

Thurston Oaks
7080 Thurston Road
Springfield, Oregon

A 21-Space, "All-Ages"
Manufactured Home Community

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Thurston Oaks Mobile Home Park Springfield, Oregon

Terms of Sale

Price:	\$950,000
Down Payment:	<u>390,000</u>
Financing:	\$560,000

Financing: Purchaser to assume the existing loan currently in place. The debt service in the pro forma reflects a loan with an interest rate of 6.0%, fixed for three (3) years and adjusted for remainder of the loan annually based on 2.25% over the 6-month LIBOR rate. The loan is amortized over thirty (30) years.

Investment Summary

Price per Space	\$	45,238
Capitalization Rate		7.0%
Net Operating Income	\$	66,540
Cash Flow	\$	26,250
Return on Cash Invested		6.7%

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Pro Forma of Income and Expenses

Income ⁽¹⁾	Rent	Current Income
1 Space (Permanent RV)	@ \$300	\$ 3,600
20 Spaces	@ \$345	82,800
21	Total:	<u>\$ 86,400</u>
Laundry income \$60 per mo.		720
	Total:	<u>\$ 87,120</u>
Less Vacancy Credit @ 1% (2)		(871)
Gross Effective Income		<u>\$ 86,249</u>
 Expenses:		
2008/2009 Property Taxes with discount		2,567
Insurance		1,400
Electricity		960
Garbage		3,192
Maintenance - Budget (Septic & Water Systems)		3,500
General Repairs - Budget (4%)		3,450
On-site Management - Free rent		4,140
Misc. Expense - Budget		500
Total Operating Expenses - 23%		<u>\$ 19,709</u>
Net Operating Income		\$ 66,540
Debt Service		<u>40,290</u>
Cash Flow		\$ 26,250

Notes:

- (1) Pro Forma reflects the rent increase of \$10 effective February 1, 2009
- (2) Thurston Oaks is and has historically been full.
- (3) Unless otherwise noted, expenses based on information provided by Seller.

PROPERTY DESCRIPTION

General Description:	Thurston Oaks is an attractive, well-maintained all-ages manufactured home community located in unincorporated Lane County, adjacent to the city limits of Springfield. (See enclosed vicinity map) The neighborhood surrounding the community is characterized by a number of new as well as established single-family neighborhoods. Schools as well as numerous shopping facilities and businesses are located a short distance from the park.
Parcel Size:	3.7 acres
Age:	1968
Fair Housing Status:	Thurston Oaks is designated as a family, all-ages community; however, there are only a few families with children living in the park. The majority of the tenants are retired adults without children.
Zoning:	EFU-30. The EFU zone is an exclusive, farm-use zone. The property is an approved, pre-existing non-conforming use that pre-dates the current zone.
Flood Plain Status:	Numbered "A" zone. This zone indicates that the property is located within the 100-year flood plain with an average mean elevation established at 515.8 feet. An elevation survey has been completed on the property establishing the elevation on each space. According to the Lane County Planning Department, there is no requirement for any home currently located in the park to be raised from its current elevation to comply with flood plain requirements and that any new home moving into the park must only be set at an elevation three feet above grade level, which is the normal set for manufactured homes.

IMPROVEMENTS

* Interior Streets:	Interior streets are 30 feet wide. There are no curbs or sidewalks. Street surfaces are in good condition.
* Off-street parking:	Each space is improved with an asphalt driveway and concrete parking pad. An overflow parking area is

located adjacent to the utility building and is large enough to accommodate five (5) vehicles.

- * Carports/Storage Units: 20 of the 21 spaces are improved with a wood-frame carport with an attached storage unit. The covered carport area measures 10 feet by 32 feet; the storage shed measures 10 feet by 10 feet. Carport roofs are made of steel and are sloped to provide positive drainage away from the home. One space, occupied by a long-term renting RV tenant, does not have a carport. The carports are in good condition.
- * Interior Lighting: Overhead streetlights are located at various points in the park.
- * Perimeter Fencing: The south boundary of the property fronting Thurston Road is unfenced; the remaining perimeter is either unfenced or enclosed with farm style wire fencing.
- * Utility Building: A wood-frame building located in the center of the park houses the community laundry facility and men's and women's restrooms. The building measures 12 feet wide by 32 feet long and is in good condition. Laundry equipment is park-owned.

UTILITIES

- * Water System: Thurston Oaks is served by a private well. The well is cased and drilled to 114 feet. The well yields 30-gallons per minute flow – more than adequate to meet the park's needs. The water distribution system is constructed of PVC plastic. The supply system contains a 1,750-gallon reservoir, two pressure tanks and a looped distribution system. The water is continuously chlorinated. The water system is in compliance with all state and federal testing requirements.
- * Sewer System: Thurston Oaks is served by a private septic disposal system. The collection system is constructed of concrete pipe. The septic system consists of five zones with service connections as outlined below:

Zone 1 – Serves six spaces numbered 12-17 and contains a 1,300-gallon concrete tank with 300 lineal feet of drain field.

Zone 2 – Serves six spaces numbered 6-11 and contains a 1,300-gallon concrete tank with 300 lineal feet of drain field.

Zone 3 – Serves six spaces numbered 1-3 and 18-20 and contains a 1,300-gallon concrete tank with 200 lineal feet of drain field.

Zone 4 – Serves spaces 4 and 5 with a 750-gallon concrete tank and 150 lineal feet of drain field.

Zone 5 – Serves the laundry room and space 21 with a 750-gallon concrete tank and 200 lineal feet of drain field.

The tanks are pumped annually in February. The owner has not encountered septic system problems during his period of ownership. According to Mr. Bill Martin, a registered sanitarian with Lane County, the soils in the area are extremely well drained; he is not aware of any septic problems at Thurston Oaks.

* Availability of
Public Services:

Both public water and sewer are located in Thurston Road. These services are under the jurisdiction of the City of Springfield. The city has no requirement that the park connects to city services and would not initiate any proceedings to require connection. If Thurston Oaks elected to annex into the city, city services would then be available to the property.

* Telephone/Cable TV:

Underground telephone and cable TV are available to each space. Each homeowner pays for these services directly to the utility providers.

* Electricity:

100- or 200-amp underground electrical service is provided to each space. Each homeowner pays the utility provider directly for electrical service.

* Fire Protection:

There are no fire hydrants located within the park. The park is located in a developed residential neighborhood. Fire hydrants serving these neighborhoods would also be available to service Thurston Oaks.

* Garbage: Garbage service is provided by the park and is included in the base rent. A two-yard dumpster is located in the center of the park adjacent to the utility building.

Singlewide/Doublewide Ratio: At the present time, two of the 21 spaces are occupied by doublewide homes. One space is occupied by an RV renting on a monthly basis and is approved by Lane County as a permanent RV space.

Space Sizes: Lot sizes vary throughout the park. The typical singlewide space measures 40 feet wide by 85 feet deep. Ten of the 21 spaces are large enough to accommodate doublewide homes.

Home Appearance: Most of the homes are metal sided and improved with manufactured skirting, porches and awnings. The homes are well maintained and attractively landscaped.

Tax Information:

	Account Number	2008/2009 Values		Total Value	2008/2009 Taxes
		Land	Improvements		
Park:	0141893	\$218,098	\$701,930	\$920,028	\$2,646.53

Underlying Financing: The property is encumbered by a loan in favor of Union Bank. The loan has a balance of approximately \$560,000 and is payable at 6.0% interest fixed for 3-years and is amortized over 30-years with payments of \$3,357.48 per month. The loan is required to be assumed by the Purchaser.



Thurston Oaks – Springfield, Oregon

