

UMH Acquisition Portfolio



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1	Highland	1875 Osolo Road	Elkhart, IN	46514
2	Oak Ridge	1201 County Road 15	Elkhart, IN	45616
3	Forest Creek	885 East Mishawaka Road	Elkhart, IN	46517
4	Twin Pines	2011 West Wilden Avenue	Goshen, IN	46528
5	Broadmore	148 Broadmore Estates	Goshen, IN	46528
6	Birchwood Farms	8057 Birchwood Drive	Birch Run, MI	48415
7	Meadowood	9555 Struthers Road	New Middletown, OH	44442
8	Southern Terrace	1229 State Route 164	Columbiana, OH	44408
9	Colonial Heights	917 Two Ridge Road	Wintersville, OH	43953
10	Honey Brook	1 Mark Lane	Honey Brook, PA	19344
11	Gregory Courts	2 Erica Circle	Honey Brook, PA	19344
12	Sunnyside	2901 West Ridge Pike	Eagleville, PA	19403
13	Danboro	1081 North Easton Road	Doylestown, PA	18902

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Mortgage Loan Information

Mortgage Loan Seller:	JPMCB
Original Principal Balance:	\$53,760,000
Cut-off Date Principal Balance:	\$53,612,701
% of Pool by IPB:	4.1%
Loan Purpose:	Acquisition
Borrowers⁽¹⁾:	Various
Sponsor:	UMH Properties, Inc.
Interest Rate:	4.06500%
Note Date:	3/1/2013
Maturity Date:	3/1/2023
Interest-only Period:	None
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	Balloon
Call Protection:	L(24),Grtr1%orYM(93),O(3)
Lockbox:	CMA
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Portfolio
Title:	Fee/Leasehold
Property Type - Subtype:	Manufactured Housing
Number of Pads:	2,268
Location:	Various
Year Built / Renovated:	Various / N/A
Occupancy:	84.3%
Occupancy Date:	February 2013
Number of Tenants:	N/A
2010 NOI:	\$5,670,075
2011 NOI:	\$6,075,437
2012 NOI⁽²⁾:	\$6,138,220
UW Economic Occupancy:	84.7%
UW Revenues:	\$9,750,925
UW Expenses:	\$3,687,458
UW NOI:	\$6,063,467
UW NCF:	\$5,893,367
Appraised Value / Per Pad:	\$72,250,000 / \$31,856
Appraisal Date:	January / February 2013

Escrows and Reserves⁽³⁾

	Initial	Monthly	Initial Cap
Taxes:	\$216,645	\$44,571	N/A
Insurance:	\$0	Springing	N/A
Replacement Reserves:	\$11,907	\$11,907	\$340,200
TI/LC:	\$0	\$0	N/A
Other:	\$237,738	\$9,058	N/A

Financial Information

Cut-off Date Loan / Pad:	\$23,639
Maturity Date Loan / Pad:	\$18,874
Cut-off Date LTV:	74.2%
Maturity Date LTV:	59.2%
UW NCF DSCR:	1.90x
UW NOI Debt Yield:	11.3%

(1) For a full description of the borrowers, please refer to "The Borrowers" section below.

(2) Incomplete 2012 financial information was available for the Meadowood, Southern Terrace and Colonial Heights properties at the time of acquisition. 2012 NOI is annualized based on the period from July 2012 through December 2012 for the Meadowood property, and September 2012 through December 2012 for the Southern Terrace and Colonial Heights properties.

(3) For a full description of Escrows and Reserves, please refer to the "Escrows and Reserves" section below.

The Loan. The UMH Acquisition Portfolio loan has an outstanding principal balance of approximately \$53.6 million and is secured by a first mortgage lien on a 13-property, 2,268-pad, manufactured housing portfolio located in Indiana, Pennsylvania, Ohio and Michigan. The loan has a 10-year term and amortizes based on a 30-year schedule. Proceeds from the loan, along with sponsor's equity of approximately \$21.8 million, were used to acquire the properties for \$72.4 million, pay closing costs of \$2.6 million and fund upfront reserves of \$0.5 million.

The Borrowers. The borrowing entities for the loan are UMH IN Broadmore, LLC, UMH IN Forest Creek, LLC, UMH IN Oak Ridge Estates, LLC, UMH IN Twin Pines, LLC, UMH IN Highland, LLC, UMH OH Meadowood, LLC, UMH OH Southern Terrace, LLC, UMH OH Colonial Heights, LLC, UMH MI Birchwood Farms, LLC, UMH PA Valley View-Honey Brook, LLC, UMH PA Valley View-Danboro, LLC, UMH PA Gregory Courts, LLC and UMH PA Sunnyside, LLC, each a Delaware limited liability company and special purpose entity.

The Sponsor. The loan's sponsor and nonrecourse carve-out guarantor is UMH Properties, Inc. ("UMH"). UMH is a publicly traded real estate investment trust (NYSE: UMH) specializing in the ownership and operation of manufactured housing communities. UMH, which was founded in 1968 and has been public since 1985, owns a portfolio of 57 manufactured communities comprising approximately 10,600 home sites in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana and Michigan.

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The Properties. The portfolio consists of 13 separate manufactured housing communities totaling 2,268 pads. The portfolio is located across four states, with five properties in Indiana, four properties in Pennsylvania, three properties in Ohio and one property in Michigan. The portfolio was assembled through three separate acquisitions. The first two occurred in July and September 2012 when the Ohio properties were acquired, and the third occurred in conjunction with the closing of the loan when the sponsor acquired the remaining ten properties from American Residential Communities. The properties were built between 1956 and 1998 and offer a range of amenities including playgrounds, basketball courts, clubhouses and a swimming pool. As of February 2013, the portfolio had a weighted average occupancy of 84.3%.

Historical and Current Occupancy					
Property	Pads	2010 ⁽¹⁾	2011 ⁽¹⁾	2012 ⁽²⁾	Current ⁽³⁾
Danboro	230	99.1%	98.7%	98.7%	99.6%
Broadmore	382	59.6%	62.6%	65.4%	66.5%
Highland	246	84.1%	86.2%	86.2%	87.0%
Oak Ridge	205	82.4%	80.0%	86.8%	87.3%
Twin Pines	232	79.7%	83.2%	86.6%	85.3%
Honey Brook	144	97.2%	95.1%	98.6%	99.3%
Forest Creek	167	86.2%	88.0%	85.6%	85.0%
Meadowood ⁽⁴⁾	134	N/A	N/A	N/A	82.8%
Sunnyside	67	85.9%	88.7%	97.0%	94.0%
Southern Terrace ⁽⁴⁾	118	N/A	N/A	N/A	95.8%
Colonial Heights ⁽⁴⁾	162	N/A	N/A	N/A	74.7%
Birchwood Farms	142	79.6%	80.3%	75.4%	74.6%
Gregory Courts	39	94.9%	100.0%	100.0%	100.0%
Total / Weighted Average	2,268	81.3%	82.6%	84.4%	84.3%

(1) Historical Occupancies are as of December 31 of each respective year.

(2) 2012 Occupancy is as of November 31, 2012.

(3) Current Occupancy is as of February 27, 2013, except for the Meadowood, Southern Terrace and Colonial Heights properties which are as of February 1, 2013.

(4) Historical Occupancies are not available, as the previous owners did not provide this information.

Property Summary ⁽¹⁾								
Property	Location	Pads	Year Built	Allocated Loan Amount	% of Portfolio Allocated Loan Amount	Appraised Value	Underwritten Net Cash Flow	% of Portfolio Underwritten NCF
Danboro	Doylestown, PA	230	1956	\$9,000,000	16.7%	\$11,300,000	\$985,571	16.7%
Broadmore	Goshen, IN	382	1970-1990	7,500,000	14.0	11,200,000	719,833	12.2
Highland	Elkhart, IN	246	1975	5,245,000	9.8	6,800,000	587,310	10.0
Oak Ridge	Elkhart, IN	205	1989	5,100,000	9.5	6,900,000	591,102	10.0
Twin Pines	Goshen, IN	232	1960-1970	5,056,000	9.4	6,800,000	592,340	10.1
Honey Brook	Honey Brook, PA	144	1964, 1985	4,833,000	9.0	6,500,000	525,153	8.9
Forest Creek	Elkhart, IN	167	1997	4,400,000	8.2	6,300,000	545,197	9.3
Meadowood	New Middletown, OH	134	1960	2,677,000	5.0	3,500,000	295,860	5.0
Sunnyside	Eagleville, PA	67	1959	2,550,000	4.7	3,200,000	265,567	4.5
Southern Terrace	Columbiana, OH	118	1980	2,528,000	4.7	3,400,000	244,941	4.2
Colonial Heights	Wintersville, OH	162	1970	1,859,000	3.5	2,450,000	205,593	3.5
Birchwood Farms	Birch Run, MI	142	1998	1,762,000	3.3	2,300,000	189,912	3.2
Gregory Courts	Honey Brook, PA	39	1965	1,250,000	2.3	1,600,000	144,988	2.5
Total		2,268		\$53,760,000	100.0%	\$72,250,000	\$5,893,367	100.0%

(1) Per the appraisal and the underwriting.

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Property	Market Summary				
	Current Occupancy ⁽¹⁾	Total Pads in Competitive Set ⁽²⁾	Competitive Set Average Rent Per Pad ⁽²⁾	Average Market Occupancy ⁽²⁾	Average Competitive Property Age ⁽²⁾
Danboro	99.6%	1,343	\$498	98.8%	51
Broadmore	66.5%	1,661	\$362	89.8%	37
Highland	87.0%	2,428	\$376	87.6%	28
Oak Ridge	87.3%	2,131	\$354	89.2%	34
Twin Pines	85.3%	1,661	\$362	89.8%	37
Honey Brook	99.3%	388	\$455	94.5%	49
Forest Creek	85.0%	2,507	\$375	85.2%	32
Meadowood	82.8%	527	\$269	88.0%	41
Sunnyside	94.0%	486	\$509	97.7%	63
Southern Terrace	95.8%	543	\$280	85.5%	45
Colonial Heights	74.7%	223	\$248	84.3%	45
Birchwood Farms	74.6%	1,294	\$340	56.5%	36
Gregory Courts	100.0%	493	\$452	95.4%	49

(1) Current Occupancy is as of February 27, 2013 except for the Meadowood, Southern Terrace and Colonial Heights properties which are as of February 1, 2013.

(2) Per the appraisal.

Operating History and Underwritten Net Cash Flow						
	2010	2011	2012 ⁽¹⁾	Underwritten	Per Pad	% ⁽²⁾
Rents in Place	\$7,675,926	\$8,255,885	\$8,573,757	\$8,777,332	\$3,870	78.7%
Vacant Income	0	0	0	1,497,594	660	13.4
Gross Potential Rent	\$7,675,926	\$8,255,885	\$8,573,757	\$10,274,926	\$4,530	92.1%
Total Reimbursements	785,354	915,545	883,190	883,190	389	7.9
Net Rental Income	\$8,461,280	\$9,171,430	\$9,456,947	\$11,158,115	\$4,920	100.0%
(Vacancy/Credit Loss)	(309,316)	(297,453)	(325,990)	(1,707,049)	(753)	(15.3)
Other Income	233,559	302,937	299,858	299,858	132	2.7
Effective Gross Income	\$8,385,523	\$9,176,914	\$9,430,815	\$9,750,925	\$4,299	87.4%
Total Expenses	\$2,715,448	\$3,101,476	\$3,292,594	\$3,687,458	\$1,626	37.8%
Net Operating Income	\$5,670,075	\$6,075,437	\$6,138,220	\$6,063,467	\$2,673	62.2%
Total Capex	0	0	0	170,100	75	1.7
Net Cash Flow	\$5,670,075	\$6,075,437	\$6,138,220	\$5,893,367	\$2,598	60.4%

(1) Incomplete 2012 financial information was available for the Meadowood, Southern Terrace and Colonial Heights properties at the time of acquisition. All 2012 financial information is annualized based on the period from July 2012 through December 2012 for the Meadowood property and September 2012 through December 2012 for the Southern Terrace and Colonial Heights properties.

(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

Property Management. The portfolio is managed by the sponsor.

Ground Lease. The borrower has a leasehold interest in the Birchwood Farms property. The ground lease commenced April 12, 2000 and has a final expiration on April 12, 2099, with one 99 year renewal option. Ground rent due under the ground lease is currently \$108,691 annually and ground rent increases every five years pursuant to the lease. The next rent escalation will occur April 12, 2015.

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Escrows and Reserves. At closing, the borrower was required to deposit into escrow \$228,680 for required repairs, \$216,645 for real estate taxes, \$11,907 for the initial deposit to the replacement reserve and \$9,058 for the initial deposit to the ground rent reserve.

Tax Escrows - On a monthly basis, the borrower is required to escrow 1/12 of the annual estimated tax payments, which currently equates to \$44,571.

Insurance Escrows - The requirement for the borrower to make monthly deposits to the insurance reserve is waived so long as no event of default exists, the borrower provides satisfactory evidence that the property is insured as part of a blanket policy in accordance with the loan documents, and all insurance premiums have been paid.

Replacement Reserves - On a monthly basis, the borrower is required to escrow \$11,907 (approximately \$5.25 per pad) for replacement reserves. The reserve is capped at \$340,200 (approximately \$150.00 per pad). The amounts deposited monthly are subject to change upon releases of individual properties.

Ground Rent Reserve - On a monthly basis, the borrower is required to escrow \$9,058 for the ground rent reserve with respect to the ground lease on the Birchwood Farms property.

Lockbox / Cash Management. The loan is structured with a CMA lockbox. The borrower was required to deposit all rents and other payments into the lockbox account. The funds are then returned to an account controlled by the borrower until the occurrence of a Cash Sweep Event (defined below). In the event of a Cash Sweep Event, all rents will be swept to a segregated cash management account set up at closing and held in trust and for the benefit of the lender. The lender will have a first priority security interest in the cash management account. "Cash Sweep Event" means the occurrence of any of the following: (i) an event of default; (ii) any bankruptcy action of the borrower or property manager; or (iii) the DSCR, based on the trailing six month falls below 1.40x. Upon the occurrence of a Cash Sweep Event, all funds deposited to the cash management account will be held as additional security for the loan.

Release Provisions. Borrower may release one or more individual properties from the collateral for the loan on April 1, 2015 or any business day thereafter, provided that, among other things: (i) no event of default exists (ii) the borrower has paid a release price of 125% of the lesser of (a) the applicable allocated loan amount and the applicable yield maintenance premium or (b) the outstanding debt; (iii) after giving effect to the release for the applicable individual property and the related prepayment, the LTV is not greater than 74.25%; and (iv) after giving effect to the release for the applicable individual property, the debt service coverage ratio for the properties then remaining based on the trailing six month period immediately preceding the release is equal to or greater than the greater of (a) the release debt service coverage ratio of 1.90x (subject to change upon releases of individual properties) or (b) the debt service coverage ratio for all of the properties (including the released property) immediately preceding the release of the applicable individual property based on the trailing six month period.