Cedar Hills Estates I & II

FULL CYCLE CASE STUDY

Total Equity Invested

$1,012,924

All-time planned capital calls

Total Value (Realized + Exit)

~$5,057,700

*Cash returned + ~$2.3M net exit proceeds

Hamilton + refi + distributions + mgmt fees

Investor Returns at a Glance

Equity Multiple ~5.0x Inc Mgmt Fees as Distributions	Equity Multiple 4.64x Cash Distributions Only
Est. IRR ~50%+ Conservative Floor Estimate	Hold Period ~8.3 yrs Dec 2017 — Apr 2026

IRR estimated using conservative methodology: all equity assumed deployed at close. Actual IRR likely higher given staged capital deployment.

Cedar Hills I (99 lots)
1004 Ruby Dr, Harrisonburg, VA 22801
Cedar Hills II (38 lots)
2993B Layman Trestle Rd, Harrisonburg, VA 22802

Acquired December 2017 | 137 Total Lots
Harrisonburg, VA | Hold Status: Closed on April 13, 2026

Deal Snapshot

Asset Type	Mobile Home Park — Two-Property Portfolio
Cedar Hills I	99 lots — 1004 Ruby Dr, Harrisonburg, VA 22801
Cedar Hills II	38 lots — 2993B Layman Trestle Rd, Harrisonburg, VA 22802
Total Lots	137
Acquisition Date	December 28, 2017
Purchase Price	$2,400,000 (C-Corp stock acquisition)
Original Debt	~$1,920,000 (Farmers & Merchants Bank)
Equity at Close	$427,498
Total Equity Invested (All-Time Over Hold)	$1,012,924
Capital Improvements	$1,085,000+ (infrastructure, park cleanup & upgrades)
All-Time Closing Costs	$256,000 (acquisition, WF portfolio loan, Pendleton refi)
All-Time Project Basis	$3,741,000 (purchase price + improvements + closing costs)
Current Market Value	**$6,500,000 (closed April 13, 2026 — net of $840k buyer improvement credit)**
Expected Net Sale Proceeds	**~$2,300,000 (after loan payoffs)**

Timeline of Key Milestones

Dec 2017	**Acquisition**	Purchased two-park portfolio (C-Corp stock acquisition, followed by S-Corp conversion) for $2.4M. $1.92M Farmers & Merchants debt. $427,498 all-in equity at close.
2018–2019	**Value-Add Operations**	Began infrastructure overhaul. Stabilized operations, grew occupancy and rents. Year 1 revenue at acquisition ~$200k; NOI ~$142,324.
Aug 2019	**Wells Fargo Portfolio Loan**	Cross-collateralized Cedar Hills + Terrytown, NE. WF loan funded Hamilton, OH MHP acquisition ($1.1M) with zero additional cash out of pocket. Cedar Hills equity was the engine that made the deal possible.
Jun 2020	**Hamilton Sale + Pendleton Refi**	Hamilton, OH sold for $1.65M (acquired $1.1M) — ~$1.55M net returned to partnership after costs. Simultaneously paid off WF portfolio loan. New Pendleton Community Bank loan on Cedar Hills (~$2.7M) extracted an additional ~$780k. Five Star Bank placed $2.165M cash-neutral loan on Terrytown. Total cash returned to partnership in June 2020: ~$2.33M.
2020–2023	**Operational Build-Out**	$1.085M+ deployed in infrastructure improvements. On-site park manager + full-time maintenance hired (~$100k/yr). Management company paid $90k/yr (returned to sponsor). Revenue scaled toward $830k.
Apr 2026	**Sale at $6.5M**	Closed April 13, 2026. $840k improvement credit extended to buyer. Expected ~$2.3M net after loan payoffs.

Eight Years of Compounding Execution

Cedar Hills Estates was a two-park mobile home community in Harrisonburg, Virginia — 137 lots spread across two adjacent properties, acquired in December 2017 through an S-Corp purchase (C-Corp stock acquisition, followed by an S-Corp conversion) from a legacy owner. The parks were functionally stable but operationally underdeveloped, with Year 1 revenue of roughly $200,000 and NOI of $142,324. The thesis was straightforward: buy a cash-flowing affordable housing asset, improve operations and infrastructure, and let compounding time do the work.

What followed was anything but a passive hold.

In August 2019, with equity having built meaningfully in Cedar Hills, a Wells Fargo portfolio loan was structured cross-collateralizing Cedar Hills and Patriot's Terrytown, Nebraska park. That structure funded the acquisition of a mobile home park in Hamilton, Ohio for $1.1M — with zero additional cash out of pocket. The Hamilton park was purchased for $1.1M and sold less than twelve months later for $1.65M, generating approximately $1.55M in net proceeds that flowed back directly to the partnership.

By June 2020, the Wells Fargo portfolio loan was paid off, the Hamilton sale had closed, and a new Pendleton Community Bank loan on Cedar Hills at approximately $2.7M extracted an additional $780k. In a single month, June 2020, the deal returned approximately $2.33M to the partnership — more than double the original equity invested at close — while Cedar Hills itself remained on the books continuing to grow.

The years that followed were invested in the asset. Over $1.085M in capital improvements were deployed into the parks — infrastructure upgrades, common area improvements, and the kind of deferred maintenance that legacy owners leave behind. Full-time on-site staff was hired: a park manager and a maintenance technician, costing approximately $100,000 per year. Revenue grew from $200,000 to over $830,000. T-12 NOI reached $383,939.

Throughout this period, the majority of cash flow was intentionally reinvested into the asset rather than distributed. The management company received $90,000 per year from 2020 through 2023, which represents a meaningful portion of the sponsor's total economic return during that phase.

April's exit values the portfolio at $6.5M — net of an $840,000 improvement credit to the buyer, reflecting the ongoing capital program being passed along at close. After loan payoffs, approximately $2.3M is expected to flow back to the partners.

Operating Performance

Year 1 Revenue	Exit Revenue	Year 1 NOI	T-12 NOI
~$200,000	~$830,000	$142,324	$383,939
2018 — at Acquisition	4.2x Revenue Growth	2018	2.7x NOI Growth

Average Lot Rent (All-In)	~$525/mo (includes sewer & trash)
On-Site Staff	Park manager + full-time maintenance (~$100k/yr)
Capital Improvements Deployed	$1,085,000+ (infrastructure, community upgrades)
Implied Cap Rate on Cost	~10.3% ($383,939 / $3.741M all-time project basis)
Implied Cap Rate on Sale Price	~5.9% ($383,939 / $6.5M)

Total Return Summary

All-Time Equity Invested	$1,012,924
Hamilton Sale Net Proceeds (Jun 2020)	~$1,550,000 (sold $1.65M, acquired via Cedar equity)
Pendleton Refi Cash Out (Jun 2020)	~$780,000
Operating Distributions (Cash)	$67,700
Management Fees 2020–2023	~$360,000 ($90k/yr × 4 years — returned to sponsor)
Total Cash Returned to Date	~$2,757,700
Pending Sale Proceeds (Apr 2026)	**~$2,300,000**
Total Value (All-In)	**~$5,057,700**

Key Takeaways for Investors

EQUITY AS A TOOL, NOT JUST A RETURN

The Wells Fargo cross-collateral structure turned built-up equity into a zero-cash acquisition engine, and the Hamilton trade amplified profits without tying up additional LP capital.

CAPITAL RECYCLING COMPOUNDED THE RETURNS

By June 2020, over $1.78M had been returned to the partnership while the parks remained on the books growing. The exit is icing on the cake.

AFFORDABLE HOUSING DONE RIGHT

Rents are $525/month all-in (including sewer and trash) — genuinely affordable by any market standard — while the Cedar Hills communities received $1.085M+ in tangible infrastructure improvements.

OPERATIONAL INFRASTRUCTURE CREATES DURABLE VALUE

Full-time on-site staff, professional management, and systematic capital deployment drove revenue from $200k to $830k — a 4.2x increase over eight years.

Conservative exit pricing — the $6.5M sale (net of $840k improvement credit) represents a ~5.9% cap rate on T-12 NOI, a reasonable and defensible exit in today's MHP market.