

# Country Oak Estates

1105 Main Street, N.E.  
Donald, Oregon



A Modern, 49 Space, All Doublewide, All Ages  
Manufactured Home Community

April 2010

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# Country Oak Estates

Donald, Oregon

<u>Terms of Sale</u>	<u>45 Spaces</u>	<u>Full - 49 Spaces</u>
Sales Price:	\$ 3,610,000	\$ 3,760,000
Down Payment:	1,760,000	1,910,000
Balance:	\$ 1,850,000	\$ 1,850,000

<b>Price per Full Space</b>	\$ 76,756
<b>Price per Vacant Space</b>	\$ 37,756

**Financing:** Purchaser to secure a new loan on the best available terms. Any and all costs associated with securing the new loan shall be borne by Purchaser. The debt service appearing in the pro forma reflects the following terms offered through Washington Federal:

<u>5-Year Fixed</u>
\$ 1,850,000
360
6.25%
\$ 11,391
\$ 136,692

<u>Investment Summary</u>	<u>Current</u>	<u>When Full</u>
<b>Capitalization Rate</b>	6.6%	7.0%
<b>Net Operating Income</b>	\$ 238,328	\$ 264,128
<b>Before Tax Cash Flow</b>	\$ 101,636	\$ 127,436
<b>Return on Cash Invested</b>	5.8%	6.7%

## Valuation Calculation

<b>Total Value of Full Spaces</b>	\$ 3,454,032	(6.9 CAP rate)
<b>Value of Occupied Space</b>	\$ 76,756	

## Less: Per Space Adjustments

- Placement Fees	4,000	(SDC's \$3,450 and est. permit charges)
- Park Package and Setup	30,000	(Garage)
- Contingency	5,000	
<b>Value of Vacant Space</b>	\$ 37,756	
<b>Total Value Vacant Spaces</b>	\$ 151,025	(4 total spaces)

<b>Total Value of Park</b>	\$ 3,605,057
<b>Rounded Value of Park</b>	\$ 3,610,000

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## Pro Forma of Income and Expenses

<u>Income</u> <sup>(1)</sup>		<u>Rent</u>	<u>Current</u> <u>Income</u>
43 Spaces	@	\$525	\$ 270,900
6 Spaces	@	\$550	39,600 <sup>(2)</sup>
<u>49</u>			<u>\$ 310,500</u>
<b>Total Gross Income</b>			
<b>Vacancy/Credit Allowance</b>			
2 Spaces	@	\$525	12,600
2 Spaces	@	\$550	13,200 <sup>(3)</sup>
<u>4 Total Vacancy</u>			<u>25,800</u>
<b>Total Gross Income</b>			
<b>\$ 284,700</b>			

### **Operating Expenses**

2009/2010 Taxes	16,741	<sup>(4)</sup>
Insurance - Budget	1,500	
Electricity - Street Lights	2,040	<sup>(5)</sup>
Park Management	14,235	<sup>(6)</sup>
Maintenance and Repair	9,350	<sup>(7)</sup>
Office/Admin.	1,505	<sup>(5)</sup>
Accounting and Legal	1,000	
<b>Total Expenses - 16.3%</b>	<b>\$ 46,372</b>	

**Net Operating Income \$ 238,328**

**Debt Service 136,692**

**Projected Cash Flow \$ 101,636**

### **Notes:**

1. The rents will increase \$25.00 effective 4/1/10.
2. There are currently four vacant spaces in the community. Seller will continue to fill vacant spaces with the sales price being adjusted. Space #44 is designated as a community playground.
3. The Seller currently has four park-owned model homes in the park. The Seller will pay space rent on the unsold model home(s) until the home(s) are sold to a qualified tenant.
4. Current taxes based on a Real Market Value of \$1,909,130 and Assessed Market Value of \$1,306,860.
5. Based on actual 2009 expenses through September annualized for twelve months.
6. The current manager is paid \$750 per month and lives off-site. Pro Forma based on 5% of gross income.
7. Actual annualized maintenance expenses for 2009 are \$6,385 and involve maintaining the vacant lots and basic maintenance associated with model homes.

## PROPERTY DESCRIPTION

- GENERAL DESCRIPTION:** Country Oak Estates is a high quality, all ages 49 space manufactured home community featuring double wide homes set at grade level to create the appearance of a site built home. The manufactured homes are improved with either attached garages, detached garages or attached carports.
- LOCATION:** Country Oak Estates is located within the city limits of Donald, Oregon. Donald is a small "bedroom community of Portland with a population of 1,025 residents located approximately 1.2 miles west of Interstate Highway 5 and approximately 12 miles south of Wilsonville, Oregon. See attached vicinity map. Donald has experienced rapid growth in recent years, doubling in population since 1992. The City of Donald recently expanded its Urban Growth Boundary (UGB) by annexing 34 acres which were dedicated for industrial development.
- PROPERTY SIZE:** 10.2 acres
- AGE:** 1992
- ZONING:** R-7: The R-7 zone provides for 7,000 square foot lots. A manufactured home community is an approved use in the R-7 zone. Country Oak Estates is approved as a 49 space community with one additional space designated as a playground.
- DEVELOPMENT HISTORY:** The original development was approved as a multiple phase project of which the first two phases were developed in 1992. The original developer died prior to the fill up of project resulting in the separation of the designated "follow on" phases to a developer who replatted the property and developed a 98 lot sub division on the property. This project, known as Chiara Terrace, was fully developed and filled over the last several years. Homes in Chiara Terrace sell in the range of \$195,000 to \$240,000.

**FAIR HOUSING STATUS:** Country Oak Estates is designated as a family, "all ages" community. However, there are only two families with children living in the community. The current owner is considering converting the community to a designated 55 and older community. The conversion is a simple, straight forward process involving the distribution of a 90-day notice to the residents.

**HOME SIZES:** All homes in Country Oak Estates are double wide or triple wide homes.

**HOME APPEARANCE:** All manufactured homes are set at grade level to create a "site built", residential look. All homes have attached garages, detached garages or wood frame, attached carports. Each space is attractively landscaped.

**SPACE SIZES:** All spaces are large with the typical space measuring 58-70 feet wide by 100 feet deep. Some spaces are configured to provide for the placement of the homes parallel to the street (*see enclosed site plan*).

**FLOOD PLAIN STATUS:** Country Oak Estates is located in flood zone "X" which designates "areas of 500 year flood, areas of 100 year flood with average depths of less than 1 foot or areas with less than 1 square mile and areas protected by levees from 100 year flood." Flood insurance is not required.

**ENVIRONMENTAL HAZARDS:** There are no known environmental hazards on the property. The property was in farm use prior to its annexation into the City of Donald.

**MODEL HOMES:** Park owned model homes are currently located on four spaces: 1, 31, 45 and 49. The seller will pay the regularly scheduled space rent on any model home until the home is sold to a qualified tenant for the park. Two model homes were sold in December.

**VACANT SPACES:** Spaces 16, 22, 40, and 47 are currently vacant. Space 44 is designated as the playground. The owner/seller intends to continue his marketing

program in the community by moving in model homes as existing model homes are sold.

**RENTAL HOMES:**

There are no rental homes in the community. All occupied homes are tenant occupied.

**IMPROVEMENTS:**

◆ *Interior Streets:*

Huckleberry Lane is a 46 foot wide dedicated street that provides access to Country Oaks Estates and Chiara Terrace from Main Street (*see attached vicinity map*). Huckleberry Lane was dedicated to the City of Donald in 1992 at the time Chiara Terrace was approved as a subdivision. The City of Donald is responsible for the maintenance of Huckleberry Lane. All other interior streets in the community are 36 feet wide and are bordered by concrete, mountable curbs and four foot wide concrete sidewalks. The street surfaces are in excellent condition.

◆ *Interior Lighting:*

Subdivision style overhead street lighting is provided throughout the community.

◆ *Perimeter Fencing:*

A six foot high brick wall extends across the south boundary of Country Oak Estates along Main Street. The east and west boundaries of the community are enclosed with a six foot high chain link fence with vinyl slats. The north boundary is enclosed with a six foot wood, good neighbor fence.

◆ *Off-Street Parking:*

Off-street parking is provided on each space for two or more vehicles.

◆ *Space Parking:*

Each space is improved with a concrete driveway and garage or carport. These improvements are tenant owned and maintained.

## **OTHER IMPROVEMENTS:**

- ◆ *Common areas:* Space 44, located at the south west corner of the community is designated as a playground/common area (*see attached site plan*). As previously discussed, the owner is in the process of requesting approval from the City of Donald to allow the placement of a home on this space. This space is not counted in the 49 currently approved spaces.

## **UTILITIES:**

- ◆ *Electricity:* 200 Amp underground electrical service is provided to each space. Tenants pay for this service directly to the utility provider.
- ◆ *Water System:* The water system serving Country Oak Estates is owned and maintained by the City of Donald. Water service is billed directly to each tenant by the City of Donald.
- ◆ *Fire Protection:* Fire hydrants are located throughout the community in accordance with fire code standards.
- ◆ *Sewer System:* The sewer system at Country Oak Estates is constructed of PVC plastic and consists of system of septic tanks which discharge effluent to a system of pump tanks which in turn pump effluent to the City of Donald sewer system. The community is responsible for the pumping and maintenance of the septic tanks, pump systems and sewer lines. The systems are monitored by Ace Septic Company and are serviced as required.
- ◆ *Garbage:* Individual can garbage service is provided to each tenant by North Marion Recycle Company and is paid for by each tenant directly to the service provider.

**2009/2010 TAX INFORMATION:**

ACCOUNT NUMBER	ACRES	LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	TAXES
R98722	10.2	\$584,370	\$1,324,760	\$1,909,130	\$16,741.40

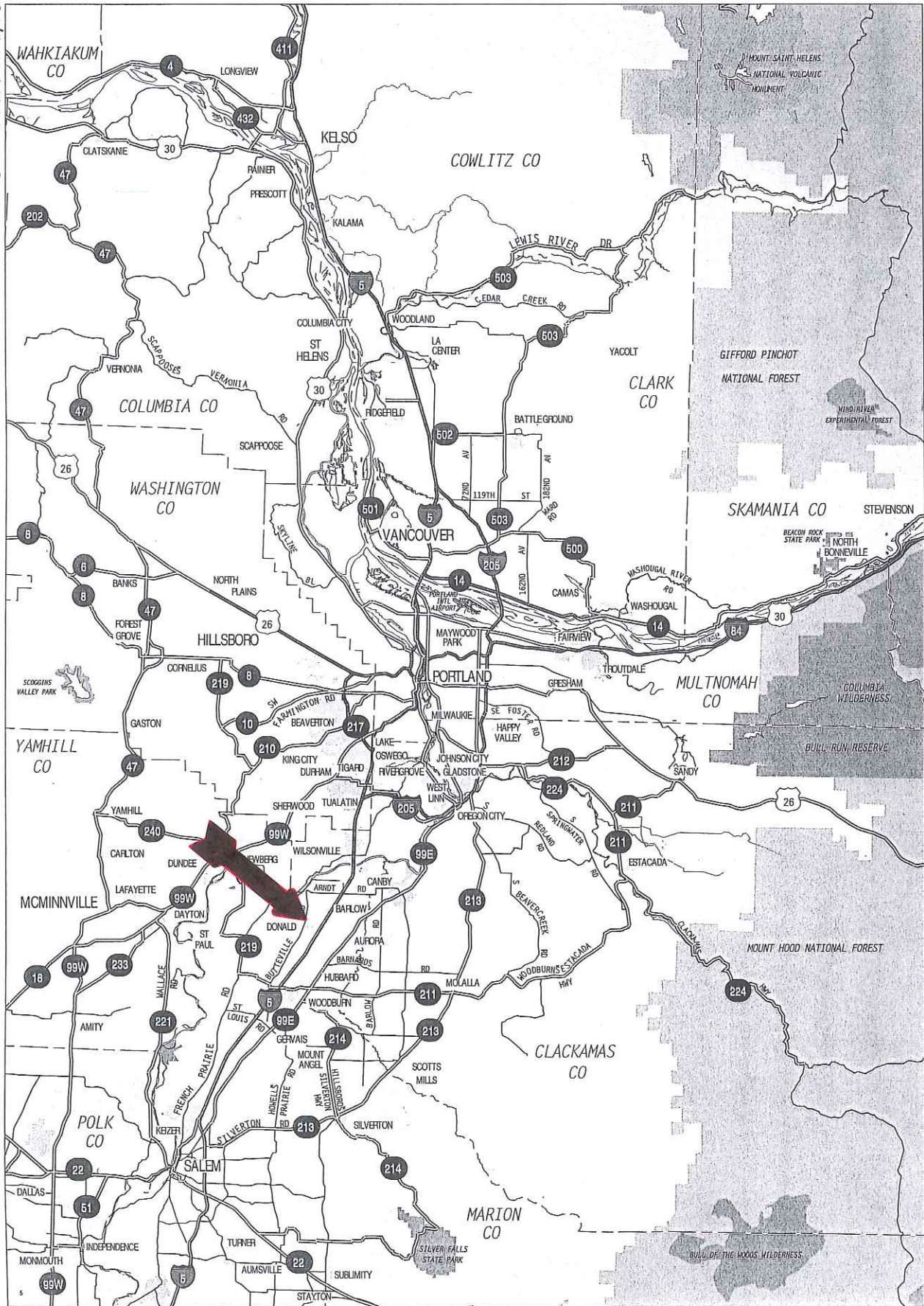
**UNDERLYING FINANCING:** Country Oaks Estates is encumbered by a loan in favor of Capital Pacific Bank. The loan was funded on June 15, 2009 for \$1,165,000 and provides for monthly payments of \$7,514.73 including principal and interest at 6.6%. The balance owing on the loan is due and payable on June 15, 2014. The loan contains a prepayment penalty provision wherein the borrower is obligated to pay a 6% penalty if the loan is paid off during the first year, 4% if paid off during the second year and 3% if paid off during the third year. 20% of the loan balance may be prepaid in any calendar year without penalty. The loan would be paid-off at closing by the Seller.



# VICINITY MAP

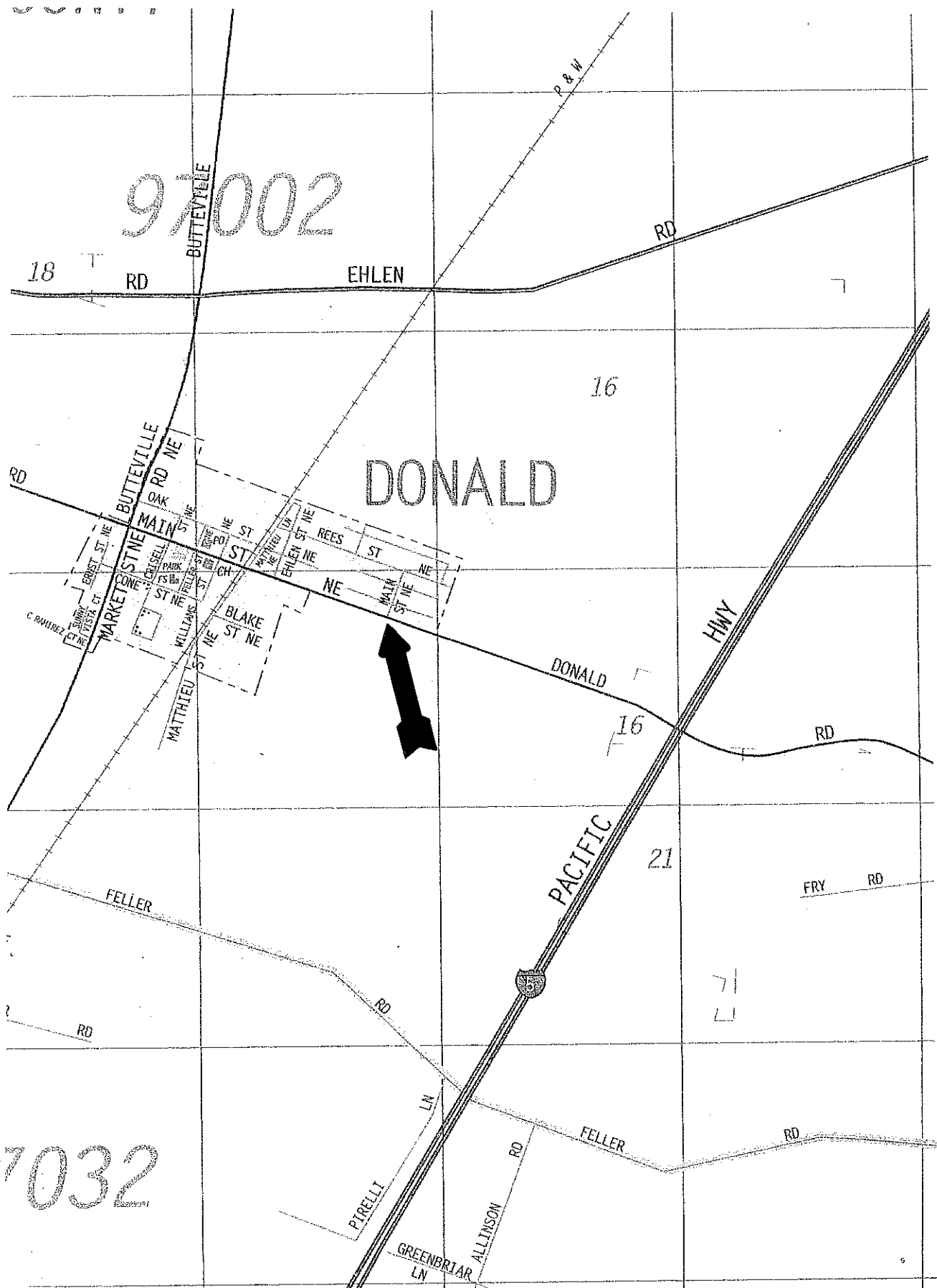


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0 10 20 miles 1 in. = 11 mi.

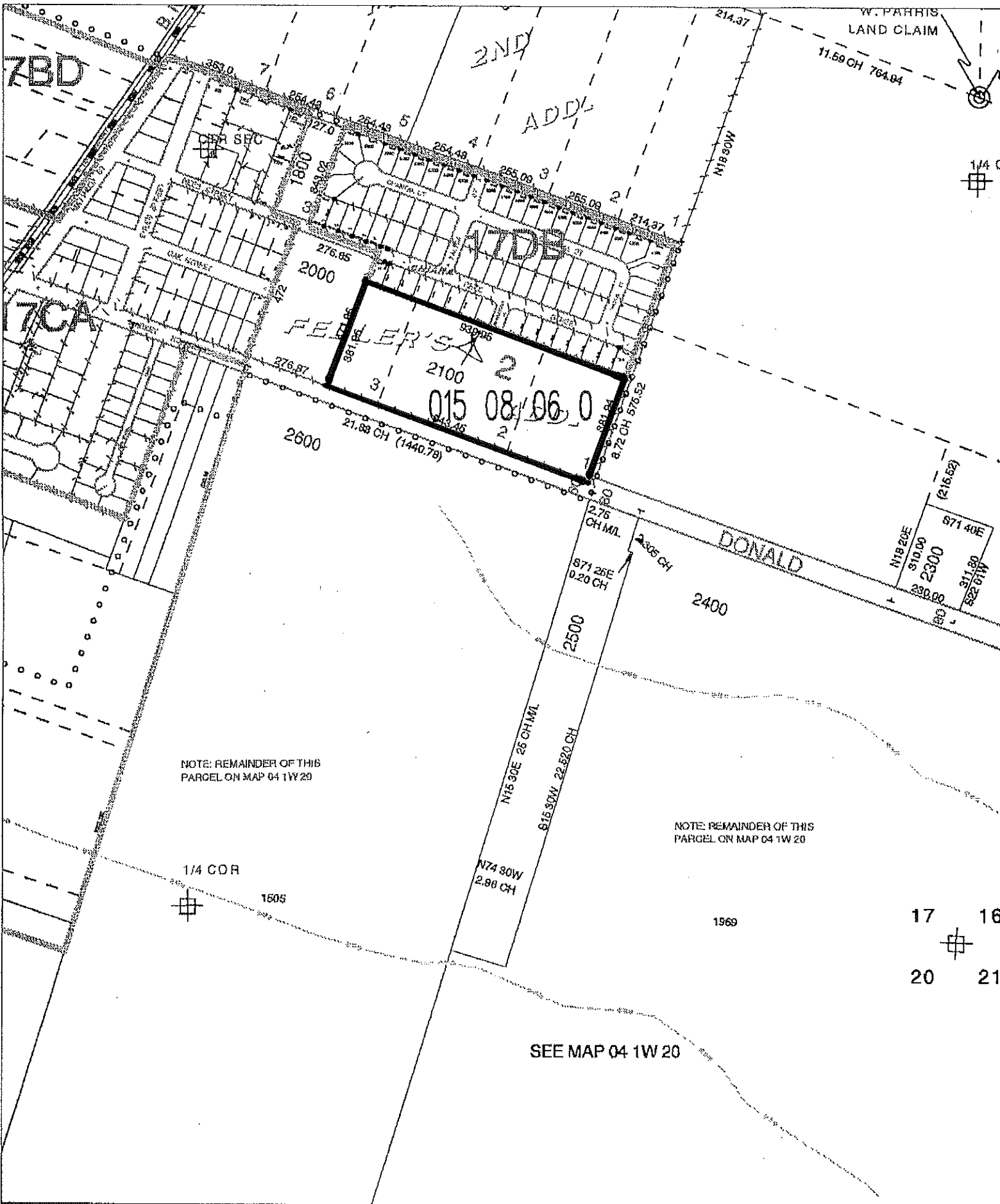
97002



DONALD



7032



W. PARRIS  
LAND CLAIM

11.69 CH 764.04

7BD

2ND  
ADDL

7CA

FELLER'S

2100  
015 08/06/0

DONALD

NOTE: REMAINDER OF THIS  
PARCEL ON MAP 04 1W 20

NOTE: REMAINDER OF THIS  
PARCEL ON MAP 04 1W 20

1/4 COR

1505

1969

17

16

20

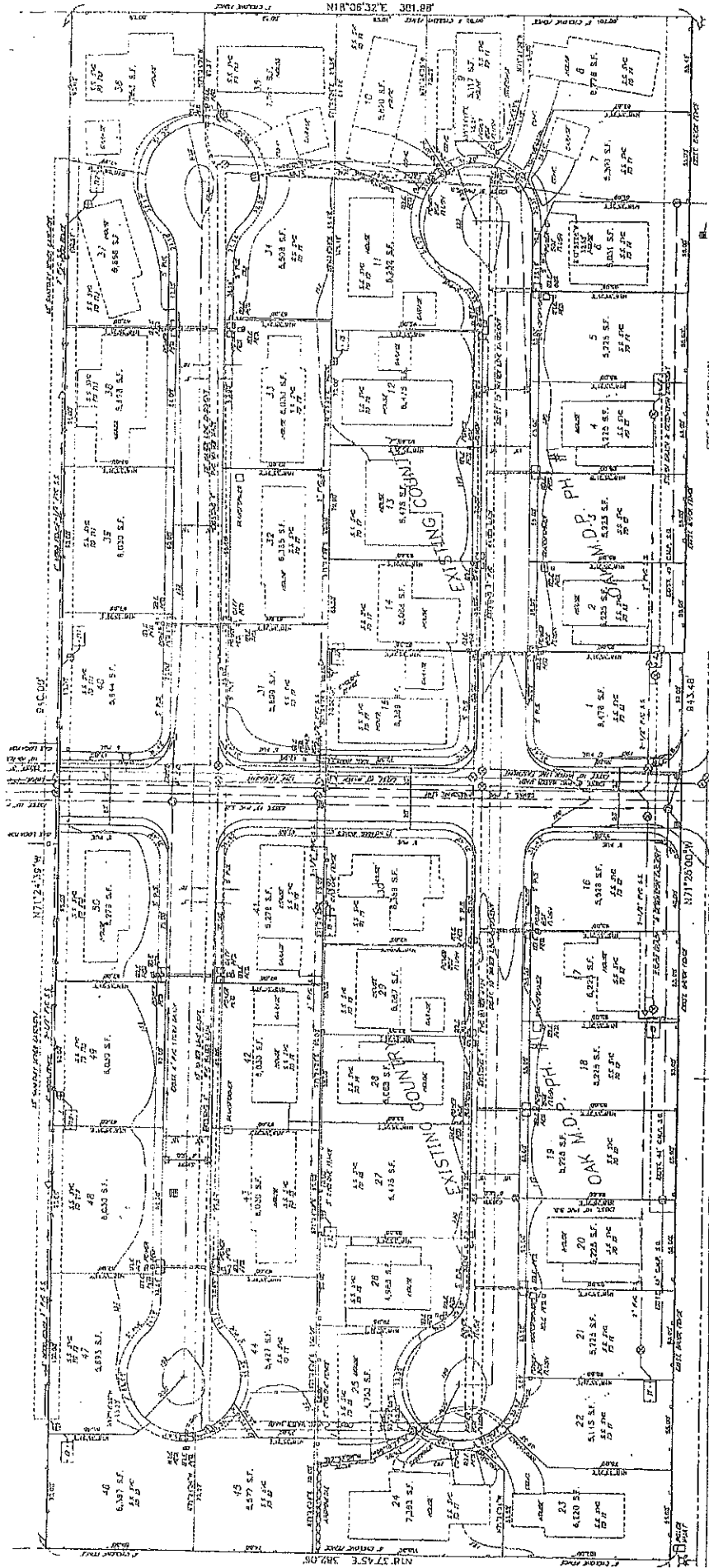
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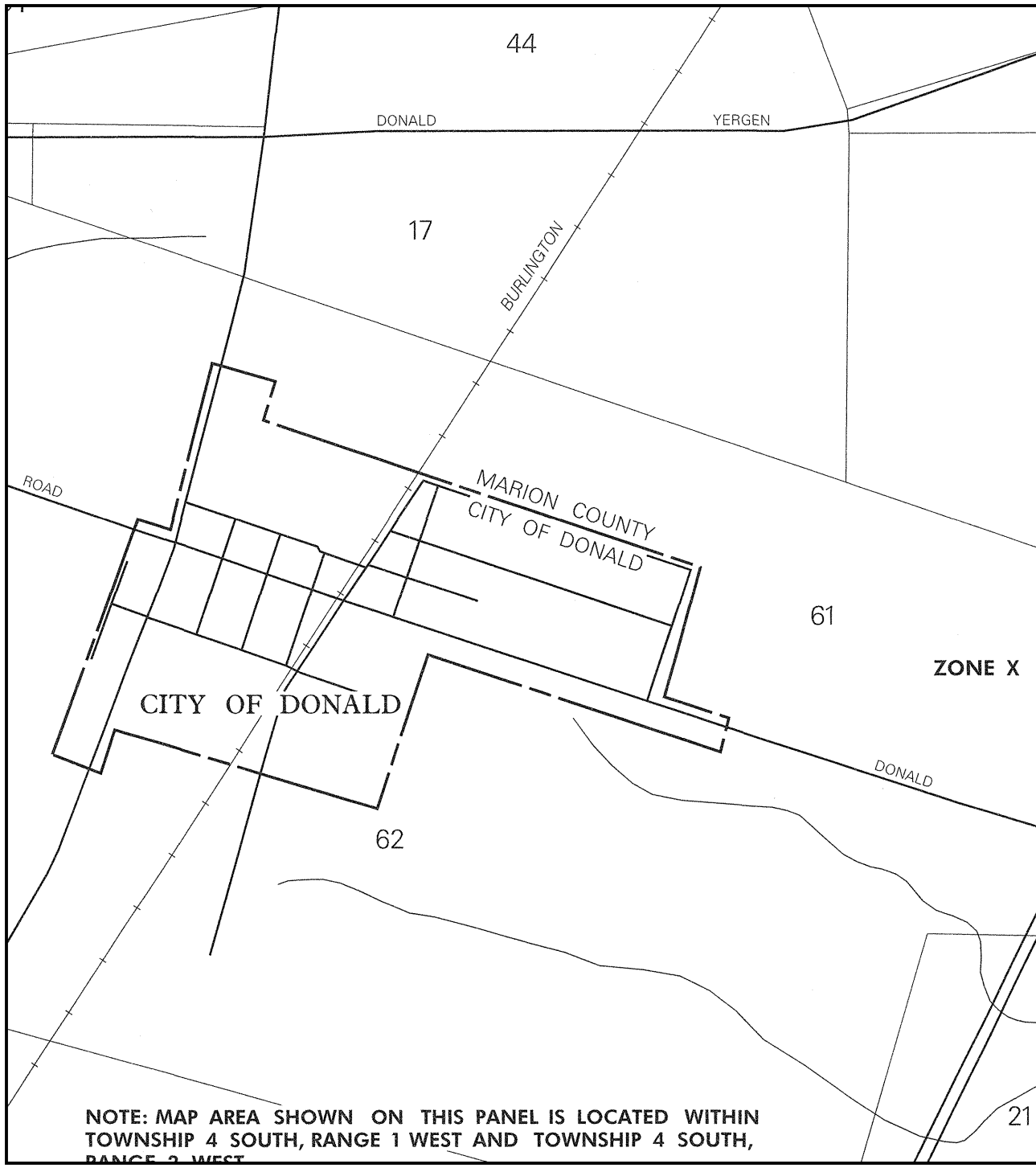
SEE MAP 04 1W 20

# COUNTRY OAK ESTATES

11105 MAIN ST. N.E.

DONALD, OR 97020





APPROXIMATE SCALE IN FEET

1000 0 1000

**NATIONAL FLOOD INSURANCE PROGRAM**

**FIRM**  
**FLOOD INSURANCE RATE MAP**

MARION COUNTY,  
OREGON AND  
INCORPORATED AREAS

**PANEL 130 OF 1150**  
(SEE MAP INDEX FOR PANELS NOT PRINTED)

CONTAINS: COMMUNITY	NUMBER	PANEL	SUFFIX
MARION COUNTY, UNINCORPORATED AREAS	410154	0130	G

**MAP NUMBER**  
**41047C0130 G**

**EFFECTIVE DATE:**  
**JANUARY 19, 2000**



Federal Emergency Management Agency

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This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at [www.msc.fema.gov](http://www.msc.fema.gov)

**NOTE: MAP AREA SHOWN ON THIS PANEL IS LOCATED WITHIN TOWNSHIP 4 SOUTH, RANGE 1 WEST AND TOWNSHIP 4 SOUTH, RANGE 2 WEST**

## Country Oak Estates Rent Survey

<u>Park Name</u>	<u>City</u>	<u>Spaces</u>	<u>Year Built</u>	<u>Amenities</u>	<u>Base Rent</u>	<u>Rent Includes</u>	<u>Last Increase</u>	<u>Amount</u>	<u>Vacant Spaces</u>	<u>Survey Date</u>	<u>Notes</u>
Village on the Locks	Canby	134	1992	F	\$575 - \$595		\$25	Jan-09	-	Dec-09	
Pine Crossing	Canby	74	1994	F	\$515		\$15	Jun-09	-	Dec-09	
Canby Manor	Canby	55	1970's	S,RV	\$500		\$55	Jun-09	2	Dec-09	
Ridgeview Estates	Newberg	78	1989	F	\$486	G	\$10	Apr-09	1	Feb-09	
Oakleaf	Wilsonville	63	1983	F	\$439		\$15	Oct-08	-	Aug-08	
Parr Acres	Woodburn	115	1995	F	\$405 - \$435		\$6	Jan-10	1	Dec-09	Max 3% increases

**Amenities:** S=Senior, F=Family, SP=Swimming Pool, L=Laundry, R=Rec. Center, RV=RV Storage/Parking, T=Tennis Court



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