

Forest Hollow MHP

UPDATE

October 28, 2017

Forest Hollow was struck by Hurricane Harvey, as was all of SE Texas. The park had some flooding, but has now reopened. The water and sewer services have been activated by the City of Beaumont, and the electric service has been restored. The electric company is replacing all of the meters in the park and this may already have been completed. The office/laundry/workshop must be replaced. We have contacted FEMA in order to try to fill the park within the next 30 to 60 days, depending on how fast FEMA can produce the mobile homes to put in our park. Nearly a decade ago, FEMA allowed us to fill 187 spaces by putting 2 homes on one water/sewer/electric utility hookup. We are hopeful that we can do this again, due to the extreme lack of housing in Beaumont and all of SE Texas. Once these home are in place, we anticipate increasing the asking price for the property substantially. If you are interested in the acquiring this property, please call me: Randy Smith, 503-320-3030. Disclosure: I am one of the sellers of this park and I have a valid real estate license. This is a “for sale by owner” property.

Forest Hollow

A 160 Pad Manufactured Home Community

6650 Broadoak
Beaumont, Texas 77713

Offered at \$1,999,000

Tremendous upside opportunity! Poor health forces the sale of this beautiful park on 45+ acres! This could be the deal of a lifetime for experienced investors; fill the remaining pads and enjoy tremendous long term cash flows.

- Beautiful 160 pad park
- Few RV & park owned rentals.
- Park like setting on 45+ acres.
- City Water & City Sewer
- Paved streets
- Lots of shade trees



Western Equities



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www.westernequities.com

Consulting broker has an ownership interest in the property. All information, while it is believed to be accurate, is not warranted. The buyer must verify all information independently, and is urged to consult qualified investment advisors.



HUGE PRICE REDUCTION!

Here is your chance to buy a big & beautiful manufactured home park, with excellent infrastructure, paved streets & all city utilities. Possible owner carry financing!

Beaumont is in Southeast Texas just off Interstate 10. Call owner Randy Smith for details. Courtesy to brokers!

Disclaimer & Confidentiality Agreement

This Offering Memorandum has been prepared by Western Equities and has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it, and make no guarantee, warranty, or representation about it. It is the Buyer's responsibility to confirm, independently, its accuracy and completeness. All projections have been developed by Western Equities, and are based upon assumptions relating to the general economy and by other factors beyond the control of the Owner, and therefore are subject to variation.

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This Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Offering Memorandum, you agree that you will hold and treat it in the strictest of confidence, that you will not photocopy or duplicate it, that you will not disclose this Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner and Western Equities and that you will use the information in this Offering Memorandum for the sole purpose of evaluation purchaser's interest in the Property and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of Owner or Western Equities.

Western Equities and Owner each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the property and/or to terminate discussions with any entity at any time, with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase unless and until such offer is approved by Owner, a written agreement for the purchase of the property has been fully executed, delivered, and approved by Owner and its legal counsel, and any obligations set by Owner hereunder have been satisfied or waived.

Forest Hollow Mobile Home Park
6650 Broadoak
Beaumont, Texas 77713

Executive Summary

A well maintained, quality manufactured home park

Please don't disturb tenants or managers!

Asking Price: **\$ 1,999,000 Price reduced from \$3,990,000 for quick sale!**

Property
Description:

Forest Hollow Mobile Home Park, in Beaumont, Texas, is an attractive, well maintained manufactured home community, with city water, city sewer, cable TV, and electricity on 45.7 acres. As with all properties in SE Texas, Hurricane Harvey caused serious and widespread damage at the park, primarily due to flooding. The Beaumont area needs a huge amount of new housing because of this storm, so the potential to fill up the park with FEMA homes and new homes is huge! Poor health within the ownership group forces the sale of this property. Huge upside potential can be realized by putting homes in the park and selling or renting to prospective tenants! This is an all ages park, with very many long term tenants. The majority of our tenants own their own homes (see the breakdown below). There are 5 double wide homes (3 renting lots and 2 park owned to be renovated) and 86 single wide. Almost all lots can accommodate double wide homes. The park has all city utilities: individual water metering is in place, and the tenants are billed separately for water and sewer and trash removal. We believe that the utility company has replaces most if not all electric pedestals in the park, but you must verify this to your satisfaction. All homes in the park have skirting. The park is paved with asphalt and concrete streets. Note: the undeveloped land at the rear of the property may be in a wetlands reserve and therefore cannot be built on. The buyer should verify this independently. **Recent Improvements: A new lift station was installed to improve flows in the sewage lines to the city sewer hookup for 80 of the pads in the park at a cost of nearly \$35,000. Jet Engineering just completed the renovation of the existing drainage system for storm water runoff in the entire park at an approximate cost of \$26,000.**

Number of lots: 160

Occupancy: 95 pads are income producing, of which 67 homes are privately owned. Four homes are sold and owner financed, 3 homes are lease/optioned, 9 homes are rentals, 9 are RVs, 2

are manager occupied. Additionally, Forest Hollow Homes LLC, owned by the partners, owns (outright, no debt) 3 vacant homes currently in the park and in need of rehab. There are a total of 58 vacant pads. **DISCLAIMER: THESE NUMBERS WERE FROM AUGUST 1, 2017 ALL OF THEM ARE SUBJECT TO CHANGE.** FEMA has yet to certify the homes in the park as ready for rehab. All numbers of homes are subject to change after these FEMA inspections.

Financing: **The ownership group may consider owner-carry financing for a period of time in order to allow the new buyer to fill the vacant pads in order to obtain a new conventional loan. Exact rate and terms will depend on the financial strength and management expertise of the buyers. Please call Randy Smith at 503-320-3030 to discuss possible finance scenarios.**

Park Valuation: The park has 3 components that can be valued:

The 58 vacant pads have been valued at \$12,000 per pad. We believe that this is the average cost to create and install an individual pad. **Total value: \$696,000**

The 95 rented lots have been valued at \$27,810 per pad. We have used an average lot sold and one currently on the market in Texas in 2016. **Total value: \$2,641,985**

There are 10 homes purchased or lease/optioned by tenants with outstanding balances. **Total value: \$46,897.**

Bonus: There is approximately 10 to 15 additional acres at the rear of the park not currently in use that are included in the purchase at no value. Much of this area is in a 100 year flood plain, and possible a Federal wetlands.

Total Estimated Value: **\$3,384,882.** Please refer to the attached financial information pages following this executive summary.

Income/Expenses:	Income 2016 Six months -	\$ 191,561	Annualized	\$ 383,122
	Expense 2016 Six months -	\$ 196,986	Annualized	\$ 393,972

Note: These income and expense numbers are for both the mobile home park and the homes owned by a separate entity, Forest Hollow Homes, LLC. A large part of the expenses shown were the renovation of park owned homes.

Rental Rate: Current rent on the pads is currently \$220 per month, \$235 for double wide homes, \$200 for RV pad, \$350 for RV pad with utilities. There is an additional \$22.10 flat fee for trash removal service, admin fee of \$10.00 per pad, and an optional \$20 per pad lawn care expense. In addition, the tenants are billed back for water/sewer expense. The last rent increase of \$10 per month per pad occurred on May 1, 2016.

Disclosure: This is a “for sale by owner property”. If the buyer wants to be represented by a broker, the broker must be paid by the buyer. One of the principals in the park ownership has a valid real estate license, and is acting as transactional consultant to the ownership group.

The park is located north of Interstate 10 approximately 5 miles from downtown Beaumont. The park is situated in a primarily rural neighborhood, although there is a commercial and retail area approximately 2 miles southeast of the park.

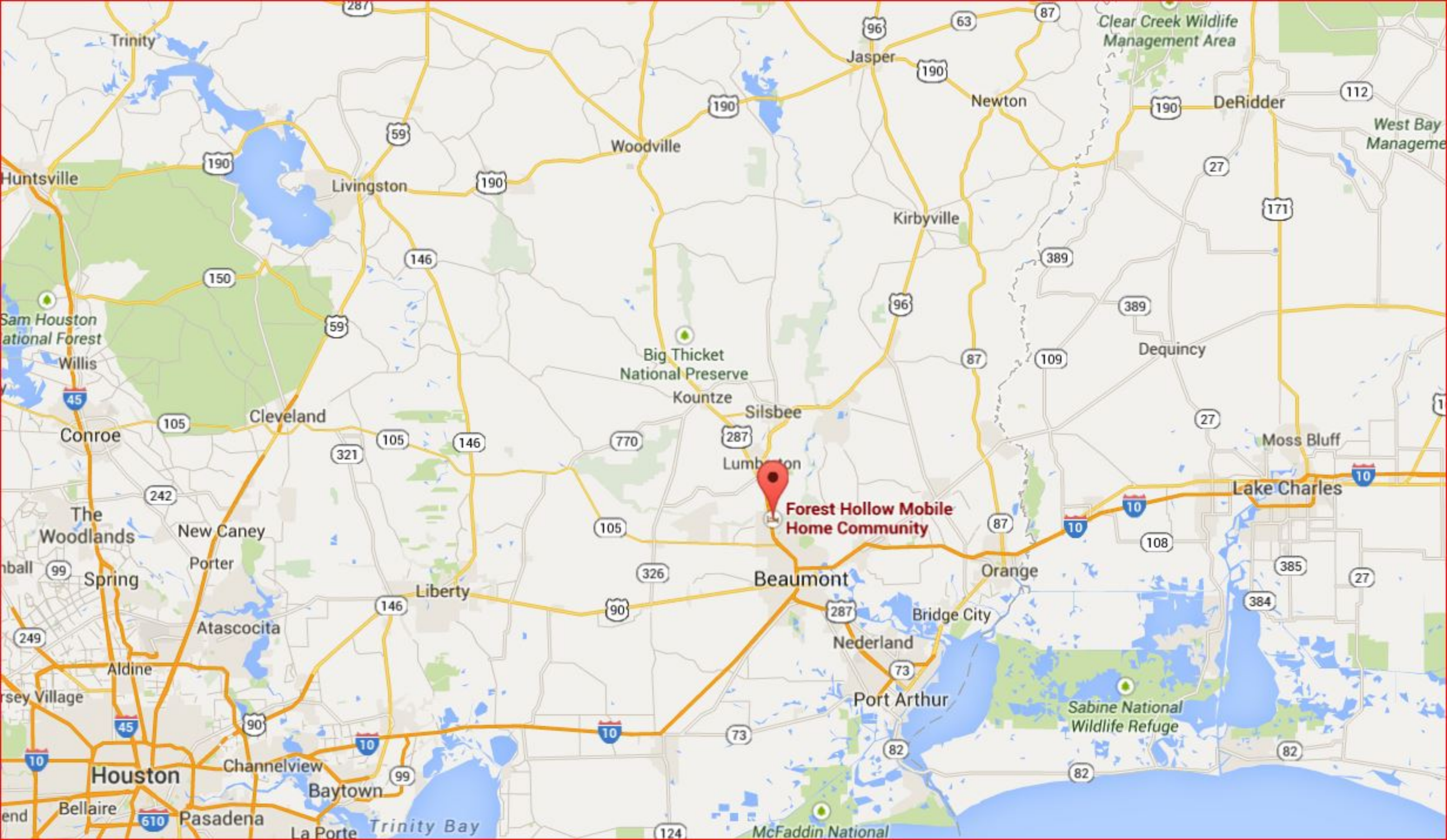
This is one of the nicer older manufactured home parks in East Texas. The current owners have invested lots of time and money to increase the park's "curb appeal". There are a number of mature trees on the grounds. The park was repaved several years ago. It is located approximately 110 miles east of Houston, Texas, just 5 miles off Interstate 10 and is only 10-15 minutes from downtown Beaumont.

Beaumont is a city in and county seat of Jefferson County, Texas, United States, within the Beaumont–Port Arthur Metropolitan Statistical Area. The city's population was 118,296 at the 2010 census making it the twenty-fourth most populous city in the state of Texas. Beaumont's early history was centered around the lumber, farming, and port industries. A big change occurred in 1901 with the Spindletop gusher. The area transformed into one of the major petro-chemical refining areas in the country. Along with Port Arthur and Orange, Beaumont forms the Golden Triangle, a major industrial area on the Gulf Coast.

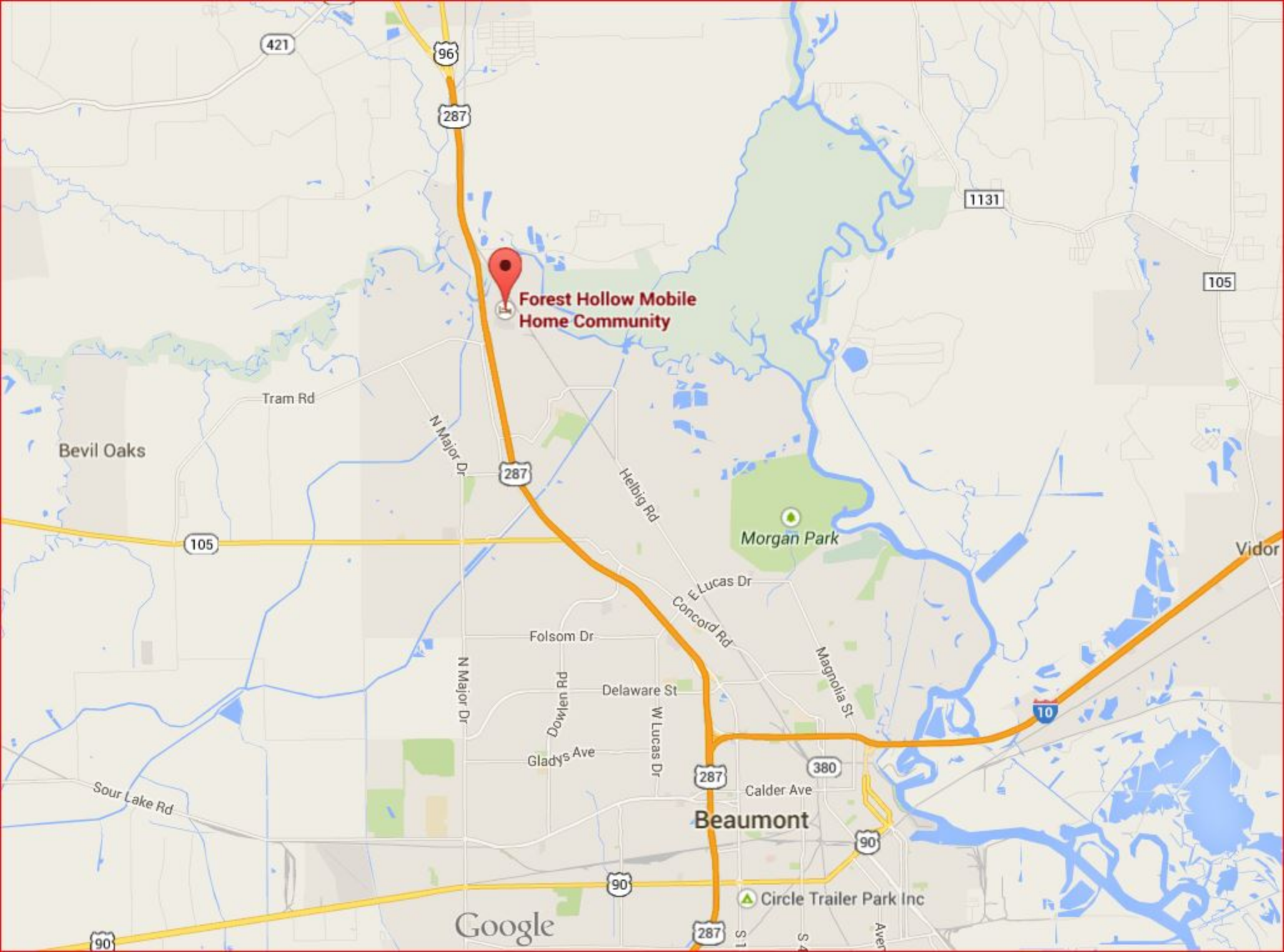
Beaumont is home of Lamar University, a national Carnegie Doctoral Research university with 15,000 students. Over the years, several corporations called Beaumont home. For example, Gulf States Utilities had its headquarters in Beaumont until its absorption by Entergy Corporation in 1993. GSU's Edison Plaza headquarters is still the tallest building in Beaumont (as of 2011). With Spindletop, several current energy companies were spawned in Beaumont. Demographics for Beaumont are listed in a separate page to follow.

Nearby Houston is one of the premier metropolitan centers in the country, a vibrant and beautiful city of 2,151,475 residents (as of Jan, 2013). It is among the fastest-growing metropolitan areas in the United States. The area grew 25.2 percent between the 1990 and 2000 censuses—adding more than 950,000 people—while the nation's population increased 13.2 percent over the same period. From 2000 to 2007, the area grew by 912,994 people. From 2000 to 2030, the metropolitan area is projected by Woods & Poole Economics to rank fifth in the nation in population growth—adding 2.66 million people. According to Forbes Magazine, Houston ranks number 1 as American's Coolest City in 2012.

Feel free to call the consulting broker and owner, 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.



Forest Hollow Mobile Home Community



Forest Hollow Mobile Home Community

Morgan Park

Beaumont

Google

421

96

287

1131

105

105

287

10

380

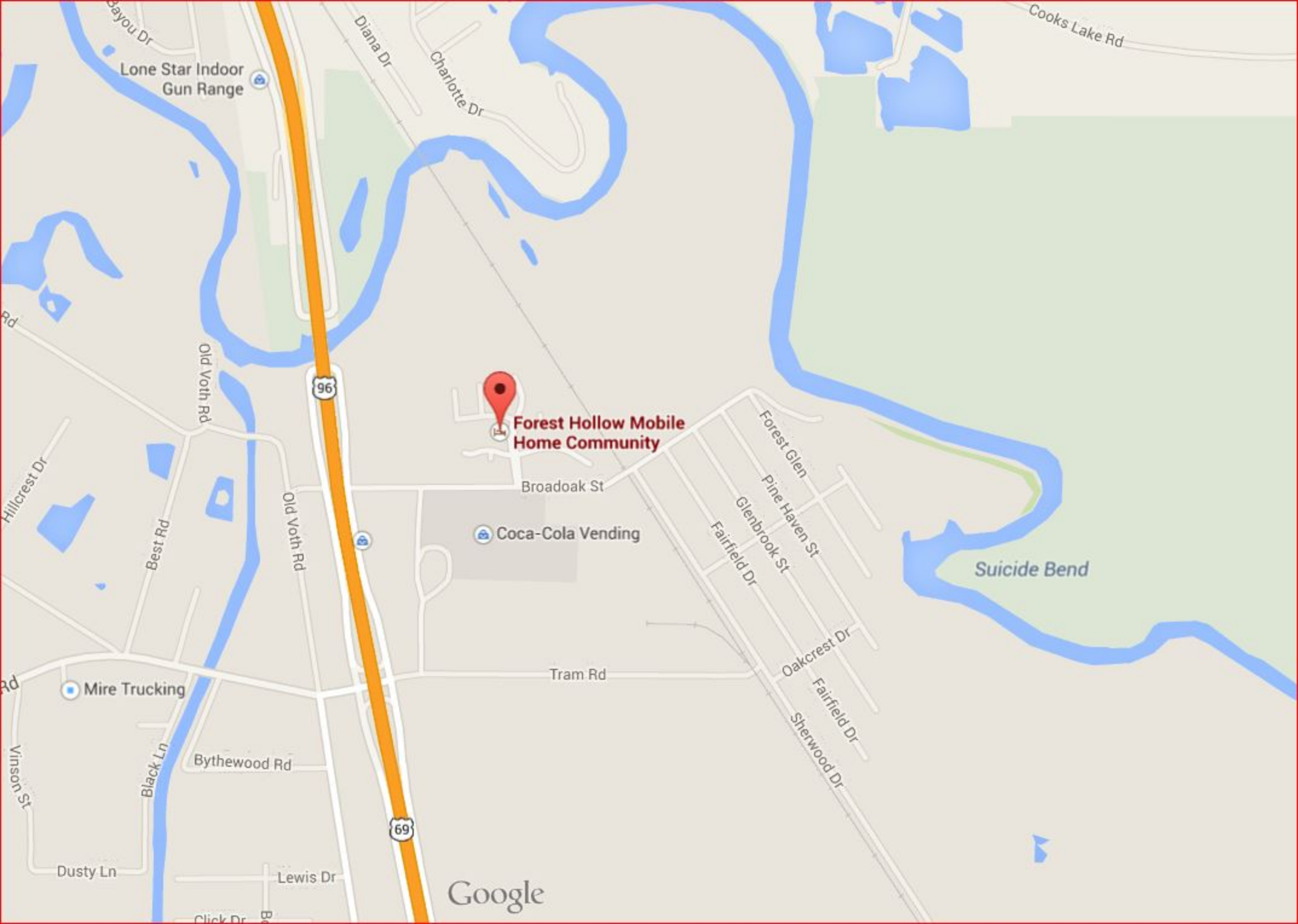
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Lone Star Indoor Gun Range

Forest Hollow Mobile Home Community

Coca-Cola Vending

Suicide Bend

Google

Beaumont, Texas Demographics

Population in 2013: 117,796 (98% urban, 2% rural). Population change since 2000: +3.5%

Males: 56,938 (48.3%)

Females: 60,858 (51.7%)

Median resident age: 34.6 years

Texas median age: 33.0 years

Estimated median household income in 2012: \$35,859 (it was \$32,559 in 2000)

Beaumont: \$35,859

TX: \$50,740

Estimated per capita income in 2012: \$23,124 (it was \$18,632 in 2000)

Beaumont city income, earnings, and wages data

Estimated median house or condo value in 2012: \$99,300 (it was \$62,000 in 2000)

Beaumont: \$99,300

TX: \$129,200

Mean prices in 2012: All housing units: \$132,510; Detached houses: \$134,363; Townhouses or other attached units: \$131,237; In 2-unit structures: \$35,298; In 3-to-4-unit structures: \$101,440; In 5-or-more-unit structures: \$140,929; Mobile homes: \$41,953; Occupied boats, RVs, vans, etc.: \$328,653

Median gross rent in 2012: \$712.