

Marcus & Millichap

Real Estate Investment Services

75 SPACES
LOCUST GROVE
1617 East Avenue I
Lancaster, CA 93535

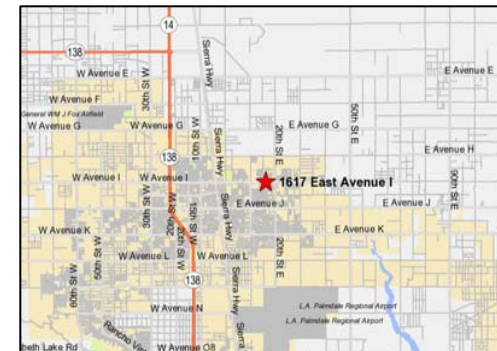


INVESTMENT HIGHLIGHTS

- ◆ 75 Space, 2 Star, All Age Community with a Single Tenant Commercial Unit
- ◆ Well Water Included in the Rent
- ◆ 98.7% Occupied
- ◆ Additional Unused Acreage for Storage
- ◆ Sub-metered Gas, Electric, Sewer and Trash

OFFERING SUMMARY

Price	\$1,800,000
Down Payment	(52%) \$940,000
Loan Amount	\$860,000
Loan Type	Assumption
Interest Rate	6.65%
Spaces	75
Price Per Space	\$24,000
Year Built	1957
Lot Size	408,592 / 9.38 Acres
Cap Rate - Current	8.41%
Cap Rate - Pro Forma	8.61%
GRM - Current	7.73
GRM - Pro Forma	7.61
Net Cash Flow After Debt Service - Current	9.1%
Net Cash Flow After Debt Service - Pro Forma	9.4%
Total Return - Current	10.0%
Total Return - Pro Forma	10.4%



Listed by:

DOUGLAS A. DANNY
 Vice President Investments
 Senior Director
 National Manufactured Home Communities Group
 Tel: (858) 373-3100 x 3222
 Fax: (858) 373-3264
 ddanny@marcusmillichap.com
 www.mhpbroker.com



INVESTMENT OVERVIEW

Locust Grove is a 75 space two (2) star Manufactured Home Community, a Single Tenant Commercial unit (Feed Store) and approximately 1.5 acres of vacant C-2 property on Avenue I all situated on a 9.38 acre parcel. Located near the Sierra Highway corridor, the property is 98.7% occupied and is in a high-demand rental area of Lancaster.

Subject to City of Lancaster rent control, the property has rents of \$253.84 which are at the low end of the rent spectrum. The City has granted a \$72.66 rent increase in 2006 which was spread over the following four years. The current income reflects the final \$18.17 increase which took effect August 1, 2009 plus the annual CPI increase applied to the rent of \$228.42 which raised the rent from \$235.67 effective February 1, 2009 to \$253.84 effective August 1, 2009.

There is ample open space at the rear of the park (North) and front of the park (Southeast corner) for other potential uses; mini-storage & open RV or vehicle storage is a possibility. There is a new block wall on the eastern lot line that runs the length of the property. There is also a newer wrought iron fence on the north side of the property.

SPACE MIX

No. of Spaces	Space Type	Current Rents	Monthly Income	Pro Forma Rents	Monthly Income
74	SingleWide	\$254	\$19,089	\$262	\$19,393
1	RV	\$305	\$305	\$314	\$314
75	Total		\$19,394		\$19,707

OPERATING DATA

	Current	Pro Forma
INCOME		
Gross Potential Rent	\$ 232,728	\$236,484
Other Income	132,040	132,040
Gross Potential Income	\$ 364,768	\$368,524
Less: Vacancy/Deductions	1.6% 3,660	1.6% 3,768
Effective Gross Income	\$ 361,108	\$364,756
Less: Expenses	209,753	209,753
Net Operating Income	\$ 151,355	\$155,003
Debt Service	66,251	66,251
Debt Coverage Ratio	2.28	2.34
Net Cash Flow After Debt Service	9.1% \$85,104	9.4% \$88,752
Total Return	10.0% \$94,446	10.4% \$98,094

EXPENSES

Real Estate Taxes	\$43,197	\$43,197
Insurance	4,000	4,000
Payroll / WC / Taxes	30,000	30,000
Manager's Rent Credit	5,656	5,656
Gas	30,000	30,000
Electric	34,000	34,000
Water (Well)	5,000	5,000
Trash	15,000	15,000
Cable TV	800	800
Total Utilities	84,800	84,800
Repairs & Maintenance	20,000	20,000
General & Administrative	4,500	4,500
Reserves & Replacements	7,500	7,500
Professional Fees	2,500	2,500
Licenses & Permits	2,500	2,500
Total Other Expenses	5,100	5,100
Total Expenses	\$209,753	\$209,753
Expenses per Space	\$2,797	\$2,797
% of EGI	58.1%	57.5%



Listing Office:

9255 Towne Centre Drive
Suite 700
San Diego, CA 92121
Tel: (858) 373-3100
Fax: (858) 373-3110

www.marcusmillichap.com