

PRESS RELEASE

QUEEN VALLEY, ARIZONA

February 22, 2005

FIVE STAR PARK MODEL RV RESORT SELLS

The sale of the Queen Valley RV Resort located at 50 W. Oro Viejo Drive in the unincorporated area of Queen Valley in Pinal County closed on February 2, 2004 for \$1,900,000. John Grant of Park Brokerage Inc. represented the seller in the sale.

The resort contains 210 full hookup RV sites on 31.3 acres. All sites have 50 amp electrical service and are 35 X 50 feet with concrete patios. 47% of the tenancy was annual and 78 of the sites contained park models. The resort has a very large recreation and activities center, swimming pool, sauna, and two spas. The resort has multi-level sites with magnificent views of the surrounding Superstition Mountains and is located approximately 20 minutes southeast of Apache Junction. Site rents were annual \$2,780, six months \$2,295, five months \$2,095, four months \$1,895, three months \$1,485, monthly \$495, weekly \$234.52, and daily \$34.11.

The resort has 7-8 vacant acres at the front of the property with utilities already stubbed out with old plans for an additional 100 RV sites.

The seller was Lehman Brothers out of New York, who became the owner of the property after the operating partner, Encore RV Resorts, did not meet minimum operating requirements. Encore operated the resort with very high expenses and the resort had minimal net incomes for 2003 and 2004. The buyer and broker anticipate a net income of \$100,000 for the first year of operation for a capitalization rate of 5.3%. The buyer paid all cash without any financing for the property.

John Grant commented, "Queen Valley is a very attractive RV resort that had been poorly managed and marketed for several years. Occupancy had been flat and the operators had run the property with high corporate overhead. The buyer owns other park model RV resorts in Arizona and has his own retail park model sales operation. He will enjoy income in selling new park models in a very desirable resort and strong upside in the property by increasing occupancy and income and streamlining expenses".

Grant added, "5.3% is a very low capitalization rate for a RV resort but the property offered upside and development potential to add additional RV sites. The price per site was only \$9,048-about half of comparable but stronger operating RV resorts in Pinal and Maricopa counties".

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 114 manufactured housing communities and RV parks in the last 16 years and financed over 100. John can be reached at 800-987-3363.

Market time: 135 days, Escrow length: 45 days