

# HEATHER LANE PROJECT

Creating Affordable Homeownership  
Through Condo Conversion



12920 SE Powell Blvd, Portland OR 98236

 **This is not an attempt to sell securities.** Securities are offered only through a subscription agreement and private placement memorandum. These are projections, and there are no guarantees when investing; past performance is not a guarantee of future performance.

# Why This Matters

"My family and I had to wait many years to be able to get our first home. Now I'm looking at the future seeing there is possibly no way for my children to follow what I did to own their own place.

I'm sure many can relate to this.

There are hard-working families just like mine who don't have the ability to afford a home—many times due to not having the 20% needed for down payment, or finding a home that fits into the budget, or just no belief they will ever own their own place."



# The Housing Crisis in the PNW

## The Problem We're Solving

### Down Payment Barrier

20% down payment on average home requires over \$80,000 in cash—an impossible hurdle for working families

### Price Gap

Median home price vastly exceeds what families earning 80% AMI can afford—a gap exceeding \$200,000

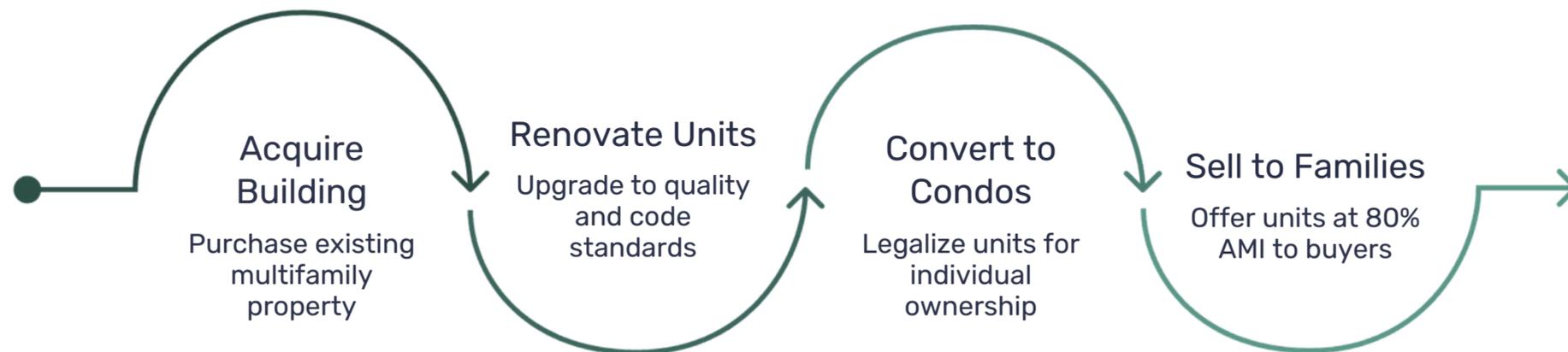
### Limited Inventory

Few homes exist in the \$200K-\$300K range where working families can compete

Who Gets Left Behind: Teachers, nurses, service workers—hard-working, creditworthy families who are simply capital-constrained. First-time buyers compete against investors and cash buyers, making homeownership feel impossible.

# The Solution

Investors Teaming Together to Create Opportunities



Where there were no opportunities before, we create pathways to homeownership through a proven, repeatable model.

## The Model: Condo Conversion

1. Acquire existing multifamily apartment buildings
2. Renovate units to quality standards
3. Convert legal structure to condominiums
4. Sell individually to families at 80% AMI

**The Result:** Families transition from renting to owning. Investors earn 15% cash-on-cash returns paid monthly. Communities gain stable, invested homeowners.

We like to call this: **Compassionate Capitalism**

# Meet Heather Lane

Our Teaching Example

## The Property

- 16 units (14 two-bedroom / 2 three-bedroom)
- 12,380 total square feet
- Average unit size: 774 SF
- Located: SE Powell Blvd, Portland OR

## Current State

- Fully occupied rental apartments
- Current avg rent: \$1,600/unit
- Good bones, needs updating
- Ideal for conversion



# Heather Lane Property



# How Condo Conversion Works

The Business Model Explained Using Heather Lane



## Step 1: Acquisition

We partner with nonprofit housing providers to acquire at 40-50% of After Repair Value.

**Heather Lane:** Purchased for \$2,200,000



## Step 2: Renovation

Total renovation budget: \$642,200 including hard costs of \$400,000 for kitchens, baths, flooring, paint, and fixtures.

Focus: Durable, buyer-appealing updates—not luxury finishes.



## Step 3: Legal Conversion

Convert apartment building to condominium legal structure, create individual unit deeds, establish HOA and CCRs.

Navigate local regulations with experienced legal counsel.



## Step 4: Sales

Target: 1 unit sold per month starting Month 4. Average projected sale price: \$279,866.

Sell to income-qualified buyers through housing nonprofit partnerships.

# Where Investor Money Goes

## Sources and Uses of Capital

### SOURCES (How We Fund The Project)

<b>Investor Equity</b>	\$1,000,000
<b>Sponsor Equity</b>	\$50,500
<b>Senior Debt</b>	\$2,210,000
<b>Total Sources</b>	<b>\$3,260,500</b>

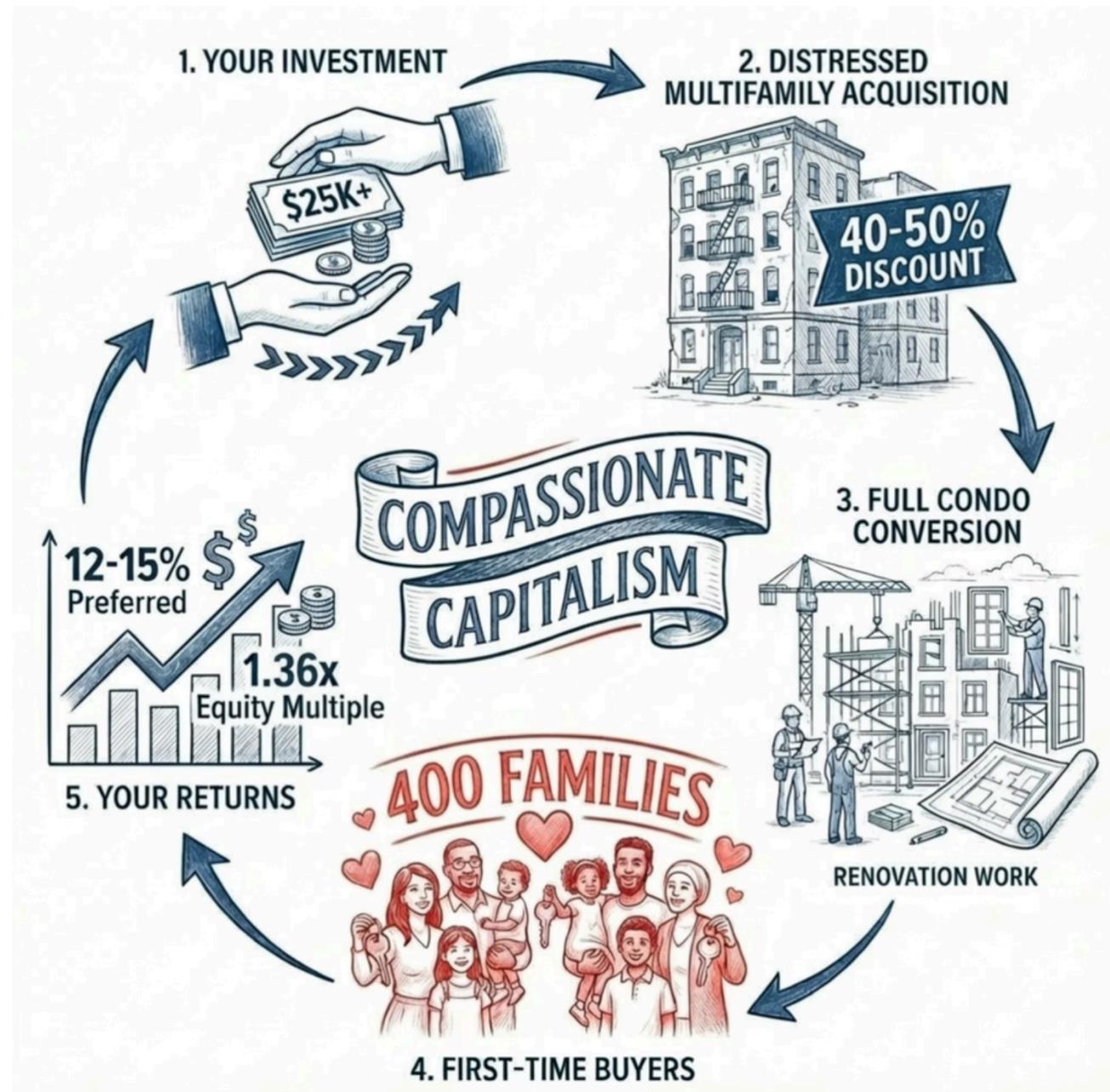
### USES (How Capital Is Deployed)

Property Acquisition	\$2,200,000
Closing Costs	\$50,500
Hard Renovation Costs	\$400,000
Soft Costs	\$242,200
Contingency Reserve	\$71,739
Interest Reserve	\$73,667
Operating Reserve	\$90,395
Acquisition Fee	\$132,000
<b>Total Uses</b>	<b>\$3,260,500</b>

Every dollar is strategically allocated with reserves built in to protect investor capital and ensure project success.

# How Investors Get Paid

## The Return Structure



## 15% Annual Preferred Return

- Paid monthly at 1.25% per month
- Paid from available cash flow
- Priority waterfall: Senior debt → Preferred return → Principal return

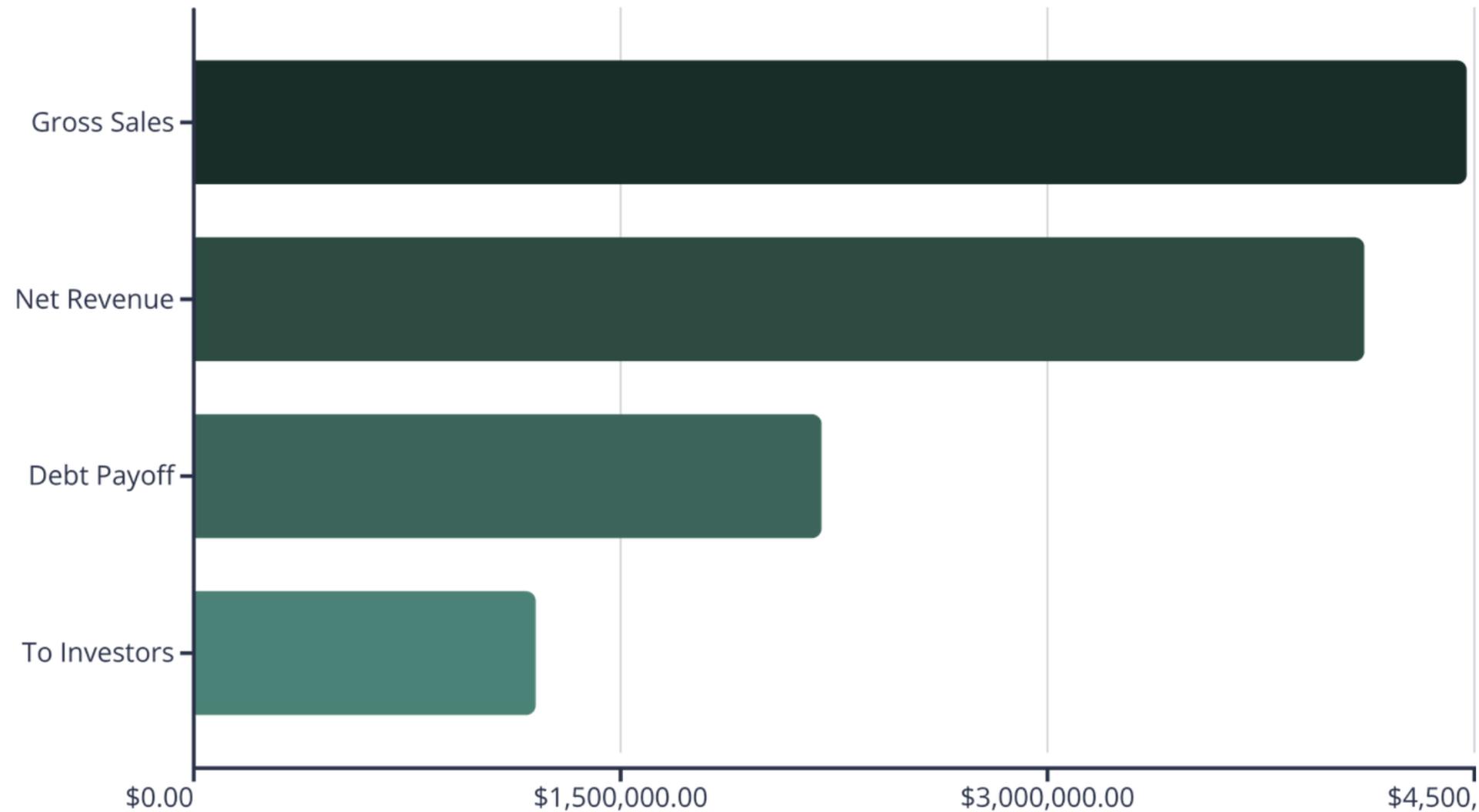
### Example: \$100,000 Investment

- Monthly preferred payment: ~\$1,250
- Paid from Month 1 through completion
- Total preferred (16 months): ~\$20,000
- **Total return: \$120,000 in 16 months**

**Return of Principal** begins when units sell at Month 4, with full return projected by Month 16, funded from net sale proceeds.

# The Sales Strategy

How We Exit & Return Capital



## Projected Sales Timeline

- Renovation period: Months 1-3
- First sale: Month 4
- Target pace: 1 unit per month
- Final sale: Month 16
- Seasonality adjustment:  $\pm 3\%$  premium

## Who Buys These Homes

First-time homebuyers earning 60-80% AMI, qualified through nonprofit housing partners. Think teachers, nurses, service workers—families ready for homeownership but lacking traditional pathways.

Average price per unit: **\$279,866**

# Financial Projections Summary

What Investors Can Expect

**15%**

## Preferred Return

Annual return paid monthly throughout project

**16.1%**

## Projected IRR

Internal rate of return over full investment period

**1.20x**

## Equity Multiple

Total return as multiple of invested capital

**16**

## Months to Full Return

Projected timeline for complete capital return

## Risk Mitigation Built In



### Conservative Assumptions

Sale price projections based on comparable sales with built-in market cushion



### Multiple Reserves

4-month interest reserve, contingency reserve for overruns, operating reserve for carrying costs



### Phased Sales

Monthly sales cadence reduces market timing risk and creates predictable cash flow

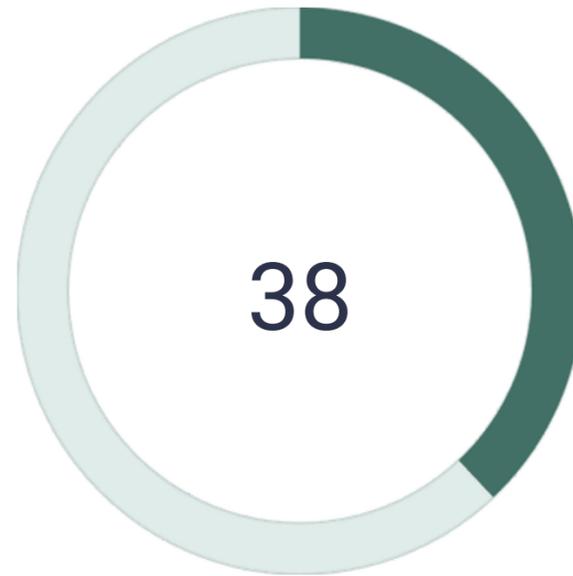
# Our Track Record

8 Full-Cycle Projects in the Last 3 Years



## Units Converted

Successfully transformed into homeownership opportunities



## Years Experience

Combined real estate investment expertise



## Career Doors

Total units owned and managed across all projects

### Campus Condos (Portland)

15 units | Closed Feb 2024

- Purchase: \$900,000
- Renovation: \$270,000
- After Repair Value: \$4,500,000

### Laurelhurst Condos (Portland)

23 units | Closed Dec 2024

- Purchase: \$1,500,000
- Renovation: \$2,000,000
- After Repair Value: \$5,750,000

**Active Pipeline:** 111 additional units in escrow, closing Q1-Q2 2026. This is a proven, repeatable model with momentum.

# The Team

Who Executes This Model



John E. Laine

**Founder / Lead Sponsor**

- 38 years real estate investing
- Founder: Condo.Fund, Green Cottage Homes, StarterHome.Fund
- \$175M career AUM
- 1,200+ doors owned



Cyndy D. Hagin

**CFO / Operations**

- Project management oversight
- Contractor coordination
- Budget & timeline management
- Day-to-day execution



Lucas Jensen

**Deal Structuring / Capital Markets**

- Founder: Winter Capital LLC
- Navy nuclear engineer → Microsoft → Real Estate
- Capital preservation focus
- Systems-driven investment approach

**[John@starterhome.Fund](mailto:John@starterhome.Fund) | 503-490-5889**

# Why This Works

The Alignment of Mission and Returns



## For Families

- Transition from renting to owning
- Build equity instead of paying rent
- Wealth creation opportunity
- Community stability and pride



## For Investors

- 15% cash-on-cash returns monthly
- Short duration (12-18 months typical)
- Backed by hard asset (real estate)
- Mission-aligned capital deployment



## For Communities

- Increased homeownership rates
- Stable, invested residents
- Addresses affordable housing crisis
- Proven, repeatable model

## Compassionate Capitalism

This is earning returns by solving problems, not creating them. We believe profitable investing and social impact aren't mutually exclusive—they're powerfully aligned.



# Investment Opportunity

Heather Lane - Current Status

## Investment Terms

- Minimum Investment: \$25,000
- Preferred Return: 15% annual (1.25% monthly)
- Target raise: \$1,000,000
- Structure: 506(c) Private Placement
- Status: Currently accepting investors

## Timeline

- Closing: Q1 2026
- Renovation: Months 1-3
- Sales begin: Month 4
- Projected completion: Month 16-20



**Current Availability:** A few spots remaining. Review full details in deal portal to secure your position.

## SCAN TO INVEST



## SENATE ESKRIDGE



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