

Bayview Mobile Home Park
955 Mill Street
Waldport, Oregon

A 64 space "all ages" Mobile Home Park
with frontage on Alsea Bay



January 2011

For further information contact

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Bayview MHP

Walport, OR

Terms of Sale

Price:	\$	2,550,000
Down Payment:		1,150,000
Balance:	\$	<u>1,400,000</u>

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 as quoted by Baker Mortgage:

5-Year Fixed/10 year term

Principal	\$	1,400,000
Amortization Term (mos.)		300
Interest		6.25%
Monthly Payments	\$	9,235
Annual Payments	\$	110,820

<u>Investment Summary</u>	<u>As of 10/1/10</u>
Price per Space	\$ 39,844
Capitalization Rate	7.2%
Net Operating Income	\$ 184,695
Cash Flow	\$ 73,875
Return on Cash Invested	6.4%

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Walport, OR

Pro Forma of Income and Expenses

<u>Income</u> ⁽¹⁾	<u>Rent</u>	<u>Current Income</u>
1 Space @	\$371	\$ 4,452
1 Space @	\$381	4,572
5 Spaces @	\$386	23,160
13 Spaces @	\$391	60,996
7 Spaces @	\$396	33,264
1 Spaces @	\$399	4,788
8 Spaces @	\$406	38,976
2 Spaces @	\$418	10,032
15 Spaces @	\$423	76,140
6 Spaces @	\$428	30,816
2 Spaces @	\$433	10,392
1 Spaces @	\$448	5,376
1 Manager's Home and Space @	\$633	7,596
1 RV Space @	\$291	3,492
64 Space Rental Income		\$ 314,052
Other Income		
RV Storage		5,031 ⁽²⁾
Miscellaneous		<u>488</u> ⁽³⁾
		5,519
Less: Vacancy/Credit Loss	2.0%	<u>6,281</u> ⁽⁴⁾
Gross Effective Income		\$ 313,290
<u>Operating Expenses</u>		
Property Taxes 2010/2011	18,059	
Insurance--Quote ⁽⁵⁾	2,091	
Water ⁽⁶⁾	11,966	
Sewer ⁽⁶⁾	29,770	
Cable ⁽⁶⁾	6,840	
Electricity ⁽⁶⁾	1,584	
Garbage ⁽⁶⁾	15,508	
<u>On-Site Manager Expense</u> ⁽⁶⁾		
Salary	14,222	
Space Rent	7,596	
Utilities	1,620	
Medical Insurance	3,392	
Payroll Expense + W/C	2,259	
Repair/Maintenance - 2.5% ⁽⁷⁾	7,832	
Office Expenses ⁽⁶⁾	3,306	
Legal and Accounting - Budget	750	
Land Lease ⁽⁸⁾	<u>1,800</u>	
Total Operating Expenses		\$ 128,595
Net Operating Income		\$ 184,695
Debt Service		<u>110,820</u>
Before Tax Cash Flow		\$ 73,875

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Pro Forma of Income and Expenses

Notes

1. Rents increased by \$12-\$18 effective 10-1-2010 based upon lot size and location. All rents include a monthly fee for Cable TV of \$10.67 except for the tenant in the RV space.
2. Reflects actual collections for the 12 month period ending 7-31-2010.
3. Actual collections for the 12 month period ending 7-31-2010.
4. There is currently one vacant space.
5. The actual expense for property casualty and liability insurance for 2009 was \$3,401. The owner also purchased tsunami insurance which cost an additional \$3,065. This expense is not included in the pro forma.
6. Actual expense for the 12 months ending 7-31-2010.
7. Maintenance expense is budgeted at 2.5% of gross effective income. The actual expense for the 12 month period ending 7-31-10 was \$3,327.
8. The existing land lease continues at its' current rate until 2070. The Port of Alsea "tidelands" lease has been prepaid for the entire term by the Seller.

PROPERTY DESCRIPTION

- General Description:** Bayview Mobile Home Park is located within the city limits of Waldport, Oregon. Waldport is located on the central Oregon coast approximately 20 miles south of Newport and 70 miles west of Corvallis. See enclosed vicinity map. Waldport is a small coastal community that caters to retirees. The local economy is based upon tourism and fishing.
- Location/Community:** Bayview is located in a residential neighborhood close to highway 34 and highway 101. The property fronts on Alsea bay; a number of the spaces have frontage on the bay. See enclosed site plan.
- Fair Housing Status:** Bayview is designated as a family “all ages” community; 90% of the residents are seniors over 55. There are no children living in the park.
- Age:** Bayview was built in three phases. The first section was built in 1970; the second phase was completed in 1978; the third phase consisting of six spaces and one RV space was completed in 1995.
- Size:** 7.87
- Zoning:** The property is zoned R-1 a residential zone. Bayview is designated as a pre-existing, non-conforming use. City records do not identify the number of approved spaces in the park. There were 58 licensed spaces when the State of Oregon administrated the licensing of mobile home parks. Six additional spaces plus one RV space and the RV storage area were approved by the City of Waldport and developed in 2003.
- Wetland/Flood Plain Status:** There are no wetlands on the property. All developed portions of the property are located outside of the 100 year flood plain
- Improvements:**
- **Interior Streets** Interior streets are 20 feet wide and in excellent condition.
 - **Off-Street Parking** Off-street parking for two vehicles is provided for most spaces on asphalt driveways/parking pads. All asphalt surfaces are in excellent condition.

- **Carport/Storage Sheds** Most tenants own their own carports and storage sheds. According to the manager, some storage sheds are park owned.
- **Interior Lighting** Overhead street lights are located throughout the park.

Utility Systems:

- **Water** Public water is provided by the City of Waldport. Water lines are PVC plastic.
- **Sewer** Public sewer service is provided by the City of Waldport. Sewer lines are constructed of ABS Plastic
- **Electricity** 200 amp underground electrical service is provided to each space. Tenants pay for their own electricity.
- **Cable TV & Telephone** Underground cable TV and telephone service is provided to each tenant. Tenants pay for their services directly to the utility provider. Garbage service rent is included in the base.
- **Garbage** Individual garbage can service is provided to each tenant and is included in the base rent.
- **Fire Protection** Fire hydrants are located in the park.

SW/DW Ratio: There are currently 21 double wide homes, 41 single wide homes, 1 long term monthly renting RV space and one vacant double wide space in the community.

Space Sizes: Space sizes vary throughout the park. A site plan with the dimensions of all spaces is available upon request.

Perimeter Fencing: The north, east and south boundaries of the park front on Alsea Bay. Four spaces front on Mill Street. The west boundary north of the four spaces that front on Mill Street including the RV storage area is enclosed with a six foot high chain link fence with vinyl slats.

Common Areas: There are no common areas.

Manager's Residence: The manager lives in a 1988 double wide manufactured home that is owned by the park. The home is a 24' x 52' Liberty with three bedrooms and two baths. One of the bedrooms is used as the park office.

RV Storage Compound:

A fenced and graveled RV storage area is located along the west boundary of the park.

Tax Value Information (2010/2011):

<u>Account</u>	<u>Acres</u>	<u>Land</u>	<u>Improvements</u>	<u>Total</u>	<u>Assessed Value</u>	<u>Tax</u>
R100925	0.23	\$35,940	\$37,110	\$73,050	\$35,820	\$531.00
R469516	0.16	68,260	-	68,260	60,210	892.56
R467141	0.17	67,640	-	67,640	33,380	494.83
R481372	0.10	14,510	7,430	21,940	13,790	204.43
R500780	3.05	643,320	179,610	822,930	465,360	6,898.50
R10977	0.03	5,440	7,430	12,870	9,320	138.16
R103390	3.90	609,340	215,240	824,580	495,390	7,343.65
R500191	0.23	35,940	37,110	73,050	51,170	758.55
Totals		\$1,480,390	\$483,930	\$1,964,320	\$1,164,440	\$17,261.68

Mobile Home:	<u>Improvements</u>	<u>Total</u>	<u>Assessed Value</u>	<u>Tax</u>
M513992	\$59,910	\$59,910	\$53,800	\$797.51

Land Lease:

The land on which the majority of the community is located is controlled by two separate leases. One of the leases encompasses a small portion of the "developed" community and was designed to settle a boundary dispute between the park and the Port of Alsea, a political subdivision of the State of Oregon, who is the lessor. The lease runs until October 1, 2070 and with a cost of \$1.00 per year that has been prepaid for the life of the lease. The second lease is with the Bland Family Trust and encompasses the majority of the developed park. The lease term runs concurrent with the Port of Alsea lease with the property terms of the lease provide for semiannual payments of \$900 thru the entire term of the lease. Both leases may be assigned without change in the lease term or payment.

Rent Comparable:

The only other community in the area that would be considered a comparable park is Driftwood MHP located north of Waldport. Driftwood is a senior community on a private septic system with rents of \$430 as of 6-1-09. The base rent includes sewer, garbage and cable. The owner is considering an increase of \$15 to \$445 to be effective 6-1-2010.

Bayview MHP - Waldport, Oregon



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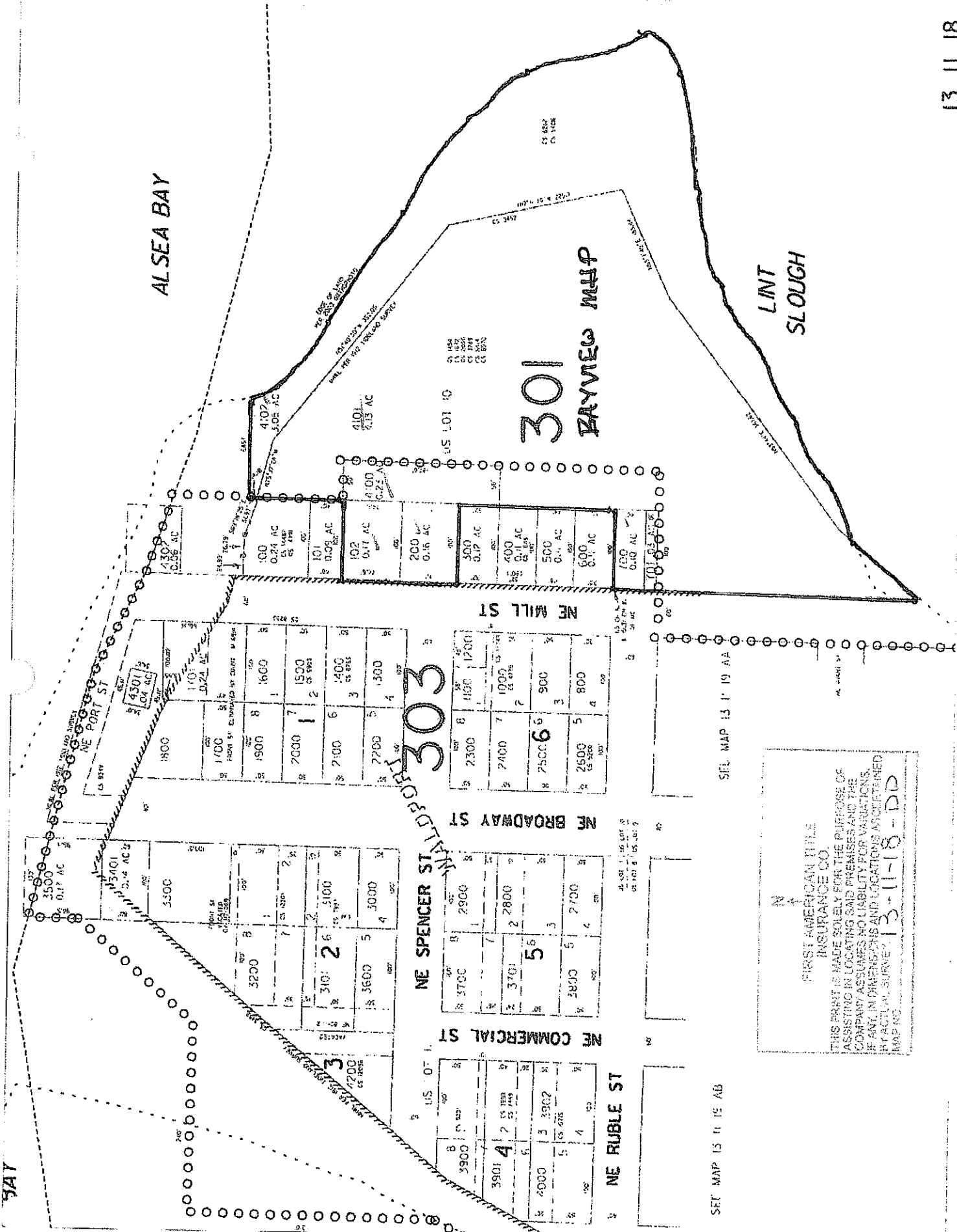


394

ALSEA BAY

301
BAYVIEW MAP

LINT
SLOUGH



302
WALTON PROPERTY

NE RUBLE ST

NE COMMERCIAL ST

NE SPENCER ST

NE BROADWAY ST

NE MILL ST

NE PORT ST

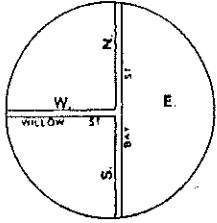
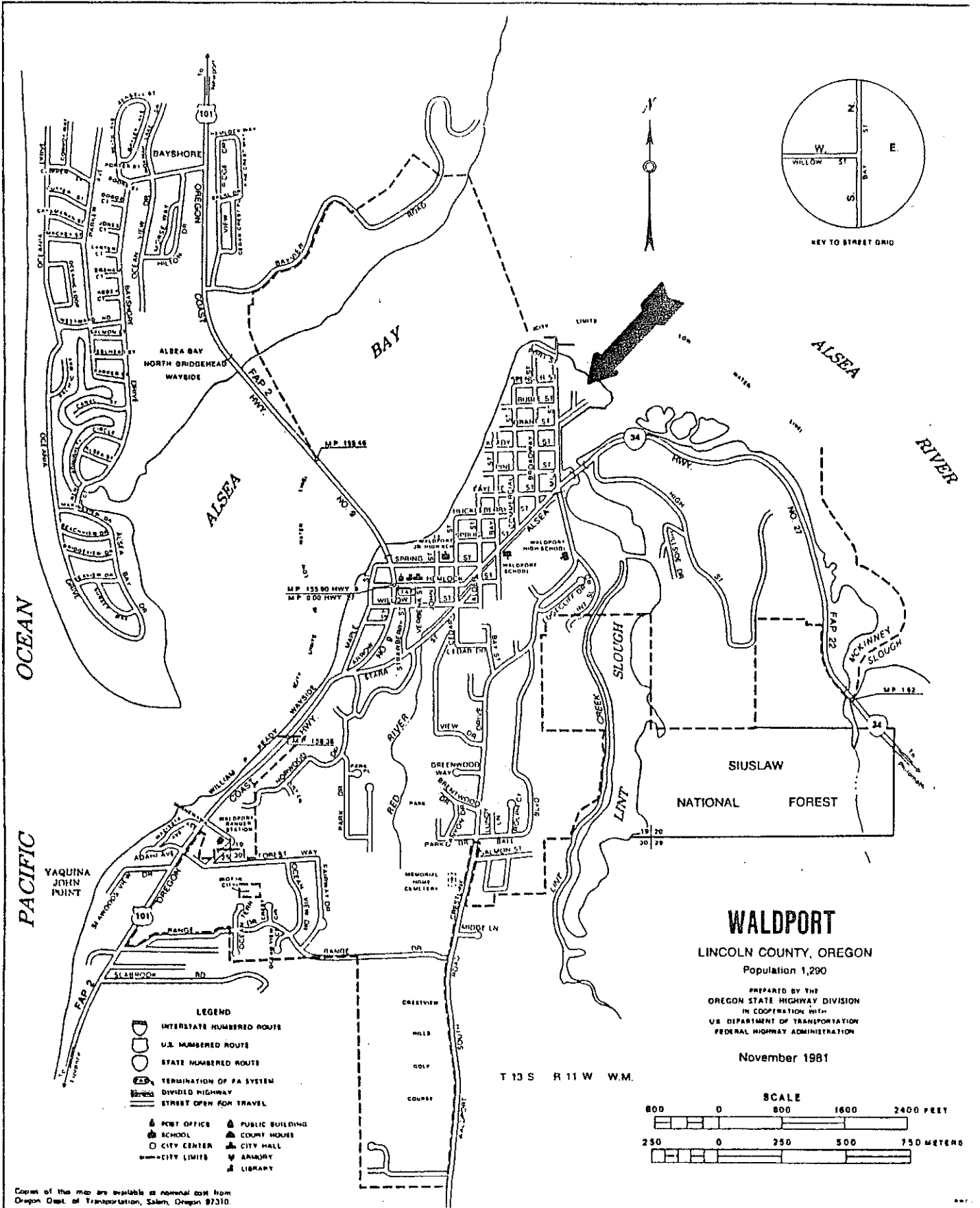
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FIRST AMERICAN TITLE
INSURANCE CO.

THIS PRINT IS MADE SOLELY FOR THE PURPOSE OF ASSISTING IN LOCATING SAID PREMISES AND THE COMPANY ASSUMES NO LIABILITY FOR VARIATIONS IN ANY DIMENSIONS AND LOCATIONS AS DETERMINED BY ACTUAL SURVEY. 13-11-18-DD
MAP NO.



KEY TO STREET GRID

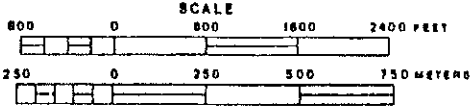
WALDPOR

LINCOLN COUNTY, OREGON
Population 1,290

PREPARED BY THE
OREGON STATE HIGHWAY DIVISION
IN COOPERATION WITH
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

November 1981

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- LEGEND**
- INTERSTATE NUMBERED ROUTES
 - U.S. NUMBERED ROUTES
 - STATE NUMBERED ROUTES
 - TERMINATION OF PA SYSTEM
 - DIVIDED HIGHWAY
 - STREET OPEN FOR TRAVEL
 - POST OFFICE
 - SCHOOL
 - CITY CENTER
 - CITY LIMITS
 - PUBLIC BUILDING
 - COURT HOUSE
 - CITY HALL
 - LIBRARY
 - HILL
 - GOLF
 - COUNTRY

Copies of this map are available at nominal cost from Oregon Dept. of Transportation, Salem, Oregon 97310.

