

PRESS RELEASE

RIDGECREST, CALIFORNIA

JUNE 1, 2000

INVESTOR BULLISH ON DEPRESSED MARKET

The sale of the Green Acres Mobile Home Park located at 700 S. Silver Ridge Street, Ridgecrest, CA, closed June 1, 2000 for \$735,000. John Grant of Park Brokerage Inc. represented the Buyer and Seller.

Green Acres is a 139 site, all ages, manufactured housing community built in 1985. The community was 48% occupied at the time of sale and had 46 doublewide tenancies and 21 singlewide tenancies. All of the sites can accommodate doublewide manufactured homes. Space rents were \$180 for the singlewides and \$190 for the doublewides and included the city sewer, city water, and trash utilities. There is no rent control in the City of Ridgecrest. 14 manufactured homes were included in the sales price that rent for \$350-\$475. The gas and electric utilities are directly billed by the utility companies. Amenities include a pool, doublewide manufactured home recreation facility and office, playground, RV storage, and masonry wall around the entire community.

Ridgecrest is an isolated city in the high desert approximately two hours north of Los Angeles. The city has been depressed since the early 1990's when the major employer, China Lake Naval Weapons Facility, was cut back by the federal government. The population of Ridgecrest has declined from approximately 32,000 to its present 25,000.

The Buyer made a \$375,000 cash down payment and assumed a \$360,000 Highland Federal Bank 1st trust deed at an adjustable interest rate of the 11th district + 4½% with a 9½% floor. The capitalization rate was 10½%.

John Grant commented, "Ridgecrest has been a very depressed market and all of the manufactured housing communities have vacancy rates from 10%-75%. The average 1,400 square foot home sells for \$74,900, and apartments rent for \$300-\$500. However, occupancy rates and real estate prices are finally beginning to increase in Ridgecrest from the overflow in the great real estate markets in the metro areas of Southern California".

Grant added, "\$5,288/site is a great opportunity for the Buyer. Since there is no dealer activity in Ridgecrest, the Buyer plans on bringing in used homes and reselling them onsite. There is plenty of demand for manufactured homes in the \$15,000 price range. The Buyer believes he can fill the park in 3-5 years."

John Grant sells and finances manufactured housing community and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 71 communities and parks in the last twelve years with over 100 financed. For further information you can contact John at 800-987-3363.