

MCB CAMP PENDLETON MOBILE HOME PARK UPDATE

18 November 2003

Agenda

- Background/Issues
- Quantico Mobile Home Park Details
- Appraisal Process
- Buy Out Process
- Next steps

Background

- 29 Jul 03 HQMC letter announced plan to phase out mobile home parks in conjunction with Public-Private Ventures (PPVs)
 - Focus on families - Goal to permit owners to be bought out
 - Appraisals to consider location of mobile homes
 - Base commanders could authorize subletting prior to privatization if owners could not sell their mobile homes

Background

- Camp Pendleton II/Quantico PPV awarded 30 Sep 03
 - Included plan to buy out Quantico mobile home park residents
 - Has capability to add scope at Camp Pendleton and other locations (Yuma, 29 Palms, Kansas City)
 - Prior to last meeting with San Onofre park families, plan was to include the Camp Pendleton park in the Phase III option slated for 2006

Issues

- Takeaways from last meeting:
 - Provide appraisal process details
 - Provide the Quantico buy out plan details, including the appeal process
 - Try to accelerate privatization of the park to permit earlier buy outs for those leaving before 2006
 - Look at options to appraise homes now and guarantee a future buy out amount
 - Relocation within San Onofre area desired and will be accommodated

Mobile Home Appraising

- Nationwide company to appraise mobile homes as if they would be resold in place. Appraisals to consider impact the location has on the resale price.
- Mark Johnson of Datacomp Appraisal Services to describe the mobile home appraising process
 - Brief description of Datacomp's approach to mobile home appraising, including a sample mobile home appraisal, available at the end of tonight's meeting

Quantico Details

- 60 Mobile Home Spaces - 48 Occupied.
- Appraisals complete
- Preliminary report:
 - Most have equity in their homes
 - Few have loan balances that exceed appraised value
- Owners to begin scheduling closings within the next two weeks

Mobile Home Buyout Process

- PPV pays closing costs
- PPV covers any mortgage pre-payment penalties
- USMC pays for personal property moves and dislocation allowance per JFTR
- There are 3 scenarios...

Mobile Home Buyout Process

- Scenario A - Homeowner accepts the PPV's purchase offer
 - A closing date and time will be set
 - If offer exceeds loan balance:
 - PPV will pay off the note holder, with the balance of proceeds remitted to the home seller
 - If loan balance exceeds offer:
 - A note may be executed between the seller and the PPV for the difference
 - The loan will be 0% interest with a maximum of 60 equal monthly payments

Mobile Home Buyout Process

- Scenario A (Cont.)
 - After closing, the homeowner may continue to reside in the home for up to 90 days
 - An occupancy agreement will be signed at the closing
 - The occupant will continue to be responsible for home interior maintenance, the current monthly pad rent, home utilities and personal property insurance until the actual move-out date

Mobile Home Buyout Process

- Scenario B: The homeowners believe the PPV's offer is too low -- initiate review and appeal process:
 - Owners request Datacomp review
 - Would need to provide any evidence in support of a higher value (submit in writing within 60 days of receipt of the appraisal)
 - Datacomp/USMC review supporting documentation
 - Notifies owner of the re-evaluation result within 10 days of receipt
 - If the Datacomp appraiser revises the value estimate upward, then the PPV's offer will be revised to equal that new value

Mobile Home Buyout Process

- Scenario B – (Cont.)
 - If the homeowner remains unsatisfied with the Datacomp appraiser's final value estimate, the owner may hire his/her own appraiser and submit an appeal to Base Commander
 - Base Commander will respond within 30 days of receipt of owner's appraisal

Mobile Home Buyout Process

- Scenario C: The homeowner wishes to retain the home
 - The home would need to be moved off the park no later than the park closure date at no cost to the owner
 - No closure date set for the San Onofre park
 - Will not close before 30 Sep 07 (1 year from original planned privatization date)
 - May remain open longer

Issues (Continued)

- Accelerate privatization of the park to permit earlier buy outs for those leaving now
 - Need approval and money to proceed
 - Privatization is subject to CG, HQMC, SECNAV, OSD, Congressional approval. All must support this plan.
 - Funding challenge resolved
 - Concept briefing to go forward next month

Issues (Continued)

- Consider appraising homes now and have PPV guarantee buyout amounts
 - Will be recommending that appraisals be done as soon as concept approved
 - Would permit quick buy outs for interested owners
 - Would give others an idea of current estimated value
 - Evaluating potential for guarantees

Next Steps

- Concept briefings Dec 03
- Concept approval Jan 04
- After approval:
 - Conduct appraisals
- Deal briefings Aug 04
- Deal approval Sep 04
- After approval:
 - Begin buyouts for interested owners

Next update

- Jan/Feb 2004
 - Concept status update
 - Feedback on potential for PPV guarantees
 - Additional meetings as required

Questions?

Mobile Home Buyout Process

- Jacque Bates of Commonwealth Title to describe how the closing will be conducted, and what homeowners must provide timely for a satisfactory close