

PRESS RELEASE

DESERT HOT SPRINGS, CALIFORNIA

APRIL 1, 1997

**MEMBERSHIP RV PARK OWNER SNAPS UP MEMBERSHIP RV PARK IN  
BANKRUPTCY**

The sale of the Desert Pools RV Resort located at 70-405 Dillon Road in Desert Hot Springs, California closed on April 1, 1997 for \$1,550,000. John Grant and Vince Reynolds of Business Real Estate Brokerage Company represented both parties in the transaction.

The park sold for \$1,550,000 with 50% down, and 50% new bank financing. Most banks do not understand membership RV parks so financing is more difficult and expensive to obtain. The park was financed at the 11th district + 4.25% with a 10.25% start and floor, and fully amortized over 15 years.

The 289 space RV park was part of American Adventure Inc., a membership RV park company with 11 parks in the western United States. American Adventure Inc. was in bankruptcy and selling a number of their parks. A membership RV park is comparable to a time share; a buyer purchases a membership for typically \$3,000-\$6,000 depending on the benefits, and then pays annual dues. The dues for American Adventure parks were \$325/year. The park sold with 1,194 members.

Desert Hot Springs is just north of Palm Springs and is mostly occupied by "snowbird" members. Many of the members are from Washington and Oregon, and use Desert Pools during the winter. The park was built in the 60's and 70's, and included a pool, three hot mineral spas, two clubhouses, tennis court, miniature golf, and is gate guarded. The park is situated on 25 acres, and included an adjacent 7 vacant acres for as many as 100 additional spaces.

John Grant commented, "As the RV park industry continues to grow with 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 includes association with other membership parks. With their dues the members enjoy the ability to visit a wide number of parks over a large geographical area.

Vince Reynolds added, "The buyer already owns six membership parks and has been very successful in adding new members. The buyer jumped on the opportunity to buy a RV park below replacement cost, in a great winter season market, and with 1,194 members already paying \$325/year in dues. The park had not sold any membership sales for six years, and the buyer plans to immediately begin an aggressive marketing program. Since you can have up to 15 memberships per space (4,335 total for this 289 space park), the park allows huge upside opportunity.

John Grant and Vince Reynolds of Business Real Estate sell and finance mobile home and RV parks exclusively throughout the states of California, Arizona, and Nevada. They have sold 41 parks in the last nine years. For further information contact John or Vince at (619) 546-5400.