

PRESS RELEASE

DESERT HOT SPRINGS, CALIFORNIA

APRIL 30, 2004

POTENTIAL EXPANSION ENTICES INVESTOR

The sale of the Holmes Hot Springs Mobile Home Park located at 69530 Dillon Road in Desert Hot Springs closed on April 30, 2004 for 1,675,000. John Grant of Park Brokerage Inc. represented the buyer and the seller in the sale.

The 55+ community was built in approximately 1950 with a later addition in the late 1960's. The community contains 95 sites with mostly singlewide homes with 15 doublewides and a few RV's. The community had 63 year round residents at the close of escrow and most of the vacant sites are rented by RV's during the winter season. Amenities include a rec center with assembly room, kitchen, billiards, laundry, swimming pool, and very large natural hot spa.

The community is located on 9.16 acres and includes another two vacant parcels with a total of 14.5 acres. The vacant land was zoned for a variety of residential uses and the buyer plans to process approval for additional manufactured housing sites.

The site rents were \$251-300 plus 50 amp submetered electric and water utilities. The gas utility is directly billed and the community is on septic sewer. The site rents are subject to the County of Riverside rent control ordinance which limits annual increases to 100% of cpi. The community was 66% occupied at closing and was in fair condition. The septic system was very old with a bid for \$60,000 to upgrade it to good working condition.

The capitalization rate was 7.3% (\$1.675M purchase price plus \$60k in deferred septic system maintenance). The buyer paid all cash with plans to refinance the community after the close of escrow.

John Grant commented, "Desert Hot Springs is about to explode with new growth spilling over from the greater Palm Springs markets. Holmes Hot Springs was a neglected community for many years with vacancy and deferred maintenance. However, it has a nice amenity package and the buyer has large upside in filling the vacancy and getting approved additional manufactured home sites on the vacant 14.5 acres".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 106 manufactured housing communities and RV parks in the last 15 years and financed over 100. John can be reached at 800-987-3363.