

LETTER FROM THE CHAIRMAN

If 2020 has taught us anything, it is to always expect and prepare for the unexpected. Countless well-run companies were pushed to the brink because of the impact that the COVID-19 pandemic had on our Nation's economy. Fortunately, over our 53-year history we have always positioned UMH to survive a black swan event. Our raising of \$78 million of our Series C and D Preferred Stock through our ATM program could not have been better timed. This capital gave management the tools to not only survive the pandemic, but to prosper. While many companies had to rely on bank lines to stay afloat, UMH was very well positioned with ample capital from this preferred raise and our securities portfolio to continue to invest in our communities and achieve our long-term goals.

Our platform and our asset class delivered exceptionally strong results this year. While many companies' income streams dried up, UMH was able to maintain our rent collections at pre-pandemic rates (approximately 98%) and improve our same property occupancy rate by 320 basis points to 86.8%. Overall community NOI increased 20% and same property NOI increased by 15% for the year. Our sales increased by 13% for the year and generated a profit of \$770,000. Moving forward, our business plan has provided a runway for organic growth for the next few years. We still have 3,700 vacant sites that we will fill with rental homes and homes for sale. This year, we were able to fill 718 sites in our same property portfolio. We also have 1,800 acres of vacant land that can be developed into approximately 7,300 additional home sites.

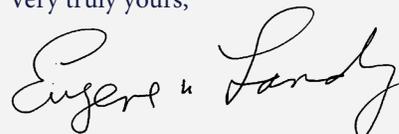
While we are proud of the community operating results, we were also able to make strides in refinancing our capital stack. During the year, we took advantage of historically low interest rates by financing 28 of our unencumbered communities generating proceeds of \$106 million at an interest rate of 2.62%. This capital was used to redeem our \$95 million of 8% Series B Preferred stock. This recapitalization will generate additional FFO of over \$5 million annually. In 2022, we can further reduce our cost of capital by recapitalizing \$250 million of our 6.75% Series C Preferred stock. Assuming refinancing at 4%, we can generate improved FFO of approximately \$7 million, or \$0.16 per share. In 2023, we can recapitalize \$160 million of

our Series D Preferred stock. Assuming refinancing at 4%, we can generate improved FFO of approximately \$3.5 million, or \$0.08 per share. These two items alone can increase our per share earnings by \$0.24, which can improve our share price by almost \$5 at a 20x multiple. We have several avenues available to us to complete these recapitalizations. As our earnings and stock price continue to rise, we may be in a position to replace our preferred equity with common equity or a lower coupon preferred. We are also working with the GSE's and private banks to obtain further acceptance of our rental program which will allow us to tap into the \$350 million of rental home equity that is on our balance sheet. In 2022 and 2023, UMH has a total of approximately \$100 million of existing mortgages coming due. Based on today's in place operating results, we can refinance these properties with \$200 million in new GSE mortgages. As the call date approaches, we will evaluate all of the options and determine what the best approach is to maintain and generate further long-term value for our shareholders.

Affordable housing will be a major issue in our country over the next few years. UMH and the manufactured housing industry are perfectly positioned to fill this need. In an era where ESG is a major factor in where capital is allocated, we believe that UMH deserves strong consideration. The mission statement of UMH is to provide quality affordable housing to all who need it. Affordable housing as a right has been recognized by the United Nations. The federal government, and most states, have also recognized it as a human right.

UMH has the wind at our back. Manufactured housing communities have never been in higher demand. Our portfolio of communities has never been more valuable. The plan we have set forth will generate substantial earnings growth and stock price appreciation. I am proud of the job that our President and CEO, Sam Landy, has done in building a platform and portfolio that is positioned to produce outstanding results for years to come. I am also proud of our team for their hard work and dedication during an unprecedented global health crisis.

Very truly yours,



EUGENE W. LANDY
Chairman of the Board
March 2021