

PRESS RELEASE

EL CAJON, CALIFORNIA

FEBRUARY 28, 2003

INVESTOR SNAPS UP OLD TRAILER PARK WITH HIGH CASH FLOW

The sale of the Eastern Mobile Home Park located at 213 El Cajon Blvd., El Cajon, CA, closed February 28, 2003 for \$1,000,000. John Grant of Park Brokerage Inc. and Vince Reynolds of MH/RV Advisors represented the Seller and Doug Danny of Marcus and Millichap represented the Buyer.

Eastern is an older, 33 space park with 100% permanent travel trailers and RV's. The spaces can not accommodate RV's longer than 25 feet. The property also has a 2 bedroom/1 bath house. 18 rental recreational vehicles were included in the purchase price. The park is approximately 50 years old and is located in the old commercial downtown area of El Cajon. The space rents are \$290-\$315 plus \$5.72 trash and submetered electric, water and sewer utilities. The residents contract directly for propane gas. The park owned RV's rent for \$50-\$125/month more than the space rent. Eastern is an all ages community and its only amenity is a laundry room.

The property is located on 36,590 square feet for a very high density of 40 spaces/acre. The property is on the southwest corner of a signalized intersection. The property is adjacent to a redevelopment area where the City of El Cajon has spent large monies to entice new commercial development. The property's commercial land value is becoming more and more valuable as the old downtown commercial core redevelops.

The Buyer made a \$400,000 down payment and obtained new financing of \$600,000 at an adjustable interest rate of 5½% based on the six month libor index with payments amortized over 25 years. The park sold at a 10% capitalization rate and a 14% cash on cash return.

John Grant commented, "We sold this property to the Seller just two and half years ago with his intent to redevelop the property to a commercial use. However, over the last two and a half years, rents and occupancy have greatly increased in El Cajon and throughout Southern California. The property is more valuable today as a rental property than as commercial land".

Grant added, "Most "A" and "B" quality manufactured housing communities and apartment buildings in Southern California are selling for 5½%-7% capitalization rates. Since even the older trailer parks in Southern California are 95%+ occupied with rising rents, the investor demand for older trailer parks with approximate 15% cash on cash yields is very strong".

John Grant sells and finances manufactured housing community and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 94 manufactured housing communities and RV parks in the last fifteen years and financed over 100. For further information you can contact John at 800-987-3363.

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