



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, and 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 park entrance, including both sides of each street one at a time. Tip 2. Add a narration to your video explaining what is what. Tip 3. Photos should show park highlights, including the front of the park and park sign.</p>3. Write a description of your community.<p>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.</p>

<p>Day 15-30</p>	<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 the pros and cons of working with Buyers directly vs through a broker.</p> <p>Tip 2. Brokers' average commission is 4% of the sales price.</p>
<p>Day 30-35</p>	<p>DECISION</p> <ol style="list-style-type: none"> 1. Find a reputable real estate attorney, ideally specializing in commercial real estate. 2. Review the Buyer's Purchase and Sale Agreement with your Attorney and sign it. 3. Find and engage a reputable Title Company to handle the transaction. 4. Send over the Due Diligence package to the Buyer. <p>Tip 1. Engaging professionals for each stage of the process helps avoid costly mistakes.</p>
<p>Day 35-65</p>	<p>VERIFY</p> <ol style="list-style-type: none"> 1. Expect to have a request for additional Due Diligence documents, especially, if the 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 an on-site manager, if not contract- Staffing list including position, wages, and 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 the Buyer's on-site visit.

	<p>Tip 1. Stay in constant contact with Buyer to ensure the Due Diligence timeline is on track.</p> <p>Tip 2. Timeline will vary greatly depending on financing: seller financing or bank loan.</p> <p>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 the Final Closing Package and Settlement Statement. 2. Make sure all park-related bills are switched to Buyer within 48hrs. 3. Have the buyer set up an ACH for loan payment (if applicable) <p>Tip 1. To ensure a smoother closing request a closing package a week before closing to allow enough time to review and comment.</p>
Day 75 +	\$ CASHFLOW

For more information please contact the MHP Team at katerina@mhpteam.com or through our website at www.mhpteam.com.