

PRESS RELEASE

SAN LUIS OBISPO, CALIFORNIA

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CONVENTIONAL RV PARK OWNER ENTERS MEMBERSHIP ARENA

The sale of the Ocean Canyon Resort-Avila Beach located at 7075 Ontario Road, San Luis Obispo, California closed on February 4, 2000 for \$1,800,000. John Grant of Park Brokerage Inc. represented the Seller in the transaction.

Ocean Canyon Resort is located on California's exclusive central coast. Few quality RV resorts exist because of high land costs and anti-growth attitudes. The resort is adjacent to Highway 101 and three miles from the town of Avila Beach. Ocean Canyon is a private membership park with approximately 1,896 active members with dues ranging from \$160-\$400/year with the average at \$310. Membership entitles either a two or three weeks continuous stay with at least a week in between each stay. The average member uses the resort two to three times a year for a week or two at a time. Memberships are priced from \$1,995-\$4,995 and include reciprocal networks which give the members limited rights to stay at approximately 700 different resorts nationwide.

The resort has 75 full hookup RV spaces, 34 water and electric spaces, and 6 dry spaces on 11.5 acres. The sale included nine park models and a doublewide manufactured home. Amenities include a resort style pool and spa area, 2,130 square foot clubhouse, store, bathrooms with showers, gated entry with guardhouse, manager's office, and children's play area. The resort has county water service, and septic sewage utility systems, and cable tv service at each space.

The buyer paid all cash for the resort, and plans to refinance the property shortly after purchase. The trailing 1998 net income was only \$112,548. After the managing partners death in 1997, the property was placed in receivership because of a partnership dispute. When receivership expense and other extraordinary expenses were added back in, the net income was approximate \$200,000 for an 11% capitalization rate. However, no membership sales had been sold during the last two years, and with a conservative average of ten new membership sales a month, the net income can easily reach \$350,000. Back in 1995 and 1996, the resort had enjoyed net incomes of \$350,000.

John Grant commented, "As the RV park industry continues to grow due to the aging of the baby boom generation, different types of RV park opportunities are available for investors. Most of the opportunities will be typical rental RV parks, but own your own lot RV park developments and membership RV parks will become more common. Membership RV parks are typically higher in quality, and usually include association with other membership parks. With these reciprocal agreements members enjoy the ability to visit parks across the country".

Vince Reynolds added, "The buyer owns typical open to the public RV parks. He had been studying the membership RV industry for several years, and jumped at the opportunity to buy a seasoned RV resort, at a depressed price, in an excellent coastal location".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. For further information contact John at (800) 987-3363.