

PRESS RELEASE

RAMONA, CALIFORNIA

AUGUST 19, 1999

NATIONWIDE MEMBERSHIP RV PARK COMPANY ADDS TO PORTFOLIO

The sale of the Ocean Canyon Resort-Ramona located at 24340 Highway 78 in Ramona, California closed on August 19, 1999 for \$1,850,000. John Grant of Park Brokerage Inc. represented both parties in the transaction.

Ocean Canyon Resort is located in the foothills of mid-San Diego County, approximately 40 miles from the Pacific Ocean. Ocean Canyon is a private membership park with approximately 2,487 active members with dues ranging from \$160-\$400/year with the average at \$310. Membership entitles a either 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 121 full hookup RV spaces and 7 partial hookup spaces on 105 acres. The sale included seven modular rental units. Amenities include a restaurant, store, clubhouse, swimming pool, new spa, fish pond, chapel, and playground. The resort has well water and septic sewage utility systems and cable tv service at each space.

The buyer made a \$555,000 cash down payment, and obtained new financing of \$1,295,000 at an adjustable interest rate of 8.75% (1 year treasury + 4%). The trailing 1998 net income was \$247,916 for a 13.4% capitalization rate. However the property had been in receivership because of a partnership dispute, and when the receivership expense and extraordinary legal were added back in, the net income was \$297,463 for a 16.0% capitalization rate.

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 is a nationwide membership RV resort company with over 20 RV parks. They jumped on the opportunity to buy a RV park at a very attractive capitalization rate, below replacement cost, in a great San Diego market, and with 2,487 existing members. The property also offers the potential for expansion".

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.