

6607 - 6687 Blue Heron Drive

UPPER LAKE, CA 95485

OFFERING MEMORANDUM



CONFIDENTIALITY AGREEMENT

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from the listing agent or team and should not be made available to any other person or entity without the written consent. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The listing agent or team has not made any investigation, and make no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, the listing agent or team has not verified, and will not verify, any of the information contained herein, nor has the listing agent or team conducted any investigation regarding these matters and they make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

Seller retains all rights and discretion to determine the offer and acceptance process including but not limited to the right to accept or reject any offer in its sole and absolute discretion. Seller shall only be bound by duly executed and enforceable agreements entered into, if any. ALL MATTERS PRIVILEGED AND CONFIDENTIAL.

NON-ENDORSEMENT NOTICE

The listing agent or team is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of listing agent or team, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of the agent's company, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

GENERAL DISCLAIMER

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary. The listing agent and listing agent's broker/firm have not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Listing Agent and Broker/Firm's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Listing Broker and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT COMPANY FOR MORE DETAILS.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.



TABLE OF CONTENTS

01. Investment Overview
02. Financial Analysis
03. Operating Statement

LISTING TEAM

Lynn McNamara

REALTOR®

707-621-4265

madisonpacific@gmail.com

CA DRE License #00575586

LUXE PLACES
INTERNATIONAL REALTY.



Investment **Overview**

Investment Overview

PROPERTY DESCRIPTION

Owner has Beautifully maintained “Blue Heron Gardens”--continuously upgrading during his 25 years of operation. Built in 1992, each of the 25 Units have their own carport with plenty of additional parking. In addition to the park-like shared common area for gathering and BBQ’s with it’s well maintained grounds, there are 5 buildings on 5 separate legal lots-- 3 Fourplexes, one 5 Unit, & one 8 Unit building. There are 21 which are 2 bedroom 1.5 bath townhouses with their own balconies, and 4 one bedroom flats.

An added “perk” (in addition to being a quality investment) is that they are located in Lake County, CA--known to be an “outdoor paradise.” For an investor from out of town, site visits would be something to look forward to, because the property is directly across the street from beautiful Clear Lake-- at over 68 square miles, it is CA’s largest freshwater Lake. (Tahoe’s larger but shared by NV).

Nearby, residents and visitors can enjoy PICTURESQUE views, excellent restaurants, plentiful parks & trails along with camping, boating, skiing, swimming & kayaking. Clear Lake is known as “The Bass Capital of the West,” where famous fishing contests are held--with more than 49 between June and December this 2024 year (per CA Fish & Wildlife). Water birds are plentiful to enjoy watching also-- including egrets, swans, BLUE HERONS, & pelicans.

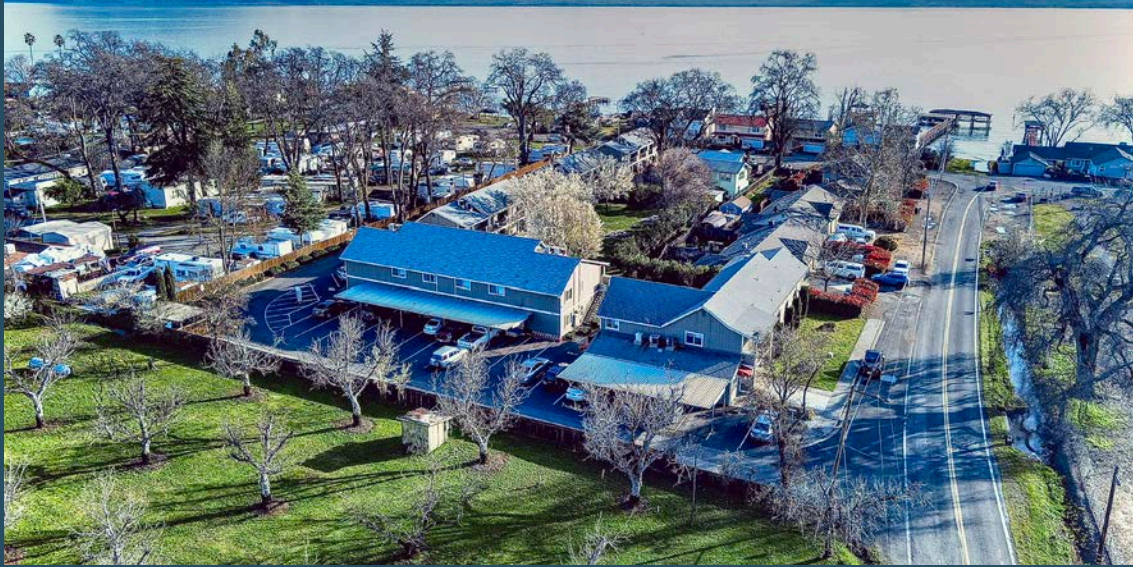
Bordering Napa County, Lake County is known for their vineyards too--with over 9,000 acres planted, and over 30 “world class wineries” to visit. Upper Lake in Lake County is just 30 miles East of Ukiah bordering Mendocino County, 75 miles Northeast of Santa Rosa in Sonoma County, 75 miles straight North of Napa, and 125 miles North of both San Francisco & Sacramento. The site is in a great location, has historically low vacancy rates, and is not too far from the big cities--but with a character all its own.

PROPERTY HIGHLIGHTS

- Attractive 25 Unit Apartment Complex in Upper Lake, CA
- Common Area To Enjoy BBQ’s PLUS Across the Street from the Shoreline of Clear Lake for Additional Recreation
- 5 Separate Buildings- 21 Two BR Townhomes With Their Own Balconies & 4 One BR Flats



Property Pictures



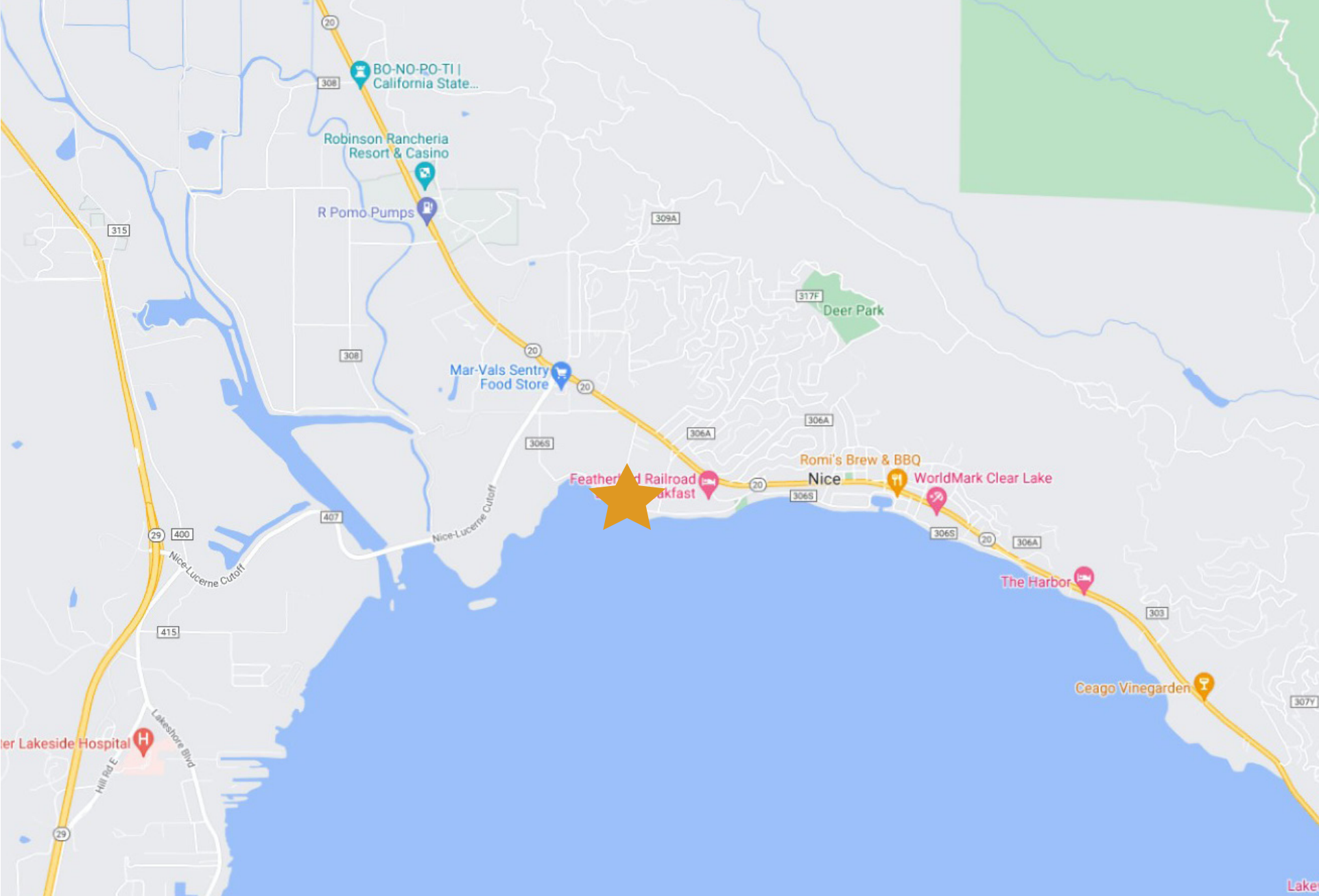
Property Pictures



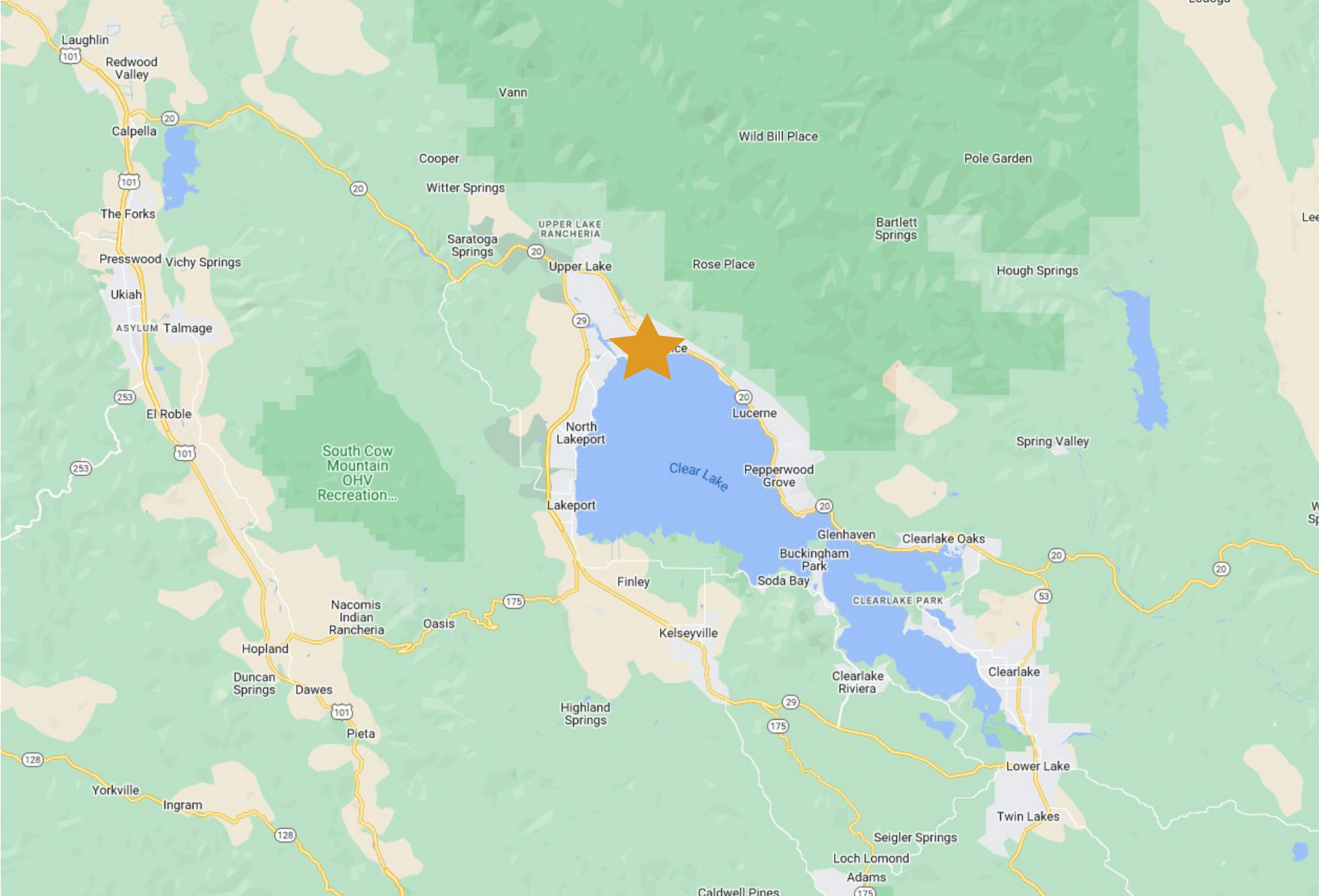
Property Pictures



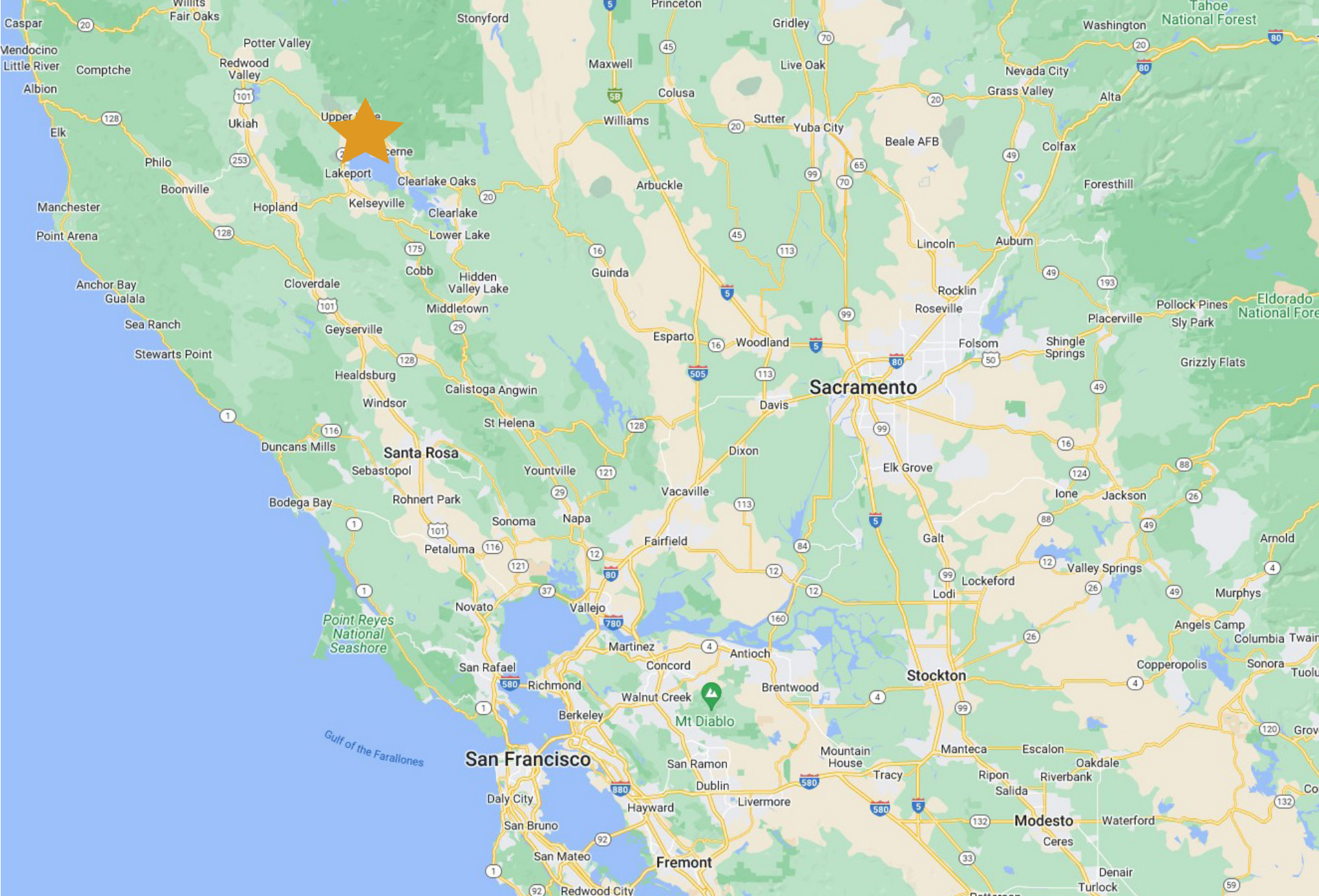
Local Map



Area Map



Regional Map





Financial
Analysis

Financial Analysis

Summary		
Price	\$3,550,000	
Down Payment	\$3,550,000	100%
Number of Units	25	
Price Per Unit	\$142,000	
Price Per SqFt	\$182.05	
Gross SqFt	19,500	
Lot Size	1.50 Acres	
Approx. Year Built	1992	

Returns	Current	Pro Forma
CAP Rate	5.81%	7.21%
GRM	10.52	9.05
Cash-on-Cash	5.81%	7.21%
Debt Coverage Ratio	N/A	N/A

# of Units	Unit Type	Current Rents	Market Rents
4	1 Bed / 1 Bath	\$890	\$1,050
21	2 Bed / 1.5 Bath	\$1,170	\$1,356

Income	Current		Pro Forma	
Gross Scheduled Rent		\$337,560		\$392,100
Less: Vacancy/Deductions	3.0%	\$10,127	3.0%	\$11,763
Total Effective Rental Income		\$327,433		\$380,337
Other Income		\$4,200		\$4,200
Effective Gross Income		\$331,633		\$384,537
Less: Expenses	37.8%	\$125,238	33.4%	\$128,412
Net Operating Income		\$206,395		\$256,125
Cash Flow		\$206,395		\$256,125
Debt Service		\$0		\$0
Net Cash Flow After Debt Service	5.81%	\$206,395	7.21%	\$256,125
Principal Reduction		\$0		\$0
Total Return	5.81%	\$206,395	7.21%	\$256,125

Expenses	Current	Pro Forma
Real Estate Taxes	\$42,600	\$42,600
Insurance	\$9,500	\$9,500
Repairs & Maintenance	\$8,000	\$8,000
Electricity	\$4,800	\$4,800
Sewer & Water	\$19,200	\$19,200
Pest Control	\$1,800	\$1,800
Garbage & Disposal	\$13,440	\$13,440
Landscape	\$3,600	\$3,600
On-Site Office Supplies & Phone	\$2,400	\$2,400
Management Fee	\$19,898	\$19,898
Total Expenses	\$125,238	\$125,238
Expenses/Unit	\$5,010	\$5,010
Expenses/SF	\$6.42	\$6.42

Rent Roll Detail

<i>Unit</i>	<i>Unit Type</i>	<i>Notes</i>	<i>Square Feet</i>	<i>Scheduled Rent / Month</i>	<i>Scheduled Rent / SF / Month</i>	<i>Potential Rent / Month</i>	<i>Potential Rent / SF / Month</i>
6607-A	2 Bed / 1.5 Bath		+ - 800	\$1,134	\$1.42	\$1,350	\$1.69
6607-B	2 Bed / 1.5 Bath		+ - 800	\$1,188	\$1.49	\$1,350	\$1.69
6607-C	2 Bed / 1.5 Bath		+ - 800	\$1,177	\$1.47	\$1,350	\$1.69
6607-D	2 Bed / 1.5 Bath		+ - 800	\$1,123	\$1.40	\$1,350	\$1.69
6627-A	2 Bed / 1.5 Bath		+ - 800	\$1,123	\$1.40	\$1,350	\$1.69
6627-B	2 Bed / 1.5 Bath		+ - 800	\$1,245	\$1.56	\$1,350	\$1.69
6627-C	2 Bed / 1.5 Bath		+ - 800	\$1,180	\$1.48	\$1,350	\$1.69
6627-D	2 Bed / 1.5 Bath		+ - 800	\$1,134	\$1.42	\$1,350	\$1.69
6647-A	2 Bed / 1.5 Bath		+ - 800	\$1,145	\$1.43	\$1,350	\$1.69
6647-B	2 Bed / 1.5 Bath		+ - 800	\$1,134	\$1.42	\$1,350	\$1.69
6647-C	2 Bed / 1.5 Bath		+ - 800	\$1,145	\$1.43	\$1,350	\$1.69
6647-D	2 Bed / 1.5 Bath		+ - 800	\$1,134	\$1.42	\$1,350	\$1.69
6667-A	1 Bed / 1 Bath		+ - 540	\$715	\$1.32	\$1,050	\$1.94
6667-B	1 Bed / 1 Bath		+ - 540	\$900	\$1.67	\$1,050	\$1.94
6667-C	2 Bed / 1.5 Bath		+ - 784	\$1,134	\$1.45	\$1,350	\$1.72
6667-D	2 Bed / 1.5 Bath		+ - 784	\$1,134	\$1.45	\$1,350	\$1.72
6667-E	2 Bed / 1.5 Bath		+ - 784	\$1,086	\$1.39	\$1,350	\$1.72
6687-F	2 Bed / 1.5 Bath		+ - 784	\$1,252	\$1.60	\$1,350	\$1.72
6687-G	1 Bed / 1 Bath		+ - 540	\$994	\$1.84	\$1,050	\$1.94
6687-H	1 Bed / 1 Bath		+ - 540	\$950	\$1.76	\$1,050	\$1.94
6687-A	2 Bed / 1.5 Bath		+ - 1,200	\$1,350	\$1.13	\$1,475	\$1.23
6687-B	2 Bed / 1.5 Bath		+ - 800	\$1,199	\$1.50	\$1,350	\$1.69
6687-C	2 Bed / 1.5 Bath		+ - 800	\$1,156	\$1.45	\$1,350	\$1.69
6687-D	2 Bed / 1.5 Bath		+ - 800	\$1,156	\$1.45	\$1,350	\$1.69
6687-E	2 Bed / 1.5 Bath		+ - 800	\$1,242	\$1.55	\$1,350	\$1.69
Total			Square Feet: 19,500	\$28,130	\$1.44	\$32,675	\$1.68

Notes

The pro forma rents listed above, as well as those listed for the vacant units, are estimated projected rents by the broker. Buyer shall verify and conduct buyers own rent survey to verify. Furthermore, the pro forma rent takes into consideration that the buyer will renovate the unrenovated units at the expense of the buyer.



Operating
Statement

Operating Statement

<i>Income</i>	<i>Current</i>		<i>Pro Forma</i>		<i>Notes</i>	<i>Per Unit</i>	<i>Per SF</i>
Gross Current Rent	\$337,560		\$392,100			\$15,684	\$20.11
Less: Vacancy Deductions	(\$10,127)	3.0%	(\$11,763)	3.0%		(\$471)	(\$0.60)
Effective Rental Income	\$327,433		\$380,337			\$15,213	\$19.50
Other Income							
Laundry Income	\$4,200		\$4,200			\$168	\$0.22
Effective Gross Income	\$331,633		\$384,537			\$15,381	\$19.72
<i>Expenses</i>	<i>Current</i>		<i>Pro Forma</i>		<i>Notes</i>	<i>Per Unit</i>	<i>Per SF</i>
Real Estate Taxes	\$42,600		\$42,600		[1]	\$1,704	\$2.18
Insurance	\$9,500		\$9,500		[2]	\$380	\$0.49
Repairs & Maintenance	\$8,000		\$8,000		[3]	\$320	\$0.41
Electricity	\$4,800		\$4,800		[4]	\$192	\$0.25
Sewer & Water	\$19,200		\$19,200		[5]	\$768	\$0.98
Pest Control	\$1,800		\$1,800		[6]	\$72	\$0.09
Garbage & Disposal	\$13,440		\$13,440		[7]	\$538	\$0.69
Landscape	\$3,600		\$3,600		[8]	\$144	\$0.18
On-Site Office Supplies & Phone	\$2,400		\$2,400		[9]	\$96	\$0.12
Management Fee	\$19,898	6.0%	\$23,072	6.0%	[10]	\$923	\$1.18
Total Expenses	\$125,238		\$128,412			\$5,136	\$6.59
Expenses as % of EGI	37.8%		33.4%				
Net Operating Income	\$206,395		\$256,125			\$10,245	\$13.13

Operating Statement Notes

Notes

1	New Owner Estimated at 1.2%
2	Current Policy - 2023
3	Estimated
4	Laundry - Outdoor Lighting - Etc - Per 2023
5	Per 2023
6	Per 2023
7	Per 2023
8	Per 2023
9	Per 2023
10	Management Fee - 6% of EGI

6607 - 6687 Blue Heron Drive

UPPER LAKE, CA 95485

OFFERING MEMORANDUM

LISTING TEAM

Lynn McNamara

REALTOR®

707-621-4265

madisonpacific@gmail.com

CA DRE License #00575586

LUXE PLACES
INTERNATIONAL REALTY