

PRESS RELEASE

EL MIRAGE, ARIZONA

JULY 30, 2004

**NEWER COMMUNITY SELLS WITH HIGH VACANCY BUT BELOW
REPLACEMENT COST**

The sale of The Palms at El Mirage manufactured housing community located at 16101 El Mirage Road in El Mirage, Arizona closed on July 30, 2004 for 4,750,000. John Grant of Park Brokerage Inc. represented the buyer and the seller in the sale.

The 151 sites, five star, all ages community was built in 2001 on a total of 36 acres. The community contains all ground set, deluxe manufactured homes on home sites between 4,000-6,000 square feet. Amenities include a large clubhouse with office, billiards room, kitchen, and fitness center, adult and children's pools, spa, and a recreational park furnished with a lighted basketball court, playground, armadas, gazebos, picnic areas with bbq grills, and grass activity fields. The entrance to the community is gated with a gatehouse.

The site rents were \$270-\$320 plus submetered city water and flat charges for city sewer, trash, and rental tax. The gas and electric utilities are directly billed. At the time of sale there were 79 paying residents, 7 reserved sites, 11 sites to completed (road improvements and site finishing, 2 model homes, and 52 vacant sites.

At 100% occupancy the net income is anticipated to be \$395,000.

The buyer made a \$1,512,500 down payment and the seller carried a \$3,237,500 1st trust deed at 6% interest with monthly payments amortized over 30 years with a 6 year term.

John Grant commented, "A hotel owner was convinced to joint venture and build a first class manufactured housing community that was plagued from the start from expensive construction costs and poor management and marketing. The property had several different management companies with no strong and clear marketing plan. In addition the project faced stiff competition from stick built housing and low interest rates that slowed the rate of absorption".

Grant added, "Despite the vacancy and very low net income, the buyer appreciated the first class quality of the community and recognized that the property was being sold for less than replacement cost. The buyer plans to market and advertise the property more aggressively and build stronger relationships with the local manufactured housing retailers.

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 107 manufactured housing communities and RV parks in the last 15 years and financed over 100. John can be reached at 800-987-3363.

Market Time: One day
Escrow Period: 75 days