Documents shall not contain any representations, warranties, or covenants not contained in the Loan Documents and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the date last given.

Article 15

MISCELLANEOUS

Section 15.01 Choice of Law; Consent to Jurisdiction.

Notwithstanding anything in the Notes, the Security Documents, or any of the other Loan Documents to the contrary, each of the terms and provisions, and rights and obligations of Borrower under this Master Agreement and the Notes and the other Loan Documents, shall be governed by, interpreted, construed, and enforced pursuant to and in accordance with the laws of the District of Columbia (excluding the law applicable to conflicts or choice of law) except to the extent of procedural and substantive matters relating only to the creation, perfection, and foreclosure of liens and security interests, and enforcement of the rights and remedies, against the Mortgaged Properties, which matters shall be governed by the laws of the jurisdiction in which a Mortgaged Property is located, the perfection, the effect of perfection and non-perfection and foreclosure of security interests on personal property, which matters shall be governed by the laws of the jurisdiction determined by the choice of law provisions of the Uniform Commercial Code in effect for the jurisdiction in which any Borrower is organized. Borrower agrees that any controversy arising under or in relation to the Notes, the Security Documents (other than the Security Instruments), or any other Loan Document shall be, except as otherwise provided herein, litigated in the District of Columbia. The local and federal courts and authorities with jurisdiction in the District of Columbia shall, except as otherwise provided herein, have jurisdiction over all controversies which may arise under or in relation to the Loan Documents, including those controversies relating to the execution, jurisdiction, breach, enforcement, or compliance with the Notes, the Security Documents (other than the Security Instruments), or any other issue arising under, relating to, or in connection with any of the Loan Documents. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any litigation arising from the Notes, the Security Documents, or any of the other Loan Documents, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence, or otherwise. Nothing contained herein, however, shall prevent Lender from bringing any suit, action, or proceeding or exercising any rights against Borrower and against the collateral in any other jurisdiction. Initiating such suit, action, or proceeding or taking such action in any other jurisdiction shall in no event constitute a waiver of the agreement contained herein that the laws of the District of Columbia shall govern the rights and obligations of Borrower and Lender as provided herein or the submission herein by Borrower to personal jurisdiction within the District of Columbia.

Section 15.02 Waiver of Jury Trial.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (a) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS MASTER AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, THAT IS TRIABLE OF RIGHT BY A JURY AND (b) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER

OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL

Section 15.03 Notice.

(a) Process of Serving Notice.

Except as otherwise set forth herein or in any other Loan Document, all notices under this Master Agreement and any other Loan Document shall be:

- (1) in writing and shall be:
 - (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;
- (2) addressed to the intended recipient at Borrower's Notice Address and Lender's Notice Address, as applicable; and
- (3) deemed given on the earlier to occur of:
 - (A) the date when the notice is received by the addressee; or
 - (B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Change of Address.

Any party to this Master Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified on the Summary of Master Terms in accordance with this Section 15.03 (Notice).

(c) Default Method of Notice.

Any required notice under this Master Agreement or any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 15.03 (Notice).

(d) Receipt of Notices.

Neither Borrower nor Lender shall refuse or reject delivery of any notice given in accordance with this Master Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

Section 15.04 Successors and Assigns Bound; Sale of Advances.

(a) Binding Agreement.

This Master Agreement shall bind, and the rights granted by this Master Agreement shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower. However, a Transfer not permitted by this Master Agreement shall be an Event of Default and shall be void ab initio.

(b) Sale of Advances; Change of Servicer.

Nothing in this Master Agreement shall limit Lender's (including its successors and assigns) right to sell or transfer the Advances or any interest in the Advances. The Advances or a partial interest in the Advances (together with this Master Agreement and the other Loan Documents) may be sold one or more times without prior written notice to Borrower. A sale may result in a change of the Loan Servicer.

Section 15.05 Counterparts.

This Master Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document and all such counterparts shall be construed together and shall constitute one instrument.

Section 15.06 [Intentionally Deleted.]

Section 15.07 Relationship of Parties; No Third Party Beneficiary.

(a) Solely Creditor and Debtor.

The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Master Agreement shall create any other relationship between Lender and Borrower. Nothing contained in this Master Agreement shall constitute Lender as a joint venturer, partner, or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations, or contracts of Borrower.

(b) No Third Party Beneficiaries.

No creditor of any party to this Master Agreement and no other Person shall be a third party beneficiary of this Master Agreement or any other Loan Document or any account created or contemplated under this Master Agreement or any other Loan Document. Nothing contained in this Master Agreement shall be deemed or construed to create an obligation on the part of Lender

to any third party, and no third party shall have a right to enforce against Lender any right that Borrower may have under this Master Agreement. Without limiting the foregoing:

(1) any Servicing Arrangement between Lender and any Loan Servicer shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness;

(2) Borrower shall not be a third party beneficiary of any Servicing Arrangement; and

(3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

Section 15.08 Severability; Entire Agreement; Amendments.

The invalidity or unenforceability of any provision of this Master Agreement or any other Loan Document shall not affect the validity or enforceability of any other provision of this Master Agreement or of any other Loan Document, all of which shall remain in full force and effect, including the Guaranty. All of the Loan Documents contain the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Master Agreement and the other Loan Documents. This Master Agreement may not be amended or modified except by written agreement signed by the parties hereto.

Section 15.09 Construction.

(a) The captions and headings of the sections of this Master Agreement and the Loan Documents are for convenience only and shall be disregarded in construing this Master Agreement and the Loan Documents.

(b) Any reference in this Master Agreement to an “Exhibit” or “Schedule” or a “Section” or an “Article” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit or Schedule attached to this Master Agreement or to a Section or Article of this Master Agreement.

(c) Any reference in this Master Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(d) Use of the singular in this Master Agreement includes the plural and use of the plural includes the singular.

(e) As used in this Master Agreement, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only and not a limitation.

(f) Whenever Borrower’s knowledge is implicated in this Master Agreement or the phrase “to Borrower’s knowledge” or a similar phrase is used in this Master Agreement,

Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(g) Unless otherwise provided in this Master Agreement, if Lender's approval, designation, determination, selection, estimate, action, or decision is required, permitted, or contemplated hereunder, such approval, designation, determination, selection, estimate, action, or decision shall be made in Lender's sole and absolute discretion.

(h) All references in this Master Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(i) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

Section 15.10 Loan Servicing.

All actions regarding the servicing of the Advances, including the collection of payments, the giving and receipt of notice, inspections of the Mortgaged Properties, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives written notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such notice from Lender shall govern. The Loan Servicer may change from time to time (whether related or unrelated to a sale of the Advances). If there is a change of the Loan Servicer, Borrower will be given written notice of the change.

Section 15.11 Disclosure of Information.

Lender may furnish information regarding Borrower, Key Principal or Guarantor or the Mortgaged Properties to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase, or securitization of the Advances, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of manufactured home community mortgage loans. Borrower irrevocably waives any and all rights it may have under Applicable Law to prohibit such disclosure, including any right of privacy.

Section 15.12 Waiver; Conflict.

No specific waiver of any of the terms of this Master Agreement shall be considered as a general waiver. If any provision of this Master Agreement is in conflict with any provision of any other Loan Document, the provision contained in this Master Agreement shall control.

Section 15.13 [Intentionally Deleted.]

Section 15.14 No Reliance.

Borrower acknowledges, represents, and warrants that:

(a) it understands the nature and structure of the transactions contemplated by this Master Agreement and the other Loan Documents;

(b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;

(c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of any Mortgaged Property;

(d) it has had the opportunity to consult counsel; and

(e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Master Agreement or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into, or otherwise in connection with this Master Agreement, any other Loan Document, or any of the matters contemplated hereby or thereby.

Section 15.15 Subrogation.

If, and to the extent that, the proceeds of any Advance are used to pay, satisfy, or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust, or other lien encumbering any Mortgaged Property, such proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall be subrogated automatically, and without further action on its part, to the rights, including lien priority, of the owner or holder of the obligation secured by such prior lien, whether or not such prior lien is released.

Section 15.16 Counting of Days.

Except where otherwise specifically provided, any reference in this Master Agreement to a period of "days" means calendar days, not Business Days. If the date on which Borrower is required to perform an obligation under this Master Agreement is not a Business Day, Borrower shall be required to perform such obligation by the Business Day immediately preceding such date; provided, however, in respect of any Payment Date, or if the Maturity Date is other than a Business Day, Borrower shall be obligated to make such payment by the Business Day immediately following such date.

Section 15.17 Revival and Reinstatement of Indebtedness.

If the payment of all or any part of the Indebtedness by Borrower, Guarantor, or any other Person, or the transfer to Lender of any collateral or other property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Insolvency Laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable

costs, expenses, and attorneys' fees incurred by Lender in connection therewith, and the Indebtedness shall be automatically revived, reinstated, and restored by such amount and shall exist as though such Voidable Transfer had never been made.

Section 15.18 Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Master Agreement and the other Loan Documents, time is of the essence.

Section 15.19 Final Agreement.

THIS MASTER AGREEMENT ALONG WITH ALL OF THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Master Agreement and the other Loan Documents. This Master Agreement, the other Loan Documents, and any of their provisions may not be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement.

Section 15.20 Survival.

The representations, warranties, and covenants made by Borrower in this Master Agreement shall survive the execution and delivery of this Master Agreement and other Loan Documents, regardless of any investigation made by Lender or Fannie Mae.

Section 15.21 Assignments; Third Party Rights.

Lender may assign its rights and/or obligations under this Master Agreement separately or together, without Borrower's consent, only to Fannie Mae. Upon assignment to Fannie Mae, Fannie Mae shall be permitted to further assign its rights under this Master Agreement separately or together, without Borrower's consent. Fannie Mae shall have the right to hold, sell, or securitize the Advances made hereunder without Borrower's consent.

Section 15.22 Interpretation.

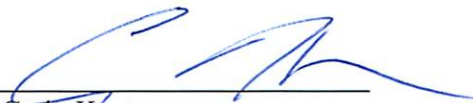
The parties hereto acknowledge that each party and their respective counsel have participated in the drafting and revision of this Master Agreement and the Loan Documents. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Master Agreement and the Loan Documents or any amendment or supplement or Exhibit hereto or thereto.

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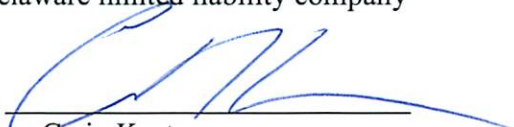
IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Master Agreement under seal (where applicable) or have caused this Master Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where Applicable Law so provides, Borrower and Lender intend that this Master Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

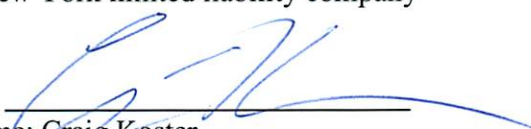
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an Ohio limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

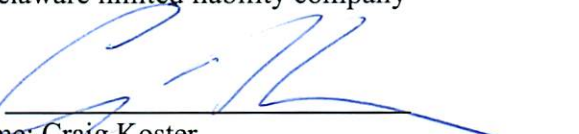
UMH MD CINNAMON WOODS, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH NY COLLINGWOOD, LLC,
a New York limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH OH BUCKEYE, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH OH BUCKEYE II, LLC,
a Delaware limited liability company

By: 

Name: Craig Koster

Title: General Counsel and Secretary

UMH OH HILLCREST, LLC,
a Delaware limited liability company

By: 

Name: Craig Koster

Title: General Counsel and Secretary

UMH OH LAKEVIEW, LLC,
a Delaware limited liability company

By: 

Name: Craig Koster

Title: General Counsel and Secretary

UMH OH MARYSVILLE ESTATES, LLC,
a Delaware limited liability company

By: 

Name: Craig Koster

Title: General Counsel and Secretary

UMH NORTHERN OH, LLC,
An Ohio limited liability company

By: 

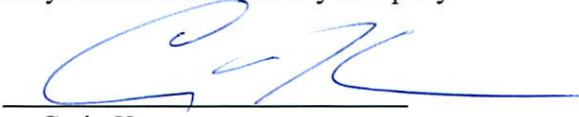
Name: Craig Koster

Title: General Counsel and Secretary

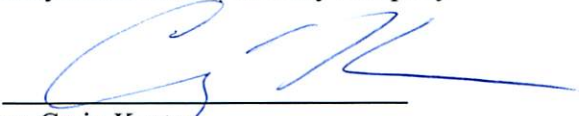
UMH OH WAYSIDE, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH PA ATHENS, LLC,
a Pennsylvania limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH PA CHAMBERSBURG, LLC,
a Pennsylvania limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

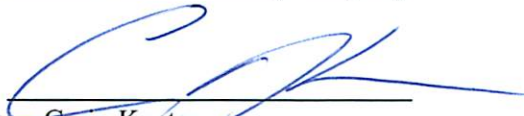
UMH PA CROSSROADS VILLAGE, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

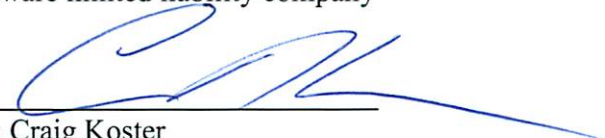
UMH PA HIGH VIEW ACRES, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

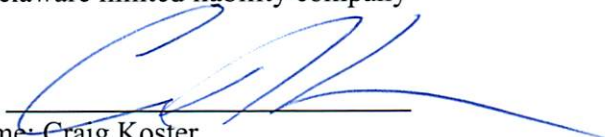
UMH PA HILLCREST CROSSING, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH PA HUNTINGDON POINTE, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

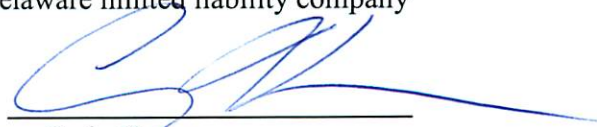
UMH PA MOUNT PLEASANT VILLAGE, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH PA ROLLING HILLS ESTATES, LLC,
a Pennsylvania limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

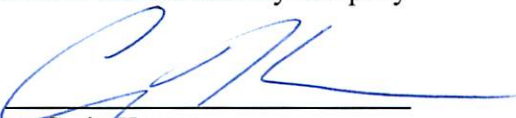
UMH PA SOMERSET ESTATES, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH PA THREE RIVERS, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH PA VOYAGER ESTATES, LLC,
a Delaware limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

UMH TN COUNTRYSIDE VILLAGE, LLC,
a Tennessee limited liability company

By: 
Name: Craig Koster
Title: General Counsel and Secretary

**UNITED MOBILE HOMES OF BUFFALO,
INC.,**
a New York corporation

By: 
Name: Craig Koster
Title: General Counsel and Secretary

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association

By:  _____ (SEAL)

Name: Christian Adrian

Title: Managing Director

SCHEDULES & EXHIBITS

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Schedule 4.1	Prepayment Premium Schedule	Form 6104.01[08-13]
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Exhibits

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Exhibit D	Addition Request
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Exhibit F	Termination Request
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Exhibit H	Annual Certification (Guarantor)
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Exhibit K-2	Organizational Certificate (Guarantor)
Exhibit L	Confirmation of Obligations
Exhibit M	Completion and Expansion Agreement
Exhibit N	Completion Guaranty

Borrower hereby acknowledges and agrees that the Schedules and Exhibits referenced above are hereby incorporated fully into this Master Agreement by this reference and each constitutes a substantive part of this Master Agreement.



Borrower Initials

SCHEDULE 1
TO MASTER CREDIT FACILITY AGREEMENT

Definitions Schedule

Capitalized terms used in this Master Agreement have the meanings given to such terms in this Definitions Schedule.

“Accrued Interest” means unpaid interest, if any, on the Advances Outstanding that has not been added to the unpaid principal balance of the Advances pursuant to Section 2.03(b) (Capitalization of Accrued But Unpaid Interest) of this Master Agreement.

“Acquiring Person” means a “person” or “group of persons” within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended.

“Actual Strike Rate” means for each Variable Advance the actual strike rate for the Interest Rate Cap purchased with respect to such Variable Advance, as further set forth in the Cap Security Agreement applicable to such Variable Advance.

“Addition” has the meaning set forth in Section 2.10(c) (Right to Add Additional Mortgaged Properties as Collateral).

“Addition Request” means a written request, substantially in the form of Exhibit D to this Master Agreement, to add Additional Mortgaged Properties to the Collateral Pool as set forth in Section 2.10(c) (Right to Add Additional Mortgaged Properties as Collateral).

“Additional Borrower” means the owner of an Additional Mortgaged Property or a UMH Home, which entity has been approved by Lender and becomes a Borrower under this Master Agreement and the applicable Loan Documents, and its permitted successors and assigns, which owner must demonstrate to the satisfaction of Lender that:

- (a) Additional Borrower complies with the SPE Requirements;
- (b) the ownership structure of Additional Borrower satisfies the definition of Restricted Ownership Interests and Additional Borrower is Controlled and managed, directly and indirectly, by the same Person or group of Persons as Initial Borrower; and
- (c) Additional Borrower is not a Prohibited Person.

“Additional Due Diligence Fee Deposit” means the deposit made by Borrower to Lender in an amount equal to (i) \$20,000 per Additional Mortgaged Property with respect to each proposed Additional Mortgaged Property and (ii) \$25,000 per Mortgaged Property with respect to each Mortgaged Property with proposed Additional UMH Homes. On or prior to the applicable Effective Date, Lender shall notify Borrower of the actual amount of the Additional Due Diligence Fees and Borrower shall, on the Effective Date, pay to Lender the remainder of such Additional

Due Diligence Fees (if the actual amount of the Additional Due Diligence Fees exceeds the deposit and the other amounts previously paid to Lender by Borrower) or Lender shall promptly refund to Borrower any amounts paid to Lender by Borrower in excess of the Additional Due Diligence Fees (if the actual amount of the Additional Due Diligence Fees is less than the deposit and the other amounts previously paid to Lender by Borrower).

“Additional Due Diligence Fees” means with respect to each proposed Additional Mortgaged Property an amount equal to the actual costs of Lender’s due diligence for such Additional Mortgaged Properties, including but not limited to third party reports required by Lender plus a non-refundable processing fee payable by Borrower to Lender which is equal to (i) \$5,000 per Additional Mortgaged Property, and (ii) \$10,000 per Additional Mortgaged Property that includes proposed Additional UMH Homes. Borrower shall pay the Additional Due Diligence Fee Deposit towards the Additional Due Diligence Fees.

“Additional Lender Repairs” means repairs of the type listed on the Required Repair Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

“Additional Lender Replacements” means replacements of the type listed on the Required Replacement Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

“Additional Mortgaged Property” means each Manufactured Home Community owned by Borrower or an Additional Borrower (either in fee simple or as tenant under a ground lease meeting all of the Underwriting and Servicing Requirements) and added to the Collateral Pool after the Initial Effective Date in connection with an Addition or a Substitution pursuant to Section 2.10(c) (Right to Add Additional Mortgaged Properties as Collateral) or Section 2.10(d) (Right to Substitutions).

“Additional Origination Fee” means an origination fee equal to fifty (50) basis points (.50%) multiplied by the Future Advance or to be determined by Lender at the time of each Future Advance whether in connection with an Addition, Borrow Up, or a refinance of an outstanding Advance.

“Additional UMH Home” means each UMH Home owned by Borrower or an Additional Borrower and added to the Collateral Pool after the Initial Effective Date in connection with an Advance on UMH Homes pursuant to this Master Agreement.

“Adjustable Rate” has the meaning set forth in the applicable Schedule of Advance Terms.

“Advance” means a Variable Advance and/or a Fixed Advance.

“Advance Year” has the meaning set forth in the applicable Schedule of Advance Terms.

“Aggregate Debt Service Coverage Ratio” means, for any specified period, the ratio (expressed as a percentage) of –

(a) the Net Cash Flow for the Mortgaged Properties without taking into account Net Cash Flow for the UMH Homes, for the preceding number of months as determined pursuant to the Underwriting and Servicing Requirements;

to

(b) the Facility Debt Service for the specified period, without taking into account any Advances initially made in connection with UMH Homes for such period.

“Aggregate Loan to Value Ratio” means, for any specified date, the ratio (expressed as a percentage) of –

(a) the Advances Outstanding on the specified date, excluding any Advances initially made in connection with UMH Homes on such date,

to

(b) the sum of (1) the aggregate of the Valuations most recently obtained prior to the specified date for all of the Mortgaged Properties excluding UMH Homes, plus (2) any Substitution Deposit being held by Lender as of such specified date.

“Aggregate UMH Homes Debt Service Coverage Ratio” means, for any specified period, the ratio as determined in accordance with the Underwriting and Servicing Requirements.

“Aggregate UMH Homes Loan to Value Ratio” means, for any specified date, the ratio as determined by the Underwriting and Servicing Requirements.

“Allocable Facility Amount” means the most recently determined amount of the Advances Outstanding allocated to a particular Mortgaged Property by Lender in accordance with the Underwriting and Servicing Requirements and as required by this Master Agreement.

“Alterations” has the meaning set forth in Section 6.02(f) (Alterations to any Mortgaged Property).

“Alternate Coverage and LTV Tests” means:

(a) the Aggregate Debt Service Coverage Ratio is not less than 1.55:1.0 with respect to the amount of all Advances; and

(b) the Aggregate Loan to Value Ratio does not exceed fifty-five percent (55%).

“Amortization Period” means the period of thirty (30) years.

“Amortization Type” has the meaning set forth in the applicable Schedule of Advance Terms.

“Applicable Index” means (a) with respect to any Variable Structured ARM Advance, either One Month LIBOR or Three Month LIBOR as set forth in the applicable Schedule of Advance Terms, or (b) with respect to any other Variable Advance, the index pursuant to which the Adjustable Rate is determined, as set forth in the applicable Schedule of Advance Terms.

“Applicable Law” means (a) all applicable provisions of all constitutions, statutes, rules, regulations and orders of all governmental bodies, all Governmental Approvals and all orders, judgments and decrees of all courts and arbitrators, (b) all zoning, building, environmental and other laws, ordinances, rules, regulations and restrictions of any Governmental Authority affecting the ownership, management, use, operation, maintenance or repair of the Mortgaged Properties, including the Americans with Disabilities Act (if applicable), the Fair Housing Amendment Act of 1988, the Manufactured Housing Construction and Safety Standards Act of 1974, and Environmental Laws, (c) any building permits or any conditions, easements, rights-of-way, covenants, restrictions of record or any recorded or unrecorded agreement affecting or concerning any Mortgaged Property, planned development permits, condominium declarations, and reciprocal easement and regulatory agreements with any Governmental Authority, (d) all laws, ordinances, rules and regulations, whether in the form of rent control, rent stabilization or otherwise, that limit or impose conditions on the amount of rent that may be collected from the units of a Mortgaged Property, and (e) requirements of insurance companies or similar organizations, affecting the operation or use of any Mortgaged Property or the consummation of the transactions to be effected by this Master Agreement or any of the other Loan Documents.

“Appraisal” means an appraisal of Manufactured Home Communities conforming to the Underwriting and Servicing Requirements.

“Appraised Value” means the value set forth in an Appraisal as adjusted pursuant to the Underwriting and Servicing Requirements.

“Assignment of Leases and Rents” means for each Mortgaged Property, an Assignment of Leases and Rents and Security Agreement given by UMH Affiliate with respect to rents generated from UMH Affiliate to or for the benefit of Lender to secure the obligations of Borrower under the Loan Documents.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy” as now and hereafter in effect, or any successor statute.

“Bankruptcy Event” means any one or more of the following:

(a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by any Person seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, debt adjustment, winding up or composition or adjustment of debts;

(b) the acknowledgment in writing by any Person (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;

(c) the making of a general assignment for the benefit of creditors by any Person;

(d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against any Person;

(e) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises Control over Borrower or any substantial part of the assets of any Person; or

(f) any action by a Person for the purpose of effecting any of the foregoing; provided, however, that any proceeding or case under (d) or (e) above shall not be a Bankruptcy Event until the ninetieth (90th) day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement, active participation or the failure to object in a timely and appropriate manner by any Person (in which event such case or proceeding shall be a Bankruptcy Event immediately).

“Borrow Up” has the meaning set forth in Section 2.02(c)(2)(B) (Future Advances).

“Borrow Up Period” has the meaning set forth in Section 2.02(c)(2)(B) (Future Advances).

“Borrower” means individually (and jointly and severally if more than one), the Initial Borrower and any Additional Borrower becoming a party to this Master Agreement and any other Loan Documents, together with their permitted successors and assigns.

“Borrower Affiliate” means:

(a) any Person that owns any direct Ownership Interest in any Borrower Entity or Identified Party but excluding any Person directly or indirectly owning any public stock of Guarantor with no other direct or indirect Ownership Interest in Borrower;

(b) any Person that indirectly owns, with the power to vote, twenty percent (20%) or more of the Ownership Interests in any Borrower Entity or Identified Party;

(c) any Person Controlled by, under common Control with, or which Controls, any Borrower Entity or Identified Party;

(d) any entity in which any Borrower Entity or Identified Party directly or indirectly owns, with the power to vote, twenty percent (20%) or more of the Ownership Interests in such entity; or

(e) any other individual that is related (to the third degree of consanguinity) by blood or marriage to any Borrower Entity or Identified Party.

“Borrower Agent” means UMH Properties, Inc., a Maryland corporation.

“Borrower Entity” means, individually and collectively, Borrower, Guarantor and Key Principal.

“Borrower Requested Repairs” means repairs not listed on the Required Repair Schedule requested by Borrower to be reimbursed from the Repairs Escrow Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

“Borrower Requested Replacements” means replacements not listed on the Required Replacement Schedule requested by Borrower to be reimbursed from the Replacement Reserve Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

“Borrower’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Borrower’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Business Day” means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which Lender is not open for business, or (d) a day on which the Federal Reserve Bank of New York is not open for business.

“Calendar Quarter” means, with respect to any year, any of the following three (3) month periods: (a) January-February-March; (b) April-May-June; (c) July-August-September; and (d) October-November-December.

“Calendar Year” means the twelve (12) month period from the first day of January to and including the last day of December, and each twelve (12) month period thereafter.

“Cap Security Agreement” means, individually and collectively, with respect to any Interest Rate Cap, a reserve, hedge assignment and security agreement between Borrower and Lender, for the benefit of Lender in the form required by Fannie Mae from time to time, which will be issued by Borrower to Lender concurrently with the funding of a Variable Advance requiring an Interest Rate Cap.

“Cash Collateral Account” means the cash collateral account established pursuant to the Cash Collateral Agreement.

“Cash Collateral Agreement” means a cash collateral pledge, security and custody agreement in the form approved by Fannie Mae by and among Fannie Mae, Borrower and a collateral agent for Fannie Mae, as the same may be amended, modified or supplemented from time to time.

“Change of Control” see **“Control.”**

“Collateral” means the Mortgaged Properties and other collateral from time to time or at any time encumbered by the Security Instruments, or any other property securing Borrower’s obligations under the Loan Documents.

“Collateral Account” means any account designated by Lender as such pursuant to a Collateral Agreement or as established pursuant to this Master Agreement, including the Reserve/Escrow Account and any Cash Collateral Account.

“Collateral Account Funds” means, collectively, the funds on deposit in any or all of the Collateral Accounts, including the Reserve/Escrow Account Funds and any funds in any Cash Collateral Account.

“Collateral Agreement” means any separate agreement between Borrower and Lender and any other party for the establishment of any other fund, reserve or account affecting the Advance.

“Collateral Event” means, individually and collectively, a Release, Substitution, Addition, Future Advance, and/or Conversion.

“Collateral Pool” means all of the Collateral.

“Completion Period” has the meaning set forth in the Summary of Master Terms.

“Condemnation Action” has the meaning set forth in the Security Instrument.

“Confirmation of Environmental Indemnity Agreement” means a confirmation of the Environmental Indemnity Agreement executed by Borrower in connection with any Request after the Initial Effective Date, substantially in the form of Exhibit J to this Master Agreement.

“Confirmation of Guaranty” means a confirmation of the Guaranty executed by Guarantor in connection with any Request after the Initial Effective Date, substantially in the form of Exhibit I to this Master Agreement.

“Confirmation of Obligations” means a Confirmation of Obligations executed by Borrower and Guarantor in connection with any Request after the Initial Effective Date, pursuant to which Borrower and Guarantor confirm their obligations under the Loan Documents substantially in the form of Exhibit L to this Master Agreement.

“Contribution Agreement” means the Contribution Agreement by and among Initial Borrower and each Additional Borrower, required by Lender and satisfying Lender’s requirements, as the same may be amended, restated, modified or supplemented from time to time.

“Control” (including with correlative meanings, such as “Controlling,” “Controlled by” and “under common Control with”) means, as applied to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and operations of such entity, whether through the ownership of voting securities or other Ownership Interests, by contract or otherwise.

As used herein, a **“Change of Control”** means:

(a) Guarantor ceases to Control Borrower or UMH Affiliate or any Person that directly or indirectly Controls Borrower or UMH Affiliate; (b) the Ownership Interests of Guarantor cease to be publicly traded; (c) an Acquiring Person becomes (by acquisition, consolidation, merger or otherwise), directly or indirectly, the beneficial owner of more than ten percent (10%) of the total Ownership Interest of Guarantor and any such Acquiring Person is a Prohibited Person; or (d) the replacement (other than solely by reason of retirement at age fifty-five (55) or older, death or disability) of more than fifty percent (50%) (or such lesser percentage as is required for decision-making by the board of directors or an equivalent governing body) of the members of the board of directors (or an equivalent governing body) of any Borrower Entity over a one-year period from the directors who constituted such board of directors at the beginning of such period and such replacement shall not have been approved by a vote of at least a majority of the board of directors of any Borrower Entity then still in office who either were members of such board of directors at the beginning of such one-year period or whose election as members of the board of directors was previously so approved (it being understood and agreed that in the case of any entity governed by a trustee, board of managers, or other similar governing body, the foregoing clause (b) shall apply thereto by substituting such governing body and the members thereof for the board of directors and members thereof, respectively).

“Conversion” means the conversion of all or a portion of a Variable Note to a Fixed Note pursuant to the Conversion Schedule.

“Conversion Amendment” means an amendment to this Master Agreement and the appropriate Schedules reflecting the Conversion of all or any portion of a Variable Note to a Fixed Note as set forth in Section 2.10(a) (Conversion from Variable Note to Fixed Note).

“Conversion Availability Period” means with respect to a Conversion of any applicable Variable Advance, the date beginning on the first day of the month following the end of the Prepayment Lockout Period in respect of such Variable Advance and ending on the earlier of (a) the first day of the third month prior to the Maturity Date of such Variable Advance or (b) the first day of the month following the date ten (10) years after the Initial Effective Date.

“Conversion Documents” means the Conversion Amendment, together with an amendment to each Security Document if required by Lender and other applicable Loan Documents, in form and substance satisfactory to Lender, reflecting the Conversion of a Variable Note to a Fixed Note pursuant to Section 2.10(a) (Conversion from Variable Note to Fixed Note).

“Conversion Fee” means \$25,000 per each Request for Conversion.

“Conversion Request” means a written request, substantially in the form of Exhibit B to this Master Agreement, to convert all or any portion of a Variable Note to a Fixed Note pursuant to Section 2.10(a) (Conversion from Variable Note to Fixed Note).

“Conversion Schedule” means Schedule 9 attached to this Master Agreement.

“Coverage and LTV Tests” means, for any specified date, each of the following financial tests:

(a) The Aggregate Debt Service Coverage Ratio is not less than 1.25:1.0 with respect to the amount of the Fixed Advances, and 1.00:1.0 with respect to the amount of the Variable Advances.

(b) The Aggregate Loan to Value Ratio does not exceed seventy-five percent (75%).

“Credit Score” means a numerical value or a categorization derived from a statistical tool or modeling system used to measure credit risk and predict the likelihood of certain credit behaviors, including default.

“Current Index” has the meaning set forth in applicable Schedule of Advance Terms.

“Debt Service Amounts” means the Monthly Debt Service Payments and all other amounts payable under this Master Agreement, the Note, the Security Instrument or any other Loan Document.

“Debt Service Coverage Ratio” means, for any Mortgaged Property for any specified period, the ratio (expressed as a percentage) of –

(a) the Net Cash Flow for the specified period for the preceding number of months as determined pursuant to the Underwriting and Servicing Requirements;

to

(b) the Facility Debt Service for the specified period, assuming, for the purpose of calculating the Facility Debt Service of this definition, that Advances Outstanding shall be the Allocable Facility Amount, in each case, for the subject Mortgaged Property.

“Default Rate” means an interest rate equal to the lesser of:

(a) the sum of the Interest Rate plus four (4) percentage points; or

(b) the maximum interest rate which may be collected from Borrower under Applicable Law.

“Definitions Schedule” means this Schedule 1 (Definitions Schedule – General) to this Master Agreement.

“Division” means the filing of a certificate of division, adoption of a plan of division, amending of any organizational documents, or any other actions taken, permitted, or consented to in order to divide a Person into two or more Persons pursuant to a plan of division such as contemplated under the Delaware Limited Liability Company Act or any other similar requirement of law in any jurisdiction. The term “Divide” shall have a correlative meaning.

“Economic Sanctions” means any economic or financial sanction administered or enforced by the United States Government (including, without limitation, those administered by OFAC at <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>), the United States Department of Commerce, or the United States Department of State.

“Effective Date” means the Initial Effective Date and each date after the Initial Effective Date on which the funding or other transaction requested in a Request takes place.

“Employee Benefit Plan” means a plan described in Section 3(3) of ERISA, regardless of whether the plan is subject to ERISA.

“Enforcement Costs” has the meaning set forth in the Security Instrument.

“Environmental Indemnity Agreement” means that certain Environmental Indemnity Agreement dated as of the Effective Date made by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

“Environmental Inspections” has the meaning set forth in the Environmental Indemnity Agreement.

“Environmental Laws” has the meaning set forth in the Environmental Indemnity Agreement.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated thereunder.

“ERISA Affiliate” shall mean, with respect to Borrower, any entity that, together with Borrower, would be treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or Section 4001(a)(14) of ERISA, or the regulations thereunder.

“ERISA Plan” means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (or related trust) that is subject to the requirements of Title IV of ERISA, Sections 430 or 431 of the Internal Revenue Code, or Sections 302, 303, or 304 of ERISA, which is maintained or contributed to by Borrower or its ERISA Affiliates.

“Event of Default” means the occurrence of any event listed in Section 14.01 (Events of Default).

“Exceptions to Representations and Warranties Schedule” means that certain Schedule 16 (Exceptions to Representations and Warranties) to this Master Agreement.

“Facility Debt Service” means, as of any date, for all purposes other than determining the Maximum Calculated Strike Rate, the sum of the amount of interest and principal amortization that would be payable during the applicable period determined by Lender immediately succeeding the date of determination, except that:

(a) each Variable Structured ARM Advance to be obtained shall be deemed to require payments equal to the sum of (1) level monthly payments of principal and interest, with the interest rate calculated as (A) the Applicable Index, plus (B) the Margin (or until rate locked, the indicative pricing, as determined pursuant to the Underwriting and Servicing Requirements), plus (C) a stressed underwriting margin of 300 basis points (3.00%) or such lower stressed underwriting margin determined pursuant to the Underwriting and Servicing Requirements, in an amount necessary to fully amortize the original principal amount of the Variable Structured ARM Advance over the Amortization Period, plus (2) the Monthly Cap Escrow Payment;

(b) with respect to each Variable Structured ARM Advance Outstanding:

(1) where an amortizing Interest Rate Cap has been purchased and is then effective, such Advance shall be deemed to require payments equal to the sum of (A) level monthly payments of principal and interest, with the interest rate calculated as (i) the higher of the Facility Minimum Underwriting Strike Rate or the Actual Strike Rate applicable to such Advance, plus (ii) the Margin applicable to such Advance, in an amount necessary to fully amortize the original principal amount of the Variable Structured ARM Advance over the Amortization Period, plus (B) any Monthly Cap Escrow Payment applicable to such Advance; and

(2) where an interest-only Interest Rate Cap has been purchased and is then effective, such Advance shall be deemed to require payments equal to the sum of (A) level monthly payments of interest, with the interest rate calculated as (i) the higher of the Facility Minimum Underwriting Strike Rate or the Actual Strike Rate applicable to such Advance, plus (ii) the Margin applicable to such Advance, plus (B) any Monthly Cap Escrow Payment applicable to such Advance;

(c) intentionally deleted

(d) each Fixed Advance to be obtained or Variable Advance to be converted shall be deemed to require level monthly payments of principal and interest, at an interest rate equal to the sum of (1) the base United States Treasury Index Rate for securities having a maturity substantially similar to the maturity of the Fixed Advance, plus (2) the Fixed Fee (or until rate locked, the estimated Fixed Fee as determined pursuant to the Underwriting and Servicing Requirements), in an amount necessary to fully amortize the original principal amount of the Fixed Advance over the Amortization Period; and

(e) each Fixed Advance Outstanding shall be deemed to require level monthly payments of principal and interest, at the Interest Rate for such Fixed Advance as set forth in the Schedule of Advance Terms, in an amount necessary to fully amortize the original principal amount of such Fixed Advance over the Amortization Period.

“Facility Minimum Underwriting Strike Rate” means the percentage determined by Lender pursuant to the Underwriting and Servicing Requirements as set forth on the Summary of Master

Terms, as such percentage may be changed by Lender from time to time pursuant to the Underwriting and Servicing Requirements.

“Facility Year” means the twelve (12) month period from the first day of the first calendar month after the Initial Effective Date to and including the last day before the first anniversary of the Initial Effective Date, and each twelve (12) month period thereafter.

“Fannie Mae” means the corporation duly organized and existing under the laws of the United States.

“Fifth Anniversary” means the date that is the first day of the month following the date five (5) years after the Initial Effective Date.

“First Anniversary” means the date that is the first day of the month following the date one (1) year after the Initial Effective Date.

“First Payment Date” has the meaning set forth in the applicable Schedule of Advance Terms.

“First Principal and Interest Payment Date” has the meaning set forth in the applicable Schedule of Advance Terms.

“Fixed Advance” means a fixed rate loan made by Lender to Borrower under this Master Agreement evidenced by a Fixed Note.

“Fixed Fee” means, subject to the provisions of the Conversion Schedule, if applicable, for any Fixed Advance, the number of basis points per annum determined at the time of funding of such Fixed Advance by Lender as the Fixed Fee for such Fixed Advance.

“Fixed Note” means the promissory note (together with all schedules, riders, allonges, addenda, renewals, extensions, amendments and modifications thereto), which will be issued by Borrower to Lender, concurrently with the funding of each Fixed Advance, and which promissory note will be the same or substantially similar in form to the then current form of promissory note utilized by Fannie Mae for fixed rate loans with the applicable type of loan execution.

“Fixed Monthly Principal Component” has the meaning set forth in the applicable Schedule of Advance Terms.

“Fixed Rate” has the meaning set forth in the applicable Schedule of Advance Terms.

“Fixtures” has the meaning set forth in the Security Instrument.

“Force Majeure” shall mean acts of God, acts of war, civil disturbance, governmental action (including the revocation or refusal to grant licenses or permits, where such revocation or refusal is not due to the fault of Borrower), strikes, lockouts, fire, unavoidable casualties or any other causes beyond the reasonable control of Borrower (other than lack of financing), and of which Borrower shall have notified Lender in writing within ten (10) days after its occurrence.

“Foreclosure Event” means:

- (a) foreclosure under the Security Instrument;
- (b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under Applicable Law, including Insolvency Laws) as holder of the Note and/or the Security Instrument, as a result of which Lender (or its designee or nominee) or a third party purchaser becomes owner of a Mortgaged Property;
- (c) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower’s interest in a Mortgaged Property in lieu of any of the foregoing; or
- (d) in Louisiana, any *dation en paiement*.

“Future Advance” means an Advance made after the Initial Effective Date pursuant to Section 2.02(c)(2) (Future Advances) including any Borrow Up and any refinance of an Advance.

“Future Advance Request” means a written request for a Future Advance, substantially in the form of Exhibit E to this Master Agreement.

“Future Advance Schedule” means Schedule 14 attached to this Master Agreement.

“GAAP” means generally accepted accounting principles in the United States in effect from time to time, consistently applied.

“General Conditions” means those conditions set forth on Schedule 7 attached hereto.

“General Conditions Schedule” means that certain Schedule 7 (General Conditions Schedule) to this Master Agreement.

“Goods” has the meaning set forth in the Security Instrument.

“Governmental Approval” means an authorization, permit, consent, approval, license, registration or exemption from registration or filing with, or report to, any Governmental Authority.

“Governmental Authority” means any court, board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any court, board, commission, department or body of any municipal, county, state or federal governmental unit, that has or acquires jurisdiction over Borrower or the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

“Gross Revenues” means, for any specified period, all income in respect of each Mortgaged Property as reflected on the certified operating statement for such specified period as adjusted to exclude unusual income (e.g., temporary or nonrecurring income), income not allowed by Lender

pursuant to the Underwriting and Servicing Requirements (e.g., interest income, furniture income, etc.), and the value of any unreflected concessions.

“Guarantor” means, individually and collectively, any guarantor of the Indebtedness or any other obligation of Borrower under any Loan Document which must be a Key Principal.

“Guarantor’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Guarantor’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Guaranty” means, individually and collectively, any Payment Guaranty, Non-Recourse Guaranty or other guaranty executed by Guarantor in connection with this Master Agreement.

“Hedging Arrangement” means any interest rate swap, interest rate cap or other arrangement, contractual or otherwise, which has the effect of an interest rate swap or interest rate cap or which otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

“Identified Party” means, individually and collectively, (a) Borrower’s general partners, sole member, managing members and managers (if non-member managed), and (b) any Person Controlling Borrower, Guarantor, Key Principal or Borrower’s general partners, sole members, managing members or managers (if non-member managed) but excluding the individuals comprising the any board of managers of Borrower and any Person directly or indirectly owning any public stock of Guarantor with no other direct or indirect Ownership Interest in Borrower.

“Immediate Family Members” means a child, stepchild, grandchild, spouse, sibling, or parent, each of whom is not a Prohibited Person.

“Imposition Deposits” has the meaning set forth in the Security Instrument.

“Impositions” has the meaning set forth in the Security Instrument.

“Improvements” has the meaning set forth in the Security Instrument.

“Indebtedness” has the meaning set forth in the Security Instrument.

“Index” has the meaning set forth in the applicable Schedule of Advance Terms.

“Individual Property Coverage and LTV Tests” means each of the following tests:

(a) the Debt Service Coverage Ratio is not less than 1.25:1.0 with respect to any Fixed Advance and 1.00:1.0 with respect to any Variable Advance; and

(b) the Loan to Value Ratio does not exceed eighty percent (80%).

“Initial Adjustable Rate” for an Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Initial Advance” means the Fixed Advance and/or Variable Advance made on the Initial Effective Date in the aggregate amount of \$105,984,000.00.

“Initial Allocable Facility Amount” means the initial Allocable Facility Amount for each of the Initial Mortgaged Properties as set forth in Exhibit A to this Master Agreement.

“Initial Borrower” means each Borrower under this Master Agreement as of the Initial Effective Date.

“Initial Effective Date” means the date of this Master Agreement.

“Initial Monthly Debt Service Payment” has the meaning set forth in the applicable Schedule of Advance Terms.

“Initial Mortgaged Properties” means the Manufactured Home Communities described on Exhibit A to this Master Agreement and which represent the Mortgaged Properties that are made part of the Collateral Pool on the Initial Effective Date.

“Initial Replacement Reserve Deposit” has the meaning set forth in the Summary of Master Terms.

“Initial UMH Home Allocable Facility Amount” means the initial UMH Home Allocable Facility Amount for the UMH Homes on each of the Mortgaged Properties, to be set forth in an Exhibit to this Master Agreement at such time as UMH Homes become part of the Collateral Pool.

“Initial UMH Home Valuation” means, when used with reference to UMH Homes, the Valuation initially performed for the UMH Homes as of the date on which the UMH Homes were added to the Collateral Pool. The Initial Valuation for the UMH Homes on each of the Mortgaged Properties is to be set forth in an Exhibit to this Master Agreement at such time as UMH Homes become part of the Collateral Pool.

“Initial Valuation” means, when used with reference to specified Collateral, the Valuation initially performed for the Collateral as of the date on which the Collateral was added to the Collateral Pool. The Initial Valuation for each of the Initial Mortgaged Properties is as set forth in Exhibit A to this Master Agreement.

“Insolvency Laws” means the Bankruptcy Code, together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar laws, proceedings, or equitable principles affecting the enforcement of creditors’ rights, as amended from time to time.

“Insolvent” means:

(a) that the sum total of all of a specified Person's liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of such Person's non-exempt assets, i.e., all of the assets of such Person that are available to satisfy claims of creditors (provided that for the purposes of determining liability for each Borrower under this definition, liability for the Advances Outstanding under this Master Agreement shall mean the then current Allocable Facility Amount attributable to the Mortgaged Property owned by each Borrower); or

(b) such Person's inability to pay its debts as they become due (provided that for the purposes of determining debt for each Borrower under this definition, liability for the Advances Outstanding under this Master Agreement shall mean the then current Allocable Facility Amount attributable to the Mortgaged Property owned by each Borrower).

"Insurance Policy" means, with respect to any Mortgaged Property, the insurance coverage and insurance certificates evidencing such insurance required to be maintained pursuant to this Master Agreement.

"Intended Prepayment Date" means the date upon which Borrower intends to make a prepayment on an Advance, as set forth in the Prepayment Notice, which date must be a Permitted Prepayment Date.

"Interest Accrual Method" has the meaning set forth in the applicable Schedule of Advance Terms.

"Interest Only Term" has the meaning set forth in the applicable Schedule of Advance Terms.

"Interest Rate" means with respect to a Fixed Advance, the Fixed Rate, or with respect to a Variable Advance, the Initial Adjustable Rate and the Adjustable Rate, each as set forth in the applicable Schedule of Advance Terms.

"Interest Rate Cap" has the meaning set forth in Section 2.03(a)(2)(B)(vi) (Interest Accrual and Computation; Amortization; Interest Rate Cap).

"Interest Rate Cap Documents" means the Cap Security Agreement and any and all other documents required pursuant thereto or hereto or as Lender shall require from time to time in connection with Borrower's obligation to maintain an Interest Rate Cap when a Variable Advance is Outstanding.

"Interest Rate Type" has the meaning set forth in the applicable Schedule of Advance Terms.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Investor" means any Person to whom Lender intends to (a) sell, transfer, deliver or assign the Advances in the secondary mortgage market or (b) sell an MBS backed by the Advances.

"Issuer" means a financial institution satisfactory to Fannie Mae issuing a Letter of Credit.

“Key Principal” means, collectively:

(a) the natural Person(s) or entity that Controls Borrower that Lender determines is critical to the successful operation and management of Borrower and the Mortgaged Property, as identified as such in the Summary of Master Terms; or

(b) any natural Person or entity who becomes a Key Principal after the date of this Master Agreement and is identified as such in an assumption agreement, or another amendment or supplement to this Master Agreement.

“Key Principal’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Key Principal’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Land” means the land described in Exhibit A to the Security Instrument.

“Last Interest Only Payment Date” has the meaning set forth in the applicable Schedule of Advance Terms.

“Late Charge” means an amount equal to the delinquent amount then due under the Loan Documents multiplied by five percent (5%).

“Leases” has the meaning set forth in the Security Instrument.

“Lender” means the entity identified as “Lender” in the first paragraph of this Master Agreement and its transferees, successors and assigns, or any subsequent holder of the Note.

“Lender’s General Business Address” has the meaning set forth in the Summary of Master Terms.

“Lender’s Notice Address” has the meaning set forth in the Summary of Master Terms.

“Lender’s Payment Address” has the meaning set forth in the Summary of Master Terms.

“Letter of Credit” means a letter of credit issued by an Issuer satisfactory to Fannie Mae naming Fannie Mae as beneficiary, in form and substance approved by Lender and Fannie Mae.

“Letter of Credit Schedule” means Schedule 15 attached to this Master Agreement.

“LIBOR” means One Month LIBOR or Three Month LIBOR, as specified by the Current Index set forth in the applicable Schedule of Advance Terms.

“Lien” has the meaning set forth in the Security Instrument.

“Loan Application” means the application for the Advances submitted by Borrower to Lender.

“Loan Document Taxes” has the meaning set forth in Section 5.02(f) (Loan Document Taxes).

“Loan Documents” means the Note, this Master Agreement, the Security Instrument, the Assignment of Leases and Rents, the Environmental Indemnity Agreement, the Guaranty, all UCC filings, all guaranties, all indemnity agreements, all Collateral Agreements, the Assignment of Management Agreement, all O&M Plans, and any other documents now or in the future executed by Borrower, UMH Affiliate, Guarantor, Key Principal, any other guarantor or any other Person in connection with the Advances, as such documents may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Loan Servicer” means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, this Master Agreement, the Security Instrument and any other Loan Document, and otherwise to service the Advances for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer shall be Lender originally named on the Summary of Master Terms.

“Loan to Value Ratio” means, for a Mortgaged Property, for any specified date, the ratio (expressed as a percentage) of –

(a) the Allocable Facility Amount of the subject Mortgaged Property on the specified date,

to

(b) the Valuation most recently obtained prior to the specified date for the subject Mortgaged Property.

“Major Shareholders” means any “person” or “group” (as such terms are used in Section 13(d) and Section 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), that is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person will be deemed to have “beneficial ownership” of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than five percent (5%) of the total voting power of the then-outstanding voting stock of an entity.

“Management Agreement” means that certain Management Agreement dated as of July 28, 2020 by and between (i) UMH Properties, Inc. and (ii) Borrower on the Initial Effective Date, and any future management agreement approved by Lender.

“Manufactured Home” means a “manufactured home” as that term is defined in the Manufactured Home Construction and Safety Standards Act of 1974 as amended (42 U.S.C. Chapter 70), and in 24 C.F.R Section 3280.2, and any related fixtures and personal property.

“Manufactured Home Community Project Address” has the meaning set forth in the Summary of Master Terms.

“Manufactured Home Community” means a manufactured home community property located in the United States and conforming to the Underwriting and Servicing Requirements.

“Margin” means the “Margin” set forth in the applicable Schedule of Advance Terms, which includes the Variable Fee.

“Master Agreement” means this Master Credit Facility Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time, including all Recitals, Schedules and Exhibits to this Master Agreement, each of which is hereby incorporated into this Master Agreement by this reference.

“Material Adverse Effect” means, with respect to any circumstance, act, condition or event of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, or circumstance or circumstances, whether or not related, a material adverse change in or a materially adverse effect upon any of

(a) the business, operations, property or condition (financial or otherwise) of any Borrower Entity, to the extent specifically referred to in the applicable provision of the applicable Loan Document;

(b) the present or future ability of Borrower to perform the obligations of Borrower under this Master Agreement and the other Loan Documents, or of Guarantor to perform its obligations under the Guaranty, or of UMH Affiliate to perform its obligations under the Assignment of Leases and Rents and any other Loan Documents to which it is a party, as the case may be, to the extent specifically referred to in the applicable provision of the applicable Loan Document;

(c) the validity, priority, perfection or enforceability of this Master Agreement or any other Loan Document or the rights or remedies of Lender under any Loan Document; or

(d) the value of, or Lender’s ability to have recourse against, any Mortgaged Property.

“Material Commercial Lease” means:

(a) any Lease that, individually or in the aggregate with other Leases entered into with the same tenant, comprises five percent (5%) or more of the total gross income at any Mortgaged Property on an annualized basis; or

(b) regardless of the percentage of the total gross income at any Mortgaged Property that it comprises, any Lease relating to:

(1) solar power, thermal power generation, or co-power generation, or for the installation of solar panels or any other electrical power generation equipment, and any related power purchase agreement; or

(2) any dwelling unit at the Mortgaged Property leased to Guarantor, Key Principal, or another Borrower Affiliate.

“Maturity Date” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Maximum Calculated Strike Rate” means:

(a) In determining the Maximum Calculated Strike Rate for new Interest Rate Caps (other than replacement Interest Rate Caps) purchased in connection with Future Advances that are Variable Advances made under this Master Agreement, the Maximum Calculated Strike Rate shall be the maximum percentage set forth in the Cap Security Agreement applicable to such Variable Advance, which shall be the percentage derived by taking:

(1) the Net Cash Flow for all Mortgaged Properties, minus

(A) the product of (i) 1.25 and (ii) the payment due on each Fixed Advance provided that:

(1) each Fixed Advance to be obtained or Variable Advance to be converted shall be deemed to require level monthly payments of principal and interest, at an interest rate equal to the sum of (A) the base United States Treasury Index Rate for securities having a maturity substantially similar to the maturity of the Fixed Advance, plus (B) the Fixed Fee (or until rate locked, the estimated Fixed Fee as determined pursuant to the Underwriting and Servicing Requirements), in an amount necessary to fully amortize the original principal amount of the Fixed Advance over the Amortization Period; provided, however, if there are no principal payments due on a Fixed Advance during the Interest Rate Cap term for which the Maximum Calculated Strike Rate is being calculated, then the payments relating to such Fixed Advance shall not be required to include principal amortization for purposes of this calculation;

(2) each Fixed Advance Outstanding shall be deemed to require level monthly payments of principal and interest, at the Interest Rate for such Fixed Advance as set forth in the Schedule of Advance Terms, in an amount necessary to fully amortize the original principal amount of such Fixed Advance over the Amortization Period; provided, however, if there are no principal payments due on a Fixed Advance during the Interest Rate Cap term for which the Maximum Calculated Strike Rate is being

calculated, then the payments relating to such Fixed Advance shall not be required to include principal amortization for purposes of this calculation);

minus

(B) the product of (i) 1.00 and (ii) the payment due on each Variable Structured ARM Advance Outstanding, provided that each Variable Structured ARM Advance Outstanding shall be deemed to require payments equal to the sum of (1) monthly payments of principal and interest, with the interest rate calculated as (A) the weighted average of the higher of the Facility Minimum Underwriting Strike Rate or the Actual Strike Rate for all outstanding Interest Rate Caps plus (B) the Margin applicable to such non-replacement Interest Rate Caps, in an amount necessary to fully amortize the original principal amount of the Variable Structured ARM Advance over the Amortization Period, and the principal component of the Variable Structured ARM Advance payment(s) equal to the Fixed Monthly Principal Component as set forth in the Schedule of Advance Terms, plus (2) the Monthly Cap Escrow Payments, if any, for the succeeding twelve (12) month period; provided, however, if there are no principal payments due on a Variable Structured ARM Advance during the Interest Rate Cap term for which the Maximum Calculated Strike Rate is being calculated, then the payments relating to such Variable Structured ARM Advance shall not be required to include principal amortization for purposes of this calculation. Notwithstanding the foregoing, if there are Variable Structured ARM Advances Outstanding for which there are no Interest Rate Caps outstanding at the time of the calculation, then such Variable Advances shall be included in (3) below;

divided by

(2) 1.00

divided by

(3) the total of all Variable Advances to be obtained or Variable Advances Outstanding, that were not included in (a)(1)(B), at the time of the calculation of the Maximum Calculated Strike Rate

minus

(4) the amortization factor for all Variable Advances to be obtained or Variable Advances Outstanding if principal is to be paid during the Interest Rate Cap term

minus

(5) the Margin (or for Variable Structured ARM Advances to be obtained, until rate locked, the indicative pricing as determined pursuant to the Underwriting and Servicing Requirements)

minus

(6) the cap cost factor.

(b) The Maximum Calculated Strike Rate for any replacement Interest Rate Cap purchased in connection with this Master Agreement pursuant to the Cap Security Agreement shall be the maximum percentage set forth in the Cap Security Agreement applicable to such Variable Advance, which shall be the percentage derived by taking:

(1) the Net Cash Flow for all Mortgaged Properties, minus

(A) the product of (i) 1.25 and (ii) the payment due on each Fixed Advance provided that each Fixed Advance Outstanding shall be deemed to require level monthly payments of principal and interest, at the Interest Rate for such Fixed Advance as set forth in the Schedule of Advance Terms, in an amount necessary to fully amortize the original principal amount of such Fixed Advance over the Amortization Period; provided, however, if there are no principal payments due on a Fixed Advance during the Interest Rate Cap term for which the Maximum Calculated Strike Rate is being calculated, then the payments relating to such Fixed Advance shall not be required to include principal amortization for purposes of this calculation

minus

(B) the product of (i) 1.00 and (ii) the payment due on each Variable Structured ARM Advance Outstanding where the applicable Interest Rate Cap is not being replaced in connection with the calculation of the Maximum Calculated Strike Rate, provided that each Variable Structured ARM Advance Outstanding shall be deemed to require payments equal to the sum of (1) monthly payments of principal and interest, with the interest rate calculated as (A) the weighted average of the higher of the Underwritten Strike Rate and the Actual Strike Rate for all outstanding Interest Rate Caps plus (B) the Margin applicable to such non-replacement Interest Rate Caps, in an amount necessary to fully amortize the original principal amount of the Variable Structured ARM Advance over the Amortization Period, and the principal component of the Variable Structured ARM Advance payment(s) equal to the Fixed Monthly Principal Component as set forth in the Schedule of Advance Terms, plus (2) the Monthly Cap Escrow Payments, if any, for the succeeding twelve (12) month period; provided, however, if there are no principal payments due on a Variable Structured ARM Advance during the Interest Rate Cap term for which the Maximum Calculated Strike Rate is being calculated, then the payments relating to such Variable Structured ARM Advance

shall not be required to include principal amortization for purposes of this calculation. Notwithstanding the foregoing, if there are Variable Structured ARM Advances Outstanding for which there are no Interest Rate Caps outstanding at the time of the calculation, then such Variable Advances shall be included in (3) below

divided by

(2) 1.00

divided by

(3) the total of all Variable Advances Outstanding, that were not included in (b)(1)(B), at the time of the calculation

minus

(4) the amortization factor for all Variable Advances to be obtained or Variable Advances Outstanding if principal is to be paid during the Interest Rate Cap term

minus

(5) the Margin (or for Variable Structured ARM Advances to be obtained, until rate locked, the indicative pricing as determined pursuant to the Underwriting and Servicing Requirements)

minus

(6) the cap cost factor.

“Maximum Inspection Fee” has the meaning set forth in the Summary of Master Terms.

“Maximum Repair Cost” shall be the amount(s) set forth in the Required Repair Schedule, if any.

“Maximum Repair Disbursement Interval” has the meaning set forth in the Summary of Master Terms.

“Maximum Replacement Reserve Disbursement Interval” has the meaning set forth in the Summary of Master Terms.

“Maximum Restoration Reserve Disbursement Interval” has the meaning set forth in the Summary of Master Terms.

“MBS” means an investment security that represents an undivided beneficial interest in a pool of mortgage loans or participation interests in mortgage loans held in trust pursuant to the terms of a governing trust document.

“Mezzanine Debt” means a loan to a direct or indirect owner of Borrower secured by a pledge of such owner’s interest in an entity owning a direct or indirect interest in Borrower.

“Minimum Repairs Disbursement Amount” has the meaning set forth in the Summary of Master Terms.

“Minimum Replacement Reserve Disbursement Amount” has the meaning set forth in the Summary of Master Terms.

“Minimum Restoration Reserve Disbursement Amount” has the meaning set forth in the Summary of Master Terms.

“Monthly Cap Escrow Payment” shall have the same meaning as the term “Monthly Deposit” in the Cap Security Agreement.

“Monthly Debt Service Payment” has the meaning set forth in the applicable Schedule of Advance Terms.

“Monthly Replacement Reserve Deposit” has the meaning set forth in the Summary of Master Terms.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“Mortgaged Property” individually has the meaning set forth in the Security Instrument and collectively means the Initial Mortgaged Properties and the Additional Mortgaged Properties, but excluding each Release Mortgaged Property from and after the date of its Release from the Collateral Pool.

“Mortgaged Property Addition Schedule” means Schedule 11 attached to this Master Agreement.

“Mortgaged Property Release Schedule” means Schedule 10 attached to this Master Agreement.

“Multiemployer Plan” shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA (a) to which Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions; (b) to which Borrower or any ERISA Affiliate has in the past made contributions; or (c) with respect to which Borrower or any ERISA Affiliate could incur liability.

“Net Cash Flow” means, for any specified period determined by Lender with respect to any Mortgaged Property, the net income during such period equal to Gross Revenues during such period less the aggregate Operating Expenses during such period.

“Non-Recourse Guaranty” means, if applicable, that certain Guaranty of Non-Recourse Obligations of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Note” means, individually and collectively, each Fixed Note and/or each Variable Note.

“O&M Plan” has the meaning set forth in the Environmental Indemnity Agreement.

“OFAC” means the United States Treasury Department, Office of Foreign Assets Control, and any successor thereto.

“One Month LIBOR” means the ICE Benchmark Administration Limited (or any successor administrator) fixing of the London Inter-Bank Offered Rate for 1-month U.S. Dollar-denominated deposits as reported by Reuters through electronic transmission. If the foregoing index is no longer posted through electronic transmission, is no longer available or, in Lender’s determination, is no longer widely accepted or has been replaced as the index for similar financial instruments (regardless of whether the index continues to be posted electronically or available), Lender will choose a new Index taking into account general comparability to the previous Index and other factors, including any adjustment factor to preserve the relative economic positions of Borrower and Lender with respect to the Advance.

“Operating Expenses” means, for any period, all expenses in respect of any Mortgaged Property, as determined pursuant to the Underwriting and Servicing Requirements based on the certified operating statement for such specified period, as may be adjusted by Lender in its sole and absolute discretion to provide for the following:

(a) all appropriate types of expenses, including a management fee, deposits for the Replacements (whether funded or not), and deposits for Repairs are included in the total operating expense figure;

(b) upward adjustments to individual line item expenses to reflect market norms or actual costs and to correct any unusually low expense items, which could not be replicated by a different owner or manager (e.g., a market rate management fee will be included regardless of whether or not a management fee is charged, market rate payroll will be included regardless of whether shared payroll provides for economies, etc.); and

(c) downward adjustments to individual line item expenses to reflect unique or aberrant costs (e.g., non-recurring capital costs, non-operating borrower expenses, etc.).

“Organizational Certificate” means, collectively, certificates from Borrower and Guarantor to Lender, in the form of Exhibits K-1 and K-2 to this Master Agreement, certifying as to certain organizational matters with respect to each Borrower and Guarantor.

“Organizational Documents” means all certificates, instruments, other documents and any amendments thereto in effect on the Initial Effective Date and the applicable Effective Date

pursuant to which any Person is organized, operates or is governed, including (a) with respect to a corporation, its articles of incorporation and bylaws, (b) with respect to a limited partnership, its limited partnership certificate and partnership agreement, (c) with respect to a general partnership or joint venture, its partnership or joint venture agreement, (d) with respect to a limited liability company, its articles of organization and operating agreement, in each case all amendments, supplements and modifications thereto, and (e) any other document that affects the Control of, or the ability to oversee the management and day-to-day operations of such Person.

“Outstanding” or **“outstanding”** means, when used in connection with promissory notes, other debt instruments or the Advances, for a specified date, promissory notes or other debt instruments which have been issued, or Advances which have been made, to the extent not repaid in full as of the specified date.

“Ownership Interests” means, with respect to any entity, any direct or indirect ownership interests in the entity and any economic rights (such as a right to distributions, net cash flow or net income) to which the owner of such ownership interests is entitled.

“Ownership Interests Schedule” means Schedule 13 attached to this Master Agreement.

“Payment Change Date” has the meaning set forth in the applicable Schedule of Advance Terms.

“Payment Date” means the First Payment Date and the first (1st) day of each month thereafter until the applicable Advance is fully paid.

“Payment Guaranty” means, if applicable, that certain Guaranty (Payment) of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Permitted Encumbrance” has the meaning set forth in the Security Instrument.

“Permitted Mezzanine Debt” means Mezzanine Debt incurred by a direct or indirect owner or owners of Borrower where the exercise of any of the rights and remedies by the holder or holders of the Mezzanine Debt would not in any circumstance cause (a) a change in Control in a Borrower Entity, or (b) a Transfer of a direct or indirect Restricted Ownership Interest in Borrower Entity.

“Permitted Preferred Equity” means Preferred Equity that does not (a) require mandatory dividends, distributions, payments or returns (including at maturity or in connection with a redemption), or (b) provide the Preferred Equity owner with rights or remedies on account of a failure to receive any preferred dividends, distributions, payments or returns (or, if such rights are provided, the exercise of such rights do not violate the Loan Documents or are otherwise exercised with the prior written consent of Lender in accordance with Article 11 (Liens, Transfers and Assumptions) of this Master Agreement and the payment of all applicable fees and expenses as set forth in Section 11.03(g) (Further Conditions on Transfers Requiring Lender’s Consent) of this Master Agreement).

“Permitted Prepayment Date” means the last Business Day of a calendar month.

“Person” means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

“Personal Property” means the Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

“Personalty” has the meaning set forth in the Security Instrument.

“Potential Event of Default” means any event or circumstance that, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

“Preferred Equity” means a direct or indirect equity Ownership Interest in, economic interests in, or rights with respect to, Borrower that provide an equity owner preferred dividend, distribution, payment, or return treatment relative to other equity owners.

“Prepayment Lockout Period” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Prepayment Notice” means the written notice that Borrower is required to provide to Lender in accordance with Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) in order to make a prepayment on an Advance, which shall include, at a minimum, the Intended Prepayment Date.

“Prepayment Premium” means, individually, the amount payable by Borrower in connection with a prepayment of an Advance, as provided in Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) and calculated in accordance with the Prepayment Premium Schedule applicable to such Advance for such Advance, and, collectively, all amounts payable pursuant to all Prepayment Premium Schedules.

“Prepayment Premium Period End Date” or **“Yield Maintenance Period End Date”** for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Prepayment Premium Period Term” or **“Yield Maintenance Period Term”** for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Prepayment Premium Schedule” means, individually and collectively, Schedule 4 (Prepayment Premium) to this Master Agreement for each Advance.

“Prepayment Premium Term” for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Prohibited Person” means:

(a) any Person with whom Lender or Fannie Mae is prohibited from doing business pursuant to any law, rule, regulation, judicial proceeding or administrative directive; or

(b) any Person identified on the United States Department of Housing and Urban Development’s “Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List,” or on the General Services Administration’s “System for Award Management (SAM)” exclusion list, each of which may be amended from time to time, and any successor or replacement thereof; or

(c) any Person that is determined by Fannie Mae to pose an unacceptable credit risk due to the aggregate amount of debt of such Person owned or held by Fannie Mae; or

(d) any Person that has caused any unsatisfactory experience of a material nature with Fannie Mae or Lender, such as a default, fraud, intentional misrepresentation, litigation, arbitration or other similar act.

“Property Delivery Deadline” has the meaning set forth in the Mortgaged Property Addition Schedule.

“Property Jurisdiction” has the meaning set forth in the Security Instrument.

“Property Manager” means UMH Properties, Inc. or any other property manager approved by Lender.

“Property-Related Documents” has the meaning set forth on Schedule 8 attached to this Master Agreement.

“Property-Related Documents Schedule” means Schedule 8 attached to this Master Agreement.

“Publicly-Held Corporation” means a corporation, the outstanding voting stock of which is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

“Publicly-Held Trust” means a real estate investment trust, the outstanding voting shares or beneficial interests of which are registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

“Rate Change Date” has the meaning set forth in the applicable Schedule of Advance Terms.

“Release” has the meaning set forth in Section 2.10(b) (Right to Obtain Releases of Mortgaged Property).

“Release Documents” mean instruments releasing the applicable Security Instrument as a Lien on a Mortgaged Property, and UCC-3 Termination Statements terminating the UCC-1 Financing Statements, and such other documents and instruments to evidence the Release of such Mortgaged Property from the Collateral Pool.

“Release Fee” means with respect to any Release effected in accordance with Section 2.10(b) (Right to Obtain Releases of Mortgaged Property), a fee in the amount of \$25,000 per Release Request.

“Release Mortgaged Property” means the Mortgaged Property to be released pursuant to Section 2.10(b) (Right to Obtain Releases of Mortgaged Property).

“Release Price” has the meaning set forth in the Mortgaged Property Release Schedule.

“Release Request” means a written request, substantially in the form of Exhibit C to this Master Agreement, to obtain a Release of Mortgaged Property from the Collateral Pool pursuant to Section 2.10(b) (Right to Obtain Releases of Mortgaged Property).

“Remaining Amortization Period” has the meaning set forth in the applicable Schedule of Advance Terms.

“Remaining Mortgaged Properties” has the meaning set forth in the Mortgaged Property Release Schedule.

“Rent Roll” means, with respect to any Mortgaged Property, a rent roll prepared and certified by the owner of such Mortgaged Property, on a form approved by Lender.

“Rents” has the meaning set forth in the Security Instrument.

“Repair Threshold” has the meaning set forth in the Summary of Master Terms.

“Repairs” means, individually and collectively, the Required Repairs, Borrower Requested Repairs, and Additional Lender Repairs.

“Repairs Escrow Account” means the account established by Lender into which the Repairs Escrow Deposit is deposited to fund the Repairs.

“Repairs Escrow Account Administrative Fee” has the meaning set forth in the Summary of Master Terms.

“Repairs Escrow Deposit” has the meaning set forth in the Summary of Master Terms.

“Replacement Reserve Account” means the account established by Lender into which the Replacement Reserve Deposits are deposited to fund the Replacements.

“Replacement Reserve Account Administration Fee” has the meaning set forth in the Summary of Master Terms.

“Replacement Reserve Account Interest Disbursement Frequency” has the meaning set forth in the Summary of Master Terms.

“Replacement Reserve Deposits” means the Initial Replacement Reserve Deposit, Monthly Replacement Reserve Deposits and any other deposits to the Replacement Reserve Account required by this Master Agreement.

“Replacement Threshold” has the meaning set forth in the Summary of Master Terms.

“Replacements” means, individually and collectively, the Required Replacements, Borrower Requested Replacements and Additional Lender Replacements.

“Request” means a Future Advance Request, an Addition Request, a Release Request, or a Conversion Request.

“Request Opinion” means a favorable opinion of counsel (including local counsel, as applicable) to Borrower, as to the due organization and qualification of Borrower, the due authorization, execution, delivery and enforceability of each Loan Document executed in connection with the applicable Request and such other matters as Lender may reasonably require, each dated as of the Effective Date for the Request, in form and substance satisfactory to Lender in all respects.

“Required Repair Schedule” means that certain Schedule 6 (Required Repair Schedule) to this Master Agreement.

“Required Repairs” means those items listed on the Required Repair Schedule.

“Required Replacement Schedule” means that certain Schedule 5 (Required Replacement Schedule) to this Master Agreement.

“Required Replacements” means those items listed on the Required Replacement Schedule.

“Rescinded Payment” has the meaning set forth in Section 3.12 (Preferences, Fraudulent Conveyances, Etc.) of this Master Agreement.

“Reserve/Escrow Account Funds” means, collectively, the funds on deposit in the Reserve/Escrow Accounts.

“Reserve/Escrow Accounts” means, individually and collectively, the Replacement Reserve Account, the Repairs Escrow Account, and the Restoration Reserve Account.

“Residential Lease” means a Lease of an individual dwelling unit or a Site on which a dwelling unit is or will be located.

“Restoration” means any work and improvements required to be performed to the applicable Mortgaged Property following a casualty or event of loss as set forth in plans and specifications approved by Lender.

“Restoration Reserve Account” means, if applicable, the account established by Lender into which insurance proceeds are deposited in order to fund a Restoration following a casualty or event of loss.

“Restoration Reserve Account Administration Fee” has the meaning set forth in the Summary of Master Terms.

“Restoration Threshold” has the meaning set forth in the Summary of Master Terms.

“Restricted Ownership Interest” means the requirement that UMH Properties, Inc., own directly or indirectly, at least 51% of the Ownership Interests in Borrower and all intervening entities between Borrower and UMH Properties, Inc., and at least 51% of the Ownership Interests in any entity comprising UMH Affiliate and all intervening entities between UMH Affiliate and UMH Properties, Inc.

“Re-Underwriting Fee” means a non-refundable fee of \$5,000 per Mortgaged Property then in the Collateral Pool in connection with any Borrow Up.

“Review Fee” means the non-refundable fee of \$6,000 payable to Lender.

“S&P” means Standard & Poor’s Credit Markets Services, a division of The McGraw-Hill Companies, Inc., a New York corporation, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“Sanctioned Country” means a country subject to either a targeted or comprehensive country-wide sanctions program administered and enforced by OFAC, which list is updated from time to time.

“Sanctioned Person” means (a) a Person named on the list of “Specially Designated Nationals and Blocked Persons” maintained by OFAC, available at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or as otherwise published from time to time; (b) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a Person resident in a Sanctioned Country, to the extent any Person described in clauses (1), (2) or (3) is the subject of a sanctions program administered by OFAC; and, (c) a Person whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by OFAC consistent with the guidance issued by OFAC.

“Schedule of Advance Terms” means, individually and collectively as the context may require the Schedule(s) of Advance Terms attached to this Master Agreement as Schedule 3 as of the Initial Effective Date and as such Schedule shall be amended or supplemented with respect to any Future Advance.

“Security Documents” means the Security Instruments and any other documents executed by Borrower or Guarantor from time to time to secure any of Borrower’s or Guarantor’s obligations under the Loan Documents, as the same may be amended, restated, modified or supplemented from time to time.

“Security Instrument” means for each Mortgaged Property, a Manufactured Home Community Multifamily Mortgage, Deed of Trust or Deed to Secure Debt, Assignment of Leases and Rents and Security Agreement given by a Borrower to or for the benefit of Lender to secure the obligations of Borrower under the Loan Documents. With respect to each Mortgaged Property owned by a Borrower, the Security Instrument shall be substantially in the form published by Fannie Mae for use in the state in which the Mortgaged Property is located. The amount secured by the Security Instrument shall be equal to the aggregate original principal amount of all Advances Outstanding in effect from time to time.

“Selected Advance” has the meaning set forth in Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule.

“Senior Management” means any of the individuals holding the titles of President and CEO, the Vice President and CFO, the General Counsel and Secretary, and the Vice President and COO, of Borrower and Guarantor, as applicable.

“Servicing Arrangement” means any arrangement between Lender and the Loan Servicer for loss sharing or interim advancement of funds.

“Short-Term Rental” means any Lease or master Lease (including subleases, licenses, and other possessory interests, whether oral or written) of an individual dwelling unit, for which the intended occupancy of the dwelling unit is for a period or periods of less than thirty (30) days, irrespective of the stated term of the Lease, including any Lease:

- (a) for corporate tenant and guest suite purposes; or
- (b) with an agreement or arrangement between either:
 - (i) Borrower and a tenant whereby the tenant may enter into a separate agreement or arrangement with a Short-Term Rental Provider to offer Short-Term Rentals at the Mortgaged Property; or
 - (ii) Borrower and a Short-Term Rental Provider, pursuant to which tenants may offer Short-Term Rentals at the Mortgaged Property.

“Short-Term Rental Provider” means any platform or provider (including any internet or online service platform or provider) that offers Short-Term Rental services and arrangements, including booking and reservation services to guests and customers.

“Single Purpose” means compliance with Section 4.01(h) (Borrower Status – Representations and Warranties – Single Purpose Status) and Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status) of this Master Agreement.

“Software” has the meaning set forth in the Security Instrument.

“SPE Owner” means the entities identified on the Ownership Interests Schedule that comply with the provisions of Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status) and the SPE Requirements, as such schedule may be updated with the Addition of new Borrowers to this Master Agreement. At the time of the Initial Effective Date, there are no SPE Owners other than Borrowers.

“SPE Requirements” means those provisions set forth on the SPE Requirements Schedule.

“SPE Requirements Schedule” means Schedule 17 attached to this Master Agreement.

“Staggered Substitution” means a Substitution of Additional Mortgaged Property that occurs subsequent to the release of the Release Mortgaged Property.

“Substitution” has the meaning set forth in Section 2.10(d) (Right to Substitutions).

“Substitution Cost Deposit” has the meaning set forth in the Mortgaged Property Release Schedule.

“Substitution Costs” has the meaning set forth in the Mortgaged Property Release Schedule.

“Substitution Deposit” has the meaning set forth in the Mortgaged Property Release Schedule.

“Substitution Fee” means with respect to any Substitution effected in accordance with Section 2.10(d) (Right to Substitutions), a fee in the amount which is the greater of (a) fifty basis points (50%) multiplied by the Allocable Facility Amount of the Mortgaged Property being added in connection with the Substitution, and (b) \$50,000.

“Summary of Master Terms” means that certain Schedule 2 (Summary of Master Terms) to this Master Agreement.

“Survey” means the as-built survey of each Mortgaged Property prepared in accordance with the Underwriting and Servicing Requirements.

“Taxes” has the meaning set forth in the Security Instrument.

“Term of this Master Agreement” means the period beginning on the Initial Effective Date and ending on the Termination Date.

“Termination Date” means the earlier of (a) the date this Master Agreement is terminated pursuant to a Termination Request and (b) at any time during which Advances are Outstanding, the latest Maturity Date for any Advance Outstanding.

“Termination Documents” means the instruments releasing the Security Instruments as liens on the Mortgaged Properties, UCC-3 Termination Statements terminating the UCC-1 Financing Statements in favor of Lender, and such other documents and instruments necessary to evidence the release of the Collateral from any Lien securing the Indebtedness, and the Notes, all in connection with the termination of this Master Agreement pursuant to Section 2.11 (Termination of Master Agreement).

“Termination Request” means a written request, substantially in the form of Exhibit F to this Master Agreement, to terminate this Master Agreement pursuant to Section 2.11 (Termination of Master Agreement).

“Three Month LIBOR” means the ICE Benchmark Administration Limited (or any successor administrator) fixing of the London Inter-Bank Offered Rate for 3-month U.S. Dollar-denominated deposits as reported by Reuters through electronic transmission. If the foregoing index is no longer posted through electronic transmission, is no longer available or, in Lender’s determination, is no longer widely accepted or has been replaced as the index for similar financial instruments (regardless of whether the index continues to be posted electronically or available), Lender will choose a new Index taking into account general comparability to the previous Index and other factors, including any adjustment factor to preserve the relative economic positions of Borrower and Lender with respect to the Advance.

“Title Company” means the title company which provides title insurance for the Mortgaged Property.

“Title Policy” means, individually and collectively, the mortgagee’s loan policies of title insurance issued by the Title Company from time to time in connection with the Advances and insuring the lien of the Security Instrument as set forth therein, as approved by Lender, including any endorsements attached thereto.

“Transfer” means:

(a) as used with respect to Ownership Interests, (1) a sale, assignment, pledge, grant or creation of a lien, encumbrance or security interest, transfer or other disposition (whether voluntary, involuntary, or by operation of law) in any right, title or interest in any Ownership Interest in a Borrower Entity or Identified Party, or (2) the issuance or other creation of new Ownership Interests in a Borrower Entity, or (3) a merger or consolidation of Borrower Entity or Identified Party into another entity or of another entity into Borrower Entity or Identified Party as the case may be, or (4) the dissolution, Division, or liquidation of any Borrower Entity, (5) the

conversion of a Borrower Entity or Identified Party from one type of entity to another type of entity, or (6) the amendment, modification or any other change in the governing instrument or instruments of Borrower Entity or Identified Party which has the effect of changing the relative powers, rights, and privileges relating to Control, voting rights or economic interests of the Ownership Interests in such Borrower Entity or Identified Party; or (7) the withdrawal, removal or involuntary resignation of any owner or manager of any Borrower Entity or Identified Party;

(b) as used with respect to a Mortgaged Property, (1) a sale, assignment, lease, pledge, transfer or other disposition (whether voluntary or by operation of law) other than Residential Leases, Material Commercial Leases or non-Material Commercial Leases permitted by this Master Agreement, or (2) a grant, pledge, creation or attachment of a lien (other than a Permitted Encumbrance), encumbrance or security interest (whether voluntary, involuntary, or by operation of law) in, any estate, rights, title or interest in the Mortgaged Property, or any portion thereof.

“Transfer Fee” means a fee equal to one percent (1%) of the unpaid principal balance of the Advances Outstanding (or such lesser amount as determined by Lender) payable to Lender.

“Treasury Regulations” means regulations, revenue rulings and other public interpretations of the Internal Revenue Code by the Internal Revenue Service, as such regulations, rulings and interpretations may be amended or otherwise revised from time to time.

“UCC” has the meaning set forth in the Security Instrument.

“UCC Collateral” has the meaning set forth in the Security Instrument.

“UMH Affiliate” means, collectively, UMH Rentals, LLC, a Delaware limited liability company, and UMH Properties, Inc., a Maryland corporation.

“UMH Home Allocable Facility Amount” means the most recently determined amount of the Advances Outstanding allocated to the UMH Homes on a particular Mortgaged Property by Lender in accordance with the Underwriting and Servicing Requirements and as required by this Master Agreement.

“UMH Homes” means any tenant occupied Manufactured Homes now or hereafter owned by Borrower or UMH Affiliate and located at the Mortgaged Property.

“UMH Homes Coverage and LTV Tests” means, for any specified date, each of the following financial tests:

(a) The Aggregate UMH Homes Debt Service Coverage Ratio is not less than 1.40:1.0 with respect to the amount of the Advance to be made.

(b) The Aggregate UMH Homes Loan to Value Ratio does not exceed fifty-five percent (55%).

“Underwriting and Servicing Requirements” means Lender’s overall requirements for Manufactured Home Communities in connection with similar loans sold or anticipated to be sold to Fannie Mae, pursuant to Fannie Mae’s then current guidelines, including, requirements relating to appraisals, property condition assessments, environmental site assessments, and servicing and asset management, as such requirements may be amended, modified, updated, superseded, supplemented or replaced from time to time.

“Valuation” means, for any specified date, with respect to a Manufactured Home Community, and with respect to the UMH Homes, the valuation thereof to be determined in accordance with the Underwriting and Servicing Requirements.

“Variable Advance” means any variable rate execution approved by Lender evidenced by a Variable Note.

“Variable Fee” means for any Variable Advance, the number of basis points per annum determined at the time of funding of such Variable Advance by Lender as the Variable Fee for such Variable Advance.

“Variable Note” means the promissory note (together with all schedules, riders, allonges, addenda, renewals, extensions, amendments and modifications thereto), which will be issued by Borrower to Lender, concurrently with the funding of each Variable Advance, and which promissory note will be the same or substantially similar in form to the then current form of promissory note utilized by Fannie Mae for variable rate loans with the applicable type of loan execution.

“Variable Structured ARM Advance” means a loan made by Lender to Borrower that is anticipated to be sold to Fannie Mae under the Fannie Mae Structured Adjustable Rate Mortgage Program.

“Voidable Transfer” means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

“Yield Maintenance Period End Date” or **“Prepayment Premium Period End Date”** for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

“Yield Maintenance Period Term” or **“Prepayment Premium Period Term”** for any Advance has the meaning set forth in the applicable Schedule of Advance Terms.

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SCHEDULE 2
TO MASTER CREDIT FACILITY AGREEMENT

Summary of Master Terms

I. GENERAL PARTY AND MANUFACTURED HOME COMMUNITY PROJECT INFORMATION	
Borrower	UMH PA Three Rivers, LLC, a Delaware limited liability company UMH PA Chambersburg, LLC, a Pennsylvania limited liability company UMH MD Cinnamon Woods, LLC, a Delaware limited liability company UMH NY Collingwood, LLC, a New York limited liability company UMH OH Buckeye II, LLC, a Delaware limited liability company UMH TN Countryside Village, LLC, a Tennessee limited liability company UMH PA Athens, LLC, a Pennsylvania limited liability company UMH PA Crossroads Village, LLC, a Delaware limited liability company UMH Central OH, LLC, an Ohio limited liability company UMH Northern OH, LLC, an Ohio limited liability company UMH PA High View Acres, LLC, a Delaware limited liability company UMH PA Hillcrest Crossing, LLC, a Delaware limited liability company UMH OH Hillcrest, LLC, a Delaware limited liability company

	UMH OH Buckeye, LLC, a Delaware limited liability company UMH PA Huntingdon Pointe, LLC, a Delaware limited liability company UMH OH Lakeview, LLC, a Delaware limited liability company UMH OH Marysville Estates, LLC, a Pennsylvania limited liability company UMH PA Mount Pleasant Village, LLC, a Delaware limited liability company UMH PA Rolling Hills Estates, LLC, a Pennsylvania limited liability company UMH PA Somerset Estates, LLC, a Delaware limited liability company UMH PA Voyager Estates, LLC, a Delaware limited liability company UMH OH Wayside, LLC, a Delaware limited liability company United Mobile Homes of Buffalo, Inc., a New York corporation
Lender	Wells Fargo Bank, National Association
Key Principal	UMH Properties, Inc., a Maryland corporation
Guarantor	UMH Properties, Inc.
Manufactured Home Community Project	51 Estates Carson's Chambersburg I and II Cinnamon Woods Collingwood Countryside Estates

	Countryside Village Crestview Crossroads Village Dallas MHC Deer Meadows Manufactured Home Community Evergreen Estates Evergreen Village High View Acres Hillcrest Crossing Hillcrest Estates Hudson Estates Huntingdon Pointe Lakeview Meadows Marysville Estates and Storage Mount Pleasant Village New Colony Mobile Home Park Rolling Hill Estates Somerset Estates and Whispering Pines Summit Estates Voyager Mobile Home Estates Wayside Estates Woodland Manor
ADDRESSES	
Borrower's General Business Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728
Borrower's Notice Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728 Attention: Anna T. Chew

	Email: achew@umh.com
Manufactured Home Community Project Address	<u>51 Estates</u> 2770 PA-51 Elizabeth, PA 15037 <u>Carson's</u> 649 North Franklin St. Chambersburg, PA 17201 <u>Chambersburg I and II</u> 4660 Sycamore Grove Road and 5368 Philadelphia Ave Chambersburg, PA 17202 <u>Cinnamon Woods</u> 70 Curry Ave Conowingo, MD 21918 <u>Collingwood</u> 358 Chambers Road Horseheads, NY 14845 <u>Countryside Estates</u> 6605 State Route 5 Ravenna, OH 44266 <u>Countryside Village</u> 200 Early Road Columbia, TN 38401 <u>Crestview</u> Wolcott Hollow Road Athens, PA 18810 <u>Crossroads Village</u> 549 Chicory Lane Mt. Pleasant, PA 15666 <u>Dallas MHC</u> 1104 N 4th Street Toronto, OH 43964

	<u>Deer Meadows Manufactured Home Community</u> 12921 Springfield Rd. New Springfield, OH 44443 <u>Evergreen Estates</u> 425 Medina St. Lodi, OH 44254 <u>Evergreen Village</u> 9294 State Route 44 Mantua, OH 44255 <u>High View Acres</u> 399 Blue Jay Lane Apollo, PA 15613 <u>Hillcrest Crossing</u> 100 Lorraine Drive Lower Burrell, PA 15068 <u>Hillcrest Estates</u> 14200 Industrial Parkway Marysville, OH 43040 <u>Hudson Estates</u> 100 Keenan Rd. Peninsula, OH 44264 <u>Huntingdon Pointe</u> 240 Tee Drive Tarrs, PA 15688 <u>Lakeview Meadows</u> 11900 Duff Road Lakeview, OH 43331 <u>Marysville Estates and Storage</u> 506 North Main Street Marysville, OH 43040

	<u>Mount Pleasant Village</u> 1 Village Drive Mt. Pleasant, PA 15666 <u>New Colony Mobile Home Park</u> 3101 Homestead Duquesne Rd. West Mifflin, PA 15122 <u>Rolling Hill Estates</u> 14 Tip Top Circle Carlisle, PA 17015 <u>Somerset Estates And Whispering Pines</u> 1873 Husband Road Somerset, PA 15501 <u>Summit Estates</u> 3305 Summit Rd. Ravenna, OH 44266 <u>Voyager Mobile Home Estates</u> 1002 Satellite Drive West Newton, PA 15089 <u>Wayside Estates</u> 1000 Garfield Avenue Bellefontaine, OH 43311 <u>Woodland Manor</u> 338 County Route 11 West Monroe, NY 13167
Key Principal's General Business Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728
Key Principal's Notice Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728

	Attention: Anna T. Chew Email: achew@umh.com
Guarantor's General Business Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728
Guarantor's Notice Address	UMH Properties, Inc. 3499 Route 9 North, Suite 3-C Freehold, New Jersey 07728 Attention: Anna T. Chew Email: achew@umh.com
Lender's General Business Address	Wells Fargo Bank, National Association 1751 Pinnacle Drive, 8th Floor McLean, VA 22102
Lender's Notice Address	Wells Fargo Bank, National Association 1751 Pinnacle Drive, 8th Floor McLean, VA 22102
Lender's Payment Address	Wells Fargo Bank, National Association 1751 Pinnacle Drive, 8th Floor McLean, VA 22102
Facility Minimum Underwriting Strike Rate	N/A
II. RESERVE INFORMATION	
Completion Period	As set forth on the Required Repair Schedule
Initial Replacement Reserve Deposit	As set forth on the Required Replacement Schedule
Maximum Inspection Fee	Actual Expenses Incurred
Maximum Repair Disbursement Interval	One time per calendar quarter
Maximum Replacement Reserve Disbursement Interval	One time per calendar quarter
Maximum Restoration Reserve Disbursement Interval	One time per calendar quarter
Minimum Repairs Disbursement Amount	\$5,000

Minimum Replacement Reserve Disbursement Amount	\$5,000
Minimum Restoration Reserve Disbursement Amount	\$5,000
Monthly Replacement Reserve Deposit	As set forth on the Required Replacement Schedule
Repair Threshold	\$50,000
Repairs Escrow Account Administrative Fee	None
Repairs Escrow Deposit	As set forth on the Required Repair Schedule
Replacement Reserve Account Administration Fee	None
Replacement Reserve Account Interest Disbursement Frequency	Quarterly
Replacement Threshold	\$50,000
Replacement Reserve Account Administration Fee	None
Restoration Threshold	\$50,000

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SCHEDULE 3.1
TO MASTER CREDIT FACILITY AGREEMENT

Schedule of Advance Terms

FIXED ADVANCES

III. INFORMATION FOR \$105,984,000 FIXED ADVANCE MADE AUGUST 20, 2020	
Advance Amount	\$105,984,000
Advance Term	120 months
Advance Year	The period beginning on the Effective Date and ending on the last day of August, 2021, and each successive twelve (12) month period thereafter.
Amortization Type	[Select <u>only</u> one:] ☒ Amortizing ☐ Full Term Interest Only ☐ Partial Interest Only
Effective Date	August 20, 2020
First Payment Date	The first day of October, 2020
First Principal and Interest Payment Date	N/A
Fixed Rate	2.62%
Interest Accrual Method	[Select <u>only</u> one:] ☐ 30/360 (computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months). or ☒ Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Advance by the Interest Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month).

Interest Only Term	0 months
Interest Rate	The Fixed Rate
Interest Rate Type	Fixed Rate
Last Interest Only Payment Date	N/A
Maturity Date	The first day of September, 2030, or any earlier date on which the unpaid principal balance of the Advance becomes due and payable by acceleration or otherwise.
Monthly Debt Service Payment	\$425,407.24
Prepayment Lockout Period	The 0 Advance Year of the term of the Advance
Remaining Amortization Period	As of each Payment Date, the Amortization Period minus the number of scheduled Monthly Debt Service Payments that have elapsed since the Effective Date.
IV. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION	
Yield Maintenance Period End Date	The last day of February, 2030
Yield Maintenance Period Term	114 months

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SCHEDULE 4.1
TO MASTER CREDIT FACILITY AGREEMENT

Prepayment Premium Schedule
(Standard Yield Maintenance – Fixed Rate)

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in this Master Agreement.

2. Prepayment Premium.

Any Prepayment Premium payable under Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of this Master Agreement shall be computed as follows:

(a) If the prepayment is made at any time after the Effective Date and before the Yield Maintenance Period End Date, the Prepayment Premium shall be the greater of:

(1) one percent (1%) of the amount of principal being prepaid; or

(2) the product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Fixed Rate on the Advance, the Yield Rate (as defined below) on the twenty-fifth (25th) Business Day preceding (i) the Intended Prepayment Date, or (ii) the date Lender accelerates the Advance or otherwise accepts a prepayment pursuant to Section 2.06 (Application of Collateral) of this Master Agreement,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

[r = Yield Rate

n = the number of months remaining between (i) either of the following: (x) in the case of a voluntary prepayment, the last day of the month in which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the

unpaid principal balance of the Advance and (ii) the Yield Maintenance Period End Date.

For purposes of this clause (2), the “**Yield Rate**” means the yield calculated by interpolating the yields for the immediately shorter and longer term United States “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the “**Fed Release**”) under the heading “United States government securities”) closest to the remaining term of the Yield Maintenance Period Term, as follows (rounded to three (3) decimal places):

$$\left(\frac{(a - b)}{(x - y)} \times (z - y) \right) + b$$

$a =$ the yield for the longer United States Treasury constant maturity

$b =$ the yield for the shorter United States Treasury constant maturity

$x =$ the term of the longer United States Treasury constant maturity

$y =$ the term of the shorter United States Treasury constant maturity

$z =$ “n” (as defined in the present value factor calculation above) divided by twelve (12).

Notwithstanding any provision to the contrary, if “z” equals a term reported under the United States “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.]

(b) If the prepayment is made on or after the Yield Maintenance Period End Date but before the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs, the Prepayment Premium shall be one percent (1%) of the amount of principal being prepaid.

(c) Notwithstanding the provisions of Section 2.04 (Prepayment; Prepayment Lockout; Prepayment Premium) of this Master Agreement, no Prepayment Premium shall be payable with respect to any prepayment made on or after the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs.

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SCHEDULE 5
TO MASTER CREDIT FACILITY AGREEMENT

Redacted

SCHEDULE 6
TO MASTER CREDIT FACILITY AGREEMENT

Redacted

SCHEDULE 7
TO MASTER CREDIT FACILITY AGREEMENT

General Conditions Schedule

Borrower's right to close any transaction requested in a Request (other than a Termination Request) shall be subject to satisfaction of the following General Conditions precedent, in addition to any other applicable conditions precedent contained in this Master Agreement:

(a) No Material Adverse Effect.

There has been no Material Adverse Effect since the later of the Initial Effective Date and the date of the last amendment to this Master Agreement.

(b) No Default.

There shall exist no Event of Default or Potential Event of Default (that is not otherwise cured by the closing of such Request). The closing of such Request shall not result in an Event of Default or Potential Event of Default.

(c) No Insolvency.

Receipt by Lender on the Effective Date for the Request of evidence satisfactory to Lender that neither Borrower nor any general partner or sole member of Borrower is Insolvent or will be rendered Insolvent by the transactions contemplated by the Loan Documents or, after giving effect to such transactions, will be left with an unreasonably small capital with which to engage in its business or undertakings, or will have intended to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature or will have intended to hinder, delay or defraud any existing or future creditor.

(d) Representations and Warranties.

All representations and warranties made by Borrower and Guarantor in the Loan Documents shall be true and correct on the Effective Date for the Request with the same force and effect as if such representations and warranties had been made on and as of the Effective Date for the Request subject to (i) changes in facts or circumstances rendering such representations and warranties untrue, provided that such changes cannot be of a nature that would cause the Borrower to be in default under the Loan Documents or that would cause Lender and/or Fannie Mae, in its respective customary practice, to refuse to extend additional credit to borrowers under similar circumstances, and (ii) changes to representations and warranties resulting from operations of the Mortgaged Property which are expressly permitted under the terms of this Master Agreement shall not constitute a failure of this condition.

(e) Payment of Expenses.

The payment by Borrower of Lender's and Fannie Mae's reasonable third party out-of-pocket fees and expenses payable in accordance with this Master Agreement, including the legal

fees and expenses described in Section 4.02(g) (Payments of Costs, Fees, and Expenses) of this Master Agreement whether or not the Request closes; provided, however, if Borrower makes a Request and fails to close on a Request for any reason other than the default by Lender, then Borrower shall also pay to Lender and Fannie Mae all actual damages incurred by Lender and Fannie Mae in connection with the failure to close.

(f) No Untrue Statements.

The Loan Documents shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary to make the information contained therein not misleading.

(g) Covenants.

Borrower and Guarantor are in full compliance with each of the covenants contained in the Loan Documents, without giving effect to any notice and cure rights of Borrower and Guarantor.

(h) Delivery of Closing Documents.

The receipt by Lender of the following, each dated as of the Effective Date for the Request, in form and substance satisfactory to Lender in all respects:

- (1) the Loan Documents relating to such Request including an Organizational Certificate; and
- (2) such other documents, instruments, approvals (and, if requested by Lender, certified duplicates of executed copies thereof) and opinions as Lender may reasonably request.

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SCHEDULE 8
TO MASTER CREDIT FACILITY AGREEMENT

Property-Related Documents Schedule

With respect to any Additional Mortgaged Property, UMH Homes, or Future Advance, it shall be a condition precedent that Lender receive from Borrower each of the documents and reports required by Lender in connection with the addition of such Mortgaged Property or UMH Homes to the Collateral Pool or making of such Future Advance and, each of the following, each dated as of the applicable Effective Date, in form and substance satisfactory to Lender in all respects (the “**Property-Related Documents**”):

- (a) a commitment for the Title Policy applicable to each Mortgaged Property being added and a pro forma Title Policy based on the commitment in the amount of title insurance afforded by the Title Policy for each Mortgaged Property being added to the Collateral Pool (1) if tie-in endorsements are available for all or a portion of the Mortgaged Properties, in an aggregate amount equal to the combined Allocable Facility Amounts for all of the Mortgaged Properties covered by the tie-in endorsements, not to exceed the amount of the aggregate original principal amount of all Advances Outstanding, or (2) if a tie-in endorsement is not available for any Mortgaged Property, then with respect to such Mortgaged Properties not subject to the tie-in endorsement an amount equal to one hundred percent (100%) of the Valuation of such Mortgaged Property not subject to the tie-in endorsement (or such lesser amount that is the maximum allowed by law or regulation);
- (b) a Security Instrument for each Additional Mortgaged Property. The amount secured by each Security Instrument shall be equal to the aggregate original principal amount of all Advances Outstanding in effect from time to time;
- (c) a title instruction letter directing the Title Company to file and/or record in all applicable jurisdictions, all applicable Loan Documents required by Lender to be filed or recorded, including duly executed and delivered original copies of the Security Instruments covering the applicable Mortgaged Properties and UCC-1 Financing Statements covering the portion of the Collateral comprised of personal property, and other appropriate instruments, in form and substance satisfactory to Lender and in form proper for recordation, as may be necessary in the opinion of Lender to perfect the Liens created by the applicable Security Instruments and any other Loan Documents creating a Lien in favor of Lender, and the payment of all taxes, fees and other charges payable in connection with such execution, delivery, recording and filing;
- (d) if the Title Policy for an Additional Mortgaged Property contains a tie-in endorsement (as available), an endorsement to each Title Policy for each Mortgaged Property in the Collateral Pool containing a tie-in endorsement, adding a reference to the Additional Mortgaged Property;

(e) with respect to any Addition of UMH Homes, a security agreement together with a notation from the applicable governmental agency evidencing the Lender's lien on the certificate of title to each UMH Home, UCC-1 Financing Statements covering the portion of the UMH Homes comprised of personal property, and other appropriate instruments, in form and substance satisfactory to Lender and in form proper for recordation or filing, as may be necessary in the opinion of Lender to perfect the Liens created by the applicable security agreements and any other Loan Documents creating and perfecting a Lien in favor of Lender, and the payment of all taxes, fees and other charges payable in connection with such execution, delivery, recording and filing;

(f) if required by Lender, amendments to this Master Agreement, the Notes and the existing Security Instruments and security agreements reflecting any Addition, Substitution or Future Advance and increase in the secured amount of each Security Instrument, if applicable, and, as to any Security Instrument or Note so amended or if Lender determines in good faith that such endorsement is necessary to maintain the priority of the Lien created in favor of Lender with respect to the Outstanding Indebtedness or to maintain the validity of any Title Policy, the receipt by Lender of an endorsement to each Title Policy insuring the amended Security Instruments, amending the effective date of each Title Policy to the Effective Date and showing no additional exceptions to coverage other than the exceptions shown on the initial Effective Date for such Mortgaged Property, Permitted Encumbrances and other exceptions approved by Lender, together with any reinsurance agreements required by Lender;

(f) clean UCC searches, judgment searches and tax lien searches on Borrower, Guarantor, and SPE Owner and other Identified Parties;

(g) the Insurance Policy (or a certified copy of the Insurance Policy) applicable to the Additional Mortgaged Property;

(h) unless waived by Lender, the Survey applicable to the Additional Mortgaged Property and approved by Lender (which shall be last revised no more than forty-five (45) days prior to the applicable Effective Date);

(i) either (1) (A) letters or other evidence with respect to the Additional Mortgaged Property from the appropriate Governmental Authority concerning applicable zoning and building laws, or (B) a zoning endorsement to the Title Policy or (2) a zoning opinion letter, in each case in substance satisfactory to Lender;

(j) a Guaranty or Confirmation of Guaranty by each party providing a Guaranty to Lender;

(k) a Contribution Agreement or an amendment thereto;

(l) an Environmental Indemnity Agreement, amendment thereto or Confirmation of Environmental Indemnity Agreement, as required by Lender;

(m) an Assignment of Management Agreement or an amendment thereto applicable to the Additional Mortgaged Property, on the standard form required by Lender;

(n) an assignment of leases and rents applicable to the Additional Mortgaged Property, if Lender determines one to be necessary or desirable;

(o) any required subordination, non-disturbance and attornment agreements and/or estoppel certificates with respect to any commercial leases, master leases and/or ground lease (if any) affecting the Additional Mortgaged Property; and

(p) such other documents, instruments and approvals (and if requested by Lender, certified duplicates of executed copies thereof) as Lender may reasonably request.

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SCHEDULE 9
TO MASTER CREDIT FACILITY AGREEMENT

Conversion Schedule

The procedure for converting all or any portion of a Variable Note to a Fixed Note contained in this Conversion Schedule shall apply to all Conversion of Variable Notes to Fixed Notes which are permitted during the Conversion Availability Period.

(a) Request.

Borrower shall deliver a Conversion Request to Lender. Each Conversion Request shall designate the amount of the Variable Note Outstanding to be converted. Each Conversion Request shall be in the minimum amount of \$5,000,000 or such other amount permitted by Lender.

(b) Underwriting and Terms of Conversion.

(1) Coverage and LTV Tests; Failure to Underwrite.

After giving effect to the requested Conversion, the Coverage and LTV Tests shall be satisfied. In the event that the Coverage and LTV Tests would not be satisfied after the proposed Conversion, if Borrower continues to elect the Conversion, Borrower shall prepay such Advances or a portion of an Advance to meet the Coverage and LTV Tests and shall pay all Prepayment Premiums and other fees associated with such prepayment.

(2) Maturity Date of Converted Advances.

Upon Conversion, such converted Note shall have a Maturity Date specified by Borrower, provided that such Maturity Date shall be subject to Section 2.03(a)(5) (Maturity Dates).

(3) Interest Rate for Converted Note.

The Interest Rate for such converted Note shall be determined by Lender at the time of the Conversion.

(c) Conditions Precedent.

The Conversion of all or a portion of a Variable Note to a Fixed Note on the applicable Effective Date shall be subject to satisfaction of the following conditions precedent:

- (1) satisfaction of the tests set forth in (b) (Underwriting and Terms of Conversion) of this Conversion Schedule;
- (2) receipt by Lender of:

(A) if required by Lender, an endorsement to each Title Policy, amending the effective date of the Title Policy to the Effective Date and showing no additional exceptions to coverage other than the exceptions shown on the Effective Date when each Title Policy was issued, Permitted Encumbrances and other exceptions approved by Lender;

(B) clean UCC searches, judgment searches and tax lien searches on Borrower, Guarantor, and SPE Owner and other Identified Parties;

(C) the Conversion Fee;

(D) a Request Opinion; and

(E) one (1) or more executed, original counterparts of all Conversion Documents, dated as of the Effective Date, each of which shall be in full force and effect and in form and substance satisfactory to Lender in all respects; and

(3) satisfaction of all General Conditions.

(d) Closing.

The Effective Date shall occur during the Conversion Availability Period and in connection with a Variable Structured ARM Advance on a Rate Change Date. The Effective Date of a Conversion shall not be earlier than thirty (30) Business Days after Lender's receipt of the Conversion Request (or on such other date as Borrower and Lender may agree). At the closing, Lender and Borrower shall execute and deliver, at the sole cost and expense of Borrower, in form and substance satisfactory to Lender, the Conversion Documents.

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SCHEDULE 10
TO MASTER CREDIT FACILITY AGREEMENT

Mortgaged Property Release Schedule

Any Mortgaged Property or UMH Home released from the Collateral Pool pursuant to Section 2.10 (Collateral Events) of this Master Agreement shall be subject to the terms of this Master Agreement including this Mortgaged Property Release Schedule.

(a) Request.

(1) To obtain a Release of a Mortgaged Property and any associated UMH Homes located thereon from the Collateral Pool, Borrower shall deliver a Release Request to Lender. Borrower shall not be permitted to re-borrow any amounts that will be prepaid in connection with the Release and any prepayments associated with such release shall automatically result in a permanent reduction of the Advances Outstanding.

(2) In connection with a Substitution, Borrower shall simultaneously deliver to Lender both a completed and executed Release Request and Addition Request pursuant to the Mortgaged Property Addition Schedule (unless the substitute Additional Mortgaged Property has not been identified by Borrower, in which case Borrower shall submit the Addition Request not less than sixty (60) Calendar Days prior to the date on which Borrower desires to add such Additional Mortgaged Property, but not later than sixty (60) Calendar Days prior to the Property Delivery Deadline). The Release Request shall indicate whether Borrower is requesting a simultaneous Substitution or a Staggered Substitution (as described in Section (e)(2)(B) (Closing) of the Mortgaged Property Addition Schedule).

(3) Notwithstanding anything to the contrary in this Master Agreement, the Mortgaged Properties known as Crossroads Village and Mount Pleasant Village and any associated UMH Homes located thereon must be Released simultaneously, provided however, the requirements of Section 2.10(e) (Limitation on Collateral Events) shall be satisfied in connection with the Release of such properties.

(b) Underwriting.

Lender shall release a Released Mortgaged Property and associated UMH Homes located thereon pursuant to a Release Request if all of the following conditions are satisfied:

- (1) the resulting Collateral Pool satisfies the Coverage and LTV Tests; and
- (2) the Aggregate Debt Service Coverage Ratio will not be reduced and the Aggregate Loan to Value Ratio will not be increased as a result of such Release.

Notwithstanding the foregoing, after the Fifth Anniversary, if the tests set forth above in Section (b)(2) (Underwriting) are not satisfied after the Release of a Mortgaged Property, such

release shall be permitted if after giving effect to such Release the Collateral Pool satisfies the Alternate Coverage and LTV Tests and all other conditions in this Mortgaged Property Release Schedule are satisfied.

In addition, Lender shall release a UMH Home from Lender's lien and permit Borrower to replace such UMH Home with a new UMH Home provided that (i) Borrower provides Lender notice of such replacement within five (5) days after its occurrence; (ii) such UMH Home is replaced with a Manufactured Home of equal or better function and quality, (ii) Borrower delivers to Lender an instrument which perfects the Lender's lien on the new UMH Home within forty five (45) days following such replacement, and (iii) such replacement does not result in any disruption in occupancy (other than in connection with the routine re-leasing of units).

(c) Release Price.

(1) The "Release Price" for each Release Mortgaged Property and associated UMH Homes located thereon means the greater of

(A) one hundred percent (100%) of the Allocable Facility Amount for the Release Mortgaged Property plus one hundred percent (100%) of the UMH Home Allocable Facility Amount for the UMH Homes located at the Release Mortgaged Property; and

(B) one hundred percent (100%) of the amount, if any, of Advances Outstanding that are required to be repaid by Borrower to Lender in connection with the proposed Release of the Release Mortgaged Property from the Collateral Pool so that, immediately after the Release, the provisions of Section (b) (Underwriting) of this Mortgaged Property Release Schedule shall be satisfied.

(2) In addition to the Release Price, Borrower shall pay to Lender all associated Prepayment Premiums and other amounts due under the Notes evidencing the Advances being repaid. In connection with a Staggered Substitution, Borrower shall post a Substitution Deposit (which shall include the Release Price) pursuant to the terms of this Mortgaged Property Release Schedule.

(d) Application of Release Price.

(1) The Release Price for the Release Mortgaged Property shall be applied in reduction of the principal amounts of the Advances Outstanding in the order selected by Borrower, provided that (A) any amount of the Note that Borrower elects to prepay must be prepaid in full or, if the Release Price is not sufficient to do so, the Note shall be the only Note partially prepaid; (B) prepayment is permitted under such Note; (C) any Prepayment Premium due and owing is paid; and (D) interest is paid through the end of the month. If Borrower does not give Lender direction with respect to the application of the Release Price or if the selected Note does not comply with the provisions of (A) and (B) above, then the Release Price shall be applied:

(i) first against any Variable Advances Outstanding so long as the prepayment is permitted under the Variable Note (and any Prepayment Premium due and owing is paid), until any Variable Advance is no longer Outstanding (provided that, in the event there are multiple Variable Advances Outstanding, Lender shall determine the order of application of the Release Price taking into account factors including the unpaid principal balances of the Variable Notes, and which Variable Note Outstanding has the lowest prepayment costs or highest interest rate);

(ii) then against any Fixed Advances Outstanding, so long as prepayment is permitted under the applicable Fixed Note (and any Prepayment Premium due and owing is paid) (provided that, in the event there are multiple Fixed Advances Outstanding, Lender shall determine the order of application of the Release Price taking into account factors including the unpaid principal balances of the Fixed Notes, and which Fixed Note Outstanding has the lowest prepayment costs or the highest interest rate).

The Note to be prepaid or partially prepaid as determined pursuant to this Section (d) (Application of Release Price), shall be referred to as the “**Selected Advance**”.

(2) In connection with a Substitution, Borrower may substitute a Mortgaged Property that has an estimated Allocable Facility Amount that is less than the Allocable Facility Amount of the Release Mortgaged Property so long as Borrower pays the Release Price associated with the difference between such Allocable Facility Amounts.

(e) Conditions Precedent.

The Release of a Mortgaged Property from the Collateral Pool is subject to the satisfaction of the following conditions precedent on or before the Effective Date:

(1) the Selected Advance must be prepayable as of the Effective Date of the Release of such Mortgaged Property;

(2) receipt by Lender of the fully executed Release Request;

(3) immediately after giving effect to the requested Release, the provisions of Section (b) (Underwriting) of this Mortgaged Property Release Schedule are satisfied;

(4) receipt by Lender of the Release Price and all amounts owing under Section (c) (Release Price) of this Mortgaged Property Release Schedule, or, in connection with a Staggered Substitution, receipt by Lender of the Substitution Deposit (inclusive of the Substitution Cost Deposit) to the extent necessary under Section (g)(1) (The Substitution Deposit) of this Mortgaged Property Release Schedule;

(5) receipt by Lender of the Release Fee (which in connection with a Staggered Substitution will be applied to the Substitution Fee due upon closing), or in connection with a Simultaneous Substitution, receipt by Lender of the Substitution Fee;

(6) receipt by Lender of all legal fees and expenses in connection with a Release Request;

(7) receipt by Lender of one (1) or more executed, original counterparts of all Release Documents, dated as of the Effective Date, each of which shall be in full force and effect, in form and substance satisfactory to Lender in all respects;

(8) if required by Lender, amendments to this Master Agreement, the Notes and the Security Instruments, reflecting the release of the Release Mortgaged Property from the Collateral Pool and, as to any Security Instrument or Note so amended or if Lender determines that such endorsement is necessary to maintain the priority of the Lien created in favor of Lender with respect to the Outstanding Indebtedness or to maintain the validity of any Title Policy, the receipt by Lender of an endorsement to each Title Policy insuring the Security Instruments, amending the effective date of each Title Policy to the Effective Date and showing no additional exceptions to coverage other than the exceptions shown on the initial Effective Date for such Mortgaged Property, Permitted Encumbrances and other exceptions approved by Lender;

(9) satisfaction of all applicable General Conditions;

(10) if the Release Mortgaged Property is one phase of a project, and one or more other phases of the project are Mortgaged Properties which will remain in the Collateral Pool ("**Remaining Mortgaged Properties**"), the Remaining Mortgaged Properties must be able to be operated separately from the Release Mortgaged Property and any other phases of the project which are not Mortgaged Properties, taking into account any cross use agreements or easements, access, utilities, marketability, community services, ownership and operation of the Remaining Mortgaged Properties and any other relevant factors pursuant to the Underwriting and Servicing Requirements. Borrower shall deliver to Lender evidence satisfactory to Lender that this condition precedent is satisfied prior to the closing of the transaction that is the subject of the Request. Borrower acknowledges that none of the Initial Mortgaged Properties are part of a phase of a project;

(11) after the Release no Borrower owns the Release Mortgaged Property or any portion thereof, and any remaining SPE Owner continues to satisfy the SPE Requirements;

(12) receipt by Lender of endorsements to the tie-in endorsements of the Title Policies, if deemed necessary by Lender, to reflect the Release. Notwithstanding anything to the contrary herein, no Release of any Mortgaged Property in the Collateral Pool shall be made unless Borrower has confirmed that each remaining Mortgaged Property in the Collateral Pool has title insurance to Lender (taking into account title insurance coverage provided by any tie-in endorsements) in an amount equal to or greater than one hundred percent (100%) of the Initial Valuation of such Mortgaged Properties (e.g., any Mortgaged

Property that is not tied to another Mortgaged Property by a tie-in endorsement shall have title insurance coverage equal to or greater than one hundred percent (100%) of the Initial Valuation of such Mortgaged Properties); and

(13) receipt by Lender on the Effective Date of a Confirmation of Obligations and a Confirmation of Guaranty.

(f) Closing.

If all conditions precedent contained in this Master Agreement are satisfied, Lender shall cause the Release Mortgaged Property to be Released on an Effective Date selected by Lender, and occurring within thirty (30) days after Lender's receipt of the Release Request (or on such other date as Borrower and Lender may agree), by executing and delivering, and causing all applicable parties to execute and deliver, all at the sole cost and expense of Borrower, the Release Documents. If approved by Lender, Borrower may prepare the Release Documents and submit them to Lender for its review.

(g) Staggered Substitution Specific Terms.

The following provisions are applicable to Staggered Substitutions only:

(1) The Substitution Deposit.

If a Substitution is a Staggered Substitution, on or before the Effective Date of the Release of the Release Mortgaged Property, Borrower shall deposit with Lender the "Substitution Deposit" described below in the form of cash in a non-interest bearing account held by Lender as additional Collateral. In lieu of (or in addition to) depositing cash for the Substitution Deposit, Borrower may post a Letter of Credit as additional Collateral issued by a financial institution reasonably acceptable to Lender in accordance with the Letter of Credit Schedule, with a face amount available to be drawn equal to the Substitution Deposit (less any amount deposited in cash) as additional Collateral.

(2) Substitution Deposit Amount.

(A) The "Substitution Deposit" for each proposed Staggered Substitution shall be an amount equal to the sum of:

(i) the Release Price relating to the Release Mortgaged Property; plus

(ii) any and all Prepayment Premiums, as applicable, for the Selected Advance determined in accordance with the conditions set forth in Section (d) (Application of Release Price) of this Mortgaged Property Release Schedule, as the Advance(s) that shall be prepaid if the Substitution fails to take place. The Prepayment Premium shall be calculated as of the

end of the month in which the Property Delivery Deadline occurs, as if the Selected Advance were to be prepaid in such month; plus

(iii) estimated costs, expenses and fees of Lender and Fannie Mae pertaining to the Substitution (such costs, fees and expenses, the “**Substitution Cost Deposit**”); plus

(iv) without duplication to any other amounts included in the definition of Substitution Deposit, in the event that (1) at the time of the Release no Note is prepayable (i.e., all Notes are subject to a lockout period) or (2) the Release Price is in excess of all Notes that are open to prepayment, all scheduled principal and interest due and owing through the end of the lockout period with respect to such Selected Advance.

The amount of the required Substitution Deposit shall be recalculated by Lender in the event the Property Delivery Deadline is extended pursuant to Section (e) (Closing) of the Mortgaged Property Addition Schedule, and in the event a Substitution is partially satisfied by the Addition of an Additional Mortgaged Property, as further set forth in Section (f)(2) (Substitution Deposit Disbursement and Recalculation) of the Mortgaged Property Addition Schedule.

(B) The Substitution Cost Deposit shall be used by Lender to cover all reasonable out-of-pocket costs and expenses incurred by Lender and Fannie Mae, including any out-of-pocket legal fees and expenses incurred by Fannie Mae and Lender in connection with such Substitution whether such Substitution actually closes (the “**Substitution Costs**”).

(3) Continued Obligations; Restriction on Borrowings.

(A) Borrower shall continue to be obligated to make any regularly scheduled payments of principal and interest due under all Notes Outstanding during the Staggered Substitution period. Until the completion of the Staggered Substitution, no Future Advances will be permitted unless and until the provisions of Section (f)(1) (Failure to Close Substitution) of the Mortgaged Property Addition Schedule are satisfied.

(B) In connection with a Staggered Substitution, until the Addition of the Additional Mortgaged Property to the Collateral Pool and closing of the Substitution occurs, no Future Advances or other Requests will be permitted, provided that a Termination Request shall be permitted subject to satisfaction of the conditions in Section 2.11 (Termination of Master Agreement), and a Conversion pursuant to a Conversion Request shall be permitted subject to satisfaction of the conditions in the Conversion Schedule; provided further, however, with respect to any Conversion, the Substitution Deposit shall be recalculated based on the provisions in Section (g) (Staggered Substitution Specific

Terms) of this Mortgaged Property Release Schedule and Borrower shall deposit with Lender as additional Collateral all increases, if any, in such Substitution Deposit within five (5) days after receipt of notice of the same).

(C) Notwithstanding anything to the contrary in this Master Agreement, no Staggered Substitution shall be permitted unless immediately after the Release of the Release Mortgaged Property the requirements in Section 2.10(e) (Limitation on Collateral Events) are satisfied.

(h) Release of Borrower and Guarantor.

Except for any provisions of this Master Agreement and the other Loan Documents that are expressly stated to survive any release or termination or for any liabilities or obligations of such Borrower or Guarantor which arose prior to the Effective Date of such Release, upon the Release of a Mortgaged Property, Borrower that is the owner of such Release Mortgaged Property (assuming Borrower owns no other Mortgaged Property in the Collateral Pool) shall be released automatically of all obligations under the Loan Documents, and Guarantor shall be released automatically of all obligations solely related to the Release Mortgaged Property as set forth in this Master Agreement and the other Loan Documents.

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SCHEDULE 11
TO MASTER CREDIT FACILITY AGREEMENT

Mortgaged Property Addition Schedule

Any Mortgaged Property (including a Mortgaged Property added in connection with a Substitution) or UMH Home added to the Collateral Pool pursuant to Section 2.10 (Collateral Events) of this Master Agreement shall be subject to the terms of this Master Agreement including this Mortgaged Property Addition Schedule.

(a) Request.

(1) From time to time, Borrower may deliver to Lender an Addition Request to add (x) one (1) or more Additional Mortgaged Properties, and/ or (y) UMH Homes to the Collateral Pool.

(2) Any Addition Request shall be accompanied by the Additional Due Diligence Fees and Additional Due Diligence Fee Deposits. Borrower shall provide Lender information similar to the property-related information required by Lender in connection with the Initial Advances made hereunder and any additional information Lender may reasonably request.

(b) Underwriting.

(1) The following tests shall be satisfied as of the Effective Date with respect to the addition of an Additional Mortgaged Property and/or the addition of UMH Homes:

(A) if applicable, the proposed Additional Mortgaged Property satisfies the Individual Property Coverage and LTV Tests;

(B) if applicable, the proposed pool of UMH Homes being financed as the Addition satisfies the UMH Homes Coverage and LTV Tests;

(C) immediately after such Addition of either an Additional Mortgaged Property or the UMH Homes, or both, the Collateral Pool satisfies the Coverage and LTV Tests;

(D) in connection with a Substitution of an Additional Mortgaged Property, the Aggregate Debt Service Coverage Ratio of the Collateral Pool will not be less than the Aggregate Debt Service Coverage Ratio of the Collateral Pool immediately prior to the Release (taking into account any paydown Borrower may make in order to comply with such ratio, subject to the terms of this Master Agreement); and

(E) in connection with a Substitution of an Additional Mortgaged Property, the Aggregate Loan to Value Ratio of the Collateral Pool will not be

greater than the Aggregate Loan to Value Ratio of the Collateral Pool immediately prior to the Release (taking into account any paydown Borrower may make in order to comply with such ratio, subject to the terms of this Master Agreement).

Notwithstanding the foregoing, after the Fifth Anniversary, if the tests or requirements set forth above in Section (b)(1)(D) or (b)(1)(E) (Underwriting) are not satisfied after the Substitution of a proposed Additional Mortgaged Property, such Substitution shall be permitted if after giving effect to such Substitution the Collateral Pool satisfies the Alternate Coverage and LTV Tests and all other conditions in this Mortgaged Property Addition Schedule are satisfied.

Notwithstanding anything to the contrary in this Master Agreement, no Collateral Event shall be permitted unless immediately after such Collateral Event the provisions of Section 2.10(e) (Limitation on Collateral Events) shall be satisfied.

(2) Lender shall evaluate the proposed Additional Mortgaged Property and/or the proposed UMH Homes in accordance with the Underwriting and Servicing Requirements. Lender shall determine the Loan to Value Ratio of the proposed Additional Mortgaged Property and the Aggregate Loan to Value Ratio applicable to the Collateral Pool on the basis of the lesser of:

(A) the acquisition price of the proposed Additional Mortgaged Property, if purchased by Borrower within twelve (12) months of the related Addition Request, and

(B) a Valuation made with respect to the proposed Additional Mortgaged Property.

Lender shall determine the Loan to Value Ratio of the proposed UMH Homes and the Aggregate Loan to Value Ratio applicable to the UMH Homes in accordance with the Underwriting and Servicing Requirements.

(3) After receipt of the Addition Request and all reports, certificates and documents required by Lender to determine compliance with this Mortgaged Property Addition Schedule, Lender shall notify Borrower whether the proposed Additional Mortgaged Property and/or UMH Homes, as applicable, meet the requirements for Additions set forth in this Mortgaged Property Addition Schedule.

(4) If the proposed Additional Mortgaged Property and/or UMH Homes, as applicable, meet the conditions set forth in this Mortgaged Property Addition Schedule, Lender shall notify Borrower of the Aggregate Debt Service Coverage Ratio, the Aggregate Loan to Value Ratio, and (in connection with any Future Advance made in connection with an Addition) the Advance amount that shall result from the Addition.

(c) Additional Borrower.

On the Effective Date of the Addition of an Additional Mortgaged Property or UMH Homes, the owner of such Additional Mortgaged Property or UMH Homes, as applicable, if such owner is an Additional Borrower, shall become a party to the Contribution Agreement in a manner satisfactory to Lender. Any Additional Borrower shall join into this Master Agreement and other Loan Documents and shall execute and deliver to Lender an amendment adding such Additional Borrower as a party to this Master Agreement and revising the Schedules and Exhibits hereto, as applicable, to reflect the Additional Mortgaged Property or UMH Homes, as applicable, and Additional Borrower, in each case satisfactory to Lender. Any Additional Borrower and any SPE Owner must comply with the provisions of this Master Agreement, including the Single Purpose requirements of Section 4.01(h) (Borrower Status – Representations and Warranties – Single Purpose Status) unless otherwise waived by Lender.

(d) Conditions Precedent.

The Addition of an Additional Mortgaged Property and/or UMH Homes, as applicable, to the Collateral Pool on the applicable Effective Date is subject to the satisfaction of the following conditions precedent:

- (1) satisfaction of the provisions of Section (b) (Underwriting) of this Mortgaged Property Addition Schedule;
- (2) receipt by Lender of the Additional Due Diligence Fee and the Additional Due Diligence Fee Deposit;
- (3) satisfaction of all General Conditions;
- (4) receipt by Lender of all Property-Related Documents; and
- (5) receipt by Lender of a Request Opinion.

(e) Closing.

(1) Additions.

Other than in connection with a Substitution of an Additional Mortgaged Property, if the proposed Additional Mortgaged Property meets the conditions set forth in this Mortgaged Property Addition Schedule, and Borrower timely elects to add the proposed Additional Mortgaged Property to a Collateral Pool, the proposed Additional Mortgaged Property shall be added to the Collateral Pool on an Effective Date selected by Lender, occurring within thirty (30) Business Days after all of the conditions for an Addition have been satisfied (or on such other date as Borrower and Lender may agree).

In connection with the Addition of UMH Homes if the conditions set forth in this Mortgaged Property Addition Schedule are satisfied, the UMH Homes shall be added to the Collateral Pool on an Effective Date selected by Lender, occurring within thirty (30)

Business Days after all of the conditions for an Addition have been satisfied (or on such other date as Borrower and Lender may agree).

(2) Substitutions.

In connection with a Substitution of an Additional Mortgaged Property, if the Additional Mortgaged Property satisfies the conditions set forth herein and Borrower timely elects to proceed with the Substitution, the proposed Additional Mortgaged Property shall be added in replacement of the Mortgaged Property being released on an Effective Date selected by Lender and occurring:

(A) if the Substitution of the proposed Additional Mortgaged Property is to occur simultaneously with the release of the Release Mortgaged Property, within sixty (60) days after Lender's receipt of Borrower's Release Request indicating there is to be a Substitution (or on such other date to which Borrower and Lender may agree); or

(B) if the Substitution is a Staggered Substitution, within ninety (90) days after the release of such Release Mortgaged Property (provided such date shall be extended an additional ninety (90) days if Borrower provides reasonable evidence of Borrower's diligent efforts in finding a suitable proposed Additional Mortgaged Property) (the "**Property Delivery Deadline**") in accordance with the terms of the Mortgaged Property Release Schedule and this Mortgaged Property Addition Schedule.

(f) Staggered Substitutions.

(1) Failure to Close Substitution.

If the Substitution of the proposed Additional Mortgaged Property does not occur by the Property Delivery Deadline, then such Borrower shall have irrevocably waived its right to substitute such Release Mortgaged Property with the proposed Additional Mortgaged Property, and the release of the Release Mortgaged Property shall be deemed to be a Release pursuant to the terms of the Mortgaged Property Release Schedule and shall trigger payment pursuant to the terms of the Mortgaged Property Release Schedule, plus the Release Fee.

(2) Substitution Deposit Disbursement and Recalculation.

(A) On or prior to the Effective Date of the Substitution, Lender shall notify Borrower of the actual amount of the Substitution Costs incurred by Lender and Fannie Mae in connection with the Substitution and Borrower shall, on or before the Effective Date of the Substitution, pay to Lender the remainder of such Substitution Costs (if the actual amount of the Substitution Costs exceed the Substitution Cost Deposit (as defined in Section (g) (Staggered Substitution Specific Terms) of the Mortgaged Property Release Schedule) and the other

amounts previously deposited with Lender by Borrower) or Lender shall promptly refund to Borrower any Substitution Cost Deposit deposited with Lender by Borrower in excess of the Substitution Costs (if the actual amount of the Substitution Costs is less than the Substitution Cost Deposit deposited with Lender by Borrower).

(B) At closing of the Substitution, Lender shall disburse or return the Substitution Deposit (as defined in Section (g) (Staggered Substitution Specific Terms) of the Mortgaged Property Release Schedule), as applicable (less any portion of the Substitution Cost Deposit used by Lender to cover all reasonable out-of-pocket costs and expenses incurred by Lender and Fannie Mae, including any out-of-pocket legal fees and expenses incurred by Fannie Mae and Lender in connection with such Substitution), directly to Borrower at such time as the conditions precedent for the Substitution have been satisfied, which must occur no later than the Property Delivery Deadline.

(C) If, pursuant to Section (b) (Underwriting) of this Mortgaged Property Addition Schedule, Borrower substitutes a Mortgaged Property that does not satisfy the provisions of Sections (b)(1)(B), (b)(1)(C), and (b)(1)(D), or if applicable the Alternate Coverage and LTV Tests in lieu of Sections (b)(1)(B) and (b)(1)(D), and Borrower notifies Lender that no further property will be substituted or Borrower fails to timely identify an additional replacement Mortgaged Property necessary to satisfy such provisions, then Lender shall (x) apply any or all of the Substitution Deposit necessary to satisfy the provisions of Sections (b)(1)(B), (b)(1)(C), and (b)(1)(D) hereof, or if applicable the Alternate Coverage and LTV Tests in lieu of Sections (b)(1)(C), and (b)(1)(D), and Section (d) (Application of Release Price) of the Mortgaged Property Release Schedule, and (y) disburse to Borrower the remainder, if any, of the Substitution Deposit after such application (less any portion of the Substitution Cost Deposit used by Lender to cover all reasonable out-of-pocket costs and expenses incurred by Lender and Fannie Mae, including any out-of-pocket legal fees and expenses incurred by Fannie Mae and Lender in connection with such Substitution).

(D) Notwithstanding the foregoing, in the event that (i) the Property Delivery Deadline is extended pursuant to Section (e)(2)(B) (Closing) of this Mortgaged Property Addition Schedule or (ii) Borrower adds an Additional Mortgaged Property to the Collateral Pool prior to the Property Delivery Deadline but the addition of such Additional Mortgaged Property has not in and of itself satisfied the requirements of this Mortgaged Property Addition Schedule, Lender shall recalculate the Substitution Deposit. Any reduction, if any, in the Substitution Deposit shall be returned to Borrower, or in the case of a Letter of Credit, such Letter of Credit shall be reduced by such reduction in the Substitution Deposit. Any increase, if any, in the Substitution Deposit shall be paid by Borrower to Lender within three (3) Business Days of notice from Lender.

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SCHEDULE 12
TO MASTER CREDIT FACILITY AGREEMENT

INTENTIONALLY OMITTED

SCHEDULE 13
TO MASTER CREDIT FACILITY AGREEMENT

Redacted

SCHEDULE 14
TO MASTER CREDIT FACILITY AGREEMENT

Future Advance Schedule

Any Future Advance made under this Master Agreement shall be subject to the terms of this Master Agreement including this Future Advance Schedule. The Interest Rate for any Note in connection with a Future Advance shall be determined by Lender at the time of the Future Advance.

(a) Request.

Borrower shall deliver a Future Advance Request to Lender. Any Future Advance Request for a Future Advance shall be in the minimum amount of \$4,000,000 or such other amount permitted by Lender.

(b) Underwriting.

Any Future Advance shall be subject to satisfaction of the following tests:

(1) if the Future Advance is a Borrow Up or a refinance of an Outstanding Advance, the Coverage and LTV Tests would be satisfied and all of the Underwriting and Servicing Requirements shall be satisfied. No Borrow Up Advance is permitted on any UMH Homes; or

(2) if the Future Advance is being made in connection with the Addition of an Additional Mortgaged Property and/or Addition of UMH Homes, the conditions of Section (b) (Underwriting) of the Mortgaged Property Addition Schedule would be satisfied.

(c) Conditions Precedent.

The funding of any Future Advance on the applicable Effective Date is subject to the satisfaction of the following conditions precedent:

(1) satisfaction of the underwriting tests set forth in (b) (Underwriting) above;

(2) Lender's determination that the proposed borrower, key principal, and guarantor meet all of Lender's eligibility, credit, management and other standards customarily applied by Lender in connection with the origination or purchase of similar mortgage finance structures on similar Manufactured Home Communities at the time of the Future Advance Request for the Future Advance;

(3) if required by Lender, if the Future Advance is a Variable Advance, receipt by Lender at least five (5) days prior to the applicable Effective Date of the confirmation of an Interest Rate Cap commitment, in accordance with the Cap Security Agreement, effective as of the Effective Date;

(4) if required by Lender, if the Future Advance is a Variable Advance, receipt by Lender, within fifteen (15) days after the applicable Effective Date, of Interest Rate Cap Documents, in accordance with the Cap Security Agreement, effective as of the Effective Date;

(5) if the Future Advance is a Fixed Advance, delivery of one or more Fixed Notes, duly executed by Borrower, in the amount and reflecting all of the terms of the Fixed Advance;

(6) if the Future Advance is a Variable Advance, delivery of one or more Variable Notes, duly executed by Borrower, in the amount and reflecting all of the terms of the Variable Advance;

(7) receipt by Lender of the completed Schedule of Advance Terms and Prepayment Premium Schedule, in each case applicable to the Future Advance, together with an amendment to this Master Agreement in form and substance acceptable to Lender incorporating such Schedules in their entirety to this Master Agreement;

(8) if the Future Advance is made in connection with the Addition of a Mortgaged Property and/or UMH Homes, satisfaction of the conditions set forth in the Mortgaged Property Addition Schedule including payment by Lender of all fees required pursuant to the Mortgaged Property Addition Schedule;

(9) receipt by Lender of the Additional Origination Fee;

(10) if the Future Advance is a Borrow Up, receipt by Lender of the non-refundable Re-Underwriting Fee;

(11) receipt by Lender of any other costs and expenses including all legal fees incurred by Lender and Fannie Mae;

(12) satisfaction of all General Conditions;

(13) receipt by Lender of a Request Opinion; and

(14) receipt by Lender of all applicable Property-Related Documents, if applicable.

(d) Closing of Future Advance.

If the conditions set forth in Section 2.02 (Advances) for a Future Advance are satisfied, Lender shall make the requested Future Advance on an Effective Date selected by Lender (or on such other date as Borrower and Lender may agree).

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SCHEDULE 15
TO MASTER CREDIT FACILITY AGREEMENT

Letter of Credit Schedule

Any Letter of Credit required or permitted pursuant to this Master Agreement shall be subject to the terms of this Master Agreement and this Letter of Credit Schedule. Any Letter of Credit must be issued by a financial institution satisfactory to Fannie Mae (“**Issuer**”).

(a) Issuer; Letter of Credit Requirements.

The Letter of Credit shall be in form and substance satisfactory to Lender and Lender shall be entitled (pursuant to Section (b) (Draws Under Letter of Credit) below) to draw under such Letter of Credit solely upon presentation of a sight draft to the Issuer. Any Letter of Credit shall be for a term of at least three hundred sixty-four (364) days (provided that in connection with a Substitution, the term of any Letter of Credit shall be no earlier than the date ten (10) Business Days after the Property Delivery Deadline).

(b) Draws Under Letter of Credit.

Lender shall have the right to draw monies under the Letter of Credit:

- (1) upon the occurrence of an Event of Default;
- (2) if thirty (30) days prior to the expiration of the Letter of Credit, either the Letter of Credit has not been extended for a term of at least three hundred sixty-four (364) days (provided that in connection with a Substitution, the term of any Letter of Credit shall be at least until the date ten (10) Business Days after the Property Delivery Deadline) or Borrower has not replaced the Letter of Credit with substitute cash collateral in the amount required by Lender;
- (3) upon the downgrading of the ratings of the long-term or short-term debt obligations of the Issuer below a level satisfactory to Fannie Mae, the failure of Borrower within five (5) days after notice of such downgrading to deliver to Lender either (A) an acceptable replacement Letter of Credit or (B) substitute cash collateral in the amount required by Lender; or
- (4) upon the failure to close a Substitution pursuant to Section (f)(1) (Failure to Close Substitution) of the Mortgaged Property Addition Schedule.

(c) Deposit to Cash Collateral Agreement.

If Lender draws under the Letter of Credit pursuant to this Master Agreement or Section (b) (Draws Under Letter of Credit) above for reasons other than an Event of Default, Lender shall deposit such draw monies into a Cash Collateral Account until the earliest of the following events occurs:

(1) Borrower presents an acceptable replacement Letter of Credit and Lender agrees to accept such Letter of Credit (provided that any agreement by Lender to accept a replacement Letter of Credit will be conditioned upon Borrower's payment of all administrative and legal costs incurred by Lender and Fannie Mae in connection with the replacement of the Letter of Credit);

(2) the applicable provisions of this Master Agreement pursuant to which the Letter of Credit was provided are satisfied;

(3) Borrower pays all amounts due and payable under the Loan Documents and Lender releases the liens of all Security Instruments;

(4) Lender consents to Borrower's request to apply the funds to the principal balance of a Note specified by Borrower and to any Prepayment Premium due in connection with such application; or

(5) an Event of Default occurs and Lender elects to apply the proceeds as described below in Section (d) (Default Draws) of this Letter of Credit Schedule.

(d) Default Draws.

If Lender draws under the Letter of Credit pursuant to Section (b) (Draws Under Letter of Credit) of this Letter of Credit Schedule as a result of an Event of Default, Lender shall have the right to use monies drawn under the Letter of Credit for any of the following purposes:

(1) to pay any amounts required to be paid by Borrower under the Loan Documents (including, without limitation, any amounts required to be paid to Lender under this Master Agreement);

(2) to prepay any Note (on Borrower's behalf, or on its own behalf, if Lender becomes the owner of any Mortgaged Property) in whole or in part, including any Prepayment Premium;

(3) to deposit monies into the Cash Collateral Account; or

(4) to exercise any other remedies available to Lender pursuant to this Master Agreement.

(e) Legal Opinion.

Prior to or simultaneous with the delivery of any new Letter of Credit (but not the extension of any existing Letter of Credit), Borrower shall cause the Issuer's counsel to deliver a legal opinion satisfactory in form and substance to Lender.

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SCHEDULE 16
TO MASTER CREDIT FACILITY AGREEMENT

Exceptions to Representations and Warranties Schedule

- 1. Exception to Section 4.01(h)(1), (2), (9), (10), (16)** (SPE Reps and Warranties). The following Borrowers have previously owned assets outside of the Collateral Pool, however there are no outstanding obligations on account of previously-owned properties by (i) UMH PA Athens, LLC; (ii) UMH PA Chambersburg, LLC; (iii) UMH OH Buckeye II, LLC; (iv) UMH Central OH, LLC and (v) UMH TN Countryside Village, LLC)

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SCHEDULE 17
TO MASTER CREDIT FACILITY AGREEMENT

SPE Requirements Schedule

Each Borrower under this Master Agreement is required to comply with the terms of this SPE Requirements Schedule. Borrowers may not be general partnerships, individuals or trusts. If a Borrower is a corporation or multi-member limited liability company (whose beneficial ownership interests are not ultimately held by a single entity), then none of the shareholders or members are required to be SPE Owners. If an entity Controlling Borrower is a trust, the beneficiaries are not required to be SPE Owners in compliance with the terms hereof. If Borrower satisfies the terms below, no other direct or indirect entity Controlling Borrower are required to be SPE Owners. Otherwise, all other entities Controlling Borrower, directly or indirectly, must be SPE Owners as set forth below until the requirements herein are satisfied.

As used herein, SPE Owner shall mean a corporation, limited partnership or limited liability company that complies with the following requirements:

(a) Since the date of its formation and at all times on and after the date thereof, has complied with Section 4.01(h) (Borrower Status – Representations and Warranties – Single Purpose Status) of this Master Agreement;

(b) at all times on and after the date the applicable Borrower becomes party to this Master Agreement, shall comply with the requirements in Section 4.02(d) (Borrower Status – Covenants – Single Purpose Status) of this Master Agreement;

(c) if such entity is a limited partnership, it has and shall have at least one general partner and has and shall have, as its only general partners, SPE Owners each of which is a (1) corporation, (2) single-member limited liability company in compliance with the requirements of (d) below, or (3) a limited partnership in compliance with (c)(1) and (c)(2) above. General partners may not be individuals or trusts; and

(d) if such entity is a single-member limited liability company:

(1) it shall have two (2) natural persons or one (1) entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement, becomes a member of the company immediately prior to the withdrawal or dissolution of the last remaining member of the company;

(2) it shall include in its limited liability agreement or operating agreement requisite language under Applicable Law (if any) to prevent premature dissolution or liquidation; and

(3) for non-Delaware single-member limited liability companies, Borrower shall provide an opinion of counsel (acceptable to Lender) that the provisions of the limited liability company agreement or operating agreement relating to the springing member

provisions in (d)(1) and dissolution provisions in (d)(2) above are consistent with Applicable Law and enforceable against Borrower and its sole member.

The sole member of an entity may be an individual provided the provisions of this Section (d) are satisfied.

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SCHEDULE 18
TO MASTER CREDIT FACILITY AGREEMENT

(Additional Reserve Escrows – Initial Advance)

The foregoing Master Agreement is hereby modified with respect to the Initial Advance as follows. Modifications relating to Future Advances made hereafter will be determined at the time of such Future Advance.

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in this Master Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“Additional Reserve Coverage and LTV Tests” means (i) the Aggregate Debt Service Coverage Ratio is not less than 1.25:1.0 with respect to the amount of the Fixed Advances (calculated in accordance with clause (d) of the definition of “Facility Debt Service”), and 1.00:1.0 with respect to the amount of the Variable Advances (calculated in accordance with clause (a) of the definition of “Facility Debt Service”); and (ii) the Aggregate Loan to Value Ratio does not exceed seventy-five percent (75%).

“Deposit Vesting Date” means, with respect to any individual P&I Reserve Deposit, Additional Imposition Reserve Deposit, or Additional Replacement Reserve Deposit, the date that is the first day of the month following the date twelve (12) months after the deposit which is September 1, 2021.

“Maximum Reserve Hold Date” means with respect to each of the P&I Reserve Deposit, the Additional Replacement Reserve Deposit, and the Additional Imposition Reserve Deposit, the date that is the first day of the month following the date thirty-six (36) months after the Effective Date that such deposits are made, which is September 1, 2023.

“P&I Reserve Account” means a custodial account established by Lender into which the P&I Reserve Deposits are deposited.

“P&I Reserve Account Funds” means the funds on deposit from time to time in the P&I Reserve Account.

“P&I Reserve Account Interest Disbursement Frequency” means the period set forth on the Summary of Master Terms for disbursement of interest from the P&I Reserve Account.

“P&I Reserve Deposit” means the amount set forth on the Summary of Master Terms to be deposited into the P&I Reserve Account.

“P&I Shortfall” means any amount of principal and/or interest due under the Loan Documents that cannot be funded from the operation of the Mortgaged Property.

“Replacement Reserve Shortfall” means any amount necessary to pay Replacements that cannot be funded from the operation of the Mortgaged Property, after first disbursing funds for any disbursement request from any other Replacement Reserve Deposits held by Lender.

3. The following article is hereby added to this Master Agreement as Article 16 (Additional Reserve Escrows):

Article 16

ADDITIONAL RESERVE ESCROWS (Initial Advance)

Section 16.01 P&I Reserve.

(a) Deposit to P&I Reserve Account.

(1) In connection with the Initial Advance, on the applicable Effective Date, Borrower shall pay to Lender the P&I Reserve Deposit for deposit into the P&I Reserve Account. The P&I Reserve Account will provide Lender with a contingent source of funding in the event of a P&I Shortfall.

(2) Intentionally omitted.

(b) Administrative Fees and Expenses; Costs of Collection.

Borrower shall pay within ten (10) days of request from Lender (1) all reasonable costs and expenses incurred by Lender in connection with collecting, holding and disbursing the P&I Reserve Account Funds pursuant to this Section 16.01 (P&I Reserve); and (2) all costs and expenses incurred by Lender (including court costs and attorneys’ fees and expenses) in exercising any of Lender’s rights or obligations pursuant to the terms of this Master Agreement or holding the P&I Reserve Account Funds.

(c) Accounts, Deposits and Disbursements.

(1) Custodial Account.

The P&I Reserve Account shall be deemed a Collateral Account under this Master Agreement and any P&I Reserve Account Funds shall be deemed part of the Collateral Account Funds under this Master Agreement. The P&I Reserve Account shall be an interest-bearing account which meets the standards for custodial accounts as required by Lender from time to time. Lender shall not be responsible for any losses resulting from the investment of the P&I Reserve Account Funds or for obtaining any specific level or percentage of earnings on such investment. All interest earned on the P&I Reserve Account Funds shall be added to and become part of such P&I Reserve Account; provided, however, if Applicable Law requires, and so long as no Event of Default has occurred and is continuing under any of the Loan Documents, Lender shall pay to Borrower the interest earned on the P&I Reserve Account not less frequently than the P&I Reserve Account Interest Disbursement Frequency. In no event shall Lender be obligated to disburse funds from the P&I Reserve Account if an Event of Default has occurred and is continuing at the time the disbursement request is made, other than an Event of Default occurring due to the failure of Borrower to make any required payment of principal and interest that would be cured by a disbursement from the P&I Reserve Account.

(2) Disbursements from P&I Reserve Account.

(A) In the event of a P&I Shortfall, upon a written request from Borrower (in accordance with the terms of Section 16.01(c)(3) (Disbursement Requests) below) and satisfaction of the requirements set forth in this Section 16.01(c)(2) (Disbursements from P&I Reserve Account), Lender shall disburse funds from the P&I Reserve Account to pay such P&I Shortfall.

(B) Nothing in this Master Agreement shall obligate Lender to apply all or any portion of the P&I Reserve Account Funds to cure any Event of Default, other than an Event of Default occurring due to a P&I Shortfall that would be cured by a disbursement from the P&I Reserve Account, or to reduce the Indebtedness.

(C) Lender shall not disburse funds from the P&I Reserve Account for any costs which are to be reimbursed from any other Reserve/Escrow Account or other Collateral Account.

Disbursement from the P&I Reserve Account shall not be made more frequently than once a month.

(3) Disbursement Requests.

(A) Each request for disbursement from the P&I Reserve Account shall be in writing and must be received by Lender no later than ten (10) Business Days before the next Monthly Debt Service Payment date. Each request shall:

(i) specify the amount of the disbursement that Borrower requires to cover the P&I Shortfall;

(ii) unless already delivered to Lender, include certified current financial statements from Borrower's operation of the Mortgaged Property, for the prior month, and reconciled bank statements for the three (3) months preceding such request;

(iii) a written explanation of the circumstances causing such P&I Shortfall, together with Borrower's written plans, to the extent available, to correct such circumstances;

(iv) a certification by Borrower that no Event of Default has occurred and is continuing under the Loan Documents (other than an Event of Default that would be cured with the disbursement to fund the P&I Shortfall); and

(v) such other information regarding the Mortgaged Property as Lender reasonably requests (collectively, the "**P&I Disbursement Request Supporting Information**").

(B) Lender shall review the P&I Disbursement Request Supporting Information to verify the amount of the P&I Shortfall. Lender may adjust the requested amount of the disbursement from the P&I Reserve Account if Borrower's calculation of the amount of the P&I Shortfall or the required disbursement is incorrect.

(C) Borrower hereby acknowledges and agrees that any disbursement from the P&I Reserve Account by Lender shall be in accordance with the terms set forth in this Section 16.01(c)

(Accounts, Deposits and Disbursements). Borrower authorizes and directs Lender to make disbursements from the P&I Reserve Account and to apply such disbursements against P&I Shortfalls. All disbursements shall be expressly conditioned upon no Event of Default or Potential Event of Default (other than any resulting Event of Default that would be cured with the requested disbursement), existing at either the time Borrower requests a disbursement from the P&I Reserve Account or the time of such disbursement. Borrower is and shall remain obligated and responsible for the payment of all amounts due under the Loan Documents regardless of whether any disbursements from the P&I Reserve Account are made by Lender pursuant to the terms of this Master Agreement.

(d) Additional Disbursements of P&I Reserve Account Funds.

(1) Intentionally Omitted.

(2) Final Disbursement.

Unless previously applied by Lender pursuant to the terms of this Section 16.01 (P&I Reserve), Lender shall disburse to Borrower any and all remaining P&I Reserve Account Funds in the P&I Deposit Account on the earlier of:

(A) the date thirty (30) days following Borrower's written request for such disbursement provided the following conditions are satisfied:

(i) such request is not made before the Deposit Vesting Date; and

(ii) the Collateral Pool has satisfied the Additional Reserve Coverage and LTV Tests for at least two (2) consecutive quarters immediately prior to such request (with Net Cash Flows for each of such quarters determined on an annualized basis); or

(B) Maximum Reserve Hold Date.

Section 16.02 Intentionally Omitted.

Section 16.03 Intentionally Omitted.

Section 16.04 Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c) (Appointment of Lender as Attorney-In-Fact).

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SCHEDULE 18-A
TO MASTER CREDIT FACILITY AGREEMENT

ADDENDA TO SCHEDULE 2 – SUMMARY OF MASTER TERMS
(Additional Reserve Escrows – Initial Advance)

ADDITIONAL RESERVE ESCROWS	
P&I Reserve Deposit	\$5,104,886.88
P&I Reserve Account Interest Disbursement Frequency	Quarterly

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SCHEDULE 19
TO MASTER AGREEMENT

Oil, Gas, and Mineral Rights

The foregoing Master Agreement is hereby modified with respect the Mortgaged Properties known as 51 Estates, Collingwood, Countryside Estates, Crestview, Crossroads Village, Dallas MHC, Dear Meadows Manufactured Home Community, Evergreen Village, High View Acres, Hillcrest Crossings, Hillcrest, Hudson Estates, Huntingdon Pointe, Marysville Estates, Mt. Pleasant Village, New Colony Mobile Home Park, Somerset Estates/Whispering Pines, Summit Estates, Voyager Mobile Home Estates, Countryside Village, Lakeview Meadows, Evergreen Estates, Wayside Estates, and Cinnamon Woods:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in this Master Agreement.

2. Section 6.01(b) (Property Characteristics) is hereby amended by adding the following provision to the end thereof:

No surface or subsurface activity relating to the exploration, excavation, or removal of oil, gas, or other minerals from or about the Mortgaged Property is on-going and, to Borrower's knowledge, none is planned by any Person.

3. Section 6.02(b) (Property Maintenance) is hereby amended by adding the following provision to the end thereof:

(8) give written notice to Lender of any notice received or knowledge obtained that any Person intends to conduct surface or subsurface activity on, or use the Mortgaged Property for, the exploration, excavation, or removal of oil, gas, or other minerals from or about the Mortgaged Property. Borrower shall indemnify and hold Lender harmless for, from, and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, costs, or expenses, including litigation costs and reasonable attorneys' fees, arising from, or in any way connected with or related to, any surface or subsurface activity on, or use of, the Mortgaged Property for the exploration, excavation, or removal of oil, gas, or other minerals from or about the Mortgaged Property.

SCHEDULE 20
TO MASTER CREDIT FACILITY AGREEMENT

Manufactured Housing Community

The foregoing Master Agreement is hereby modified as follows with respect to the Initial Mortgaged Properties:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in this Master Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“Community” means the manufactured housing community known as the Manufactured Community Name, located on the Mortgaged Property, owned and operated by Borrower, consisting of approximately the Number of Sites, and related amenities, landscaping, roads and infrastructure.

“Home Owner” means a Person (other than UMH Affiliate) who owns a Manufactured Home located or to be located in the Community.

“Manufactured Community Name” has the meaning set forth in the Summary of Master Terms.

“Number of Sites” has the meaning set forth in the Summary of Master Terms.

“Rules and Regulations” means written rules and regulations governing tenant conduct for the Community.

“Site” has the meaning set forth in the Security Instrument.

“Tenant Site” means a Site where a tenant owns the Manufactured Home on such Site.

3. With respect to the Mortgaged Properties, Section 3.02(a) (Personal Liability Based on Lender’s Loss (Partial Recourse) of this Master Agreement is hereby amended by adding the following Section 3.02(a)(9) after Section 3.02(a)(8):

“(9) failure to make any payment required under Section 7.02(a)(7) (Leases) of this Master Agreement.”

4. Section 4.01(h) (Borrower Status – Representations and Warranties – Borrower Single Asset Status) of this Master Agreement is hereby amended by adding the following provision to the end thereof:

(17) Borrower does not engage in the retail sale or financing of Manufactured Homes and does not rent Manufactured Homes under Leases which provide that upon payment of the stipulated rent or a nominal charge, Borrower or UMH Affiliate shall convey title to the Manufactured Home to the lessee.

5. Section 4.02(d) (Borrower Status – Covenants – Borrower Single Asset Status) of this Master Agreement is hereby amended by adding the following new language at the end thereof:

In particular, and without limiting the foregoing, Borrower shall not engage in the ownership, retail sale or financing of Manufactured Homes. Borrower shall not rent Manufactured Homes under Leases which provide that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee.

6. Section 6.01 (Property Use, Preservation and Maintenance – Representations and Warranties) of this Master Agreement is hereby amended by adding the following provisions to the end thereof:

(f) Manufactured Housing Community.

(1) The Community is located on the Mortgaged Property and is owned and operated by Borrower;

(2) construction of the Community is complete, except as otherwise contemplated in Schedule 21;

(3) the Community complies with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(4) all public and private utilities on the Mortgaged Property comply with local conditions and code requirements;

(5) the Community has paved roads;

(6) the Community consists of approximately the Number of Sites;

(7) the Community has at least fifty (50) Sites;

(8) [intentionally omitted];

(9) the percentage of Manufactured Homes owned by UMH Affiliate does not exceed sixty percent (60%) across the Collateral Pool;

(10) UMH Affiliate has clear title to the UMH Homes and Borrower does not own any Manufactured Homes;

(11) the leases and rents generated from the UMH Homes are not subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien on the leases and rents generated from the UMH Homes and Permitted Liens;

(12) all Manufactured Homes in the Community constructed after 1974 conform to the requirements of the federal Manufactured Home Construction And Safety Standards of 1974 (42 U.S.C. chap. 70; 24 C.F.R. Part 3280);

(13) all Manufactured Homes are professionally skirted;

(14) hitches on materially all Manufactured Homes are concealed;

(15) the Community has parking on or off-street, as permitted by local ordinance;

(16) *check if applicable:* ☒ the Community shown on Annex A hereto, as applicable, has a septic system or a private treatment plant system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity;

(17) *check if applicable:* ☒ applicable law requires public sewer hookup, and the Community shown on Annex A hereto, as applicable, has established a special escrow to cover all hook-up costs including tap fees; and

(18) *check if applicable:* ☒ applicable law requires public water hookup, and the Community shown on Annex A hereto, as applicable, has established a special escrow to cover all hook-up costs including tap fees, or ☒ the Community shown on Annex A hereto, as applicable, has a private water well system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity.

(g) Operation of the Community.

(1) Borrower does not own or engage in the retail sale or financing of Manufactured Homes; UMH Affiliate does not engage in the

sale or financing of Manufactured Homes other than the sale financing of Manufactured Homes permitted pursuant hereto;

(2) Borrower does not rent Manufactured Homes under Leases providing that upon payment of the stipulated rent or a nominal charge, Borrower or UMH Affiliate shall convey title to the Manufactured Home to the lessee;

(3) the Community has Rules and Regulations that are appropriate and enforceable and maintain the viability and physical condition of the Community;

(4) each Lease arises from a bona fide lease of a Site and/or a UMH Home to a Home Owner or a tenant in possession of a UMH Home;

(5) there are no other agreements between Borrower and a Home Owner other than the Lease and the Rules and Regulations;

(6) there are no other agreements affecting the Mortgaged Property between UMH Affiliate and a tenant of a UMH Home other than the Lease and the Rules and Regulations; and

(7) Borrower and UMH Affiliate have complied with all laws and regulations applicable to (A) each Home Owner's application for credit, (B) the advertising, making and servicing of each Lease, (C) the development, ownership and operation of the Community, including but not limited to the Federal Trade Commission Act and all rules and regulations promulgated thereunder; 24 C.F.R. Part 201 concerning manufactured home location standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

7. Section 6.02 (Property Use, Preservation and Maintenance – Covenants) of this Master Agreement is hereby amended by adding the following provision to the end thereof:

(g) Location of Mortgaged Property; Site Stability.

(1) Until all amounts owed under the Loan Documents are paid in full, the UMH Homes shall be located on the Mortgaged Property at the Multifamily Project Address;

(2) UMH Affiliate shall not move the UMH Homes from the Site without Lender's prior written permission, nor shall Borrower permit

any Manufactured Home which is not among the UMH Homes to be moved from the Site, except: (A) in accordance with the terms of the Lease for the Site of such Manufactured Home; and (B) to be replaced with a UMH Home of equal value.

(3) the Community shall be located on the Mortgaged Property and shall be owned and operated by Borrower;

(4) the Community shall comply with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(5) all public and private utilities on the Mortgaged Property shall comply with local conditions and code requirements;

(6) the Community shall have paved roads;

(7) the Community shall consist of approximately the Number of Sites;

(8) the Community shall have at least fifty (50) Sites;

(9) [intentionally omitted];

(10) the percentage of Manufactured Homes owned by UMH Affiliate shall not exceed sixty percent (60%) across the Collateral Pool;

(11) UMH Affiliate shall have clear title to the UMH Homes;

(12) no UMH Home shall be subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien on the leases and rents generated therefrom and Permitted Liens;

(13) all Manufactured Homes in the Community constructed after 1974 shall conform to the requirements of the federal Manufactured Home Construction And Safety Standards of 1974 (42 U.S.C. chap. 70; 24 C.F.R. Part 3280);

(14) all Manufactured Homes shall be professionally skirted;

(15) hitches on all Manufactured Homes shall be concealed;

(16) the Community shall have parking on or off-street, as permitted by local ordinance;

(17) Borrower shall not engage in the ownership, retail sale or financing of Manufactured Homes and UMH Affiliate shall not engage in the retail sale or financing of Manufactured Homes other than as allowed in connection with an Advance on UMH Homes pursuant to this Master Agreement;

(18) Borrower shall not rent Manufactured Homes under Leases providing that upon payment of the stipulated rent or a nominal charge, Borrower or UMH Affiliate shall convey title to the Manufactured Home to the lessee;

(19) the Community shall have Rules and Regulations that are appropriate, enforceable, and shall maintain the viability and physical condition of the Community;

(20) there shall be no other agreements between Borrower and a Home Owner other than the Lease and the Rules and Regulations;

(21) there shall be no other agreements affecting the Mortgaged Property between UMH Affiliate and a tenant of a UMH Home other than the Lease and the Rules and Regulations; and

(22) Borrower and UMH Affiliate shall comply with all laws and regulations applicable to (A) each Home Owner's application for credit, (B) the advertising, making and servicing of each Lease, (C) the development, ownership and operation of the Community, including but not limited to the Federal Trade Commission Act and all rules and regulations promulgated thereunder; 24 C.F.R. Part 201 concerning manufactured home location standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

8. With respect only to the Mortgaged Properties, a new Section 7.01(c) (Site Lease Protections) is hereby added to this Master Agreement as follows:

“7.01 (c) Site Lease Protections.

As of the Initial Effective Date with respect to the Mortgaged Properties, the percentage of all Residential Leases for Tenant Sites that satisfy the requirements set forth under Section 7.02(a)(6) of this Master Agreement is identified on Addenda to Schedule 2–Summary of Master Terms (Manufactured Housing Community).”

9. Section 7.02(a)(3) and Section 7.02(a)(4) (Leases) of this Master Agreement are hereby deleted and restated in their entirety, and new Sections 7.02(a)(5), 7.02(a)(6), and 7.02(a)(7) are hereby added as follows:

(3) require that all (A) Residential Leases for Sites comply with applicable law and (B) with respect to Sites which are not obligated to include Lease Protections, have an initial lease term of not less than six (6) months and not more than twenty-four (24) months, provided, however, if customary in the applicable market for properties comparable to the applicable Mortgaged Property, additional Residential Leases with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent) provided however, (i) Short-Term Rentals (regardless of the term) shall not be permitted unless otherwise expressly approved by Lender in writing, and (this Section 7.02(a)(3) shall not apply to any lease, license, or other rental agreement with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease;

(4) not permit any Residential Lease for a Site to contain an option to purchase or right of first refusal to purchase the Site or right of first offer to purchase the Site (except when such option or right is required by applicable law);

(5) (i) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b) (Commercial Leases)) and, (ii) upon Lender's written request, promptly provide Lender a copy of each Residential Lease of a Site (including any lease, license, or other rental agreement with respect to recreational vehicles) and/or UMH Home then in effect;

(6) use best efforts to require that, with respect to the Initial Mortgaged Properties, by the one year anniversary of the Initial Effective Date, at least fifty percent (50%) of all for Residential Leases for Tenant Sites:

(A) have initial lease terms of not less than one (1) year and offer a renewal term of one (1) year, which tenant may renew for such year or other time period of the tenant's election unless there is good cause for nonrenewal (including, but not limited to, (i) the tenant being in default under such Residential Lease for a Site at the time of renewal, (ii) the tenant's serious or repeated violation of the material terms and conditions of the Residential Lease for a Site, or (iii) the tenant's violation of applicable federal, state, or local law); provided, however, this Section 7.02(a)(6) shall not apply to

any lease, license, or other rental agreement after the applicable renewal period selected by tenant has expired, or with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease;

(B) contain provisions that require Borrower to give the tenant not less than thirty (30) days' written notice prior to an increase in the rent payable thereunder;

(C) contain provisions that provide for a five (5) day grace period for the non-payment of rent thereunder, and the right for the tenant to cure defaults on rent payments;

(D) contain provisions that allow the tenant to (i) sell its Manufactured Home without the obligation to first relocate it out of the Community, (ii) sublease the Manufactured Home or assign its Residential Lease for a Site (for the unexpired term remaining) to a purchaser of its Manufactured Home without any unreasonable restraint, provided the purchaser otherwise satisfies the Rules and Regulations and all of Borrower's then-applicable credit requirements, (iii) post "for sale" signs on the Site, provided, such signs comply with the Rules and Regulations, and (iv) sell its Manufactured Home in place within forty-five (45) days after eviction (the "**Eviction Period**") though Borrower may ask such tenant to leave the Community upon eviction in the manner specified in the Rules and Regulations; provided however that during the Eviction Period, Borrower shall allow the Manufactured Home to remain on the Site and remain connected to public and private utilities. Notwithstanding the foregoing, nothing in this Section 7.02(a)(6)(D)(iv) shall preclude Borrower from exercising any other right or remedy available against a tenant under Applicable Law; and

(E) contain provisions that require Borrower to give the tenant at least sixty (60) days' written notice of a planned sale or closure of the Community (the lease protections contained in Section 7.02(a)(6)(A)-(E) being, collectively, the "**Lease Protections**").

The requirements imposed by this Section 7.02(a)(6) may be satisfied pursuant to provisions contained in the applicable Residential Lease for a Site or, to the extent permitted by Applicable Law, provisions contained in the Rules and Regulations.

(7) within thirty (30) days of Lender's written request, reimburse Lender for each of the following items, if and only if Borrower fails to

implement Lease Protections for at least fifty percent (50%) of Residential Leases for Tenant Sites by the one year anniversary of the Initial Effective Date:

(A) \$979,720.20; and

(B) any and all incentives, reimbursements, discounts, rebates, costs, expenses and fees provided by Lender in connection with the Initial Advance as a result of Borrower's agreement to implement the Lease Protections at the Tenant Sites at the Mortgaged Properties, or incurred by Lender as a result of Borrower's failure to implement the Lease Protections at the Tenant Sites at the Mortgaged Properties.

Upon the payment of all amounts due, as determined by Lender, Under Section 7.02(a)(7), Borrower of each of the Mortgaged Properties shall no longer be subject to providing or required to provide the Lease Protections.

10. Section 7.03(b) (Residential Lease Form) of this Master Agreement is hereby deleted and restated in its entirety to read as follows:

(b) Residential Lease for Site Form.

All Residential Leases entered into from and after the Initial Effective Date shall be on forms approved by Lender, and Residential Leases for Tenant Sites entered into from and after the Initial Effective Date must contain the Lease Protections. Borrower shall give Lender thirty (30) days written notice of any material changes to the Rules and Regulations and the form of the Residential Lease for a Site or a UMH Home.

11. A new Section 7.03(c) (Compliance with Residential Lease for Tenant Protections) is hereby added to this Master Agreement as follows:

“(c) Compliance with Residential Lease for Tenant Protections.

(1) Borrower shall, no later than thirty (30) days after the end of each Calendar Quarter, submit to Lender a written certification setting forth, for each Mortgaged Property, the percentage of all Residential Leases at Tenant Sites that include Lease Protections; and

(2) Borrower shall, no later than thirty (30) days after the end of each Facility Year, submit to Lender (1) a certified copy of the Rules and Regulations currently in effect at the Community, (2) a certified copy of the current form of Residential Lease for a Site and a UMH Home, (3) copies of any actual Residential Lease for a Site and/or UMH Home requested by Lender, and (4) a written certification setting forth, for each Mortgaged Property, the percentage of all Residential Leases for Tenant Sites that include Lease Protections and the number of UMH Homes at each Mortgaged Property, and ratifying and affirming that there

have been no material changes to the Rules and Regulations or to the form of the Residential Lease for a Site or a UMH Home.

12. Section 14.01(a) (Events of Default – Automatic Events of Default) of this Master Agreement is hereby amended by adding the following provisions as Section 14.01(a)(13) and Section 14.01(a)(14):

(13) any change by Borrower in the occupancy requirements for Residential Leases for Sites regarding age restrictions; and,

(14) any failure of Borrower to comply with the provisions of Section 7.02(a)(7) (Leases).

[Remainder of Page Intentionally Blank]

**ANNEX A to SCHEDULE 20 TO
MASTER CREDIT FACILITY AGREEMENT**

Mortgaged Property	Public Sewer Hook-Up	Septic Systems or Private Treatment Plant System	Public Water Hook-Up	Private Water Well Systems
Carson's	X		X	
Chambersburg I Chambersburg II	X		X	
Collingwood		X		X
Countryside Village	X		X	
Crestview	X		X	
Somerset/Whispering Pines		X		X
Hudson Estates		X		X
Summit Estates	X		X	
Countryside Estates	X			X
Deer Meadows Manufactured Home Community		X		X
Evergreen Estates	X		X	
Evergreen Village		X	X	
Dallas MHC	X		X	
Voyager Mobile Home Estates	X		X	
Huntingdon Pointe	X		X	
Hillcrest	X		X	
Lakeview Meadows	X		X	
Marysville Estates	X		X	
Wayside	X		X	
Hillcrest		X	X	
Crossroads Village	X		X	
High View Acres	X		X	
Mount Pleasant Village	X		X	
51 Estates		X	X	
New Colony Mobile Home Park	X		X	
Cinnamon Woods		X		X
Rolling Hills Estates		X		X
Woodland Manor		X		X

SCHEDULE 20-A
MASTER CREDIT FACILITY AGREEMENT

ADDENDA TO SCHEDULE 2 – SUMMARY OF MASTER TERMS

Manufactured Housing Communities

IV. MANUFACTURED HOUSING COMMUNITY INFORMATION			
Manufactured Community Name	Number of Sites (including spaces dedicated to recreational vehicles)	Number of Tenant Sites with Lease Protections	Number of UMH Homes
51 Estates	171	0	11
Carson's	131	0	25
Chambersburg I Chambersburg II	99	0	19
Cinnamon Woods	62	0	0
Collingwood	102	0	33
Countryside Estates	142	0	83
Countryside Village	349	0	220
Crestview	98	0	51
Crossroads Village	34	0	9
Dallas MHC	145	0	42
Deer Meadows Manufactured Home Community	98	0	45
Evergreen Estates	55	0	7

IV. MANUFACTURED HOUSING COMMUNITY INFORMATION			
Manufactured Community Name	Number of Sites (including spaces dedicated to recreational vehicles)	Number of Tenant Sites with Lease Protections	Number of UMH Homes
Evergreen Village	50	0	18
High View Acres	154	0	4
Hillcrest Crossings	198	<u>0</u>	77
Hillcrest	220	0	79
Hudson Estates	159	0	77
Huntingdon Pointe	72	0	10
Lakeview Meadows	79	0	36
Marysville Estates	306	0	83
Mt. Pleasant Village	115	0	40
New Colony Mobile Home Park	113	0	12
Rolling Hills Estates	90	0	42
Somerset Estates/Whispering Pines	125	0	53
Summit Estates	141	0	62
Voyager Mobile Home Estates	259	0	64
Wayside Estates	82	0	25
Woodland Manor	148	0	68

SCHEDULE 21 TO
MASTER CREDIT FACILITY AGREEMENT

Expansion Structure General Terms

Purpose:	To allow for the construction of (i) up to 10 additional pads at the Mortgaged Property known as Carson's, (ii) up to 126 additional pads at the Mortgaged Property known as Cinnamon Woods, (iii) up to 51 additional pads at the Mortgaged Property known as Deer Meadows Manufactured Home Community, (iv) up to 27 additional pads at the Mortgaged Property known as Evergreen Village, (v) up to 176 additional pads at the Mortgaged Property known as Hillcrest, (vi) up to 60 additional pads at the Mortgaged Property known as Huntingdon Pointe, (vii) up to 90 additional pads at the Mortgaged Property known as Lakeview Meadows: The creation of up to 90 additional pads, and up to 78 additional pads at the Mortgaged Property known as Somerset Estates/Whispering Pines (collectively, the " Projects "). The cost of these improvements in connection with these Projects will be funded solely with additional equity contributed to the Borrower.
Transaction Eligibility:	Each of the Projects will be separately subject to Fannie Mae's pre-review and approval of Lender's package prepared in connection with each of the Projects. Among other attributes, Fannie Mae will evaluate the operation of each existing property and documented level of demand for the new units (e.g., waiting lists). Borrower shall execute a separate Completion and Expansion Agreement, in the form of <u>Exhibit M</u> attached to this Master Agreement.
Borrower Equity:	Expansion funds provided by the Borrower using all equity. Any source of financing for construction of the Project shall not be (i) secured by partnership interests; (ii) a lien on any of the Mortgaged Properties in the Collateral Pool ; (iii) a pledge of cash flow on any other Borrower property; (iv) preferred equity or mezzanine financing; (v) a lien or right of offset to the operating account or security interests in the property cash flow for any of Borrower's properties. Borrower must provide Lender with documentation evidencing that the source of financing will not constitute subordinate financing.
Completion of Construction:	Completion of the Projects, or any portion of the Projects should Borrower elect to complete any such Project in phases, should occur no later than 18 months from the date of commencement of such phase of such Project, subject to agreed-upon extensions for force majeure.

**Limit of a Number
of Construction
Activities:**

[Reserved]

Monitoring:

Fannie Mae's standard construction monitoring processes and requirements will apply, including but not limited to:

- Monthly: Third party inspection reports and title updates;
- Quarterly: Operating statements and rent rolls.

Fees:

Borrower shall reimburse Fannie Mae or Servicer, as applicable, within ten (10) Business Days after demand, (i) all reasonable out-of-pocket fees, charges, costs and expenses incurred by Fannie Mae or Servicer in connection with all inspections made by Fannie Mae, Servicer or their respective representatives in carrying out Fannie Mae's responsibility to make certain determinations with respect to each of the Projects; and (ii) a review fee of \$10,000 payable to Servicer.

Guaranty:

Full completion and performance guarantees for each of the Projects, in the form of the Completion Guaranty, Exhibit N of this Master Agreement, will be required from Guarantor. Guarantees will be released upon satisfactory completion of the particular Project as determined by Fannie Mae and Lender.

Legal Fees:

All Fannie Mae legal fees to be reimbursed by Borrower.

Contract:

A fixed-price general contract for the Project provided by a general contractor (the "**Contractor**") acceptable in all respects to Lender and Fannie Mae, along with, if required by Lender, a payment and performance bond (the "**Bond**") that will be issued by a surety acceptable in all respects to the Lender and Fannie Mae. Copies of all required permits must be delivered to Lender and Fannie Mae prior to the commencement of the Project.

SCHEDULE 22
TO MASTER CREDIT FACILITY AGREEMENT

(Ground Lease Defaults)

The foregoing Master Agreement is hereby modified as follows in respect of the Mortgaged Property known as Somerset Estates/Whispering Pines:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in this Master Agreement.

2. Section 3.02(b) (Personal Liability of Borrower (Full Recourse) of this Master Agreement is amended by adding the following provision to the end thereof:

(10) any failure by Borrower to comply with the provisions of Section 19(c) (Ground Lease Provisions – Negative Covenants Regarding Ground Lease), Section 19(d) (Ground Lease Provisions – Ground Lessee’s Bankruptcy Event), Section 19(e)(1) (Ground Lease Provisions – Ground Lessor’s Bankruptcy Event) or Section 19(g) (Ground Lease Provisions – Option to Renew or Extend Ground Lease) of the Security Instrument for the Mortgaged Property known as Somerset Estates and Whispering Pines.

3. Section 14.01(a) (Events of Default (Automatic Events of Default) of this Master Agreement is amended by adding the following provision at the end thereof:

(15) any failure by Borrower to comply with the provisions of Section 19(b) (Ground Lease Provisions – Affirmative Covenants Regarding Ground Lease) and Section 19(c) (Ground Lease Provisions – Negative Covenants Regarding Ground Lease) of the Security Instrument for the Mortgaged Property known as Somerset Estates and Whispering Pines.

SCHEDULE 23
TO MASTER CREDIT FACILITY AGREEMENT

SURVEYS

Property Name	Borrower Name	Street Address	Survey (Surveyor and date)
51 Estates	UMH PA Three Rivers, LLC	2770 PA-51 Elizabeth, PA 15037	First Order, LLC for MKAssociates, Inc.; dated June 28, 2019, last revised August 6, 2019
Carson's	UMH PA Chambersburg, LLC	649 North Franklin St. Chambersburg, PA 17201	First Order, LLC for MKAssociates, Inc.; dated July 27, 2012
Chambersburg I and II	UMH PA Chambersburg, LLC	4660 Sycamore Grove Road and 5368 Philadelphia Ave Chambersburg, PA 17202	First Order, LLC for MKAssociates, Inc.; dated July 27, 2012
Cinnamon Woods	UMH MD Cinnamon Woods, LLC	70 Curry Ave Conowingo, MD 21918	MKAssociates, Inc.; dated May 23, 2017
Collingwood	UMH NY Collingwood, LLC	358 Chambers Road Horseheads, NY 14845	First Order, LLC for MKAssociates, Inc.; dated April 27, 2012
Countryside Estates	UMH OH Buckeye II, LLC	6605 State Route 5 Ravenna, OH 44266	Avalon Land Surveying; dated September 3, 2013
Countryside Village	UMH TN Countryside Village, LLC	200 Early Road Columbia, TN 38401	McKaskill & Associates, Inc.; dated July 30, 2007
Crestview	UMH PA Athens, LLC	Wolcott Hollow Road Athens, PA 18810	First Order, LLC for MKAssociates, Inc.; dated July 27, 2012
Crossroads Village	UMH PA Crossroads Village, LLC	549 Chicory Lane Mt. Pleasant, PA 15666	North Coast Geomatics for EMG Corporation; dated November 15, 2017, last revised December 22, 2017
Dallas MHC	UMH Central OH, LLC	1104 N 4th Street Toronto , OH 43964	MKAssociates, Inc.; dated August 22, 2014
Deer Meadows Manufactured Home Community	UMH OH Buckeye II, LLC and UMH Northern OH, LLC	12921 Springfield Rd. New Springfield, OH 44443	Avalon Land Surveying; dated September 1, 2013
Evergreen Estates	UMH OH Buckeye II, LLC and UMH Central OH, LLC	425 Medina St. Lodi, OH 44254	Avalon Land Surveying; dated February 17, 2015
Evergreen Village	UMH OH Buckeye II, LLC	9294 State Route 44 Mantua, OH 44255	Avalon Land Surveying; dated August 31, 2013, last revised August 31, 2013
High View Acres	UMH PA High View Acres, LLC	399 Blue Jay Lane Apollo, PA 15613	North Coast Geomatics for EMG Corporation; dated November 13, 2017, last revised December 22, 2017

Hillcrest Crossing	UMH PA Hillcrest Crossing, LLC	100 Lorraine Drive Lower Burrell, PA 15068	Mid-Penn Engineering Corporation; dated October 7, 2014
Hillcrest Estates	UMH OH Hillcrest, LLC	14200 Industrial Parkway Marysville, OH 43040	Diversified Engineering Inc.; dated July 26, 2016
Hudson Estates	UMH OH Buckeye, LLC	100 Keenan Rd. Peninsula, OH 44264	Avalon Land Surveying; dated September 1, 2013, last revised October 4, 2013
Huntingdon Pointe	UMH PA Huntingdon Pointe, LLC	240 Tee Drive Tarrs, PA 15688	First Order, LLC for MKAssociates, Inc.; dated February 24, 2015, last revised March 11, 2015
Lakeview Meadows	UMH OH Lakeview, LLC	11900 Duff Road Lakeview, OH 43331	EMG Corp; dated August 15, 2017
Marysville Estates and Storage	UMH OH Marysville Estates, LLC	506 North Main Street Marysville, OH 43040	MKA Associates; dated December 30, 2016
Mount Pleasant Village	UMH PA Mount Pleasant Village, LLC	1 Village Drive Mt. Pleasant, PA 15666	North Coast Geomatics for EMG Corporation; dated November 15, 2017, last revised December 22, 2017
New Colony Mobile Home Park	UMH PA Three Rivers, LLC	3101 Homestead Duquesne Rd. West Mifflin, PA 15122	First Order, LLC for MKAssociates, Inc.; dated June 28, 2019, last revised August 6, 2019
Rolling Hill Estates	UMH PA Rolling Hills Estates, LLC	14 Tip Top Circle Carlisle, PA 17015	First Order, LLC for MKAssociates, Inc.; dated August 19, 2013, last revised September 25, 2013
Summit Estates	UMH OH Buckeye, LLC	3305 Summit Rd. Ravenna, OH 44266	Avalon Land Surveying; dated August 31, 2013, last revised August 31, 2013
Voyager Mobile Home Estates	UMH PA Voyager Estates, LLC	1002 Satellite Drive West Newton, PA 15089	Lehr Land Surveyors for MKAssociates, Inc.; dated February 17, 2015, last revised March 23, 2015
Wayside Estates	UMH OH Wayside, LLC and UMH Northern OH, LLC	1000 Garfield Avenue Bellefontaine, OH 43311	MKAssociates, Inc.; dated March 19, 2018

CONFIRMATION OF GUARANTY

This CONFIRMATION OF GUARANTY is made as of May 15, 2025, by **UMH PROPERTIES, INC.**, a Maryland corporation (individually and collectively, “**Guarantor**”), for the benefit of (i) **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (“**Lender**”) and (ii) **FANNIE MAE**, the corporation duly organized and existing under the laws of the United States (“**Fannie Mae**”).

Guarantor entered into that certain Guaranty of Non-Recourse Obligations dated as of August 20, 2020, as amended by that certain Omnibus Amendment No. 1 dated as of September 15, 2022, as amended by that certain Omnibus Amendment No. 2 dated as of December 14, 2023, and as further amended by that certain Omnibus Amendment No. 3 dated as of the date hereof, for the benefit of Lender (as amended, restated or otherwise modified from time to time, the “**Guaranty**”) to guaranty the guaranteed obligations (as described in the Guaranty) under that certain Master Credit Facility Agreement dated as of August 20, 2020, as amended by that certain Amendment No. 1 to Master Credit Facility Agreement dated as of March 15, 2022, as amended by that certain Reaffirmation, Joinder and Second Amendment to Master Credit Facility Agreement, dated as of September 15, 2022, as amended by that certain Reaffirmation, Joinder and Third Amendment to Master Credit Facility Agreement, dated as of the December 14, 2023, and as further amended by that certain Fourth Amendment to Master Credit Facility Agreement, dated as of February 7, 2025, by and among borrowers signatory thereto (individually and collectively, the “**Borrower**”) and Lender (as amended, restated or otherwise modified from time to time, the “**Master Agreement**”).

All Lender’s right, title and interest in the Master Agreement and the Loan Documents executed in connection with the Master Agreement or the transactions contemplated by the Master Agreement have been assigned to Fannie Mae pursuant to that certain Assignment of Master Credit Facility Agreement and Other Loan Documents, dated as of August 20, 2020, that certain Assignment of Loan Documents dated as of March 15, 2022, that certain Assignment of Loan Documents dated as of September 15, 2022, and that certain Assignment of Loan Documents dated as of December 14, 2023, and that certain Assignment of Loan Documents dated as of the date hereof (the “**Assignment**”). Fannie Mae has not assumed (i) any of the obligations of Lender once an agreement is made for Lender to make a Future Advance under the Master Agreement to make Future Advances or (ii) any of the obligations of Lender which are servicing obligations delegated to Lender as servicer of the Advances. Fannie Mae has designated Lender as the servicer of the Advances contemplated by the Master Agreement.

Lender has agreed to make a Future Advance to Borrower under the Master Agreement, to add the property listed on Schedule 1 attached hereto (the “**Addition Mortgaged Property**”) to the Collateral Pool, to add the Borrowers listed on Schedule 1 attached hereto (collectively, the “**New Borrower**”) as an Additional Borrower under the Master Agreement. Borrower, Lender and Fannie Mae have modified the credit facility under the Master Agreement and made certain other changes to the terms and conditions of the Master Agreement pursuant to that certain Reaffirmation, Joinder and Fifth Amendment to Master Credit Facility Agreement dated as of even date herewith (the “**Fifth Amendment**”). As a condition to entering into the Fifth Amendment,

adding the Addition Mortgaged Property to the Collateral Pool, and adding the New Borrower as an Additional Borrower under the Master Agreement, Guarantor is required to confirm its obligations under the Guaranty.

Guarantor hereby (a) acknowledges and consents to adding the Addition Mortgaged Property to the Collateral Pool, adding the New Borrower as a party to and Additional Borrower under the Master Agreement, and the making of the Future Advance, (b) acknowledges and consents to the other changes and the terms and conditions of the Master Agreement all as set forth in the Fifth Amendment, and (c) confirms to Lender and Fannie Mae that the terms and provisions of the Guaranty remain in full force and effect.

Guarantor hereby confirms and ratifies the Loan Documents it has previously executed in connection with the Master Agreement.

All capitalized terms used but not defined in this Confirmation of Guaranty shall have the meanings ascribed to such terms in the Master Agreement.

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GUARANTOR:

UMH PROPERTIES, INC.,
a Maryland corporation

By:  (SEAL)
Name: Craig Koster
Title: General Counsel and Secretary

SCHEDULE 1

Addition Mortgaged Property and Borrowers

Borrower Name (and state of formation)	Street Address
UMH NJ Cedarcrest, LLC (DE)	1976 North East Avenue Vineland, NJ 08360 (Cumberland County)
UMH NY Brookview MHP, LLC (DE) UMH NY Brookview, LLC (NY)	2025 Route 9N Greenfield Center, NY 12833 (Saratoga County)
UMH PA Cranberry Village, LLC (DE)	100 Treesdale Drive Cranberry Township, PA 16066 (Butler County)
UMH NY D&R Village, LLC (DE)	430 Route 146 Clifton Park, NY 12065 (Saratoga County)
UMH OH Hayden Heights, LLC (DE)	5501 Cosgray Road Dublin, OH 43016 (Franklin County)
UMH NY Kinnebrook MHP, LLC (DE)	315 State Route 17B Monticello, NY 12701 (Sullivan County)
UMH OH Olmsted Falls, LLC (DE)	26875 Bagley Road Olmsted Falls, OH 44138 (Cuyahoga County)
UMH TN Shady Hills MHP, LLC (DE)	1508 Dickerson Pike Nashville, TN 37207 (Davidson County)
UMH TN Trailmont MHP, LLC (DE)	122 Hillcrest Road Goodlettsville, TN 37072 (Davidson County)
UMH TN Weatherly Estates, LLC (DE)	271 Weatherly Drive Lebanon, TN 37087 (Wilson County)

CERTIFICATION

I, Samuel A. Landy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of UMH Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the

audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2025

/s/ Samuel A. Landy

Samuel A. Landy

President and Chief Executive Officer

CERTIFICATION

I, Anna T. Chew, certify that:

1. I have reviewed this quarterly report on Form 10-Q of UMH Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the

audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2025

/s/ Anna T. Chew

Anna T. Chew
Executive Vice President and Chief
Financial Officer

**CERTIFICATION OF CEO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of UMH Properties, Inc. (the “Company”) for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Samuel A. Landy, as President and Chief Executive Officer of the Company, and Anna T. Chew, as Vice President and Chief Financial Officer, each hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/Samuel A. Landy
Name: Samuel A. Landy
Title: President and Chief Executive Officer
Date: August 6, 2025

By: /s/Anna T. Chew
Name: Anna T. Chew
Title: Executive Vice President and Chief Financial Officer
Date: August 6, 2025