

Offered at \$1,532,000

Vita-Lea Mobile Lodge

44221 McKenzie River Highway
Leaburg, Oregon

Prepared for:
Prospective Purchasers

Prepared by:
Randy Smith
Principal Broker



Western Equities
Investment Real Estate Services
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Vida-Lea Mobile Lodge

44221 McKenzie River Highway
Leaburg, Oregon 97489

Executive Summary

One of the nicest manufactured home parks in Oregon!

Please don't disturb tenants or managers!

- Asking Price: **\$ 1,532,000** Price includes a 2000 sq. ft. single family residence, currently a rental. There are no park-owned manufactured homes or rentals in the park.
- Financing: The existing loan on the park with Union Bank of California is assumable. The current balance is \$690,000, with 6.25% interest rate, which is fixed until Feb 1, 2018, amortized over 27 more years. The loan becomes a 3 month adjustable rate after that date. Please note that there is no balloon on this loan; it is fully amortizing, until 2038! The seller is willing to carry back a note and second deed of trust on the property for a qualified buyer in the amount of \$592,000 with 7.5% interest. Please contact the listing agent for further details.
- Income/Expenses:
- | | |
|--|-------------------|
| Estimated 2010 effective (actual annualized) income is | \$ 152,820 |
| <u>Estimated 2010 (annualized) expenses are</u> | <u>\$ 37,928</u> |
| Net Operating Income | \$ 114,892 |
- Cap Rate: Current actual of 7.50%. Gross Rent Multiplier (GRM) is 10.02. Current rents on single wide home pad are \$300 per month, effective January 1, 2010 (all rents). RV pad rent vary from \$325 to \$350 per month. Double wide pads vary from \$380 to \$430 per month. The stick-built home is rented for \$1000 + utilities. There is a storage area rented for \$50/mo.
- Property Description: Located on nearly 11 wooded acres, the park consists of 20 mobile home pads; 8 double wide and 12 single wide, all of which are currently occupied. There are 13 long term RV pads, all of which are currently

occupied. In addition, there are several “overnight” spaces available with no utility hookups. The income from these spaces is not included in the income & expense report in this package. In addition, there is a beautiful 3 bedroom, 2 bath house, currently rented @ \$1000/mo plus utilities on site. The home has a fireplace, huge living room, dining room, remodeled kitchen, laundry, and central air conditioning/heat pump. There is a large shop building as well as a park laundry (2 washers & 2 dryers), and a shower & restroom facility. Four of the six boat/RV storage sites are currently rented. It’s a well maintained park that should increase in value over time.

Vida-Lea Mobile Lodge is a well maintained manufactured home community, with private well water, septic systems, cable TV, and electricity on site. The well is managed & tested by an expert third party company. It has been awarded the Oregon Dept of Health Services (DHS) coveted “Outstanding Performer” designation for water system quality. Please refer to the Pipeline news letter from the agency which is included in our package. The septic tanks have just been pumped and are scheduled every 3 years. There has never been a problem with either system to the best of the seller’s knowledge. All homes in the park have skirting.

This is one of the nicer manufactured home parks in the Springfield area! The current owners have invested lots of time and money to increase the park’s “curb appeal”. There are a large number of mature trees on the grounds. The park is mostly paved and is in excellent condition. It is conveniently located on the scenic McKenzie River Highway, which runs between Springfield/Eugene and Bend, Oregon along the beautiful McKenzie River.

Leaburg was founded in 1877, is an unincorporated community in Lane County, approximately 18 miles east of Springfield, Oregon. The Old McKenzie Fish Hatchery nearby is on the National Register of Historic Places, and is currently a county park. Another attraction is the Leaburg canal which flows into the Leaburg Reservoir.

You can see photos of the park at:

http://www.westernequities.com/downloads/Vida-Lea_MHP_Pictures/index.html

Feel free to call the listing broker, Randy Smith for further details, or to answer questions you may have. He can be reached at: (503) 242-0033, or on his cell phone: (503) 320-3030 or via email: randysmith@westernequities.com.

Annual Property Operating Data

Vida-Lea Mobile Lodge

Purpose	Listing proposal	Price	\$1,532,000
Name	Vida-Lea Mobile Lodge	-Loans	1,282,000
Location	44221 McKenzie Hwy, Leaburg, O	Down Payment	250,000
Property Type	Mobile Home Park	+Acq Costs	7,000
Date	20 January 2011	+Loan Points	6,900
Units	33	Investment	263,900

	\$/Unit	% of GI	Annual \$
Gross Income	\$4,631	100.0%	\$152,820
- Vacancy & Credit Loss	0	0.0%	0
Effective Income	\$4,631	100.0%	\$152,820
Less: Operating Expenses			
Taxes	152	3.3%	5,028
Insurance	68	1.5%	2,256
Utilities/cable	553	11.9%	18,240
Phone	8	0.2%	264
Water Testing	15	0.3%	504
Garbage	19	0.4%	636
Maintenance	45	1.0%	1,500
Supplies/Tools	24	0.5%	800
Reserve/septic/water testing	60	1.3%	1,980
On Site Mgr & Cleaning	204	4.4%	6,720
Total Operating Expenses	\$1,149	24.8%	\$37,928
Net Operating Income	\$3,482	75.2%	\$114,892
Less: Debt Service	3,050	65.9%	100,654
Cash Flow Before Taxes	\$431	9.3%	\$14,238

Capitalization Rate	7.50%
Gross Income Multiplier	10.02
Debt Coverage Ratio	1.141
Cash on Cash	5.40%
Price/Unit	\$46,424

The data and calculations presented herein, while not guaranteed, have been obtained from sources we believe to be reliable, primarily from the seller. Potential purchasers must verify all information regarding this property independently, and are urged to obtain the advice of qualified accounting, legal, and 1031 tax-deferred exchange professionals.

Analysis Assumptions Report

Vida-Lea Mobile Lodge

Investment Assumptions

Price of Property	\$1,532,000.00
Closing Costs	\$7,000.00
Date of Acquisition	1 January 2011
Holding Period	5 Years
Inflation Rate	3% per Year
Sale Price Method	7.5% Capitalization of NOI on Sale Date
Selling Costs	4.5%

Investor's Assumptions

Present Value Discount Rate	8% per Year
Tax Rate - First Year	28%
Tax Rate - Following Years	28%
Capital Gain Rate	20%
Cost Recovery Recapture Rate	25% - Losses Carried Forward

Depreciation - Estimated Depreciation Assumptions

Depreciable Amount	\$800,000.00
Depreciable Life	15 Years
Depreciation Method	150% Declining Balance
Recapture Method	Excess Over Straight Line
Depreciation Start Date	at Acquisition

Assume conventional 1st mtg Loan Assumptions

Loan Amount	\$690,000.00
Loan Interest Rate	6.25% Annually
Original Loan Period	30 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Prepayment Penalty	6 Mos Interest on Declining Balance
Balloon Payment Due	60 Months
Loan Points Charged	1 Point, Amortized over Loan Life

Owner carry 2nd Loan Assumptions

Loan Amount	\$592,000.00
Loan Interest Rate	7.5% Annually
Original Loan Period	30 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Prepayment Penalty	6 Mos Interest on Declining Balance
Balloon Payment Due	60 Months

Analysis Assumptions Report

Vida-Lea Mobile Lodge

4 Doublewides @ \$410/mo Revenue Assumptions

Annual Revenue (4 Units @ \$410.00/Unit/Month)	\$19,680.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

1 Doublewide @ \$ 430 Revenue Assumptions

Annual Revenue (1 Units @ \$430.00/Unit/Month)	\$5,160.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

3 Doublewides @\$380 Revenue Assumptions

Annual Revenue (3 Units @ \$380.00/Unit/Month)	\$13,680.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

11 Singlewides @ \$300 Revenue Assumptions

Annual Revenue (11 Units @ \$300.00/Unit/Month)	\$39,600.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

10 Long term RV @ \$350/mo Revenue Assumptions

Annual Revenue (10 Units @ \$350.00/Unit/Month)	\$42,000.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

1 Long term RV @ \$375 Revenue Assumptions

Annual Revenue (1 Units @ \$375.00/Unit/Month)	\$4,500.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

3 Long term RV @ \$325 Revenue Assumptions

Annual Revenue (3 Units @ \$325.00/Unit/Month)	\$11,700.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

Analysis Assumptions Report

Vida-Lea Mobile Lodge

Laundry Income (ave) Revenue Assumptions

Annual Revenue (1 Units @ \$200.00/Unit/Month)	\$2,400.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

Vehicle storage Revenue Assumptions

Annual Revenue (1 Units @ \$175.00/Unit/Month)	\$2,100.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

Home Rental Revenue Assumptions

Annual Revenue (1 Units @ \$1,000.00/Unit/Month)	\$12,000.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at the Inflation Rate

Taxes Expense Assumptions

Annual Expense	\$5,028.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Insurance Expense Assumptions

Annual Expense	\$2,256.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Utilities/cable Expense Assumptions

Annual Expense	\$18,240.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Phone Expense Assumptions

Annual Expense	\$264.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Analysis Assumptions Report

Vida-Lea Mobile Lodge

Water Testing Expense Assumptions

Annual Expense	\$504.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Garbage Expense Assumptions

Annual Expense	\$636.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Maintenance Expense Assumptions

Annual Expense	\$1,500.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Supplies/Tools Expense Assumptions

Annual Expense	\$800.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

Reserve/septic/water testing Expense Assumptions

Annual Expense	\$1,980.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate

On Site Mgr & Cleaning Expense Assumptions

Manager gets lot rent only for compensation. Donna cleans laundry room and showers for \$50 a month, \$600 total.

Annual Expense	\$6,720.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at the Inflation Rate



Presented by: Randy Smith
 Western Equities
Phone: 503-242-0033 **E-mail:** randysmith@westernequities.com
MULTIFAMILY **Status:** ACT **1/27/2011** **12:16:58 PM**
ML#: 10080706 **Area:** 249 **List Price:** \$1,532,000
Address: 44221 Mckenzie Hwy
City: Unknown **Zip Code:** 97489 -9612
Map Coord: 1/A/11 **Zoning:** RR5 **List Type:** ER LR: N
County: Lane **TaxID:** 545812
Elem: WALTERVILLE **Middle:** OTHER
High: THURSTON
Legal: Sec 6 T17S, R2E Willamette Meridian
Nbhood: Leaburg
Internet/Address/No Blog/No AVM: Y/ Y/ N **Offer/Nego:** CALL-LA

GENERAL AND BUILDING INFORMATION

Seller Disc: EXEMPT **Lot Size:** 10-19.99AC **Waterfront:**
Lot Desc: TREES, HILLY, LEVEL **View:** TREES, MNTAIN **Body Water:**
Year Built: 1970 / EXISTNG **#Stories:** 1 **#Units:** 34
Parking: / OPEN, RV-PARK **Roof:** SHINGLE **Approx Bldg SQFT:** 2000
Bsmt/Fnd: **Exterior:** **Security/Entry:**
Common Amenities: LAUNDRY **Storage:**

DESCRIPTION OF UNITS

# Units	# Bedrms	Baths	Mo. Rent	SQFT/Unit	Features
Occupancy Types:	MO-T-MO, LEASED			Utilities Included:	GARBAGE, WATER

REMARKS

XSt/Dir: 18 miles E. of Springfield between Leaburg and Vida on Mckenzie Hwy
Private: Pride of Ownership Senior (over 55) Mobile Home/RV Park, 100% occupied. No park owned mobiles. 8 DWide, 12 SW, 13 permanent RV, plus a rental home, laundry & shower building, plus large shop building. Seller is retiring & will carry paper!
Public: Pride of Ownership Senior (over 55) Mobile Home/RV Park, 100% occupied. Owner carry financing to qualified buyer! No park owned mobiles. 8 DWide, 12 SW, 13 permanent RV, plus a 2000 sq.ft. 3br, 2ba, rental home, laundry & shower building, plus large shop building. This is a beautiful, well maintained park on nearly 11 acres close to the Mckenzie River.

UTILITIES

Heat: HT-PUMP **Water:** WELL **Cool:** HT-PUMP
Fuel: ELECT **Sewer:** SEPTIC **H/Wtr:**

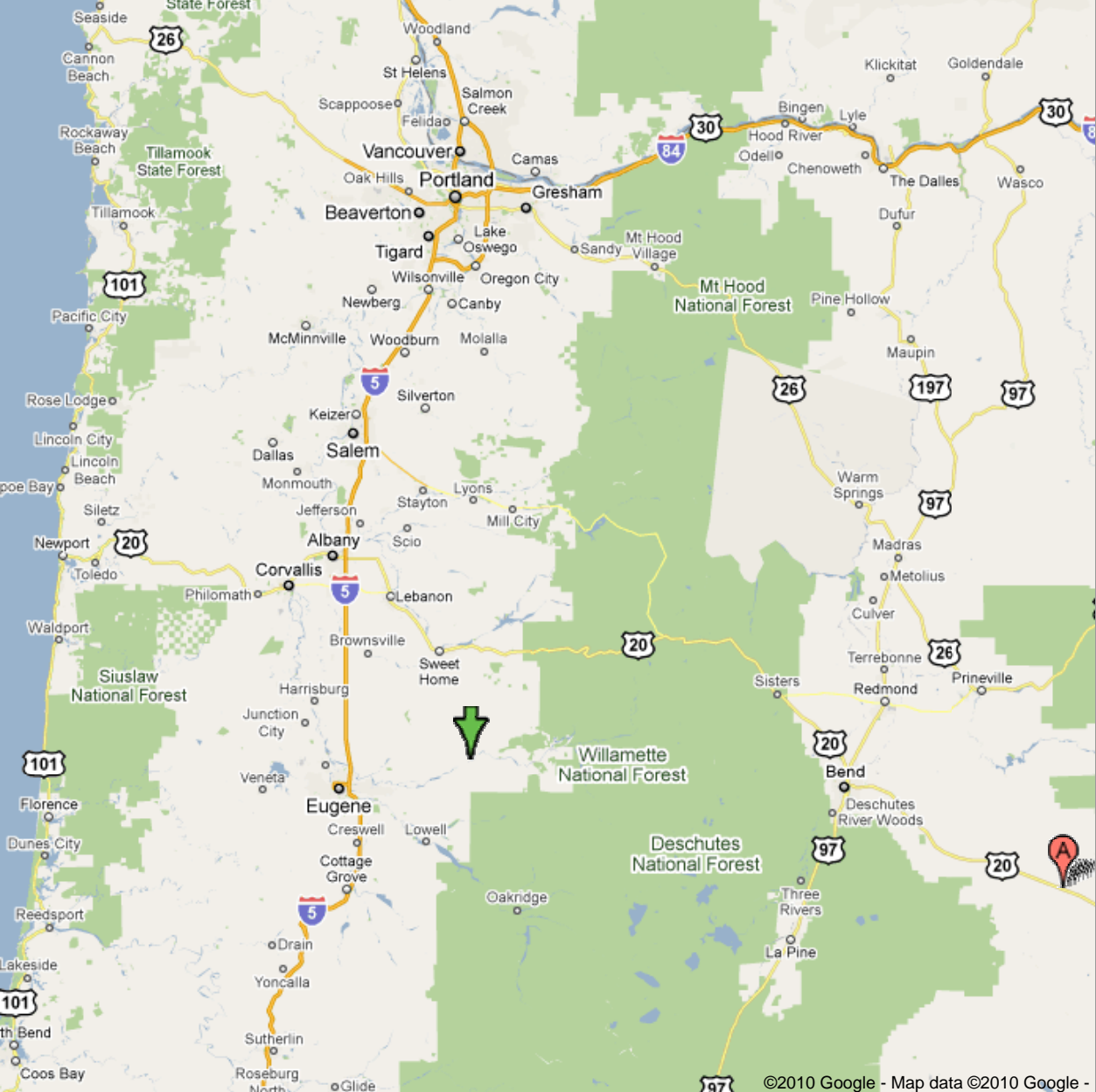
INCOME / EXPENSES & FINANCIAL INFORMATION

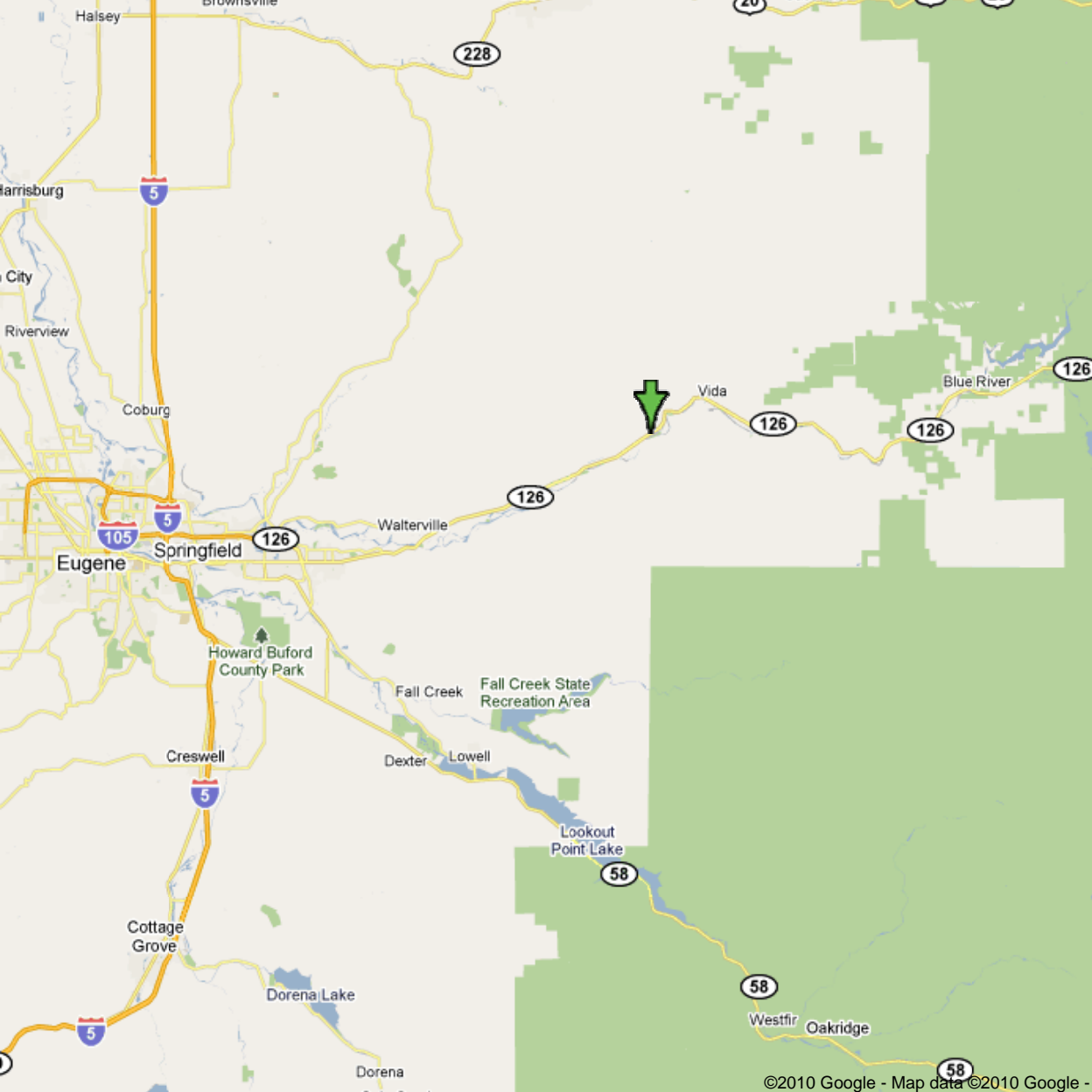
Actual Gross Income: \$152,820 **Actual Net Income:** \$114,892 **Actual Oper. Expenses:** \$37,927
Proj. Gross Income: **Proj. Net Income:** **Proj. Oper. Expenses:**
Cap Rate: 7.01 **Gross Rent Multiplier:** 10.02 **Investor Info:** APOD, P&L, TAX-RET, UTL-REC
Property Tax/Yr: \$5,028.00 **Spcl Asmt Balance:** **Tax Deferral:** N **BAC:** % 2
Terms: OWC2ND, ASSMP, CALL-LA, CASH **Short Sale:** N **3rd PartyTrans:** N **Total Comm Differs:** N
Escrow Pref: Ticor Comm'l Portlan **Short Sale Offer:** **Bank Owned:** N

BROKER / AGENT DATA

BRCD: CAPI01 **Office:** Western Equities **Phone:** 503-242-0033 **Fax:** 503-242-1074
LPID: SMITHRN **Agent:** Randy Smith **Phone:** 503-320-3030 **Cell/Pgr:**
Agent E-mail: randysmith@westernequities.com **Agent Ext:**
CoLPID: **CoBRCD:** **CoAgent:** **CoPh:**
List: 10/6/2010 **Exp:** 4/7/2011 **Show:** DND-TEN, CALL-LA **Poss:** SUBJTEN
LBHrs/Loc/Cmb: None **Owner:** On File In Listing Office **Phone:**
Tran: 1/27/2011 **Manager:** **Phone:**

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 SQUARE FOOTAGE IS APPROXIMATE & MAY INCLUDE BOTH FINISHED & UNFINISHED AREAS - CONSULT BROKER FOR INFO.
 SCHOOL AVAILABILITY SUBJECT TO CHANGE.





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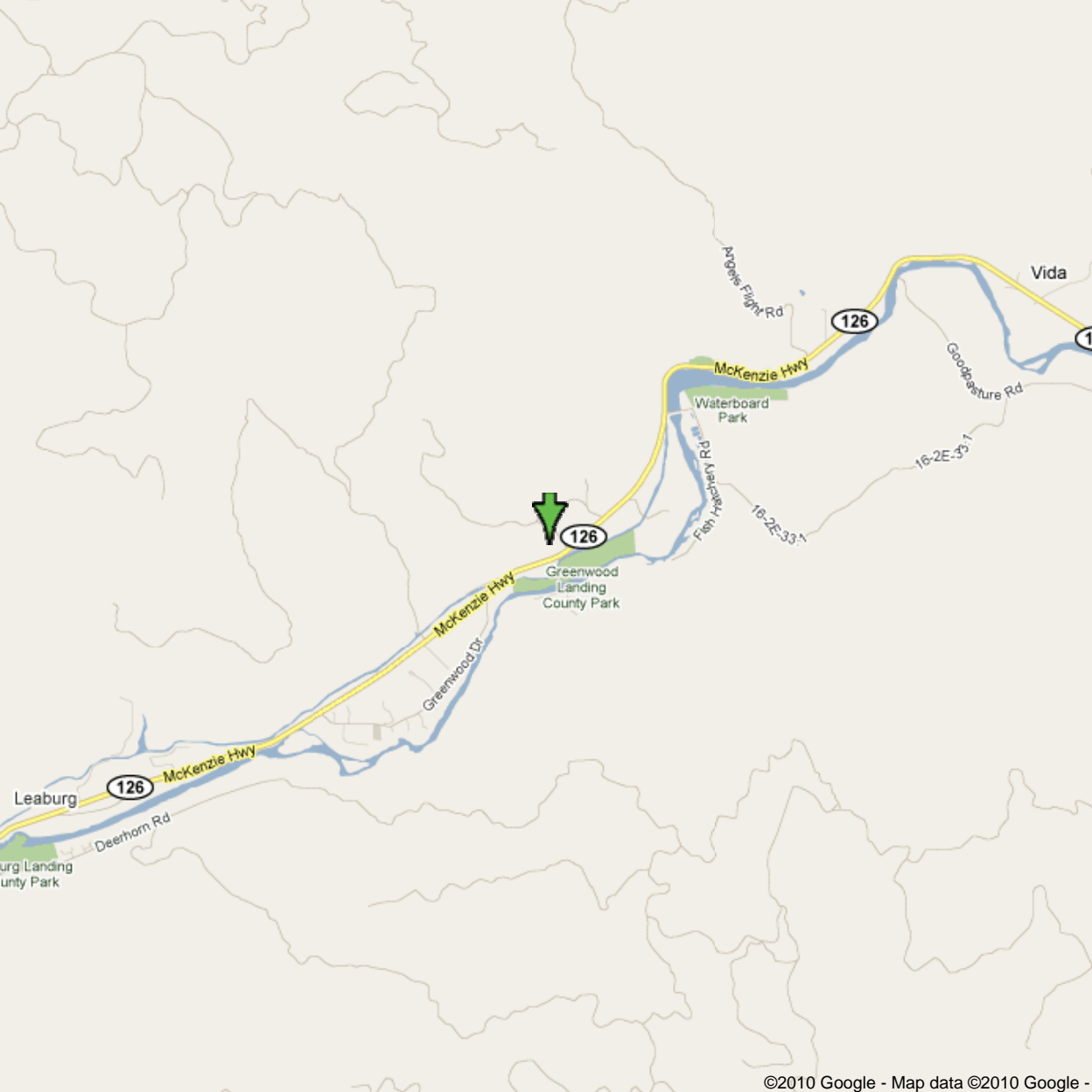
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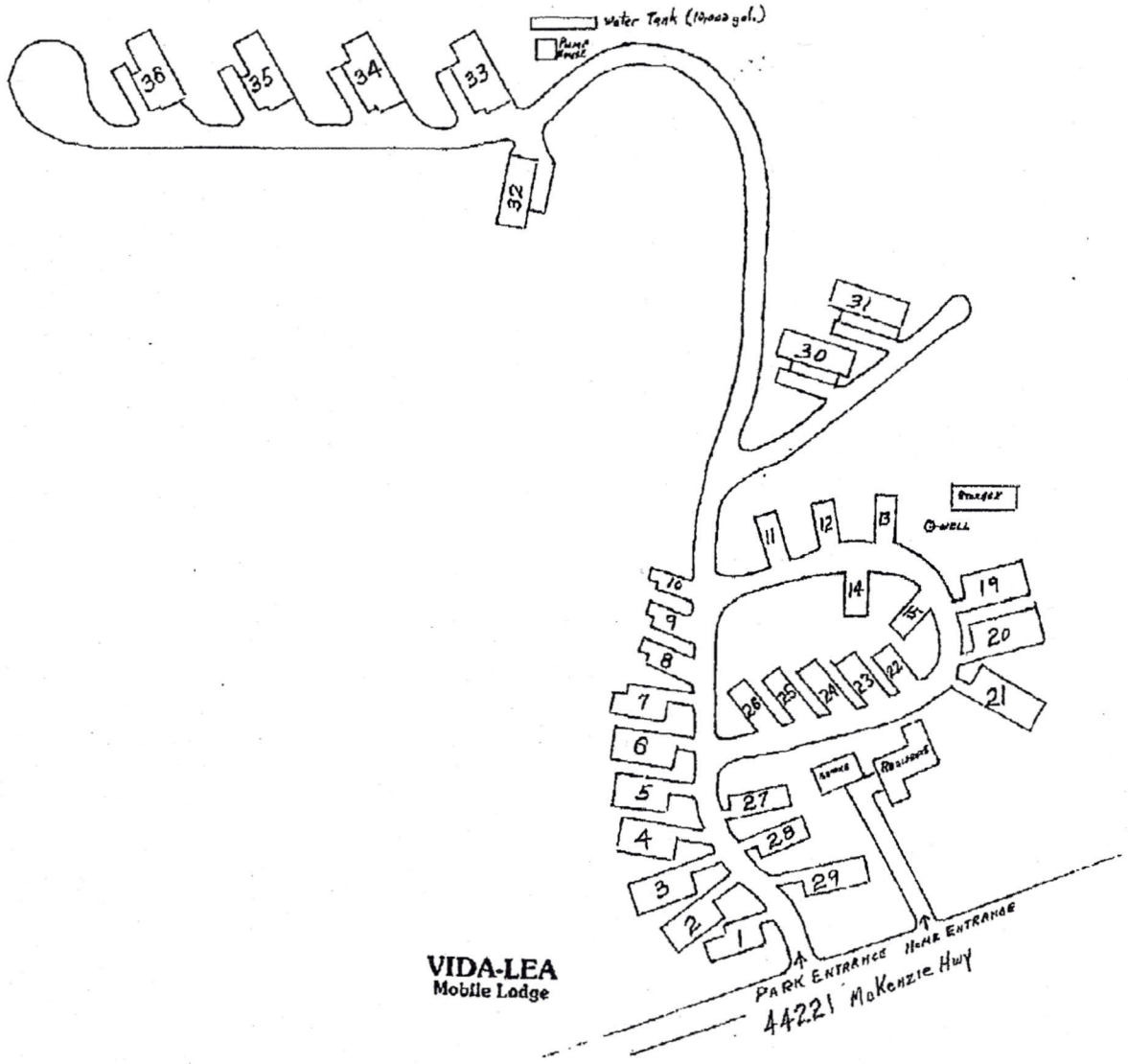
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VIDA-LEA
Mobile Lodge

PARK ENTRANCE HOME ENTRANCE
44221 McKenzie Hwy

Outstanding Performer — continued from page 1

If your system is due for a survey soon, you can review the list of significant deficiencies and data online (www.oregon.gov/dhs/ph/dwp) to do everything you can to qualify.

Congratulations to the following systems for successfully meeting these criteria as designated between May 2008 and July 1, 2010:

County Served	PWS	PWS Name
Jackson	OR4101483	ANGLERS COVE/SCHWC
Curry	OR4101365	ANGLERS TRAILER VILLAGE
Tillamook	OR4100199	BEAVER WATER DISTRICT
Washington	OR4100081	BEAVERTON, CITY OF
Clatsop	OR4100054	BURNSIDE WATER ASSOCIATION
Grant	OR4100165	CANYON CITY WATER DEPARTMENT
Lane	OR4100200	COBURG, CITY OF
Benton	OR4100225	CORVALLIS, CITY OF
Douglas	OR4100276	ELKTON, CITY OF
Washington	OR4101513	HILLSBORO, CITY OF
Benton	OR4100174	KNOLL TERRACE PARK
Lane	OR4100492	LOWELL, CITY OF
Lane	OR4100507	MAPLETON WATER DISTRICT
Lane	OR4100923	MCKENZIE PALSADES WATER BOARD
Yamhill	OR4100497	MCMINNVILLE WATER & LIGHT
Jackson	OR4100513	MEDFORD WATER COMMISSION
Lane	OR4100291	MOBILIFE WATER COMPANY INC
Clackamas	OR4100547	MULINO WATER DISTRICT
Lincoln	OR4100608	OTTER ROCK WATER DISTRICT
Yamhill	OR4105308	OXBERG WATER SYSTEM #1
Deschutes	OR4100106	PONDEROSA PINES WATER COMPANY
Josephine	OR4195017	REDWOOD TERRACE ASSISTED LIVING
Douglas	OR4100720	ROSEBURG, CITY OF
Linn	OR4100795	SCIO, CITY OF
Clackamas	OR4100638	SOUTHWOOD PARK WATER DISTRICT
Douglas	OR4100847	SUTHERLIN, CITY OF
Jackson	OR4100857	TALENT, CITY OF WATER DEPT
Washington	OR4100906	TUALATIN, CITY OF
Douglas	OR4100719	UMPQUA BASIN WATER ASSOC
Union	OR4100915	UNION, CITY OF
Multnomah	OR4100661	VALENT VIEW WATER DISTRICT
Lane	OR4101004	VIDA-LEA MOBILE LODGE
Benton	OR4100231	VINEYARD MOUNTAIN WATER
Douglas	OR4100957	WINSTON-DILLARD WATER DISTRICT
Yamhill	OR4100968	YAMHILL, CITY OF

Systems that are designated outstanding performers will have their water system survey frequency reduced from every three years to every five years. With the new fees in place, this also means having to pay the fee less frequently.

Kari Salis is a regional engineer with the Drinking Water Program | 971-673-0423 or karyl.l.salis@state.or.us

DHS: PUBLIC HEALTH DIVISION

DRINKING WATER PROGRAM

Pipeline

Vol. 25 Issue 3 Summer 2010 OREGON DRINKING WATER NEWS

www.oregon.gov/DHS/ph/dwp/

Program update

by Dave Leland

Opportunities and challenges lie ahead, including primacy for the newer Environmental Protection Agency drinking water rules, joining a newly created state agency, and dealing with continuing statewide General Fund revenue shortfalls.

Primacy transfer approved

The Drinking Water Program and EPA Region X have been diligently working to transfer implementation work to the state for the Long-Term 2 Enhanced Surface Water Treatment Rule (LT2) and the Stage 2 Disinfection Byproducts Rule (DBP2). You will recall that Oregon requested and was granted an extension by EPA from the required date to apply for primacy for these two rules back in December 2007 because the state did not yet have the program capacity in place to effectively implement these new rules. After implementing

Continued on page 2

Is your system an Outstanding Performer?

by Kari Salis

The Drinking Water Program has identified criteria for determining whether a public water system should be considered to have outstanding performance. This designation is given at the completion of a water system survey, formerly referred to as a sanitary survey. A water system survey is an on-site review of a system's sources, treatment, storage facilities, distribution system, operation and maintenance procedures, monitoring, and management, for the purpose of evaluating the system's capability of providing safe water to the public. Systems that are designated outstanding performers will have their water system survey frequency reduced from every three years to every five years. With the new fees in place, this also means having to pay the fee less frequently.

The criteria for outstanding performance are:

1. No maximum contaminant level (MCL) or treatment technique violations in the last five years;
2. No more than one monitoring and reporting violation in the last three years. The one violation must be resolved (results submitted);
3. No significant deficiencies identified during the current water system survey; and
4. Has not had a waterborne disease outbreak attributable to the water system in the last five years.

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