



Cedar Hills Estates MHC 1 & 2

FULL CYCLE CASE STUDY

Total Equity Invested

\$1,012,924

All-time capital calls

Total Cash Returned

~\$2,757,700

Hamilton + refi + distributions + mgmt fees

Total Value (Realized + Exit)

~\$5,057,700

Cash returned + ~\$2.3M pending close

Investor Return at a Glance

Equity Multiple

~5.0x

inc. mgmt fees as distributions

Equity Multiple

4.64x

Before Sponsor Promote

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 contributions were deployed over time. No ledger available for exact calculation.

Cedar Hills 1 (99 lots)

1004 Ruby Dr, Harrisonburg, VA 22801

Cedar Hills 2 (38 lots)

2993B Layman Trestle Rd, Harrisonburg, VA 22802

Acquired December 2017 | 137 Total Lots

Harrisonburg, VA | Hold Status: Under Contract

— Closing April 2026



Deal Snapshot

Asset Type	Mobile Home Park — 2-Property Portfolio
Cedar Hills 1	99 lots — 1004 Ruby Dr, Harrisonburg, VA 22801
Cedar Hills 2	38 lots — 2993B Layman Trestle Rd, Harrisonburg, VA 22802
Total Lots	137
Acquisition Date	December 28, 2017
Purchase Price	\$2,400,000 (S-Corp acquisition)
Original Debt	~\$1,920,000 (Farmers & Merchants Bank)
All-In Equity at Close	\$427,498
Total Equity Invested (All-Time)	\$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 (under contract — net of \$840k buyer improvement credit)
Expected Net Sale Proceeds	~\$2,300,000 (after loan payoffs)

Timeline of Key Milestones

Dec 2017	○ Acquisition	Purchased 2-park portfolio (S-Corp) 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 ~\$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 fund 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 fund 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	Under contract. \$840k improvement credit extended to buyer. Expected ~\$2.3M net after loan payoffs. Closing set April 2026.

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 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 fund.

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 fund — 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.

The exit, set for April 2026, 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 fund.



Operating Performance

Year 1 Revenue ~\$200,000 <small>2018 – at Acquisition</small>	Current Revenue ~\$830,000 <small>4.2x Revenue Growth</small>	Year 1 NOI \$142,324 <small>2018</small>	T-12 NOI \$383,939 <small>2.7x NOI Growth</small>
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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 x 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 fund while the parks remained on the books growing. The exit is icing on the cake.

Affordable housing done right — rents are \$525/mo all-in (including sewer and trash) — genuinely affordable by any market standard — while the 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.

copy of PSA https://drive.google.com/file/d/10fZyK_mgZrLvohyBtzXmakFRnz23eZLb/view?usp=sharing

Jeremiah Boucher Key Stories and Takeaways

- Ron meeting . Aug 2016 C corp stock purchase this was the key to the sale: **making sure that the seller's tax issue was solved.**
- 2 parks needing to be sold but in a stock sale purchase (c-corp holds assets, 2 mobile home parks)
- Yet I think we can get a pretty good deal for decent quality parks (sellers know we need a discount to make it work, no depreciation left)
- I was going to start with the \$2 mil offer (I still need the financials but i figured with that strong of income lets see what they say)
- **\$2.4M** is the agreed upon price
- 2 parks = 100 lots + 36 lots full
- **\$280 LR** all paying no rental homes
- All full and have been for **20 years**, high demand location next to George Mason University
- <https://goo.gl/maps/5nmSTeymB6z>
This one is National Coach 100 lots, well water, county sewer , trash included in rent , 28 acres paved rds
- <https://goo.gl/maps/kdHeSpQ6yAz>
This one is Ferguson MHP, parks on 5 acres 36 lots , plus 10 bed room house and 2 - 2 bed unit parcel , 3 acres of land, we can sell off separate
- Can we find a way to make a stock sale purchase work for us?
- 100 Lots at national coach, 2 sec land, has house , 2bed apartments, and commercial bldg, 8 acres, for 36 lots, Offer \$2 mil cash for shares,
- 136 Total lots occupied
- 280 Lot rent , no empty lots for 20 years
- Owner pays pv water and sewer trash

Closing Perspective

What did I learn?

Meeting with the owner Ron over 3 years is what allowed us to build this relationship, and it was a really good win. The key to the transaction was buying the stock units of the family's corporation. I didn't get the benefit of depreciation, but I was able to get a fair sales price, and it solved the tax problem for the seller. This was the creative way that the deal was constructed.

- The private utilities are a large maintenance cost
- Septic's need maintained, bought other land to build a leach field
- Well water needs constant maintenance.
- Treated tenants with respect and improved community - build a small park and soccer field
- Improved roads
- A strong onsite manager and maintained employee in the community was extremely valuable here

Playing the long game with the seller paid off, and then discipline in management over the years maintained and even improved the tenant mix. This was an outstanding win, and the local market was in heavy need for affordable housing. I'm very proud of this deal, and it's a great success, and I'm wishing the new buyer success. They're going to do very well with the asset, and at the same time it provides a tremendous affordable housing option for the community. I had many valuable learning lessons here on how to maintain an older infrastructure and refine the operating processes to serve our tenants.

