

PRESS RELEASE

PALM DESERT, CA.

SEPTEMBER 29, 1995

UNDERPERFORMING RV PARK WITH PERMITTED SPACES TO DEVELOP WILL PROVIDE INVESTOR WITH LARGE UPSIDE

The sale of the Emerald Desert Golf and RV Resort at 76-000 Frank Sinatra Drive was completed September 29, 1995 for \$5,750,000.

The park was built in 1991 and contains 350 existing spaces, a 9 hole golf course, 500 permitted spaces to develop, 82 acres, 9 manufactured homes, and a 5 star resort amenity package. The park had been plagued with ownership and management problems, and in 1994 the net operating income was a negative \$103,000.

The buyers placed \$1,750,000 down, assumed the existing \$2,100,000 first trust deed and the seller carried a 2nd T.D. of \$1,900,000. The 1st T.D. was an adjustable rate loan based on the 11th district plus a margin of 3%. The 2nd T.D. was amortized over 30 years and due in 5 years, with a fixed 9.5% interest rate. The first year's interest on the seller 2nd T.D. will accrue to allow the buyer to free up cash for the additional spaces. The buyers own a number of large California mobile home parks, and are diversifying into their first RV resort.

John Grant, who handled the transaction, commented "The park is one of the most desirable RV resorts in the Southwest and in a upscale resort location. The park has such extensive amenities that the additional spaces needed to be built to give the park sufficient economies of scale to make it profitable. In addition most new snowbird RV parks take about five years to stabilize and develop a loyal base of return clients. The buyers were able to see the trend of increasing occupancy and income in the next few years and from operating a larger facility.." Vince Reynolds, who with Grant completed the transaction, added, "The Buyers studied the demographics of the RV industry, and discovered in the next 20 years with the aging of the baby boom generation, the number of RV'ers is estimated to increase from 25 million to 75 million.. The park was already basically full during the peak of the winter season, and turning away potential customers and large groups. The buyers will immediately begin construction on 260 additional spaces of the 500 permitted spaces to build, and hope to have them completed before the end of the year."

John Grant and Vince Reynolds, both of Business Real Estate, sell and finance RV and mobile home parks exclusively throughout the states of California and Arizona. They have sold 29 parks in the last seven years with dozens financed.

For further information contact John or Vince at (619) 546-5400 or (800) 794-1660.