

MOBILE HOME PARK SALE GUIDE

Day 1-5	<p>GOALS SETTING</p> <ol style="list-style-type: none"> 1. Get clear on your Goals for the Sale of the Park. (What would the ideal result look like? What am I trying to accomplish?) 2. Get clear on your Ideal Buyer profile. (Someone local? Someone with the deepest pockets or Someone Experienced?) <p>Tip 1: consult with your tax adviser/financial planner before making this important decision! Tip 2: include all decision makers in the goal setting process.</p>
Day 5-15	<p>PREPARATION</p> <ol style="list-style-type: none"> 1. Get your parks' financial documents together and convert them to electronic format to email to a Buyer during Due Diligence. <ul style="list-style-type: none"> <input type="checkbox"/> City, County and State Permits and Licenses, SUPs <input type="checkbox"/> Copy of Existing Survey and Environmental Reports <input type="checkbox"/> Water, Sewer, Trash, Gas, Electric Bills for the last 12 months <input type="checkbox"/> Real estate and personal property tax payment receipts for the last 2 years <input type="checkbox"/> Property Income taxes for the last 2 years <input type="checkbox"/> Copies or evidence of title for all park owned homes. <input type="checkbox"/> Bank Statements for the past 12 Months (the ones that correspond with the parks operating account) <input type="checkbox"/> Copies of all current leases that are being used for both the home renters as well as lot renters. <input type="checkbox"/> Rent Roll with specific home-site number, name of resident, move-in date, monthly rent, current balance, past due balance owed and a brief history of the resident (good resident / bad resident, special circumstances, etc.) signed by Seller. <input type="checkbox"/> Rent delinquency report year-to-date signed by Seller. 2. Get a drive through video of your property and good quality photos. <p>Tip 1. Video should start from the entrance of the park, including both sides of each street one at a time. Tip 2. Good idea to add a narration to your video explaining what is what. Tip 3. Photos need to show highlights of the park including the front of the park and park sign.</p> 3. Write a description of your community. Tip 1. Include park location, number of lots and occupancy breakdown, utilities mix (city/private), what is billed back; additional information on recent improvements or any outstanding. Tip 2. Any time limitations or cash requirements that need to be met.
Day 15-30	<p>MARKET</p> <ol style="list-style-type: none"> 1. Decide whether you will be selling directly or with a broker. 2. If Selling directly, call back potential buyers who have previously inquired and ask them: <ul style="list-style-type: none"> <input type="checkbox"/> Do you currently own parks? <input type="checkbox"/> Why do you want to buy MY park? <input type="checkbox"/> Do you have previous Seller references? 3. If Selling through a broker, search for top manufactured housing brokers. <p>Tip 1. Consider pros and cons of working with Buyers directly vs through a broker.</p>

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	<p>Tip 2. Brokers' average commission is 4% of the sales price.</p>
Day 31-35	<p>DECISION</p> <ol style="list-style-type: none"> 1. Find a reputable real estate attorney, ideally specializing in commercial real estate. 2. Review Buyer's Purchase and Sale Agreement with your Attorney and sign. 3. Find and engage a reputable Title Company to handle the transaction. 4. Send over Due Diligence package to Buyer. <p>Tip 1. Engaging professionals for each stage of the process helps avoiding costly mistakes.</p>
Day 35-65	<p>VERIFY</p> <ol style="list-style-type: none"> 1. Expect to have a request for additional Due Diligence documents, especially, if Buyer is using a lender: <ul style="list-style-type: none"> <input type="checkbox"/> Water and other Utility Meter Reading Records and Formulas (if sub-metered) <input type="checkbox"/> Specify when the water bill is due if it's a date other than when the rent is due <input type="checkbox"/> Water Well Tests and Compliance Records (if applicable) <input type="checkbox"/> Utilities and what they are made of (What are the water & sewer lines made of? What is the amperage of each electrical pole?) <input type="checkbox"/> Who pays for what and how it is metered? Water, Sewer, Gas, Electric, Trash, Cable, etc. <input type="checkbox"/> Copy of current insurance policy and binder showing premiums and coverage and Loss runs (both for park and rental units) <input type="checkbox"/> Any Contracts that will be transferred to the buyer at closing (laundry, trash, phone). <input type="checkbox"/> Copy of employment or independent contractor agreement for on-site manager, if not contract- Staffing list including position, wages, job description. <input type="checkbox"/> Dates and amounts of the last 2 Rent Increases <input type="checkbox"/> List of major capital expenditures for the last 3 years with receipts (major is any one repair over \$2000) <input type="checkbox"/> List of any current park infrastructure problems (water, sewer, gas, electric) signed by Seller <input type="checkbox"/> Names and phone numbers of all contractors used in the last 5 years - plumbers, electricians, propane, gas, roto rooters <input type="checkbox"/> Provide details on any other personal property that comes with the sale (riding mower, vehicles, etc.) <input type="checkbox"/> A list of any problems to be corrected, how you handle delinquent clients and any suggestions for landscaping, maintenance, improvements, etc. 2. Prepare for Buyer's on-site visit. <p>Tip 1. Stay in constant contact with Buyer to ensure the Due Diligence timeline is on track. Tip 2. Timeline will vary greatly depending on financing: seller financing or bank loan. Tip 3. If the lender is involved, more documents will be required, higher expenses of the sale.</p>
Day 65-75	<p>CLOSE</p> <ol style="list-style-type: none"> 1. Check Final Closing Package and Settlement Statement. 2. Make sure all park related bills are switched to Buyer within 48hrs. 3. Have buyer set up an ACH for loan payment (if applicable) <p>Tip 1. To ensure a smoother closing request closing package a week before closing to allow enough time to review and comment.</p>
Day 75 +	<p>\$ CASHFLOW</p>