

PRESS RELEASE

LANCASTER, CALIFORNIA

MARCH 26, 1997

**REO SALE AT SUBSTANTIALLY BELOW REPLACEMENT COST PROVIDES
INVESTOR EXCELLENT OPPORTUNITY IN REBOUNING MARKET.**

The sale of the Chaparral Mobile Estate located at 1501 E. Avenue I in Lancaster, CA was completed March 26, 1997 for \$925,000. John Grant of Business Real Estate Brokerage Company represented both parties in the transaction.

The park is an attractive, is considered 4-star and contains 94 spaces on 15 acres. It was built in 1986, and contains all doublewide homes. Amenities include a clubhouse, pool, spa, and RV parking. From 100% occupancy in the late 1980s, the park has steadily lost mobile homes, and was 60% vacant at time of sale. The space rents averaged \$330 with all utilities direct billed.

The buyer put \$225,000 down and had the bank (seller) carry a \$700,000 1st TD. The loan is amortized over 25 years and due in 10 years from the close of escrow. The interest is based upon the 12 month average of the London Interbank Offer Rates (LAMA) + 2.75% (9.05% at close of escrow) with maximum of 12%.

John Grant commented, "In 1990 this park was on the market for \$3,500,000 with 100% occupancy; quite a difference from the sale price. The buyer realized that when fully occupied, the value of the park will be close to \$3,000,000. The park will not fill overnight or for a couple of years, but when the turnaround in California's economy occurs the park will be one of the first in the market to recover and attract new manufactured homes."

Grant added, "For the first time in five years new homes are going into parks in Orange and Los Angeles counties, and housing prices have finally leveled off, and have started to increase in Palmdale/Lancaster. It is only a matter of time before people will begin looking for affordable housing. The buyer is very experienced in filling parks with severe vacancy problems, and timing the housing market recovery in depressed markets."

John Grant Business Real Estate sells and finances mobile home and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 41 parks in the last nine years with dozens financed. For further information, contact John (619) 546-5400.