

PRESS RELEASE

PALM SPRINGS, CALIFORNIA

April 21, 2006

169 SITES MHC IN PALM SPRINGS ON 17 YEAR LEASEHOLD SELLS FOR \$3.8M

The sale of the Horizon Mobile Village located at 3575 E. Palm Canyon Drive in the City of Palm Springs closed on April 21, 2006 for \$3,800,000. John Grant of Park Brokerage Inc. represented both parties in the sale.

The 55+ community was built in between 1955-1960 and has 165 sites, four apartments, 20 RV storage spaces, and subleases a portion of the property to 51 condominiums on a hill above the community. The property is 25 acres and the community is located on 12.5 acres. The mh community contains 23 doublewides, a few RV's, and the balance singlewides. Amenities include a large swimming pool, spa, 1,800 sf exercise room, 1,800 sf recreation building with a kitchen and two bathrooms, 1,080 sf office and manager apartment, 1,800 sf coffee, tv, and library room, covered shuffleboard, and a great location out of the wind on prestigious Palm Canyon Drive. The property is serviced by city sewer and water utilities.

The site rents were \$285-\$325 plus submetered gas and electric utilities plus a flat \$40 for sewer, water, and trash. The property is located on Indian land and not subject to rent control. The site rents were approximately \$200 below market at time of sale. The 51 condominium owners pay \$810 each per year for their sublease.

The property is on a 17 year land lease that expires June 30, 2023. The land lease payments are based on 10% of the site rental income plus 10% of the net of the utilities plus 30% of the sublease rent to the condominiums.

The buyer was Horizon Asset Partners, L.P. with Ralph Beatty and McKay Florence as general partners. The capitalization rate was approximately 10% at time of sale but the property had significantly below market site rents. The buyer paid cash to new \$3,500,000 financing. The property was in fair condition at time of sale.

John Grant commented, "Horizon was a challenge to sell because of the shortness of the lease and older property improvements. However, the property offered significant rent upside without rent control and tremendous cash flow for the remaining lease term."

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 124 manufactured housing communities and RV parks in the last 20 years and financed over 100. John can be reached at 800-987-3363.

Market time: 5 months, Escrow length: 5 months