



SOUTHRIDGE RV PARK

268 S Highway 163 Ozona, TX 76943

Broker of Record Timothy A. Speck
License 432723
Phone 972-755-5200

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TEXAS REAL ESTATE COMMISSION
P.O. BOX 12188
AUSTIN, TEXAS 78711-2188
(512) 936-3000

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SOUTHRIDGE RV PARK
Ozona, TX
ACT ID ZAA0050244

Marcus & Millichap



INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

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AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

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Marcus & Millichap

Licensed Broker /Broker Firm Name or Primary Assumed Business Name

Tim A. Speck

Designated Broker of Firm

Licensed Supervisor of Sales Agent/Associate

Sales Agent/Associate's Name

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License No.

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Date

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INVESTMENT
OVERVIEW



EXECUTIVE SUMMARY

VITAL DATA

			CURRENT	YEAR 1
Total Price	\$945,000	CAP Rate	17.72%	18.62%
Real Estate Price	\$945,000	GRM	2.78	2.73
Home Inventory Price	\$0	Net Operating Income	\$167,471	\$175,950
Loan Amount	\$472,500	Net Cash Flow After Debt Service	25.15% / \$118,855	26.95% / \$127,334
Loan Type	Proposed New	Total Return	29.31% / \$138,496	0.00% / \$148,239
Interest Rate / Amortization	6.25% / 15 Years			
Total Spaces	67			
Price/Space	\$15,000			
Spaces/Acre	20.00			
Vacant Spaces	13			
Year Built / Renovated	2013			
Lot Size	3.18 acre(s)			
Types of Ownership	Fee Simple			

SPACE MIX

NO. OF SPACES	SPACE TYPE	LOT RENT	POH RENT
60	RV	\$500	\$0
3	Modular	\$1,900	\$0
63		\$35,700	\$0

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Crockett County Consolidated	199
Tom Thorp Transports	70
Ozona High School	44
Lilly Construction Inc	43
Ozona Volunteer Fire Dept	36
Crockett County Parts Dept	35
Ozona Intermediate School	33
Ozona Primary School	33
Ozona Elementary School	31
Ozona National Bank	29
J Cleo Thomson	26
Family Center of Ozona	23

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	2,072	3,345	3,377
2010 Census Pop	2,055	3,315	3,347
2018 Estimate HH	789	1,213	1,224
2010 Census HH	787	1,209	1,219
Median HH Income	\$50,285	\$49,812	\$49,901
Per Capita Income	\$26,969	\$24,879	\$24,950
Average HH Income	\$70,277	\$68,123	\$68,380

INVESTMENT OVERVIEW

Southridge RV park in Ozona Texas is located within the southern edge of the Permian Basin. The park has 60 total spaces renting for \$500 per month and an additional three park model homes renting for \$1900 each per month. The park maintains average occupancy between 80% to 90% due to energy production and infrastructure development in oil, gas, solar, and wind related operations and services in the region. The park is ideally situated on the south side of town directly on Highway 163 and just over one mile from Interstate-10. Cap rate of 17.5% on trailing six months and 18% cap rate on 2019 pro forma. Upside by charging back each monthly site for electric utilities and raising rents.

INVESTMENT HIGHLIGHTS

- Property Located Within the Permian Basin Region
- 60 RV Sites and Three Park Owned Modular Homes
- Currently 82% Occupied with Average / Below Market Rents
- Shortage of Housing Options in Ozona or Nearby Towns
- Offered at 17.5 % CAP Rate on Actual 2019 Income



PROPERTY OVERVIEW

RV park in Ozona Texas with 60 RV spaces renting for \$500 per month and an additional three park model homes renting for \$1900 each per month.



Property Amenities

- Laundry Facilities
- 24/7 Property Access
- 30 and 50 Amp sites
- Park Owned Modular Homes



PROPERTY SUMMARY

THE OFFERING

Property	Southridge RV Park
Price	\$945,000
Property Address	268 S Highway 163, Ozona, TX
Type of Park	RV Park with Additional Modular Homes
Rental Agreement	Month to Month
Rent Raise History	June 1 all sites up to \$500
Rent Control	NA

SITE DESCRIPTION

Number of Spaces	63
Vacant Spaces	11
Vacant Homes	1
Number of Occupied POH	2
Year Built/Renovated	2013
Lot Size	3.18 acre(s)
Type of Ownership	Fee Simple
Spaces/Acre	20.00
Parking	Yes
Guest Parking	Yes
RV Storage	Yes

UTILITIES

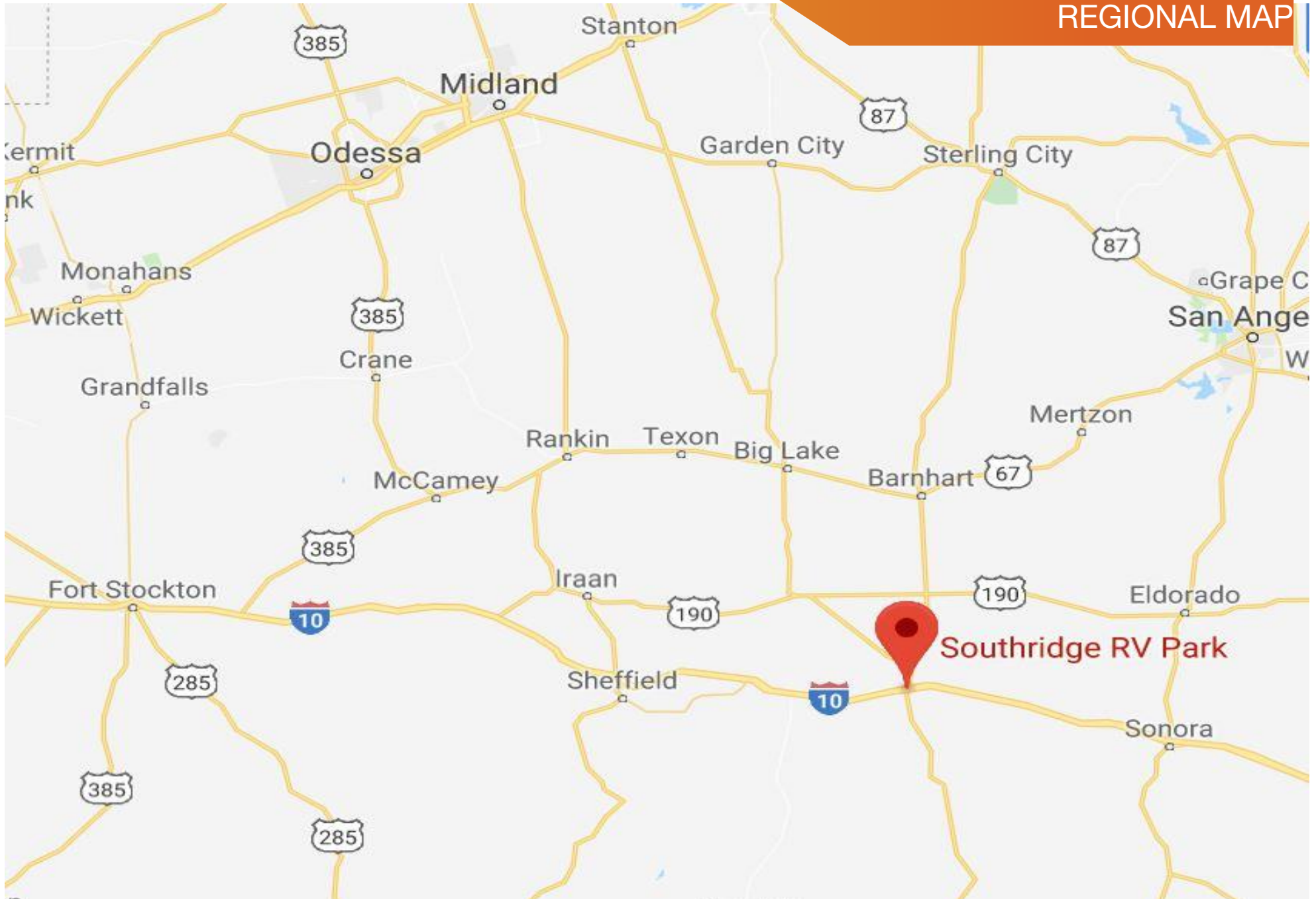
	Paid By	Meter	Other
Water	Landlord		
Electric	Landlord		
Gas	Landlord		
Sewer	Landlord		
Trash	Landlord		
Cable TV	Landlord		

PROPOSED FINANCING

First Trust Deed

Loan Amount	\$472,500
Loan Type	Proposed New
Interest Rate	6.25%
Amortization	15 Years
Loan Term	10 Years
Loan to Value	50%
Debt Coverage Ratio	3.44









SOUTHRIDGE RV PARK



PROPERTY PHOTOS

Marcus & Millichap closes more transactions than any other brokerage firm.

2,000

COLLABORATIVE
AGENT DATABASES

9,472

TRANSACTIONS
CLOSED IN 2018

\$46.4 B

TRANSACTIONS CLOSED
IN 2018



Founded in 1971
on a unique
methodology



80 offices
in the U.S.
and Canada

FINANCIAL
ANALYSIS



RENT ROLL SUMMARY

As of July, 2019

Space Type	# of Spaces	Rental Range	Current		Potential	
			Average Rent	Monthly Income	Average Rent	Monthly Income
RV - 50 amp	60	\$500 - \$500	\$408	\$24,500	\$500	\$30,000
Modular - park model home	3	\$1,900 - \$1,900	\$1,267	\$3,800	\$1,900	\$5,700
Totals/Weighted Averages	63		\$449	\$28,300	\$567	\$35,700
Gross Annualized Rents			\$339,600		\$428,400	

Notes: All sites are \$500 per month including all utilities

RENT ROLL DETAIL

As of July, 2019

Space	Space Type	Current Site Rent / Month	Current Home Rent / Month	Total Current Rent / Month	Scheduled Rent / Month	Potential Rent / Month
1-T	Modular - park model home	\$1,900	N/A	\$1,900	\$1,900	\$1,900
2-T	Modular - park model home	\$1,900	N/A	\$1,900	\$1,900	\$1,900
3-T	Modular - park model home	Vacant	N/A	\$0	\$1,900	\$1,900
2	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
3	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
4	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
5	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
6	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
7	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
8	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
9	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
10	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
11	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
12	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
13	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
14	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
15	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
16	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
17	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
18	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
19	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
20	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
21	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
22	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
23	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
24	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
25	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
26	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
27	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
28	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
29	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
30	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
31	RV - 50 amp	\$500	N/A	\$500	\$500	\$500

RENT ROLL DETAIL

As of July, 2019

Space	Space Type	Current Site Rent / Month	Current Home Rent / Month	Total Current Rent / Month	Scheduled Rent / Month	Potential Rent / Month
32	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
33	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
34	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
35	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
36	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
37	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
38	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
39	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
40	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
41	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
42	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
43	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
44	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
45	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
46	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
47	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
48	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
49	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
50	RV - 50 amp	\$500	N/A	\$500	\$500	\$500
51	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
52	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
53	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
54	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
55	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
56	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
57	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
58	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
59	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
60	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
61	RV - 50 amp	Vacant	N/A	\$0	\$500	\$500
Total		\$28,300	\$0	\$28,300	\$35,700	\$35,700

OPERATING STATEMENT

Income	Current	Year 1	Per Space	Notes
Gross Current Site Rent	339,600	346,392	5,498	[1]
Total Vacancy	\$0 0.0%	\$0 0.0%	\$0	
Effective Gross Income	\$339,600	\$346,392	\$5,498	

Expenses	Current	Year 1	Per Space	Notes
Real Estate Taxes	3,600	3,650	58	
Insurance	2,400	2,500	40	
Utilities - Electric / Gas	53,522	55,000	873	[3]
Utilities - Water & Sewer	27,396	28,500	452	
Office Supplies & Equipment	1,642	1,700	27	
Payroll Taxes	2,526	2,600	41	
Internet / Cable	20,134	20,500	325	
Workers Comp	596	600	10	
Repairs & Maintenance	9,774	10,500	167	
Landscaping	600	600	10	
Travel	107	500	8	
Marketing & Advertising	180	1,000	16	
Manager Salary	26,390	26,500	421	
Computer/ Office Telephone	1,112	300	5	
Misc Expenses	452	700	11	
Credit Card & Bank Fees	4,718	4,900	78	
Operating Reserves			0	
Management Fee	16,980 5.0%	10,392 3.0%	165	[4]
Total Expenses	\$172,129	\$170,442	\$2,705	
Expenses as % of EGI	50.7%	49.2%		
Net Operating Income	\$167,471	\$175,950	\$2,793	

Notes and assumptions to the above analysis are on the following page.

NOTES

Notes to Operating Statement

- [1] The "current" operating statement is 2019 Q1 annulaized - Year 1 has 2% rent growth
- [2] Physical vacancy averages between 10% to 20%
- [3] There is no gas bill
- [4] Management fee is tied to current owners other properties this could be significantly reduced or elimated for the buyer
- [5]
- [6]
- [7]
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- [26]
- [27]

PRICING DETAIL

Summary		
Price	\$945,000	
Down Payment	\$472,500	50%
Number of Spaces	63	
Price Per Space	\$15,000	
Spaces/Acre	20	
Lot Size	3.18 Acres	
Approx. Year Built	2013	
Occupancy	100%	

Returns	Current	Year 1
CAP Rate	17.72%	18.62%
GRM	2.78	2.73
Cash-on-Cash	25.15%	26.95%
Debt Coverage Ratio	3.44	3.62

Financing	1st Loan
Loan Amount	\$472,500
Loan Type	New
Interest Rate	6.25%
Amortization	15 Years
Year Due	2029

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# of Spaces	Space Type	Current Rents	Market Rents
60	RV	\$500	\$500
3	Modular	\$1,900	\$1,900

Operating Data				
Income		Current		Year 1
Gross Scheduled Rent		\$339,600		\$346,392
Less: Vacancy/Deductions (GPR)	0.0%	\$0	0.0%	\$0
Total Effective Rental Income		\$339,600		\$346,392
Other Income		\$0		\$0
Effective Gross Income		\$339,600		\$346,392
Less: Expenses	50.7%	\$172,129	49.2%	\$170,442
Net Operating Income		\$167,471		\$175,950
Cash Flow		\$167,471		\$175,950
Debt Service		\$48,616		\$48,616
Net Cash Flow After Debt Service	25.15%	\$118,855	26.95%	\$127,334
Principal Reduction		\$19,641		\$20,904
Total Return	29.31%	\$138,496	31.37%	\$148,239

Expenses	Current	Year 1		
Real Estate Taxes	\$3,600	\$3,650		
Insurance	\$2,400	\$2,500		
Utilities - Electric / Gas	\$53,522	\$55,000		
Utilities - Water & Sewer	\$27,396	\$28,500		
Office Supplies & Equipment	\$1,642	\$1,700		
Payroll Taxes	\$2,526	\$2,600		
Internet / Cable	\$20,134	\$20,500		
Workers Comp	\$596	\$600		
Repairs & Maintenance	\$9,774	\$10,500		
Landscaping	\$600	\$600		
Travel	\$107	\$500		
Marketing & Advertising	\$180	\$1,000		
Manager Salary	\$26,390	\$26,500		
Computer/ Office Telephone	\$1,112	\$300		
Misc Expenses	\$452	\$700		
Credit Card & Bank Fees	\$4,718	\$4,900		
Management Fee	\$16,980	\$10,392		
Total Expenses	50.69%	\$172,129	49.20%	\$170,442
Expenses/Space		\$2,732		\$2,705

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



Closed 1,678 debt and equity financings in 2018



National platform operating within the firm's brokerage offices



\$6.24 billion billion total national volume in 2018



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Our ability to enhance buyer pool by expanding finance options

Our ability to enhance seller control

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**