

# The Arroyos Preserve

RV PARK RESORT

La Paz Valley, Arizona

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## Project Outline & Report

September 17, 2020

Revised **9/30/20**

**Draft**

**CONFIDENTIAL**



**LANDWAY DEVELOPMENT CORP**

## The Arroyos PRESERVE RV PARK RESORT

### Executive Summary

#### Location

Owned by Landway Development Corp  
7.5 miles south of Quartzsite, La Paz County, Arizona  
78 miles north of Yuma, Arizona  
At the crossroads of Interstate 10 and AZ Hwy 95

#### Date of Report

September 17, 2020

#### Road Frontage Access

Running from new, paved county road (56th Street) to 53rd Street, an east-west 2-mile connection to AZ HWY 95, east of the project

#### Property Type/Use

Recreational/Proposed Resort  
(with fee-simple lot sale component)

#### Land Area

50 acres – surrounded by BLM

#### Zoning

PD Commercial and Recorded Subdivision (allows RV park, commercial business, glamping, tent, park model rentals and fee simple lot ownership)

#### Topography

Flat, sloping from west to east

#### Soil Conditions

No soils data available for this area on the NRCS website (National Resource Conservation Service)

#### Assessor's Parcel Number

302-32-01-012A

#### Utilities

Electricity  
APS (Arizona Public Service)

## Sewer

Septic and Wastewater Treatment Plant

## Water

Wells (2), with ADWR (Arizona Department of Water Resources) assurance of 100-year water supply

## Propane

Onsite distribution facility

## Phone

Cell service (all major carriers)

## Cable/Satellite

DirecTV or Dish

## Wi-Fi

Park-wide

## Flood Zone

FEMA-ZONE D. Area of Undetermined Flood Hazard. There are several large washes on the property. Army Corps of Engineers Nationwide Permit #14 applies and requires no further action. Project engineering includes 100-yr flood analysis.

## Environmental Issues

Environmental Assessment completed June 2007, found no issues.

## Land Size and Easements

See Survey Map, [page 34](#).

## Improvements

The proposed improvements include 324 camping sites: 283 RV sites, 10 cabins, 22 platform/glamping sites, 9 tenting sites.

Key Amenities will include: on-site convenience store, laundromats, propane and OHV fuel dispensing stations, electric bicycle and ATV rental, clubhouse, swimming pool with Jacuzzi, professional kitchen, designated crafting areas, adult lounge and gaming area, pickleball courts, putting green course, kids playground, doggie area, archery pavilion, bocce ball – all in a lush desert garden setting.

Sites will include pull-in, back-in and pull through, many super-sized. The roads will be 32' paved on 50' rights-of-way with rolled curbs.

"Round-up" areas with fire rings will be staged throughout the campground.

Gated entry and security are included in the plan.

## Area and Market Trends

Quartzsite is known as the largest gathering of RVs in the country, hosting two million visitors travelling through La Paz County. The Arizona Peace Trail is a 750-mile loop for off-road vehicle recreation that is easily accessed from The Arroyos PRESERVE.

There are an estimated 1,500 available RV camping sites for rent in nearby parks, owing to long-term occupancy models instituted by the competition.

The PRESERVE occupies 50 acres in La Paz Valley, which is 7.5 miles south of Quartzsite. La Paz Valley is a 400-acre parcel of private land surrounded entirely by BLM.

Target customers will include: RVers boondocking on BLM land, RVers traveling through the area, long-term snowbird residents, folks (families) seeking a camping experience and companies seeking a retreat venue, as well as RV and ATV clubs.

Millennials are adding to the Baby Boomer numbers of camping enthusiasts.



Visitors traveling without an RV are increasing in the area due to The Arizona Peace Trail, requiring accommodations.

The Park is located at the intersection of US I-10 and AZ HWY 95, routes well-travelled by people needing overnight accommodations. Beyond the Park are casino gaming, wildlife refuges, shopping, golfing, and more.

Recent pandemic issues have emphasized the benefits of the healthy camping lifestyle.

Working remotely and homeschooling make the RV lifestyle even more attractive.

### Local Supply and Demand Factors

The site is located in a very popular snowbird area.

Local RV parks are older, tired, and suffer accumulated storage, having deferred to long-term rental status, reducing the number of available daily/weekly spaces. Most visitors boondock on the neighboring BLM for a period before moving on to dump tanks, fill water and replenish supplies.

Private land is limited, and with no way to expand, local campgrounds have no ability to host more travelers with or without an RV. None has the ability to feature corporate retreat accommodations with conference center, cabins, store, and more.

26.3 million people are within 300-mile radius for vacation options that are out-of-doors and that comply with social distancing.

### Concluded Market Rates and Occupancy

The initial daily market rates are projected to range from \$39.00 to \$55.00 depending on site location and type, and season.

Occupancy is projected at 33% in Year 1, 42.8% in Year 2, 47.8% in Year 3, 55.6% in Year 4, and 57.7% (stabilized) in Year 5.

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## The ARROYOS PRESERVE RV PARK and RECREATIONAL VILLAGE Resort



**This park sits at the very hub of the growing national trends that are developing in the RV and off-road vehicle (OHV) recreation industries.**

What had begun as a planned residential subdivision has been repositioned to become a luxury RV Park and Recreational Village Resort in the Sonoran Desert of Southwest Arizona.

Based on current camping trends and market, we believe this RV resort development has **Less Risk** because of

### **Core Business**

RV campgrounds are recognized as excellent income producing real estate & business investments.<sup>1</sup>

### **More Customers**

RVing is increasing with RV sales and rentals at historic levels. According to RV Business News, RV park space availability is tight nationwide and is not expected to ease in the near-term.

### **Wider Market**

Off-Road vehicle recreation is very active in this location, and with immediate access to The Arizona Peace Trail, added demand for campground accommodations is expected.

The 2020 pandemic alarm has added considerably to the allure of camping, replacing the traditional vacation model of air travel and hotel stays<sup>2</sup>. The RV industry reports<sup>3</sup> that folks want to remain in their general area, not travelling more than 200-300 miles – and they now want to stay at their destinations longer and more frequently than in pre-pandemic times.

### **Ready to Build**

The location, zoning, entitlements, design, offerings & conveniences, lack of competition, and support of local government for this development, in the heart of the RV mecca of Arizona, make this “ready to build” project more compelling than ever. Our plan is to create a destination for the increasing

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<sup>1</sup> <https://www.rvparkuniversity.com/articles/is-buying-a-rv-park-worth-the-investment>

<sup>2</sup> Pymnts.com <https://www.cnbc.com/2020/07/27/pandemic-pushes-travelers-to-take-on-the-road-in-rvs.html>

<sup>3</sup> CNBC <https://www.pymnts.com/travel-payments/2020/rvs-find-road-digital/>

camping and off-road recreation surge that is occurring, thereby extending the normal camping season here.

### **Luxury Destination Park**

The Arroyos PRESERVE is a proposed *destination* luxury RV park and resort development with a designated area for optional upscale home sites.

The final development plan will contain 324 sites for RV, cabin rental, glamping and tent camping. With nearly two acres of the property dedicated to recreation, the park will provide a conference center/clubhouse with swimming pool, outdoor social spaces, putting green golfing, pickleball, bocce ball, archery pavilion and more.

The Arroyos PRESERVE is located on 50 acres in the great Sonoran Desert in La Paz Valley, Arizona, 15 miles east of the Colorado River. Easily accessed from the intersection of Interstate 10 and Arizona Hwy 95 (both major arteries of RV travel), it's 7.5 miles south of Quartzsite, Arizona.

Within a 20-mile radius of the park, this region hosts 2 million seasonal visitors<sup>4</sup> bringing hundreds of thousands of RVs into this area where there are no more than approximately 5,000 camping sites with utilities available. Seventy-five percent of these are rented annually or reserved ahead of time. This leaves less than approximately 1,500 available RV camp sites for the RVs passing through or that want to pull in and camp somewhere after spending time boondocking in the nearby BLM desert. Boondocking on vast BLM land is the preferred accommodation here.

The recently formed Arizona Peace Trail (state- and local-sponsored off-road recreation route) travels past The Arroyos PRESERVE, adding welcome guests to the resort's overnight and multi-day business.

With our cabin and glamping "hotel style" accommodations, there will be opportunities to host corporate retreats and other special gatherings/rallies from the nearby large metropolitan areas in Southern California and Phoenix, adding to the traditional and growing RV/ATV camper segment.

### **The projections in this study are based on providing**

- 283 RV spaces that can accommodate a wide variety of RV types including customer-owned Park Models
- 10 rental cabins

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<sup>4</sup> [www.quartzsitetourism.com](http://www.quartzsitetourism.com)

- 22 glamping units
- 9 rustic tenting spaces
- Private group “round-up” areas with large fire rings and nearby bathroom/shower facilities
- Supersized RV parking sites
- Wide paved streets with rolled curbs
- 4,200+ sq.ft. conference center/clubhouse plus swimming pool
- Propane and fuel distribution sales
- Multiple laundromats
- Convenience store (4,050 sq.ft.) with snack bar
- High curb appeal in a pristine desert setting with gated entry

The Arroyos PRESERVE plans to convey in design and operation the project's prime concern to protect and maintain the desert beauty in this area. This will be accomplished through carefully managed power distribution at each campsite, and water conservation and natural landscape preservation throughout the park.

**The Arroyos PRESERVE’s unique improvements and amenities differentiate it from the competition and specifically target**

- RVers boondocking on nearby BLM land
- RVers traveling through the area
- Off-road recreation fun seekers using the nearby Arizona Peace Trail
- Traditional snowbirds returning to the area
- Guests from southern California and Phoenix metropolitan areas seeking short-term camping and desert recreation (There’s 26.3 million population within a day’s drive.)
- RV and ATV clubs gathering for group events
- Corporate retreat guests
- Long-term snowbird residents

## NOTEWORTHY Project Elements



**Investment Safety and Higher Yield** are found in this planned project, making it more attractive to investor participation.

**Elements of Safety**, with unique zoning classification and final approved subdivision status, offer a flexible business model.

1. Ability to develop any or all aspects of an RV Resort commercial business. *No further zoning or conditional use permit approvals are needed to optimally develop the many uses, including hospitality configurations, retail sales, fee-based special events for the public.*
2. Ability to incorporate the Sale of Deeded Lots into the business *without further government approval* (see [page 87](#)), either as
  - a. Individual fee-simple ownership parcels for
    - i. Single or multi residential housing
    - ii. Commercial uses (store, storage, RV sales, etc.), or by
  - b. Sale of sections or groups of parcels for
    - i. Small RV parks (private club mini campgrounds) within the resort
    - ii. Splitting the park to later sell a portion to another developer
3. Ability to eliminate debt early
  - a. Using the higher projected Cashflow of the park business and/or
  - b. Using a percentage of sale proceeds from deeded lot sales, if a hybrid RV Park/Deeded Lot Sales model were successfully pursued
4. Ability to convert all or portion of the business into a mobile home park *without further government approval*
5. Ability to sell RV Park Model home and lot packages

**Elements For Favorable Investment Yield** are provided by

1. Using lower cap rate for Terminal Value liquidation (An 8% cap rate would be appropriate for RV Resorts in the market area.)
2. Expanded revenue sources
3. Higher percentage equity stake given for equity investment

**Note:** *All sold parcels or sections would be bounded by friendly, but strict CC&Rs to keep the park's image unified and intact. Not all of the above uses are planned, or necessarily intended to be planned at this time. The development plan of The PRESERVE is a 324-space destination RV resort.*



## Professionally Land Planned

The 50 acres on which the project is to be built was planned by Scottsdale architect, Dan Lare. Mr. Lare carefully fit the plan into the natural terrain of this part of the Sonoran Desert, producing a visually pleasing and environmentally sensitive map. After thoroughly reviewing Mr. Lare's work, the County of La Paz, Arizona approved the engineering and eliminated the requirement to mass grade the property before granting subdivision approval, thereby protecting the gentle, ancient terrain.



## LOCATION – A Cornerstone of Real Estate Investment



**The Arroyos PRESERVE is sitting in the midst of the “Largest RV Gathering in the U.S.”**, according to most industry experts. While many locations nationwide will often claim the biggest RV show, or the largest number of RVs on display for sale, the largest *gathering* of RVs clearly occurs in Quartzsite every season with Two Million area visitors showing up.

Accommodating this large number of visitors, most traveling in an RV of some sort, is achieved with the help of fewer than 60 RV Parks within a 40-mile radius (mostly older with few daily rentals available), and by boondocking on regional BLM land (20+ square miles of BLM land dedicated to RV camping with no utilities).

- Boondockers need & appreciate clean accommodations eventually<sup>5</sup>.
- Less than 1,500 RV sites in local parks are available during peak season.
- The Arroyos PRESERVE will provide 283 RV sites (plus 41 other camping sites) on 50 acres.
- No other resort properties are in the local area.
- Without the availability of a quality area park, once an RVer is done boondocking, he travels on to another city.

**In addition, off-road recreation in this area is very active and accommodations for those without an RV are non-existent**, short of tent camping on the desert floor, again without utilities/services.<sup>6</sup> The Arroyos PRESERVE is neighbor to the Arizona Peace Trail, a 750-mile loop, visited by ATV/OHV clubs and individual enthusiasts. Out for several days at a time, trail riders will be able to look forward to glamping or cabin comfort with star-filled skies and campfire rings where they can share the adventures of the day and plan tomorrow’s ride. And, picking up supplies at the resort’s convenience store will be... convenient.

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<sup>5</sup> According to Whitney Scott, vice president of marketing for Kampgrounds of America (KOA), in the August 2020 RV Business News

<sup>6</sup> See Letter of Support, page 12



## SUBJECT SITE AND IMPROVEMENTS

### THE DEVELOPMENT: Appealing to A Wider Market

With its curb appeal and quality amenities, The Arroyos PRESERVE is set in the Arizona Sonoran Desert, surrounded on 3 sides by never to be developed BLM land.

### As an RV Park Resort

With only 324 RV and camping spaces on 50 acres (283 RV sites & 41 cabin, glamping/tenting sites), the park affords room for guests to enjoy a desert garden effect without feeling crowded; the majority of the RV sites are considered “super-sized”.

Each RV site has ample power for the vehicle occupying it, with smart metering to help guests reduce energy usage while not restricting their enjoyment of the most contemporary appliances found in modern big-rigs.

Both paved and grade x gravel sites are provided to afford clean and ADA compliant access to/from RVs while using the sites' spacious outside areas and park amenities. Wide, paved interior roads are both county-maintained and private, but all have 50 ft. wide rights-of-way and rolled curbs for a clean, groomed aesthetic.

**Park Model RV cabins** will be equipped with all the elements found in a small hotel suite, including queen-size bed, small kitchenette with sink and refrigerator, microwave and single burner cooking element, bathroom and shower and extra bunkbeds in separated area. Each cabin will be positioned to enjoy the western views of nearby mountains and sunsets and will have its own deck area with chairs and access to the entire sky for bright starfield observations.

**Glamping platforms** will be equipped with wall-tents and deck areas. Chairs and queen- or king-size bed (some with bunk beds) and ample shelf space are provided inside each glamping tent. The platforms are located to allow privacy for the guests, but also grouped into neighborhoods to give multiple families or travel clubs the opportunity to camp together near central fire ring “round-up” areas. Restroom facilities with showers are nearby, as is out-of-the-way, ample parking for cars, trucks and off-road vehicles.

**Rustic tenting areas** are located in and among the mature Mesquite, Palo Verde and Ironwood trees, away from the RV sites. They'll offer secure, individual and grouped sites for a remote camping experience. Several "round-up" fire ring areas are included in the tenting area, and bathroom/showers are close by.

## Recreation

Guests and residents will share a 12,000 sq.ft. conference/recreation facility with a 4,200 sq.ft. clubhouse, a 25' x 50' swimming pool with nearly 4,000 sq.ft. of concrete decking, and a 1,500 sq.ft. outdoor dining and meeting area.

The conference center/clubhouse interior contains

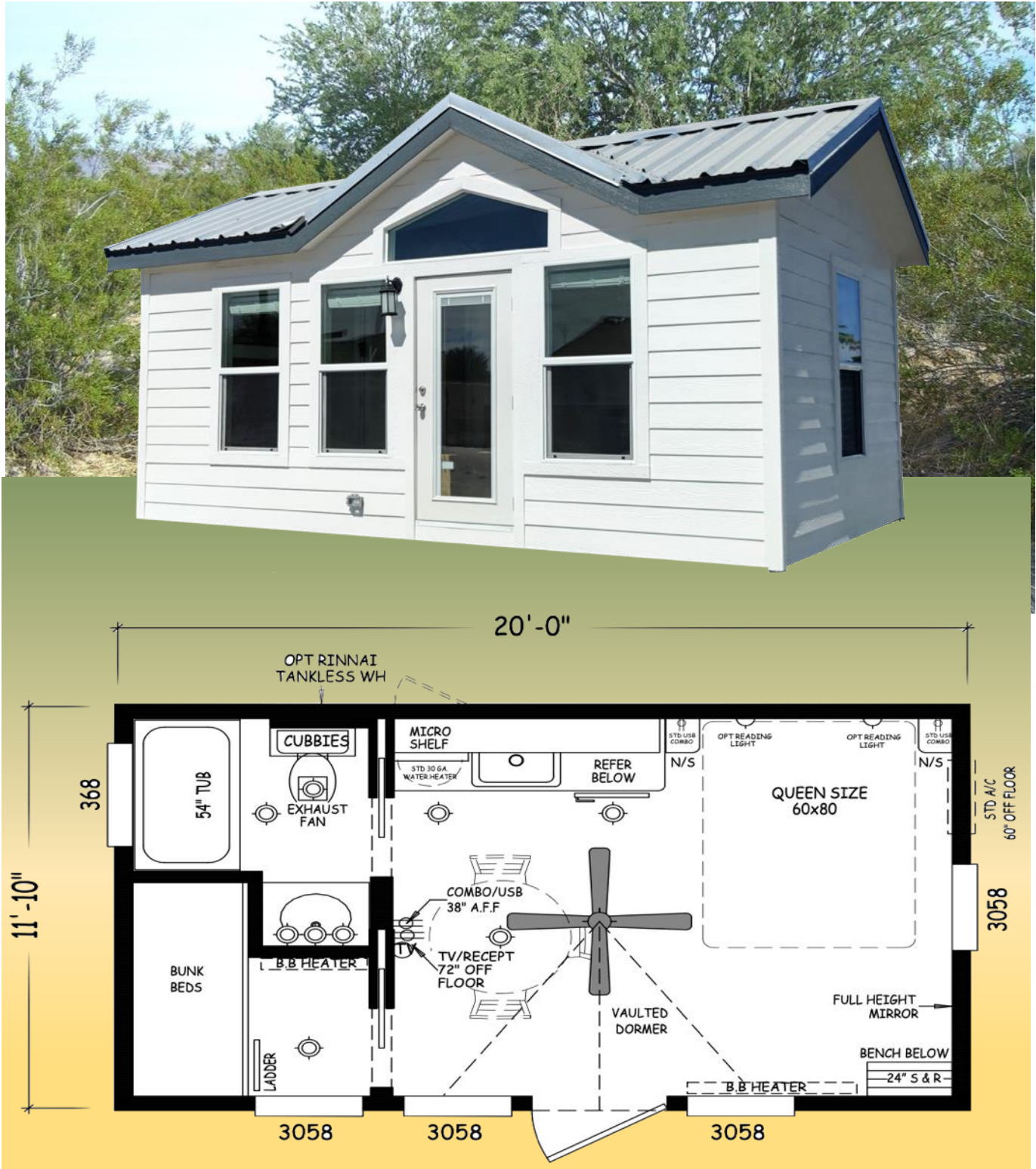
- A Commercial Kitchen
- Adult Lounge
- Large Dining, Dancing and Meeting Area
- Separate Gaming and Individual Meeting Rooms
- Bathrooms and Showers

Outside the conference and clubhouse facility there will be

- Four Regulation Pickleball Courts
- 5,000 sq.ft. Golf Putting Green
- Bocce Ball & Horseshoes
- Archery Pavilion with Up To 40-Yard Range Targets
- Kids Playground
- Electric Bicycle Rentals



## Glamping/Cabin by CAVCO PARK MODELS & CABIN RVs



SLEEPS: 4

## Common Amenities

Careful attention has been given to lighting designs throughout the park to minimize light pollution and enhance stargazing, while providing safety and security for guests.

All areas of the park will have ADA compliant provisions. The size and layout of the park allows for ease in social distancing.

“Round-Up” areas with fire rings are positioned throughout the campground with lighted pathways to permit safe access to/from camping sites at night.

The 4,050 sq.ft. park office and convenience store will be located at the park's entrance, along with a laundromat (one of two in the park) for guest and public<sup>7</sup> use. Propane and off-road vehicle fuel distribution will be available there, as well.

Access to The Arroyos PRESERVE will be controlled at night with gated entry (planned after Year-5), and security will be provided by the park sheriff on patrol as well as park-wide video surveillance.

## Beyond the Park

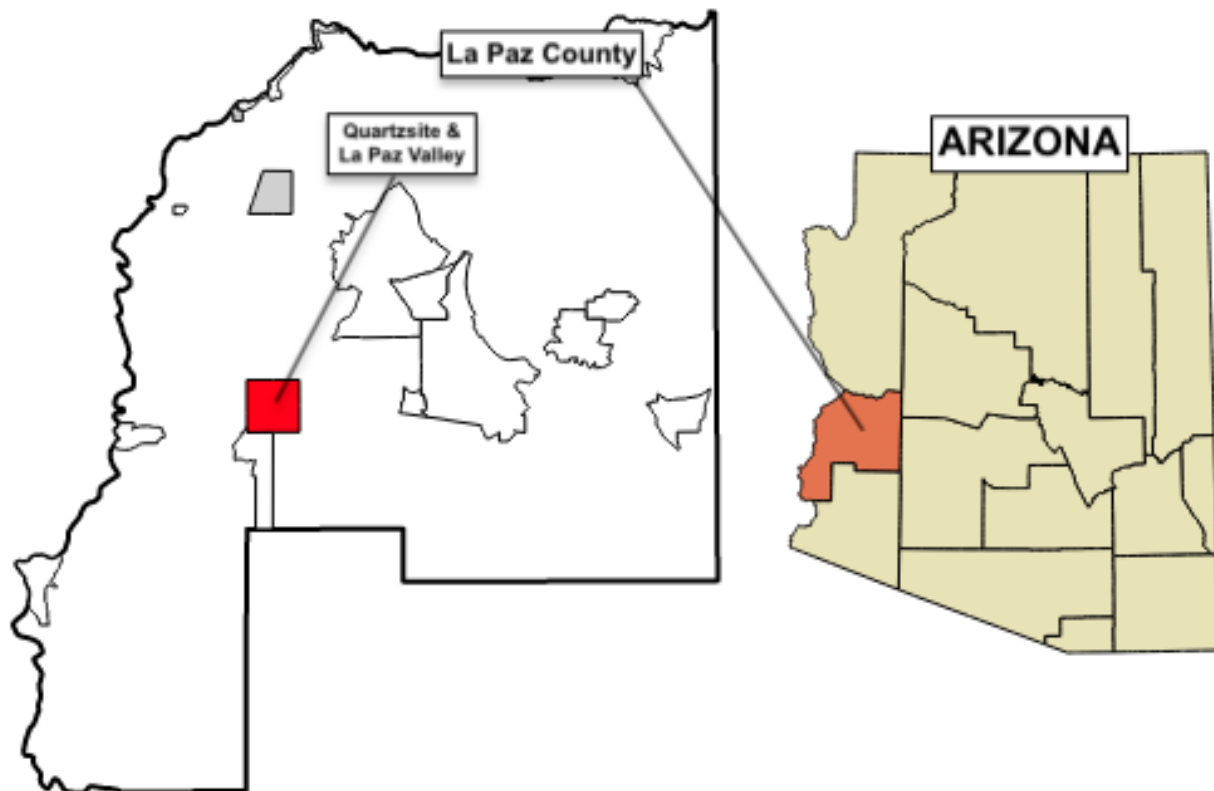
The Arroyos PRESERVE location offers easy access to nearby casino gaming, Colorado River fishing, off-road recreation on the Arizona Peace Trail, KOFA National Wildlife Refuge, Mexico shopping (2-hours), big box shopping (90-minutes), championship course golfing and more.

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<sup>7</sup> Local La Paz Valley residents will have access to services such as convenience store and laundromat, adding to the resort's revenue.

## AREA, MARKET TRENDS and LOCAL DEMOGRAPHICS

La Paz Valley is the home of The Arroyos PRESERVE. It's an area of private land south of Quartzsite, Arizona totaling 400 acres (50-acres of which are this project), surrounded entirely by thousands of acres of BLM (Bureau of Land Management) Sonoran Desert. This island of private land is inhabited by mostly retired folks – many, the children and grandchildren of those who purchased property here decades ago. There is no business/employment of record here. As a residential community, La Paz Valley is neighbor to the BLM land used every season by 100's of thousands of RV boondockers.



La Paz County and Quartzsite are considered the RV mecca of Arizona, hosting 2 million visitors every season. These folks travel by car or RV, and many with trucks towing toy trailers (trailers for off-road vehicles, etc.).

To accommodate the large number of RVing visitors, BLM has dedicated over 12,500 acres of public land for boondockers.





**The growing off-roading recreation interest requires alternative camping options** (glamping and rental cabins), as more of these visitors are not RVers, but are looking for comfortable accommodations along the Trail, such as those to be offered at The PRESERVE. And, with the recently formed Arizona Peace Trail and off-road recreation, the traditional camping season is extending.



Quartzsite Adventures • 510 W Main St, Quartzsite, AZ 85346  
[www.quartzsiteadventures.com](http://www.quartzsiteadventures.com) – (928) 916-3101

November 18, 2019

Mr. James Kunisch  
Landway Development Corp.  
P.O. Box 3704  
Glendale, AZ 85311

Dear Jim -

You've asked me to send you a brief note reporting on what we're finding here so far regarding the growing ATV business in the Quartzsite region as it might pertain to your venture in La Paz Valley. As you know, this is our first year representing Polaris in Quartzsite and we could not be more pleased with the business already this season; our grand opening was October 15, 2019.

Just at mid-month November, our units are 70% reserved through February 2020. With this robust interest in renting Polaris ATVs, we are increasing our inventory from the factory to assure we are able to satisfy the need during this 2019-2020 season. Folks are coming from as far away as New York and are reserving units for up to two weeks duration at a time.

Most of our customers are traveling here by RV, but some are arriving by car/truck. The RVers are reporting they are having difficulty making reservations at an RV park, especially one that has amenities that interest them... and those adventure seekers traveling by car/truck have only one local motel for lodging, which we assume will be full also. Based on our customers' inquiries, I can say we very much need a campground and/or RV park for them to camp and to use for a group trailhead, especially with our multi-day rentals.

How timely The Arroyos Preserve is to this market, both in concept and in location. I can assure you that referrals from my business to yours (and hopefully yours to mine) will be very fruitful when your campground is open for business.

Kindly keep us in mind as you develop The Preserve - we would enjoy representing the excellent Polaris product to your customers. We definitely look forward to the time when local accommodations by way of your park will draw an even greater number of off-road enthusiasts to the area - to the benefit of us both.

Warm regards,

Ham Staples

## Area Demographics

The Quartzsite Story is of a Town that ebbs and flows with the camping surge beginning in November, peaking in January and February, to then recede at the end of April.

Every year for decades two million seasonal visitors, a demographic not measured by census, travel through and enjoy what this Town is famous for: the weather and outdoor vendor events. Many of these guests are here for the winter season, occupying their reserved spots and filling up RV parks. There is little room for “newbies” among the perennial reservations. The majority of RV campers park on the BLM, with no services, to enjoy the desert experience for a time before moving on to available accommodations in other regions.

Noteworthy is the preeminence of high-end RV dealerships, accessory, service, and outfitting vendors during the seasonal influx. They return annually (many occupying their own retail locations) because of the overwhelming demand for goods and services. In recent years, ATV/OHV companies, such as Polaris, are making their place among them.



The ATV community is adding to the influx of visitors in Quartzsite, but with shorter and more frequent stays, they have effectively broadened the camping season here. They're starting the influx earlier in the season, as soon as the summer heat subsides (October), and continue through Spring as they enjoy The Arizona Peace Trail, among other venues. Having the ability to host more of these adventurers who don't travel with RVs will add

increasing revenue to benefit the Town. Again, these fun-seekers are not reflected in the demographic data for the Town.

[Over the last several years, The Arizona Department of Transportation has greatly improved the roadways and landscaping along main thoroughfares making RV travel in and through town more convenient. The Town of Quartzsite itself has updated its codes regarding signage and other “visuals” through Town – with improved effect.]

Once the population tide ebbs, the Town of Quartzsite is again a small community, going to school and church, working in the small retail opportunities that support a community of less than 4,000 residents. While the services these people provide are important to the seasonal visitors, their socio-economic and educational backgrounds or interests are not relevant to the customer base The Arroyos PRESERVE will serve.





## THE RV PARK & CAMPGROUND CUSTOMER

### Market Segments

There are several segments within the total RV accommodations market which must be considered when evaluating demand for RV spaces, determining an appropriate market positioning strategy, and finalizing design and operational standards for a facility. Basic segments of RV Park and Campground users are:

- Tourists using parks rather than hotels while in transit to a destination point for vacation and also for lodging at or near their destination.
- Vacationers including traditional campers, weekenders, RV clubs, snowbirds and sunbirds.
- Traditional campers and weekenders spending most of their time at facilities in close proximity to their residence. While they may vacation at distant places, they are most likely to enjoy weekend and holiday trips to local parks near the ocean, mountains, lakes, rivers, or destination parks with major attractions or activities nearby.

Recently, more RVers enjoy short, 3- or 4- day trips.

- Two income families often find it difficult to coordinate the same time off needed to plan longer vacations.
- Many schools are now year-round, making shorter trips more reasonable.
- Many workers feel burdened by the workload waiting for them when they return to work after a longer, more conventional two- or three-week vacation.

The most successful parks today have capitalized on this short-vacation trend by promoting mid-week specials (dynamic pricing), and advertising to markets within a 3- or 4-hour drive.

### Monthly Rental/Affordable Living/ Extended Stays

RV parks are a growing housing segment for more affordable living. RV parks that are secure and have nice amenities are an attractive and affordable alternative for people of all age groups, including retired individuals using the RV as their primary residence and those favoring the “tiny house” lifestyle. Those who must travel for their work, as well as those who can travel in spite of their work, utilizing technology for remote working, enjoy the comforts of home while on the road.

**Snowbirds**

Snowbirds are mostly retired RV users, and may enjoy “extended stays” offers at parks and resorts. They are a small, yet reliable, portion of the tourist or overnight segment. These folks normally migrate from North to South in the winter months and South to North in the spring. Areas of dry and warmer climate are sought by Snowbirds leaving cold winters.

Snowbirds tend to return to the same winter areas where parks are built to cater to them, usually built in “destination areas”.

**Sunbirds**

Sunbirds are also retired RV users, who own homes in the warmer desert areas where they spend the winter months, to then travel north in the hot summer season. Although fewer in number, they are like Snowbirds, but in reverse.

**RV Clubs, ATV Clubs and Rally Groups**

RV clubs, ATV clubs and Rally groups fall within this category of vacationer. These are primarily social clubs built around the common interest of RVs or ATVs and camping. Their activities consist of a monthly outing at a facility, usually within one- or two-hours’ drive of the common geographic location of their residences. Although many of these clubs are most active on weekends, some clubs consisting of retired individuals and couples hold their campouts Monday through Thursday.

Nationwide organizations such as the Escapees, Good Sam Clubs, International Travel Trailer Clubs and National Campers and Hikers Association Clubs have local chapters in most areas. Additionally, clubs are sponsored by many RV manufacturers: Airstream, Apollo, Coachmen, Country Coach, Fleetwood, Monaco, National RV, Winnebago, plus many more, and organizations such as the Elks, Masons, VFW, etc.

## COMPETITIVE ANALYSIS

While hundreds of thousands of RVs come to this region, there are no more than approximately 5,000 camping sites with utilities available, and 75% of these are rented annually or reserved ahead of time. This leaves less than approximately 1,500 RV camp sites for the tens of thousands of RVs that want to pull in and camp *somewhere* after spending time boondocking in the desert. It should be noted, of the currently available <1,500 spaces, only a handful of these are considered of moderate quality.

Once the RVer encounters no-vacancy, he is not likely to call or return later to see if there's an opening, but knowing the area is full, he continues to travel on to Yuma, or Phoenix. Even if the RVer were to find an opening at a local park, none of them has the amenities like those to be found at The Arroyos PRESERVE, and they have little to offer guests to stay more than one or two nights.

The area competition has evolved over the years into an "annual-rental business model", thereby shrinking its inventory of the more profitable daily- and short-term rentals. They report being at capacity too early in the season and are left with too few spaces to meet demand. These parks are older and dated, and lack energy, and with the amount of private land limited in this region, they have no place to expand.

Competing parks in the area are of the traditional RV camper model, with no glamping or alternative camping options. They have neither the space nor the facilities to host larger groups of campers who travel together, either as RV or ATV clubs, and unlike The Arroyos PRESERVE, are not capable of hosting corporate retreats.

La Paz County officials, led by Board of Supervisors Chairman, Holly Irwin, worked with the developer to achieve this unique zoning profile, recognizing the goal to host more of the millions of travelers through this region annually with accommodations and resort offerings not featured elsewhere at existing campgrounds.



**The Arroyos PRESERVE'S ability to host clubs and groups clearly sets it apart from the competition.**



## The Arroyos PRESERVE will have just about everything the competition doesn't:

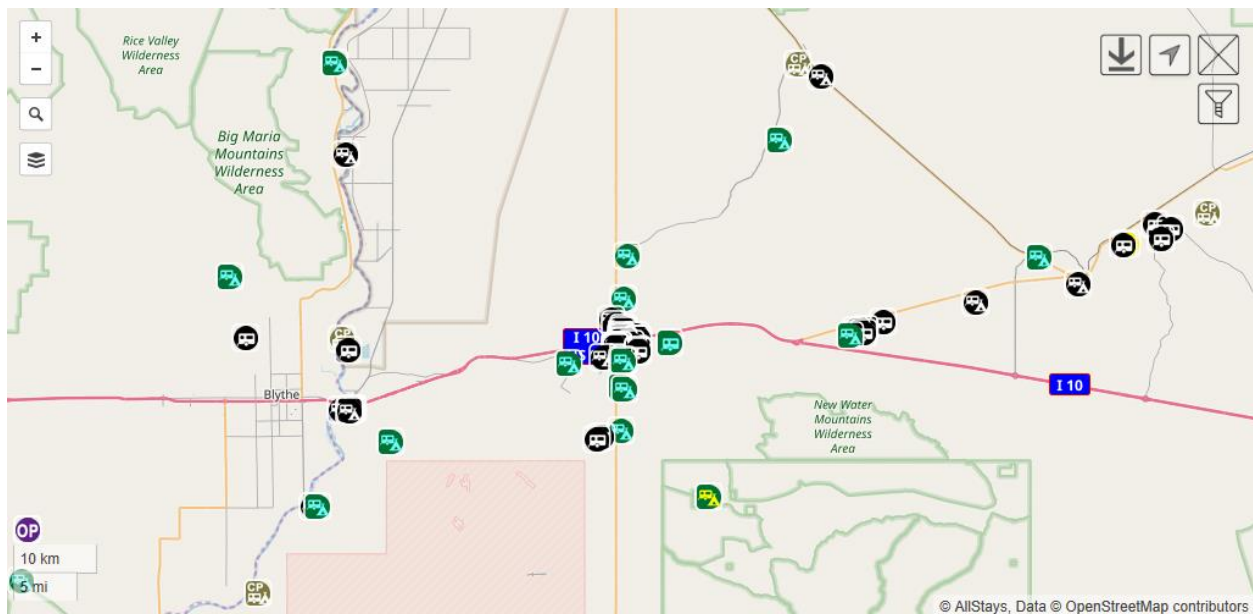
- More room with 50 acres
- Night-time gated access with on-duty security
- Activities designed to encourage staying in the park longer
- Accommodations for all campers, including guests without recreational vehicles who want clean accommodations as a lay-over on their Arizona Peace Trail multi-day adventures.

In addition to traditional RV camping and off-roading lay-overs, the park will market its property for corporate retreats, and to clubs or groups as a special event venue. The cabins and glamping units would be very similar to individual hotel suites for unique “get away experiences”.

There are four motels in Quartzsite, with only one that is not old, tired and cramped, and none afford guests the robust amenity offerings of The PRESERVE.

## Competitive Analysis and Summary

According to **Allstays**, there are close to 60 RV parks within about a 40-mile radius of the Quartzsite area. This includes BLM camping areas and encompasses Quartzsite, Ehrenburg, Brenda/Salome, AZ and Blythe, CA.



**Market Observations:** In a report prepared by Horizon RV Development LLC, fifteen RV Parks and Resorts in the Quartzsite area, as well as in Yuma, Gila Bend, AZ and Earp, CA., were visited and evaluated in December 2019. The following are quoted from that report:




- Most of the area RV parks are dated and have basic amenities. None of them could be classified as upscale or luxury.
- None of them offer glamping options.
- The closer area RV parks are much older and lower quality, catering primarily to longstanding snowbirds and offer monthly and 6-month rental deals. The customer is primarily a senior snowbird living on a social security budget.
- Most of the properties allocate some sites to daily renters, but the majority are reserved for long term renters, an evolved business, stifling the more profitable short-stay business
- Shangri-La in Yuma only offers **annual** long-term rental deals. River Breeze and Sundance, in Ehrenberg (CA) and Earp (CA), respectively, both with Colorado River frontage, offer only daily and monthly rentals, no long term.
- Many properties have numerous customer-owned Park Model RVs, which for the most part, are very old units.
- Observed occupancies in November 2019 during a weekday averaged about 50%. The front desk workers indicated they had very little availability for the coming winter. Almost all were 100% booked for the period of January - February during all the Quartzsite shows.
- We gathered daily rate information, spoke to front desk workers and drove each property. We estimated occupancy and noted license plate information.
- There were a variety of license plates represented including California, Arizona, numerous northern states and western Canada.
- Numerous ATVs were observed parked on the RV spaces. We believe the only properties that abut to BLM land with accessible ATV trails are Black Rock and Desert Gold.

- The higher rated RV properties have resort-like amenities with clubhouses, pools, concrete parking pads & patios, full hook-ups (water, electric & sewer) and numerous organized activities.
- There is a strong relationship between the quality of the property amenities and the rates that they charge. We rated each from 1 to 10 with 10 being the best. A 10 rating for facilities indicates a spacious and clean clubhouse, pool, paved roads, and large sites with concrete patios, full hookups, extensive outdoor recreation and activities.
- The Horizon average rating for the fifteen properties was 7.4. The nearest top-rated RV Resorts are in Lake Havasu City (60-miles north) and Yuma (65-miles south). We gave a 10 rating to only the Palms RV Resort in Yuma.
- Rates average \$40 for daily, \$405 for monthly and \$1,560 for six months.
- [Because of the lower ranking] Market rates are on the budget end of the spectrum except in Yuma where the monthly and long-term rental rates are significantly higher. Monthly rates in Yuma are approximately double the average of the other properties we visited.




### Properties visited and researched by Horizon in Southwest Arizona:

Name	City	# of Sites	Good Sam Rating	Horizon Rating	Occupancy (November 2019 - Weekday)	Average Winter Daily Rate FHU	Average Winter Monthly Rate (Ex Electric)	Average Seasonal/Annual Rate	Long Term Type
Gila Bend KOA	Gila Bend	130	9.5/10/9.5	9.0	30%	\$49.50	\$425	NA	None
Shangri-La RV Resort	Yuma	303	10.0/10.0/10	8.0	80%	\$50.00	\$687	\$3,193	Annual
Westwind RV & Golf	Yuma	1075	10.0/10.0/10	9.0	40%	\$50.00	\$800	\$2,400	4 mo.
The Palms RV Resort (deeded lots)	Yuma	453	NA	10.0	NA	\$49.00	\$1,098	\$3,830	6 mo.
Copper Mountain RV Park	Jacna	204	8/9.5/8.5	5.0	15%	\$38.00	\$265	\$1,410	6 mo.
River Breeze RV Resort	Ehrenberg	94	9.5/9.5/10	8.0	80%	\$49.00	\$450	NA	None
Holiday Palms RV Park	Quartzsite	243	8.5/9.5/8	7.0	70%	\$36.00	\$425	\$1,445	6 mo.
Arizona Sun RV Park	Quartzsite	134	7/9/7.5	5.0	60%	\$40.00	\$250	\$1,485	6 mo.
Scenic Road RV Park	Quartzsite	97	7.5/8.5/8	4.0	50%	\$33.00	\$325	\$1,365	6 mo.
Quail Run RV Park	Quartzsite	168	8.5/10/8.5	6.0	30%	\$37.00	\$410	\$1,485	6 mo.
Desert Gold	Brenda	550	9.5/9/10	8.0	70%	\$44.00	\$495	\$1,545	6 mo.
Salome KOA	Salome	127	NA	7.0	20%	\$45.50	\$403		None
Ramblin Roads RV Resort	Hope	172	7/8/7.5	7.0	30%	\$35.00	\$425	\$1,525	6 mo.
Black Rock RV Village	Salome	408	9/9.5/10	8.5	30%	\$39.00	\$510	\$2,083	Annual
Sundance RV Resort	Earp (CA)	115	NA	9.0	40%	\$50.00	\$505	NA	None
Average Total		285		7.4	46%	\$42.50	\$498	\$1,979	




## Properties visited and researched by Horizon in Southwest Arizona:




			
Name	<b>Gila Bend KOA</b>	<b>Shangri-La RV Resort</b>	<b>Westwind RV &amp; Golf</b>
City, State	Gila Bend, AZ	Yuma, AZ	Yuma, AZ
Nearest Major Road	I-8	I-8	I-8
Horizon Rating	9.0	8.0 (Points off for age)	9.0
Good Sam's/Woodall's Rating	9.5/10/9.5	10/10/10	10/10/10
Observed Occupancy – November 2019 Weekday	30%	80%	40% (RV spaces)
Daily Rates – Average	\$49.50	\$50	\$50
Monthly Rate - Average	\$425	\$687	\$800
Long Term Rate - Average	None	\$3,193 Annual (no 6 month)	\$2,400 4 months (no 6 month)
Key Information	Located right off I-8. Super neat and clean – recently updated. Well landscaped and attractive. Good amenities package, particularly the pool. Monthly sites booked 100% through March 2020. 35% of sites allocated to daily renters. Mid to upper range RVs. Plates from all over the U.S.	More of an urban location. Classic older winter snowbird park with a blend of RVs and park models. Decent centralized amenities with a lot of outdoor rec. RVs were mostly mid-range with some low end. License plate from AZ ad CA with quite a few from Canada and some northern US states.	Like a city with mostly Park Model RVs. Small, cramped sites. Very nice large central complex with multiple activity rooms and outdoor rec. 9-hole Golf course. Restaurant. Mid-range RVs. Plates from CA, AZ, OR, WA, northern states and western Canada.
Number of Sites	130	303	1,075
Number of Full Hookups	130	303	1,075
Number of Pull Throughs	34	18	3
Number of Paved Sites	All gravel pads	Mostly gravel, some concrete	Gravel with small concrete patios
Big Rig Friendly	Yes	Yes	No
Typical Site Size (Back in)	55' x 80'	30' x 55'	30' x 45'
Wi-Fi	Yes	Yes	Yes
Recreational Facilities	Heated Pool Swimming Horseshoes Rec Hall Playground	Heated Pool Hot Tub Swimming Horseshoes Rec Hall Game Room Planned Activities Pavilion Shuffleboard Exercise Room Mini Golf Putting Green Pickle Ball	Heated Pool Hot Tub Swimming Horseshoes Rec Hall Game Room Planned Activities Outdoor Games Golf Pavilion Shuffleboard Exercise Room Pickle Ball Putting Green
Other Amenities & Services	Restroom and Showers Laundry RV Storage Self-Service RV Wash Restrooms	Road Condition (Good) Road Type (Paved) Restroom and Showers Laundry Metered LP Gas Worship Services Escort to Site Cable RV Storage Onsite Rentals (5) Restrooms	Road Condition (Good) Road Type (Paved) Restroom and Showers Laundry Control Access Gate ATM Machine Ice Worship Services Escort to Site Restaurant RV Storage






			
Name	<b>The Palms RV Resort (deeded lots)</b>	<b>Copper Mountain RV Park</b>	<b>River Breeze RV Resort</b>
City, State	Yuma, AZ	Jacna, AZ	Ehrenberg, AZ
Nearest Major Road	I-8	I-8	I-10
Horizon Rating	10	5	9 (points for location)
Good Sam's/Woodall's Rating	NA	8/9.5/8.5	9.5/95/10
Observed Occupancy – November 2019 Weekday	NA	15%	80%
Daily Rates – Average	\$49	\$38	\$49
Monthly Rate - Average	\$1098	\$265	\$450
Long Term Rate - Average	\$3,830 (6 mo.)	\$1,410	None
Key Information	A very high-end deed lot property allowing Park Models and nice stick-built houses. A complete amenities package with a large centralized complex. Mid to upper-end RV. Plates from all over the U.S.	A very budget RV Park. Open with little landscaping. A lot of ATVs. Decent rec center. Mid-range RVs AZ and other plate form northern states.	Frontage on the Colorado River with a boat ramp. Basic amenities and not a lot of outdoor rec other than river related. Park Model rentals. Full in the winter and January 100% booked. Mid-range RVs. A lot of AZ and CA plates and NW state plates, western Canada.
Number of Sites	453	204	94
Number of Full Hookups	453	204	94
Number of Pull Throughs	0	0	37
Number of Paved Sites	Small concrete patios on unsold lots	Gravel sites with small concrete patios	Concrete patios
Big Rig Friendly	Yes	No	Yes
Typical Site Size (Back in)	44' x 68'	45' x 50'	40' x 60'
Wi-Fi	Yes	Yes	Yes
Recreational Facilities	Rec Hall Tennis Courts Shuffleboard Courts Billiards Room Fitness Center & Wellness Program Massage Therapist/Aesthetician Putting Green Jewelry Studio Two heated swimming pools, Lap pool, Play pool Two spas Pottery Studio Card and Game Rooms Experienced Full time Activity Director/Event Planner Las Vegas-style entertainment Members Lounge with big-screen TV Two fenced, grassy pet exercise parks	Horseshoes Rec Hall Planned Activities Shuffleboard Exercise Room	Boating Heated Pool Hot Tub River Swimming Fishing Ramp Boat Rental Body of Water (Colorado River) Horseshoes Rec Hall Playground Outdoor Games Nature Trails Kayaking/Canoeing Watersports Restrooms
Other Amenities & Services	Restroom and Showers Laundry Control Access Gate ATM Machine Ice	Road Condition (Good) Road Type (Paved/Gravel) Restroom and Showers Laundry Escort to Site RV Storage	Road Type (Paved) Restroom and Showers Laundry RV Supplies Metered LP Gas Ice Onsite RV Service Cable Onsite Rentals (14)



			
Name	<b>Holiday Palms RV Park</b>	<b>Arizona Sun RV Park</b>	<b>Scenic Road RV Park</b>
City, State	Quartzsite, AZ	Quartzsite, AZ	Quartzsite, AZ
Nearest Major Road	I-10	I-10	I-10
Horizon Rating	7.0	5.0	4.0
Good Sam's/Woodall's Rating	8.5/9.5/8	7/9/7.5	7.5/8.5/8
Observed Occupancy – November 2019 Weekday	70%	60%	50%
Daily Rates – Average	\$36	\$40	\$33
Monthly Rate - Average	\$425	\$250	\$325
Long Term Rate - Average	\$1,445 (6 mo.)	\$1,485	\$1,365 (6 mo.)
Key Information	Along I-10. Dated property but nice. A number of Park Model RVs. Snowbird and affordable living property. Central building with large rec hall. New pool going in and pickleball. Mostly mid-range RVs, some low end. Plates from CA, AZ, north western states. January 100% booked	A budget property that is dated. Small and cramped sites. Minimal landscaping. A decent central building. Snowbird and affordable living. Gravel roads. No real amenities. Some Park Model RVs. Low to mid-range RVs. Plates from AZ and north western states. January 100% booked.	Very basic property and junky. Minimal real outdoor amenities. Gravel roads. Clubhouse. Small sites. Mid-range RVs, some upper end. CA plates, western Canada and northern US states. 100% booked for January and waiting list for monthly sites.
Number of Sites	243	134	97
Number of Full Hookups	243	134	97
Number of Pull Throughs	14	8	38
Number of Paved Sites	All gravel	All Gravel	Small concrete pads
Big Rig Friendly	Yes	No	No
Typical Site Size (Back in)	30' x 50'	28' x 45'	30' x 40'
Wi-Fi	Yes	Yes	Yes
Recreational Facilities	Hot Tub Horseshoes Rec Hall Game Room Planned Activities	Horseshoes Rec Hall	Horseshoes Rec Hall Planned Activities Outdoor Games Pavilion Nature Trails
Other Amenities & Services	Road Condition (Good) Road Type (Paved) Restroom and Showers Laundry Metered LP Gas Firewood Worship Services Escort to Site RV Storage Self-Service RV Wash Restrooms	Restroom and Showers Laundry Restrooms	Road Condition (Good) Road Type (Gravel) Restroom and Showers Laundry Escort to Site RV Storage Onsite Rentals (2) Restrooms

			
Name	<b>Quail Run RV Park</b>	<b>Desert Gold</b>	<b>Salome KOA</b>
City, State	Quartzsite, AZ	Brenda, AZ	Salome, AZ
Nearest Major Road	I-10	I-10	US 60
Horizon Rating	6.0	8.0	7.0
Good Sam's/Woodall's Rating	8.5/10/8.5	9.5/9/10	NA
Observed Occupancy – November 2019 Weekday	30%	70%	20%
Daily Rates – Average	\$37	\$44	\$45.50
Monthly Rate - Average	\$410	\$495	\$403
Long Term Rate - Average	\$1,485 (6 mo.)	\$1,545 (6 mo.)	None
Key Information	A basic property with not a lot of outdoor rec. Clubhouse. Large RV sites. Quite a few ATVs. Mid-range RVs. Mostly northwestern US plates. 100% booked for January.	Located off US 60 and abuts to BLM land. A lot of ATVs. Large and like a city. Dated but well maintained. Old Park Model RVs. Large centralized facilities. Decent amenities including a clubhouse. Mid-range RVs. Plate from all over the US. Daily sites 100% booked for January and February.	A classic KOA property. Open but comfortable. Decent amenities and well maintained. A lot of ATVs. Mid-range RVs. Roads are gravel. Plate from AZ and numerous other states.
Number of Sites	168	550	127
Number of Full Hookups	168	550	127
Number of Pull Throughs	88	25	29
Number of Paved Sites	Gravel with small concrete patios	Gravel with small concrete pads	All gravel
Big Rig Friendly	Yes	Yes	Yes
Typical Site Size (Back in)	40 x 60	35' x 50'	30' x 50'
Wi-Fi	Yes	Yes	Yes
Recreational Facilities	Horseshoes Rec Hall Planned Activities Outdoor Games Nature Trails	Heated Pool Hot Tub Swimming Rec Hall Game Room Planned Activities Exercise Room Nature Trails Mini Golf	Heated pool Hot tub Rec Hall Game room Dog park Convenience store Outdoor gathering area Mini Golf
Other Amenities & Services	Road Condition (Good) Road Type (Paved) Restroom and Showers Restroom/Showers (\$) Laundry RV Supplies Escort to Site RV Storage Restrooms Restrooms \$	Road Condition (Good) Road Type (Paved) Restroom and Showers Laundry Metered LP Gas Ice Worship Services Escort to Site RV Storage Self-Service RV Wash Onsite Rentals (2) Restrooms	All weather roads Restroom and Showers Laundry Ice

			
Name	<b>Ramblin' Roads RV Resort</b>	<b>Black Rock RV Village</b>	<b>Sundance RV Resort</b>
City, State	Hope, AZ	Salome, AZ	Earp, CA
Nearest Major Road	US 60	US 60	CA 95
Horizon Rating	7.0	8.5	9.0 + Points for location
Good Sam's/Woodall's Rating	7/8/7.5	9/9.5/10	NA
Observed Occupancy – November 2019 Weekday	30%	30%	40%
Daily Rates – Average	\$35	\$39	\$50
Monthly Rate - Average	\$425	\$510	\$505
Long Term Rate - Average	\$1,525 (6 mo.)	\$2,803 Annual   \$1750 5 mo.	None
Key Information	Nice desert landscaping. Basic amenities. A lot of ATVs. Some Park Model RVs. Mid-range RVs. AZ plates and numerous northern states.	Best property in the Quartzsite/Salome area. Direct access to BLM land and trails. A lot of ATVs. Great landscaping and good amenities. Gravel roads. Café and small hotel. 18 hole "desert" golf. Clubhouse. Mid-range RVs. Plates from AZ and numerous other states. January is 100% booked.	Colorado River frontage. Water taxi to AZ side. Direct access to BLM trails. A lot of ATVs. Saloon & restaurant. Clubhouse. Small RV sites. Mid to upper end RVs. A number of RV sites with direct River Frontage. Not far from Parker. Villas for rent. Dry boat & RV storage. A lot of CA plates.
Number of Sites	172	408	115
Number of Full Hookups	172	408	115
Number of Pull Throughs	27	26	0
Number of Paved Sites	Gravel	Gravel	Gravel, some concrete pads
Big Rig Friendly	Yes	Yes	Yes
Typical Site Size (Back in)	27' x 60'	40' x 55'	26' x 48'
Wi-Fi	Yes	Yes	Yes
Recreational Facilities	Horseshoes Rec Hall Game Room Golf Archery Range	Heated Pool Hot Tub Swimming Horseshoes Rec Hall Game Room Planned Activities Pavilion Shuffleboard Exercise Room Nature Trails Mini Golf	Swimming Boating Rec Hall Game Room Horseshoes Shuffleboard Pickle Ball Cabanas on some sites General Store Outlaws Saloon Dog Park
Other Amenities & Services	Restroom and Showers Laundry RV Storage Self-Service RV Wash Restrooms	Road Condition (Good) Road Type (Gravel) Restroom and Showers Laundry ATM Machine RV Supplies Metered LP Gas Firewood Ice Worship Services Escort to Site RV Storage Self-Service RV Wash Onsite Rentals (5) Restrooms	All weather Roads Restroom and Showers Laundry Water Taxi Boat Rentals Villa Rentals Hiking ATV Trails

End of excerpted Horizon report.

## Positioning Market Rental Rates

Because of the upscale nature of The Arroyos PRESERVE, RV resort rates will be positioned as premium to the area.

Proposed rates are at about a 35% premium to the 2018-2019 Black Rock rates. We believe this is justified due to closer proximity to Quartzsite, the upscale nature of The Arroyos PRESERVE, and because The Arroyos PRESERVE sits conveniently to serve the large number of BLM boondockers. The Arroyos PRESERVE will be the only new facility in the area with large RV spaces available and resort amenities.

We would not offer any long-term rates other than annual, similar to Shangri-La in Yuma. An annual rate at Arroyos PRESERVE of \$3,200 breaks down into a cost of \$267 per month which is a great value and allows people to leave their RVs during the summer months. It also accommodates adding customer owned RV Park Models which are basically permanent (like mobile homes). We would not intend to compete with the other local parks for annual customers and will attempt to control demand with pricing.

***A more complex rate structure to maximize revenue yields will be warranted and a new market rate survey is required before Phase-1 opens in 2021.***



Map showing our proximity to BLM boondocking (yellow).

## Rate Comparison

The rates below are for projection purposes only and are compared to Shangri-La in Yuma and Black Rock RV Village (the best property in the Quartzsite area).

Site Types	Arroyos Preserve	Shangri-La	Black Rock RV Village	Arroyos Premium % over Black Rock
<b>RV Sites - Winter</b>				
Daily Standard	\$53.00	\$49.56	\$37.00	43%
Daily Pull Through	\$53.00	\$52.87	\$41.00	29%
Monthly Standard	\$650.00	\$655.99	\$495.00	31%
Monthly Premium	\$670.00	\$716.63	\$525.00	28%
5 Month Special	NA		\$1,750.00	
Annual	NA	\$3,042.92	\$2,000.00	
SemiAnnual Effective ANNUAL	\$3,200.00	\$3,362.63	\$2,450.00	31%
<b>Other Site Types</b>				
Glamping Sites - Daily Only	\$82.00	NA	NA	
Cabin/Park Models - Daily Only	\$124.00	NA	NA	
Tent Sites - Daily Only	\$26.00	NA	NA	

## Rental Income Assumptions

- The winter season here is October through March for the majority of RV camping, whereas camping accommodations for off-road recreation enthusiasts is needed from mid-September through the middle of May.
- Monthly RV rental rates do not include electric – to be billed based on meter reading at prevailing KwPH.
- We anticipate adding a \$5.00 surcharge to each daily RV rate during the Quartzsite shows and events.
- We intend to evaluate the need for additional categories of rates, considering the values of pull-in RV sites and the differences in lot sizes. This will occur as the business reveals customer demands.
- *Dynamic Rate Pricing* may be the best way to monitor/adjust prices.
- Rates are assumed to increase 2% annually in order to offset expenses and inflation.

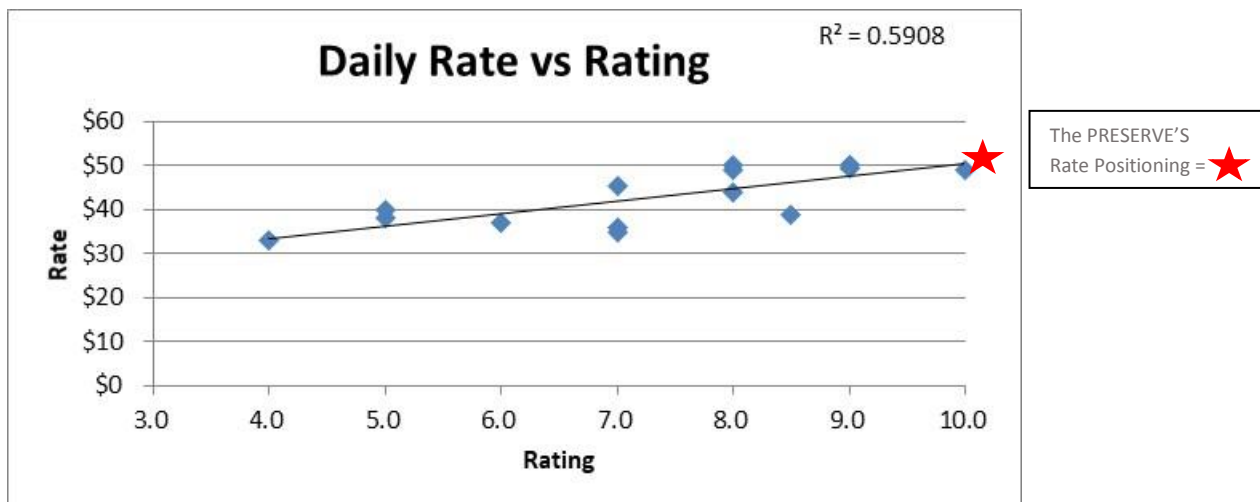


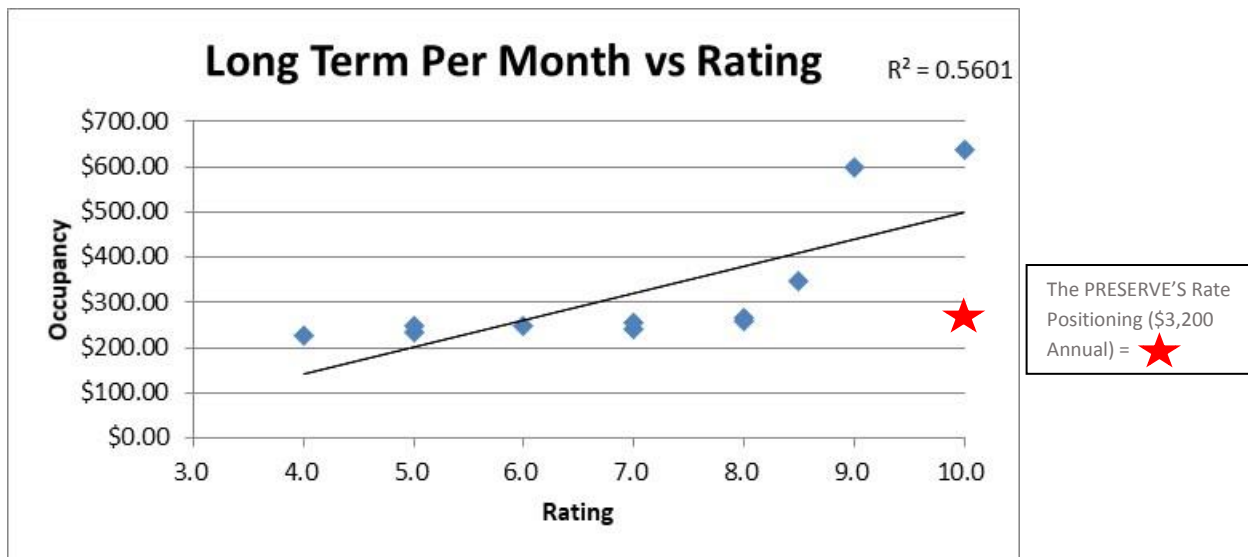
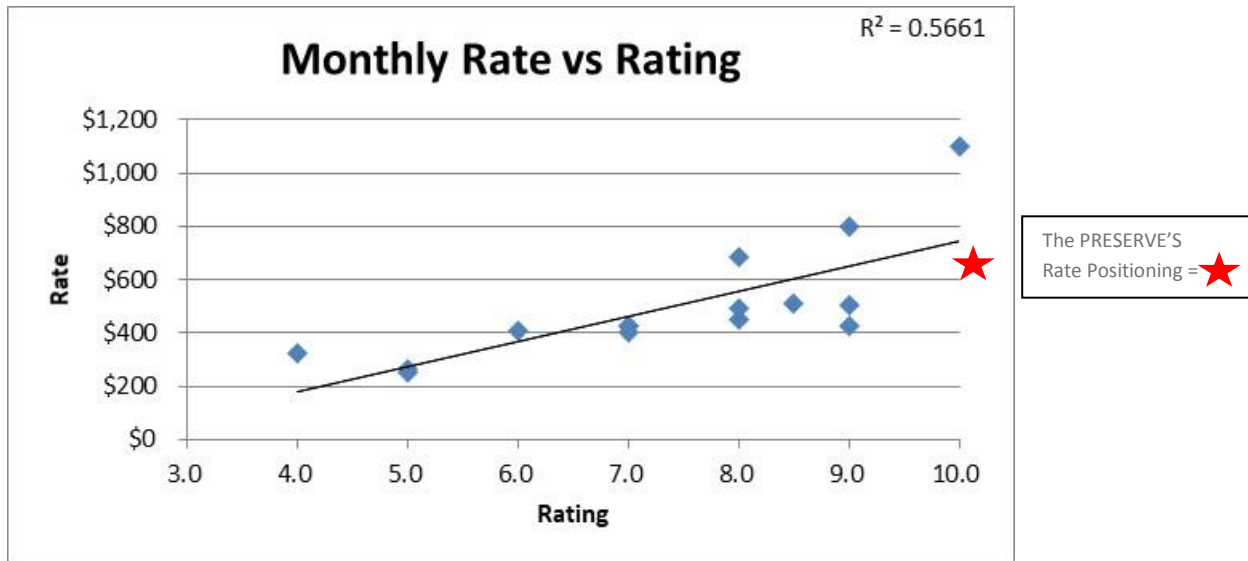
- Daily rates are also assumed to be discounted by 5% on average for Good Sam, AAA, and other promotions.

## Market Rate Structure

The charts below show rates versus ratings for the area RV Resorts that Horizon researched. They assigned a rating to each property. Each **blue diamond** represents a competitive property visited.

There is a strong relationship between the quality and amenities of each RV Park and the rate that can be charged: the higher the rating, the higher the rate. Typically, RV Parks that are priced above the line are under occupied. RV Parks below the line are leaving money on the table.





Note: Seasonal or annual rates for each competitive property were broken down into a cost per month basis. Excluding the Yuma properties, the average per month is around \$250.

## Amenity Comparison

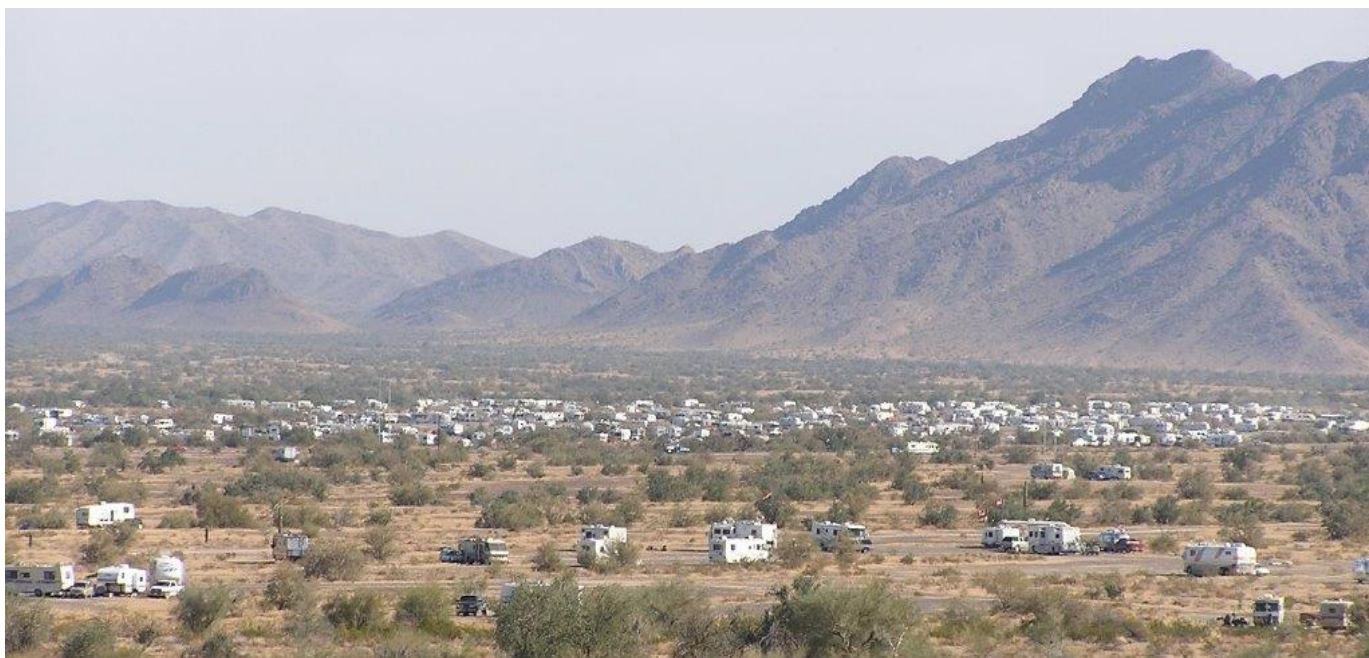
Amenity	Arroyos Preserve	Black Rock	The Palms
Rating – Good Sam	10.0/10.0/10.0	9.0/9.5/10.0	10.0/10.0/10.0
Access	AZ 95	US 60	I-8
Interior Roads	50' paved interior roads	20' gravel interior roads	20' + paved interior roads
Gated	After Year-5	No	Yes
RV Staging Spaces	Yes	Yes	Yes
Cabin/Park Model Rental Units	10	5	No
Glamping Platform Tents	22	No	No
Landscaping	Native shrubs and Desert	Desert	Palms, native shrubs and trees
Water Features	No	No	No
Services			
Escort to Site	√	√	No
Free Coffee	√	Unknown	Unknown
Community Computer Access	√	Unknown	Unknown
Trash Pickup at Site	√	No	No
Concierge Service	√	√	√
Shuttle Service	RV Tent Show	No	No
RV Sites			
Number of Sites	324	408	453
Site Size	35' x 100'	40' x 55'	44' x 68'
Pads & Patios (RV)	Gravel & some concrete	Gravel	Gravel & concrete patio
Electric	50 Amp	50 Amp	50 Amp
Water	√	√	√
Sewer/Septic	√	√	√
Pull Through Sites	69	25	0
Buddy Sites	No	No	No
Pull in Sites for Motor Coaches	63	No	No
Wi-Fi at Site	√	√	√
Cable/Satellite TV	√	No	√
Tree at Site	Some	No	Some
Light at Site	√	No	No
Picnic Tables	√	√	No
Facilities			
Gated Entry	√	No	√
Community Center	4,200 SF	Multiple Buildings	Multiple Buildings
• Parking	√	√	√
• Private Mailboxes	√	√	√



Amenity	Arroyos Preserve	Black Rock	The Palms
• Entertainment/Lounge area with big screen TV	√	√	√
• Kitchen & Bar Area	√	No	Unknown
• Restaurant	No	No	No
• Activity Rooms (Crafts, etc.)	√	No	√
• Retail and Convenience Items	Full convenience store & fuel	Some Convenience items	No
• Large Format Meeting Area	√	No	√
• Adult Game Tables	√	√	√
• Laundry Room	Laundromat	√	√
• Arcade	No	No	No
• Handicapped bath/shower access	√	√	√
• Fitness Center	√	√	√
• Sauna	No	No	No
• Movie Theater	No	No	No
• Kids Arcade	No	No	No
• ATM	At C-Store	√	√
Bath and Laundry Buildings	√	√	√
Outdoor Gathering Areas	Multiple with fire pits	√	√
RV Storage	√	√	No
Food, Social & Holiday Events	√	√	√
Water Activities			
Heated Swimming Pool	√	√	√ (2)
Hot Tub/Spa	√	√	√
Water Features	No	No	No
Barrel Saunas	No	No	No
Boating	No	No	No
BLM Access (OHV)	√	√	No
Outdoor Recreation			
Playground	√	No	No
Bounce Pillow	No	No	No
Volleyball	No	No	No
Basketball Court	No	No	No
Fishing	No	No	No
Horseshoes	√	√	√
Shuffleboard	√	√	√
Pickle Ball	√	No	No

Amenity	Arroyos Preserve	Black Rock	The Palms
Tennis	No	No	√
Bocce Ball	√	No	No
Golf Cages	No	No	No
Lawn Bowling	No	No	No
Softball Diamond	No	No	No
Golf Course	No	No	No
Chip & Putt	√	√	√
Climbing Wall	No	No	No
Hiking & Biking Trails	√	√	No
Rentals			
Park Models/Tiny Homes/Cabins	√	No	No
Glamping Tents	√	No	No
ATVs	√	No	No
Bikes – Electric	√	No	No
Retail & Food			
Propane	√	√	Gas station
Convenience Store	√	√	Gas Station
Liquor Sales	√	No	Gas Station
Restaurant/Bar/Café	Snack Bar	No	No
Nail, Hair and Message Salon	No	No	No
Newspapers	√	√	√
Coffee	√	√	√
Pets			
Pet Friendly	√	√	√
Dog Park	√	No	√
More Activities			
Planned Activities	√	√	√
ATV Excursions	√	Unknown	No
Golf Packages	√	Desert Golf	√
Event Planning	√	√	√
Shuttle Service	RV Tent Show	No	No

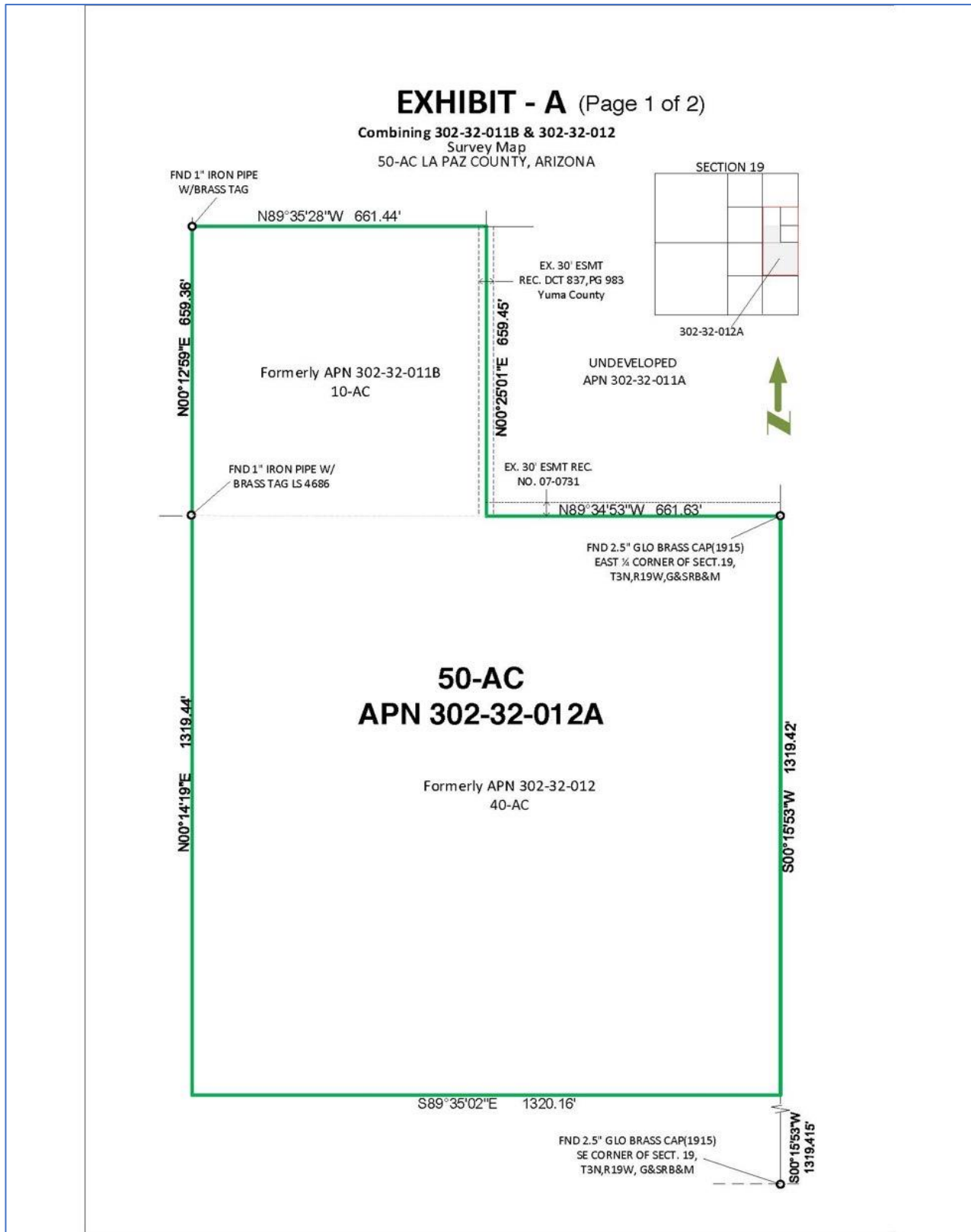
## Boondocking on Designated BLM Land (No services)



## 26.3 Million U.S. Population within 1-Day's Travel



## Survey





## Master Site Layout & Amenities [\(Virtual Representation\)](#)





## Regional Visual





**Aerial View** (Virtual - looking SE)

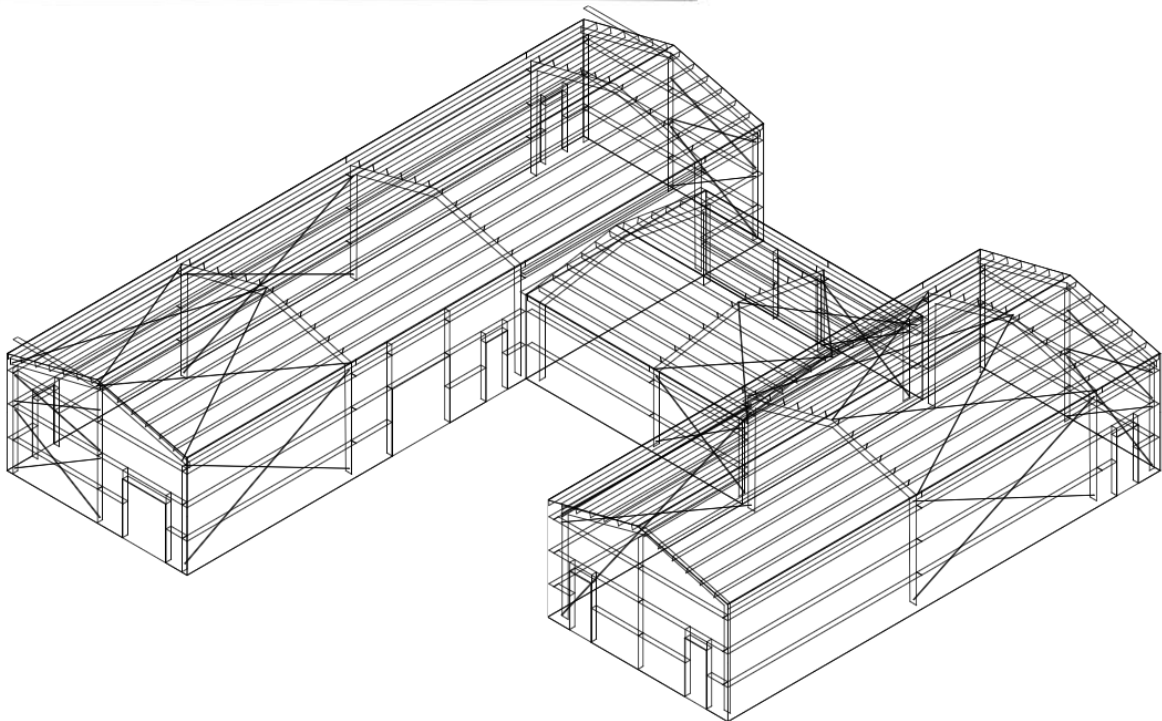
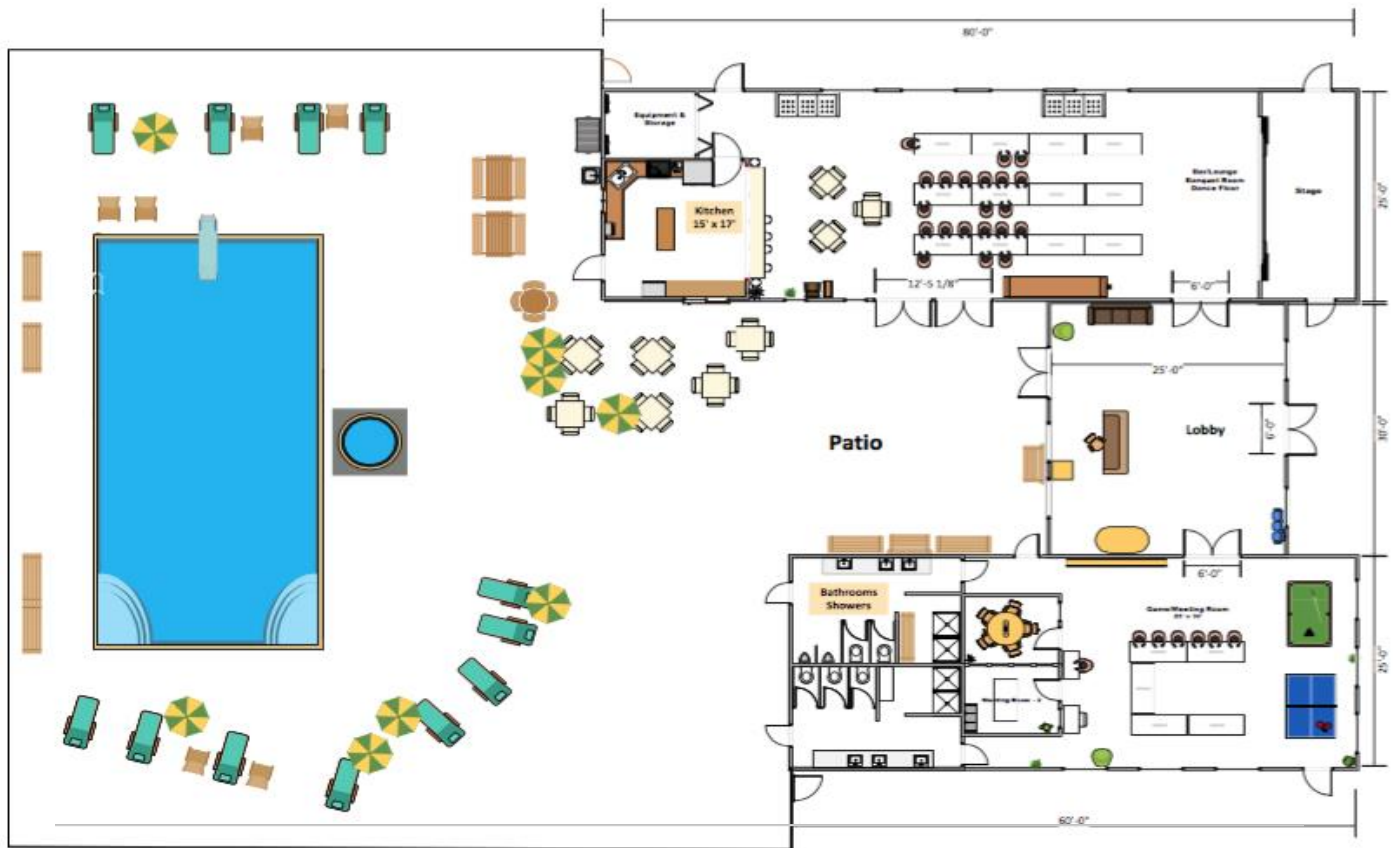
The above shows the 50-acre project sitting on an 80-acre parcel that's surrounded by government land. 30-acres are shown as undeveloped (shaded white) and are owned by a private party with no immediate plans to sell. However, by agreement with Landway Development Corp, the only legal access currently to those 30-acres is over The Arroyos PRESERVE land. We anticipate a good opportunity to purchase this additional acreage in the future. (Please go to [page 98](#) for details.)



## Entrance Detail (Virtual Representation)

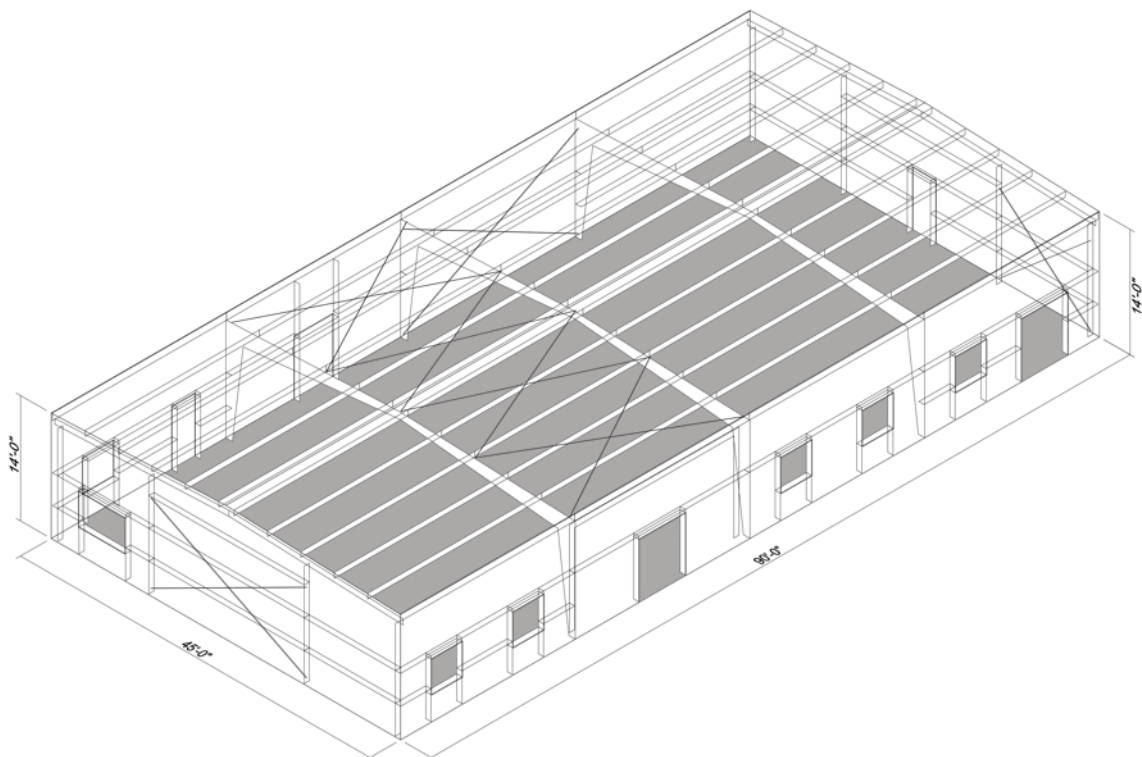
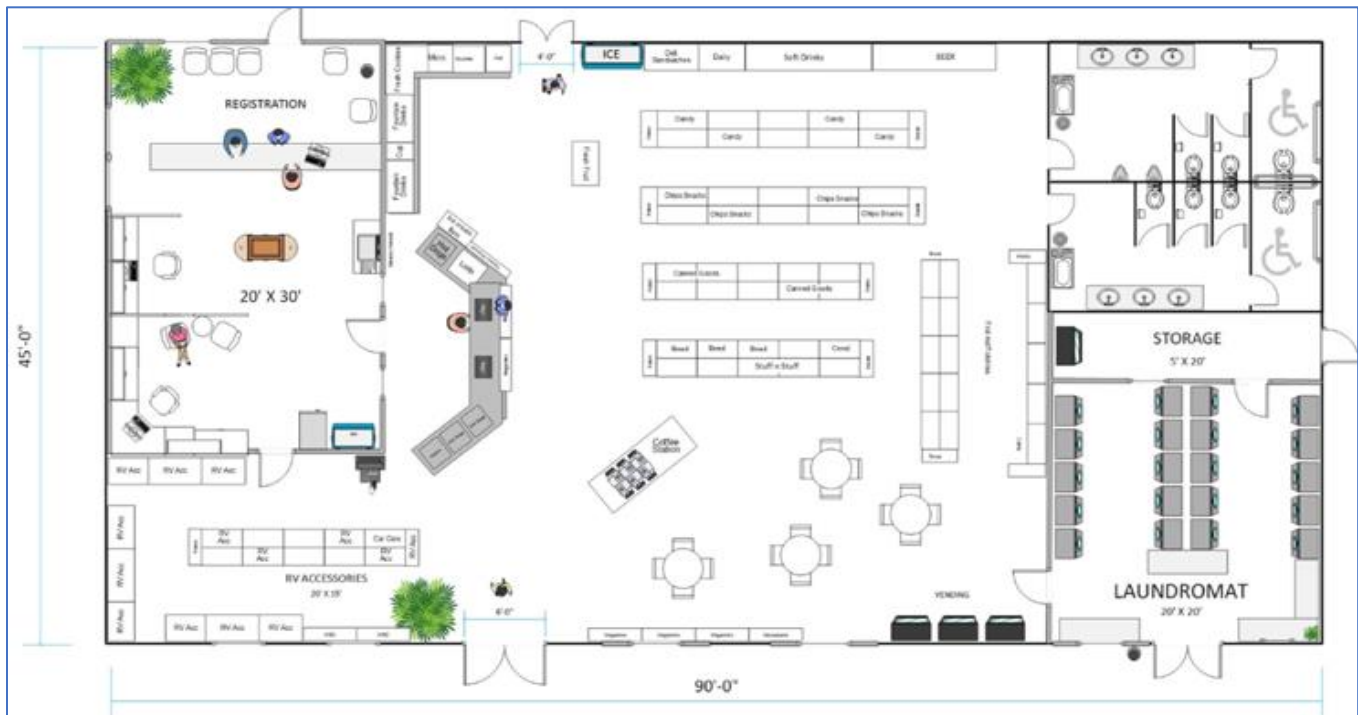


## Conference Center & Clubhouse [Floor Plan](#) & Pool





## Office and Convenience Store Floor Plan



## FEASIBILITY DISCUSSION

### Negatives:

- Quartzsite Stigma (See: The Quartzsite Story, [page 105](#).)
- The area RV season is primarily a winter snowbird market with minimal summer occupancies. [**REBUTTAL:** With the increasing off-road recreation through the region (Arizona Peace Trail) and effective marketing, the season's "shoulder" months can lengthen the park's business season.]
- Most of the snowbird RVers attracted to the area are living on a social security budget and are very sensitive to rental prices. As a result, area rate structures are very low with daily rates in the \$40 range and 6-month rental deals in the \$1,300+ range. Most of the customers rent on a seasonal basis with a small portion of the business coming from daily renters. [**REBUTTAL:** Existing RV parks have very limited space for daily renters with zero glamping and tenting capabilities; therefore, the real impact can't be conclusively determined.]
- It is not apparent that "boondocking" customers will be a meaningful portion of the customer base for The Arroyos PRESERVE. Boondocking is a lifestyle for many of them and is an extremely affordable way to stay in the area. [**REBUTTAL:** We believe that the relatively few RV sites available at The PRESERVE will be easily rented once their availability is known. We only need a few. (283 RV spaces/150,000 boondocking RVs  $\approx$  0.19%, or 2 out of every 1,000 BLM boondockers.)]
- Attracting ATVers and glamping customers from California, many of whom are typically millennials will be highly reliant on an effective marketing program. There are also other competing RV Park properties with Colorado River frontage on the California side, north of Parker that offer convenient BLM ATVing (Pirates Cove in Needles and Sundance RV Resort & Outlaw Saloon in Earp, CA to name a few). There are several closer alternatives for Californians such as Glamis North, Niland, California on the north side of the Salton Sea. [**REBUTTAL:** The target markets will be reached through social media campaigns and aggressive marketing to ATV clubs, etc. throughout Arizona and Southern California and Utah. It is expected that folks looking for "adventure" will travel to new locations; offering our complement of activities and amenities will add significant appeal to this segment.]

**Positives:**

- The site is located in a very popular snowbird area. Average low temperatures in the winter are in the 40's with highs in the upper 60's.
- The property has beautiful wide-angle mountain views.
- The completed project will present attractive features to the market
  - Upscale nature
  - Largely "self-contained" with a clubhouse, numerous amenities, and a gas station/convenience store
  - Glamping elements including cabins and platform tents which will broaden the customer base beyond RVers
  - The property will act as a base camp and stopover point for off-roading
- It directly abuts to BLM land and has easy access to the Arizona Peace Trail, a 750-mile long ATV (OHV) trail.
- ATV trail riding is extremely popular in Arizona and California. Both states have a high share of the U.S. ATV market sales.
- The property is approximately 7 miles by car from I-10 in Quartzsite. I-10 has fairly high traffic counts at 21,000 vehicles per day on average (including both directions). It would be a logical stopover point for RVers traveling to/from coastal California along I-10.
- The Quartzsite area attracts approximately 2 million visitors each year and is very popular for RV boondocking on BLM land (parking in the desert with no services).
- Although certainly not upscale, the Town of Quartzsite offers a basic number of amenities such as pharmacy, basic medical, restaurants, grocery stores and gas stations.
- There are no luxury RV Resorts in the area. Most of the higher end properties are in Lake Havasu City, Yuma and the greater Phoenix area.
- The area RV parks have strong winter occupancies. Many of them are older with small RV spaces and sparse amenities.
- There is a huge population to draw from within a 200-mile radius. The population within a 100-mile radius (as the crow flies) is 4.9 million people (U.S. only – 2010 census). Within a 200-mile radius, there are 18.9 million people and within a 300-mile radius there are 26.3 million people, all within a day's drive.
- The area has numerous things to do including hiking, ATVing, a casino in Parker, the annual Quartzsite RV, Gem & Mineral Show and swap meets, and proximity to the Colorado River recreation.

- There is very little private land available in the market area. Rainbow Acres, a nearby residential subdivision, offers large 10,000 SF lots currently selling in the \$73,000 range. It was started in about 1996 and appears to be largely occupied with housing units. It has no common area amenities such as a clubhouse, pool or outdoor recreation like The PRESERVE will have.
- RV sales have reached record sales levels, driven by both Baby Boomers and Millennials. RV rentals enjoy high demand as well.
- The 2020 pandemic has brought awareness to many people of the RV's advantages in getting out safely with the family for weekend and longer vacations, as well as growing popularity from the work-from-home sector.



**S.W.O.T ANALYSIS****Strengths**

- Southwest Arizona is a very popular RV snowbird area with high winter occupancies.
- Quartzsite is known for RV “boondocking” and attracts large numbers of visitors to its various shows in the winter.
- The property views are superior and distance to I-10 and Quartzsite is not excessive.
- There is direct access from the property to BLM land and the Arizona OHV Peace Trail.
- I-10 is a fairly heavily traveled highway with average daily traffic of 21,000. The distance from Los Angeles and San Diego make it a logical stopover point.
- There are no luxury RV Resorts in the area. The closest are in Yuma and Lake Havasu City.
- Most area RV parks have small sites, are dated and have only basic amenities.
- There is very little private land available in the area which should help deeded lot sales.
- There is a huge population within 200- and 300-mile radii.

**Weaknesses**

- The RV Park market is year-round but is seasonal in nature with most of the occupancy in the winter months.
- The RV Parks in Quartzsite and Salome areas tend to cater to seniors living on a tight social security budget. As a result, the market rate structure in La Paz County is low.
- The majority of customers rent on a monthly and/or seasonal basis. Daily renters tend to be a small portion of the business.
- Quartzsite has basic amenities, but is a low demographic area.

Opportunities	Threats
<ul style="list-style-type: none"><li>• Develop an RV Resort which is a destination, is largely self-contained and has strong points of differentiation from the area competition</li><li>• Take full advantage of ATVing and glamping opportunities through effective marketing</li><li>• Offer long term rental rates that will be attractive to the target customer</li><li>• Park model RV sales may be an upside.</li><li>• Sales of fee-simple homesites</li><li>• Provide corporate retreat venue</li><li>• Offer higher-end accommodations otherwise not available in the area.</li><li>• Provide more short-term rentals that the area lacks</li></ul>	<ul style="list-style-type: none"><li>• A deterioration in economic conditions and/or higher gas prices could adversely affect the RV business.</li><li>• Operational and marketing expertise specifically for RV Resorts is important to the success of the project.</li><li>• Deeded lot sales are subject to real estate market risks.</li><li>• Fully succeeding in this endeavor relies on obtaining sufficient funding in the equity raise offering memorandum.</li></ul>

## TOURISM ANALYSIS

### Camping Demographic Background Information

- Starting in 2023, 12,000 people per day will be reaching retirement age and this will continue for the next many years. This should produce the largest customer base the RV industry has ever seen.
- Many baby boomers have re-examined their retirement plans and are looking for lower cost alternatives for vacation or retirement opportunities.
- The 2019 North American Camping Report shows new and life-long campers are committed to the outdoor camping lifestyle, as demonstrated by their diversity, camping more frequently and enthusiasm for using camping as a conduit to active outdoor lifestyles.
- About one million new camper households were added to those who consider themselves annual campers, with an estimated 7 million new camper households in the U.S. since 2014.
- Since 2014, the percentage of campers who camp three or more times annually has increased by 72 percent.
- Millennials are becoming a larger and more important segment of RV purchasers. They tend to seek out experiential stays, gravitate toward smaller RVs and are attracted to “glamping”.
- RV sales are at historically high levels, and due to the 2020 pandemic, RVing is expected to become far more popular as people choose not to use air travel.
- Vacationing in venues that do not have high guest density will be preferred, as the world now is aware of potential ongoing virus exposure.
- [See page 127, [Shifts in Travel Behavior](#).]

## Arizona Tourism

According to the 2019 Economic Impact Report per the Arizona Office of Tourism: (<https://tourism.az.gov/economic-impact/>)

“46.8 million people visited Arizona in 2019 who collectively spent \$25.6 billion in the state. The money spent by visitors supports jobs and generates tax revenue. The \$3.78 billion in 2019 tax revenue equals an annual tax savings of \$1,400 for every Arizona household and supported 194,300 industry jobs.”

## Local Tourism

According to the 2010 census, the population of full-time residents in Quartzsite was 3,677, but thanks to warm weather, the winter months in Quartzsite boom with an influx of more than 2 million snowbirds and travelers every year.

RVs pack the streets while attending popular shows. The Town of Quartzsite reports there are 3,800 RV spaces combined in all the local parks. Other parks are located in the surrounding region bringing the total available RV parking spaces with hookups to approximately 5,000 sites. (Accounting for annually reserved spaces, there are fewer than 1,500 sites ready to rent.)

**The Quartzsite Sports, Vacation & RV Show** is a major draw to the area during the month of January. According to the state highway department, almost a million people, most of them in RVs, arrive in Quartzsite specifically to take part in or visit this event, making the show the largest gathering of RVs anywhere on earth.



A major attraction for

Quartzsite is the annual **Tyson Wells Rock and Gem Show** hosted at the beginning of January. Tyson Wells RV Park Manager, Barbara Alberts, said people travel great distances to attend this show.

### **Tyson's Well Stage Station Museum**

The Quartzsite Historical Society opened Tyson's Well Museum in February 1980, after extensive restoration work. Artifacts were gathered from interested citizens, as well as photographs and old mining equipment and placed inside and outside the building. The dirt floor in one of the rooms was maintained for authenticity. The ceiling of the main room consists of saguaro ribs, and the original fireplace is still in use during the winter. Outside in the yard is the original assay shack from the Marquita Mine, which offers a peek into the everyday life of the miners. Also, in the yard is the handiwork of Walter Barrett, a little village of cement and stone houses built during his retirement and donated to the museum. The museum is located at **161 W Main St**, next to famous Silly Al's Pizza.

Learn more at [www.quartzsitemuseum.org/](http://www.quartzsitemuseum.org/)

### **Celias Rainbow Garden**

A community working together to make a child's dream come true. Celia's Rainbow Gardens, located in the Quartzsite Town Park encompasses 8 acres of the 40-acre park. The gardens were inspired by the dreams of Celia Winer, an 8-year old girl whose goal in life was to make the world a better place. Her love of nature, her desire to save the environment, and dreams of people working together have been taken to heart by this little desert community.

### **Bouse Fisherman Intaglio**

The Bouse Fisherman is an Intaglio also known as a geoglyph or earth figure. These very large earth figures were created many years ago by American Indians. The Fisherman was first spotted in 1932 on the desert floor when George Palmer, a pilot, saw an enormous human figure with outstretched hands. In 1984, the Colorado River Indian Tribes sponsored a flight which led to a second discovery of the Bouse Fisherman. Bouse residents and others collected money and installed posts and a cable fence around the site. A bronze plaque was set into a stone pillar to commemorate the site hoping for preservation for all to see. To get there - North out of

Quartzsite on Highway 95 for 5.4 miles, then turn right on Plomosa Road. 6 miles up the road look for fences on your left.

### Grinding Holes & Petroglyphs

On the East side of Tyson Wash, a short distance south of Quartzsite, you can see Indian grinding holes and some faint petroglyphs. There is also a natural tank near the cliff which may have water in it if it has rained. This is the site of the original Quartzsite washed away in a flood and subsequently rebuilt on higher ground at its present location. It is said that a safe full of gold was buried beneath the sand at the bottom of Tyson Wash somewhere near this spot, carried away in the great flood. To get there - Go South on highway 95, turn right into the BLM Long Term Visitor Area, then left on the main road. Turn right at the BLM road 358. Park just before Tyson Wash and look for the petroglyphs on a rocky outcrop. Across the wash on the opposite cliff you will find grinding holes and caves where Indians once lived.

### Dripping Springs

There are hundreds of petroglyphs here. You will also find the remains of an old stone cabin and an arrastre. Look along the base of the cliff to the left of the stone cabin for the cave where the spring originates. Once you've found it, listen and you will hear it dripping from the cave roof, forming a year-round pool of water. A path takes off to the left of the cave, following the edge of the cliff where more petroglyphs can be seen. Dripping Springs is one mile down the road from Dos Picachos Mine. The road is steep and rutted. This is a trip for a 4-wheel drive vehicle.

### KOFA National Wildlife Refuge

The Refuge is an excellent place for viewing desert plants and wildlife, rock climbing, exploring old mines, or just camping in remote wilderness.

<http://www.fws.gov/refuge/kofa/>



Arizona State Bird, Cactus Wren



## Palm Canyon

An area of rugged beauty, Palm Canyon may be the only place in Arizona where native palm trees, California Fan Palms, can be found tucked away in narrow, rugged canyons on the KOFA National Wildlife Refuge. People were aware of the small, scattered clusters of trees growing in Palm Canyon even before the creation of the Refuge. The palm trees have become a major visitor attraction for the Refuge. To get there - Drive South on Highway 95 for 6 miles then turn left into the KOFA Wildlife Refuge for approximately 7 miles on the dirt road until it ends.



<https://www.americantrails.org/resources/palm-canyon-trail-kofa-national-wildlife-refuge-arizona>

## Cibola National Wildlife Refuge

Located in the flood plain of the lower Colorado River and surrounded by a fringe of desert ridges and washes, the Refuge encompasses both the historic Colorado River channel as well as a channelized portion constructed in the late 1960's. Along these main water bodies is home to many wildlife species that reside in this portion of the Sonoran Desert.

## The Desert Bar

Off the beaten path, the Desert Bar has no city water or electricity, and there's no cell service to be had. There are also no credit card readers, so bringing cash is a must. What there is here is scenery, drink, food (surprisingly varied and good!), music and a lot of people.

When Quartzsite itself loses your interest, turn your attention to the surrounding areas.





## RV Boondocking

Quartzsite attracts the world's largest number of RVers each winter who "boondock" on BLM land. This is desert camping with no amenities.

It is a very cost-effective way for people to stay in the area to enjoy the desert landscape, star filled nights and to socialize with like-minded people. You can spend the entire winter (up to 7 months) in one of the LTVAs (Long Term Visitor Area) for under \$180. But with this deal you'll find only one dump station serving all the boondockers in an area of  $\approx 25$  square miles, a fresh water source for transporting back to your rig, and trash dumpsters located usually within a 1-mile distance. For a shorter stay you can pay \$40 for a 14-day permit with no facilities. With such a large number of RVs

boondocking, and large area to patrol with limited BLM staff and volunteers, it's estimated that less than half of the boondockers make the effort, or are given the opportunity, to "check-in" and pay the required



fee. These are thought to be mostly campers who are intending to boondock for only 1-week or less.

Per an interesting 2017 article in Metropolitics.org, every winter retired snowbirds reach the small town of Quartzsite, Arizona, one of the few places in the USA where days can be warm and sunny during the winter. According to the mayor, 200,000 RVs come to Quartzsite every winter, parking their RVs either in one of the RV parks inside the town or in the surrounding desert. These can be fifth-wheel campers, motor homes, tents, trucks or converted cars.

Some of these snowbirds have been coming to Quartzsite for 20 years, and a lot camp at the very same spot every year, although there are no rules regarding placement in the BLM lands.

Noteworthy is an August 2020 RV Business News interview of Whitney Scott, vice president of marketing for Kampgrounds of America (KOA). Regarding boondockers, she said, "...at some point boondockers will have to come out of the forest" [or BLM in the case of The PRESERVE]. **"Sooner or later," she said, "they'll want to empty their sewage tanks and do some laundry." Also, it's just nice to take a break from totally roughing it.** "Sometimes that nearby convenience store down the road with the chocolate bar can be a great thing to have," she said.

<https://youtu.be/FI2XpPloDFo>



Hiking while boondocking at KOFA Wildlife Refuge



## Arizona Peace Trail

Quartzsite is a Gateway to The **Arizona Peace Trail**, a very popular **All-Terrain Vehicle** area (also known as OHV – Off Highway Vehicle) with The Trail running through the area.

The Arizona Peace Trail is a 750 mile off-highway vehicle trail loop system in Mohave, La Paz, and Yuma Counties in western Arizona. It is supported in part by the Arizona State Parks & Trails, Bureau of Land Management, Arizona Game and Fish Department, local governments and by the Arizona Peace Trail Committee, which was formed in 2014, and as of early 2016, fourteen OHV clubs.

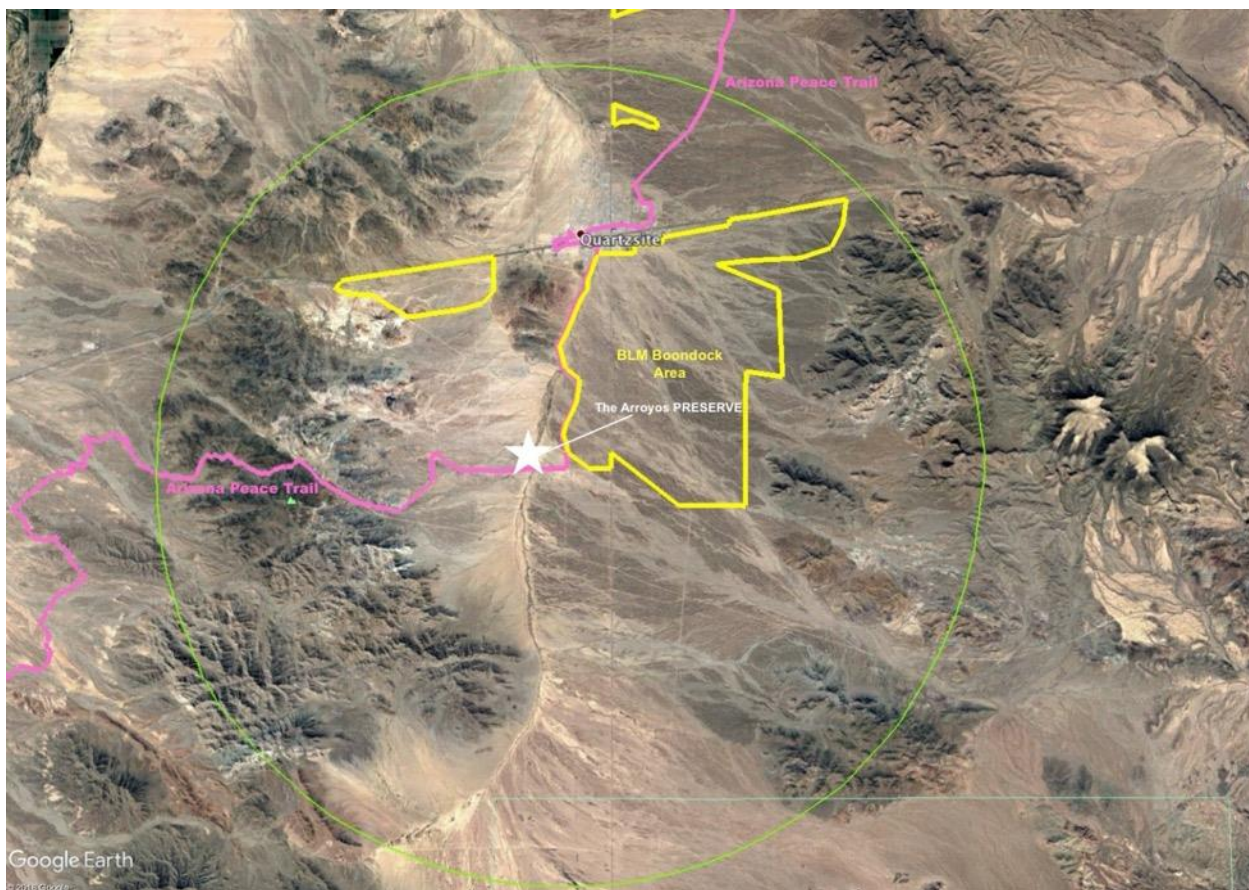


**The Peace Trail is conveniently accessed from The Arroyos PRESERVE.**

For more information about the Arizona Peace Trail, see:

<https://arizonapeacetrail.org/>

Link to bigger map [here](#).



## BUILDING THE PROJECT

The park's construction is planned in three phases. Beginning with Phase-1 and throughout construction, the emphasis will always be on projecting a distinctive "resort" characteristic. This requires that core infrastructure and essential elements of the resort are addressed in the first phase, such as clubhouse and many of the amenities.

### Phasing Construction (≈3-Year Plan)

CONSTRUCTION COSTS	# SITES	TOTAL	TOTAL
INITIAL INFRASTRUCTURE/BUILDING COSTS and		\$ 2,821,467	
1st PHASE SITE IMPROVEMENTS	123	\$ 1,582,910	\$ 4,404,377
2nd PHASE SITE IMPROVEMENTS	93	\$ 1,173,823	\$ 5,578,201
3rd PHASE SITE IMPROVEMENTS	108	\$ 1,356,263	\$ 6,934,464
<b>TOTAL</b>	<b>324</b>	<b>\$ 6,934,464</b>	
Construction Cost Per Camping Site (not including land cost)->			\$ 21,403



**Construction Costs Breakdown**

Item Description		TOTAL	Construction	Entrance Road	Recreation Village
50-Ac Roadway Length - Ft.		11,697 ft.	6,997 ft.	2,800 ft.	1,900 ft.
Camping Sites		324 sites			
APS System Improvements		\$ 150,000	\$ 80,000	\$ 70,000	
Well & Wellfield Development		\$ 135,000	\$ 135,000		
Fire Flow Tank & Pumps		\$ 165,000			\$ 165,000
Wastewater Initial & Expansion		\$ 550,000	\$ 395,000		\$ 155,000
Mobilization		\$ 80,000	\$ 52,000	\$ 28,000	\$ -
Survey		\$ 133,300	\$ 88,000	\$ 12,000	\$ 33,300
Quality Control		\$ 75,000	\$ 50,000	\$ 10,000	\$ 15,000
Traffic Control		\$ 3,350	\$ 700	\$ 1,800	\$ 850
Saw Cut		\$ 1,000		\$ 1,000	
Earth Work		\$ 796,521	\$ 571,546	\$ 80,000	\$ 144,975
Clearing		\$ 29,500	\$ 19,828	\$ 4,500	\$ 5,172
AB		\$ 351,503	\$ 225,000	\$ 83,190	\$ 43,313
4 Inch Roll Curb		\$ 273,760	\$ 219,360		\$ 54,400
Vertical Curb		\$ 3,740	\$ 1,760		\$ 1,980
Ribbon Curb		\$ 19,350	\$ 15,750		\$ 3,600
Valley Gutter		\$ 15,456	\$ 7,728		\$ 7,728
Septic Tanks		\$ 30,000			\$ 30,000
16 Foot Drive Ways		\$ 5,400	\$ 5,400		
Survey Monument		\$ 14,700	\$ 12,000		\$ 2,700
8 Inch Sewer		\$ 249,014	\$ 249,014		
6 Inch Sewer		\$ 48,000			\$ 48,000
4 Inch Sewer		\$ 14,000			\$ 14,000
4 Foot Manholes		\$ 173,300	\$ 150,800		\$ 22,500
5 Foot Manholes		\$ 12,000	\$ 12,000		
Sewer Cleanout		\$ 9,000	\$ 1,800		\$ 7,200

Item Description (page-2)		TOTAL	Construction	Entrance Road	Recreation Village
8 Inch Ductile Pipe		\$ 27,000	\$ 10,800		\$ 16,200
Sewer Services		\$ 160,560	\$ 128,000		\$ 32,560
6 Inch Water		\$ 86,184	\$ 86,184		
8 Inch Water		\$ 306,512	\$ 226,512		\$ 80,000
Air Release		\$ 16,800	\$ 16,800		\$ -
Fire Hydrant		\$ 85,500	\$ 63,000		\$ 22,500
4 Inch Supply Line (included)		\$ 52,069	\$ 52,069		
Blow Off		\$ 9,000	\$ 7,000		\$ 2,000
24 Inch Arch Pipe		\$ 36,000	\$ 36,000		
Concrete Headwalls		\$ 9,600	\$ 9,600		\$ -
Rip Rap		\$ 59,280	\$ 57,200		\$ 2,080
Water and Sewer Encasements		\$ 16,000	\$ 16,000		\$ -
Water and Sewer Testing		\$ 32,700	\$ 24,000		\$ 8,700
2 Foot Ford		\$ 50,580	\$ 8,960	\$ 36,680	\$ 4,940
4 Foot Ford		\$ 72,570	\$ 13,120	\$ 51,660	\$ 7,790
Electric Trench & Conduit	#	\$ 106,764	\$ 83,964		\$ 22,800
Electric Distribution		\$ 278,000	\$ 219,320		\$ 58,680
Clubhouse, incl Buildout		\$ 570,000	\$ -		\$ 570,000
Pool, Jacuzzi, decking & fencing		\$ 130,000			\$ 130,000
Bathrooms & Showers		\$ 120,000	\$ 20,000		\$ 100,000
Ramadas & Round-ups		\$ 20,000	\$ 20,000		
Convenience Store & Laundry		\$ 187,500	\$ 100,000		\$ 87,500
Archery Pavilion		\$ 11,000	\$ 11,000		
Glamping and Sleeper Cabins		\$ 120,650	\$ 120,650		
Cabins Refurbished Classic Mobiles		\$ 120,000	\$ 120,000		
Wash Ramps w/Pressure Washer		\$ 2,200	\$ 2,200		
Golf Club Cars		\$ 22,500	\$ -		\$ 22,500
Pickleball (4 @ \$32,000 ea.)		\$ 128,000	\$ -		\$ 128,000

Item Description (page-3)		TOTAL	Construction	Entrance Road	Recreation Village
ATV Rental Garages		\$ 42,000	\$ 42,000		
Landscaping & Fencing		\$ 183,000	\$ 125,000		\$ 58,000
Developer Fee (Half) *		\$ 250,000			
Marketing & Working Capital		\$ 200,000	\$ 200,000		
TOTAL		\$ 6,934,463	\$ 4,130,065	\$ 378,830	\$ 2,175,568
* Developer Fee shown represents one-half of total. Total fee is split between Construction and Operational Expenses. The other half is shown as line item in the Operational Expenses of P&L.					

**Autonomous Shuttle.** With almost 2 miles of roads inside the park, getting to and from the park's amenities will be helped using a driverless shuttle continuously on call. Using a smartphone app, guests will be able to call up the shuttle and be driven to wherever they need to go inside the park. The driverless shuttle is hoped to be deployed after Year-5 at an estimated cost of \$150,000 to \$200,000.

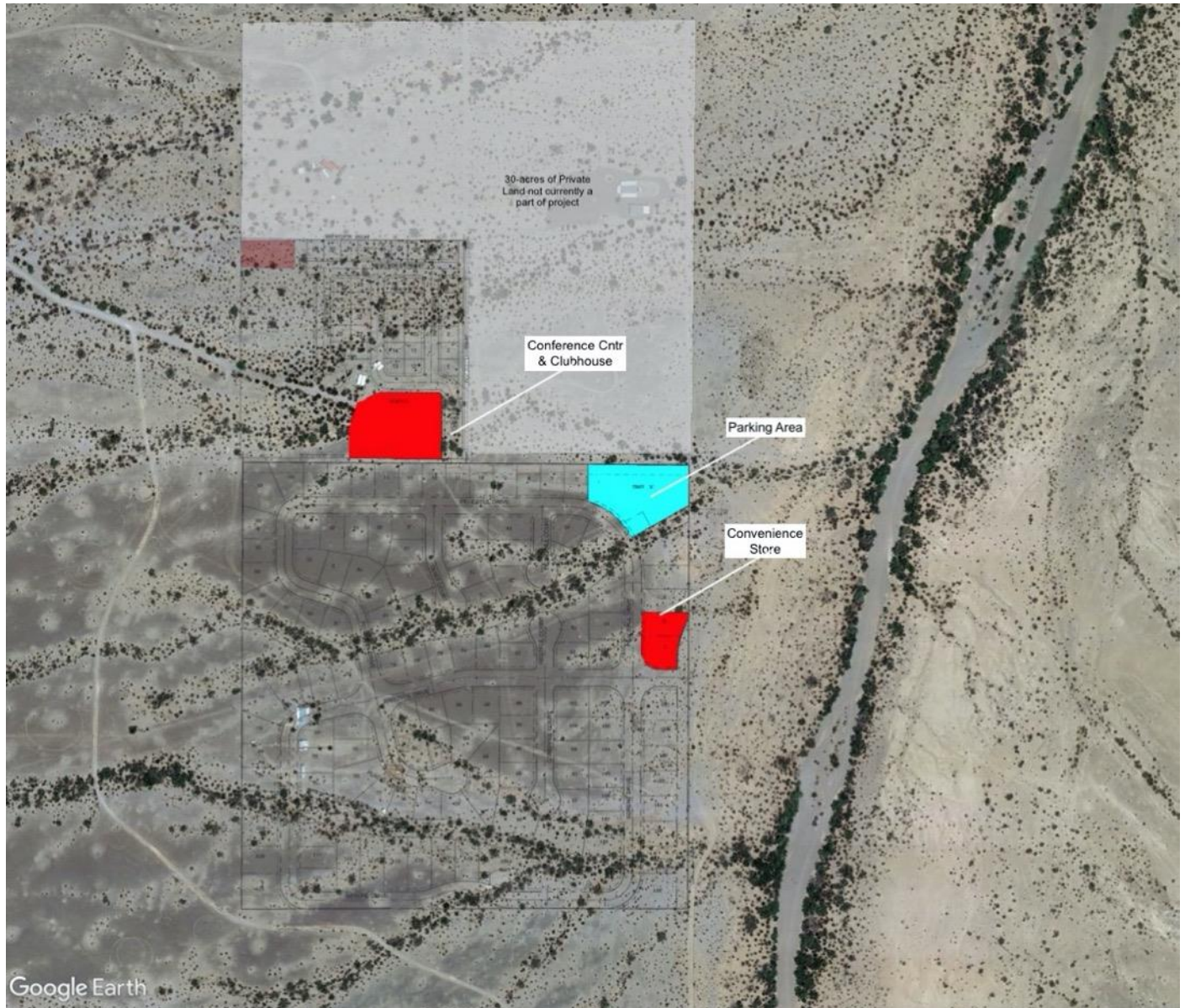


## Evolving the Construction in Three Phases





## Dedicated Areas









## Recreational Village with 37-Space RV Park (Virtual Overlay)



## PROJECT PROFIT AND LOSS

Phase I	123 Stabilized 123								
Phase II	93 Stabilized 216								
Phase III	108 Stabilized 324								
# of Sites: 324	2021	2022	2023	2024	2025	2026	2027	2028	2029
Gross Revenue									
Rental Revenue									
Daily RV, Glamping, Tents	253,601	568,168	932,058	1,092,442	1,151,862	1,174,899	1,198,397	1,222,365	1,246,812
Seasonal/Annual	68,742	166,462	306,735	371,319	395,004	402,904	410,963	419,182	427,565
Monthly	38,736	90,584	148,881	174,525	183,876	187,554	191,305	195,131	199,034
Cabins	51,957	112,196	139,146	146,398	148,236	150,111	152,023	153,973	157,053
Convenience Store Sales - Lease Income	4,130	9,374	15,268	17,847	18,790	19,155	19,527	19,907	20,305
Propane & Fuel	8,261	18,748	30,536	35,694	37,580	38,309	39,054	39,813	40,609
Storage	2,065	3,160	3,581	3,653	3,726	3,800	3,876	3,954	4,033
Laundry Income	6,196	14,061	22,902	26,770	28,185	28,732	29,290	29,860	30,457
Concession Fees	6,196	14,061	22,902	26,770	28,185	28,732	29,290	29,860	30,457
Monthly Electric Income	1,862	4,469	29,343	41,485	45,439	45,501	45,620	46,532	47,463
Total Gross Revenue	\$ 441,746	\$ 1,001,282	\$ 1,651,353	\$ 1,936,902	\$ 2,040,882	\$ 2,079,697	\$ 2,119,345	\$ 2,160,576	\$ 2,203,788
Annual Rental Revenue Per Site	\$1,844	\$4,185	\$6,816	\$7,967	\$8,388	\$8,551	\$8,717	\$8,887	\$9,065
Average Daily Revenue	\$ 5.05	\$ 11.47	\$ 18.67	\$ 21.83	\$ 22.98	\$ 23.43	\$ 23.88	\$ 24.35	\$ 24.83
Average Daily Rate Per Occupied Site	\$27.85	\$27.78	\$27.00	\$27.14	\$27.56	\$28.09	\$28.64	\$29.19	\$29.78
Other Spending Per Day/Occupied Site	\$1.11	\$1.07	\$1.01	\$1.01	\$1.02	\$1.04	\$1.06	\$1.08	\$1.10
Total Average Occupancy %	33%	43%	48%	56%	58%	58%	58%	58%	58%
Cost of Sales									
Convenience Store	-	-	-	-	-	-	-	-	-
Propane & Fuel	4,130	9,374	15,268	17,847	18,790	19,155	19,527	19,907	20,305
Total Cost of Sales	4,130	9,374	15,268	17,847	18,790	19,155	19,527	19,907	20,305
Net Revenue (Gross Less COS)	\$ 437,615	\$ 991,908	\$ 1,636,085	\$ 1,919,056	\$ 2,022,092	\$ 2,060,542	\$ 2,099,818	\$ 2,140,670	\$ 2,183,483
Expenses	2021	2022	2023	2024	2025	2026	2027	2028	2029
Wages & Salaries									
Manager Wages & Benefits	32,480	33,640	34,800	35,960	37,120	38,280	39,440	40,229	41,033
Office/Store/Concession Wages & Benefits	20,269	32,304	72,269	87,773	92,508	97,244	101,979	105,651	108,997
Maintenance Wages & Benefits	16,891	32,048	63,945	77,065	81,213	85,360	89,507	92,599	95,422
Advertising	36,750	27,750	30,805	31,421	32,050	32,691	33,344	34,011	34,691
Activities	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929
Bank & Credit Card Fees	9,087	20,623	33,590	39,263	41,338	42,140	42,959	43,794	44,670
Dues & Subscriptions	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757
Insurance	20,000	22,900	25,858	26,375	26,903	27,441	27,990	28,549	29,120
Licenses & Permits	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515
Office Supplies & Postage	4,000	5,080	6,182	6,305	6,431	6,560	6,691	6,825	6,961
RV Park Supplies	6,150	12,423	18,821	19,198	19,582	19,973	20,373	20,780	21,196
Pool Supplies & Maintenance	5,000	6,100	7,222	7,366	7,514	7,664	7,817	7,974	8,133
Professional Fees	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929
Other Taxes	1,000	2,020	3,060	3,122	3,184	3,248	3,313	3,379	3,447
Property Taxes	31,000	31,620	32,252	32,897	33,555	34,227	34,911	35,609	36,321
Repairs & Maintenance	9,225	18,635	28,232	28,797	29,373	29,960	30,559	31,171	31,794
Telephone	3,600	6,072	8,593	8,765	8,941	9,119	9,302	9,488	9,678
Utilities									
Trash Removal	6,000	7,320	9,266	9,452	9,641	9,834	10,030	10,231	10,435
Electricity	43,076	91,584	143,237	165,741	174,039	177,520	181,070	184,692	188,385
Water/Sewer	20,652	31,597	35,810	36,526	37,257	38,002	38,762	39,537	40,328
Natural Gas/Propane Expenses	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717
Cable TV	9,594	19,380	29,361	29,949	30,548	31,159	31,782	32,417	33,066
Wi-Fi	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090
Developer Fee*	50,000	50,000	50,000	50,000	50,000	-	-	-	-
Management Fee	41,304	63,195	71,620	73,053	74,514	76,004	77,524	79,075	80,656
Uniforms	2,000	3,040	5,101	5,203	5,307	5,413	5,521	5,632	5,744
Total Expenses	\$ 405,578	\$ 555,580	\$ 749,042	\$ 814,027	\$ 841,607	\$ 813,241	\$ 835,107	\$ 854,719	\$ 874,017
Expenses as a % of Gross Revenue	93%	56%	46%	43%	42%	40%	40%	40%	41%
EBITDA	\$ 32,038	\$ 436,329	\$ 887,043	\$ 1,105,028	\$ 1,180,485	\$ 1,247,301	\$ 1,264,711	\$ 1,285,951	\$ 1,309,466
EBITDA % of Revenue	7%	44%	54%	57%	58%	60%	60%	60%	59%



## Phase I P&amp;L – 123 RV &amp; Camping Sites

# of Sites: 123	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Gross Revenue</b>									
Rental Revenue									
Daily RV, Glamping, Tents	253,601	388,009	439,744	448,539	457,510	466,660	475,993	485,513	495,223
Seasonal/Annual	68,742	105,175	119,199	121,583	124,014	126,495	129,024	131,605	134,237
Monthly	38,736	59,266	67,168	68,512	69,882	71,279	72,705	74,159	75,642
Cabins	51,957	79,495	90,094	91,896	93,734	95,608	97,520	99,471	101,460
Convenience Store Sales - Lease Income	4,130	6,319	7,162	7,305	7,451	7,600	7,752	7,907	8,066
Propane & Fuel	8,261	12,639	14,324	14,611	14,903	15,201	15,505	15,815	16,131
Storage	2,065	3,160	3,581	3,653	3,726	3,800	3,876	3,954	4,033
Laundry Income	6,196	9,479	10,743	10,958	11,177	11,401	11,629	11,861	12,098
Concession Fees	6,196	9,479	10,743	10,958	11,177	11,401	11,629	11,861	12,098
Monthly Electric Income	1,862	2,793	3,104	3,104	3,104	3,166	3,229	3,294	3,359
<b>Total Gross Revenue</b>	<b>\$ 433,688</b>	<b>\$ 663,543</b>	<b>\$ 752,015</b>	<b>\$ 767,055</b>	<b>\$ 782,396</b>	<b>\$ 798,044</b>	<b>\$ 814,005</b>	<b>\$ 830,285</b>	<b>\$ 846,891</b>
Annual Rental Revenue Per Site	\$ 3,358	\$ 5,138	\$ 5,823	\$ 5,939	\$ 6,058	\$ 6,179	\$ 6,303	\$ 6,429	\$ 6,557
Average Daily Revenue	\$ 9.20	\$ 14.08	\$ 15.95	\$ 16.27	\$ 16.60	\$ 16.93	\$ 17.27	\$ 17.61	\$ 17.97
Average Daily Rate Per Occupied Site	\$ 27.85	\$ 28.41	\$ 28.98	\$ 29.56	\$ 30.15	\$ 30.75	\$ 31.36	\$ 31.99	\$ 32.63
Other Spending Per Day/Occupied Site	\$ 1.11	\$ 1.14	\$ 1.16	\$ 1.18	\$ 1.21	\$ 1.23	\$ 1.25	\$ 1.28	\$ 1.31
Total Average Occupancy %	33%	50%	55%	55%	55%	55%	55%	55%	55%
<b>Cost of Sales</b>									
Convenience Store	-	-	-	-	-	-	-	-	-
Propane & Fuel	4,130	6,319	7,162	7,305	7,451	7,600	7,752	7,907	8,066
<b>Total Cost of Sales</b>	<b>4,130</b>	<b>6,319</b>	<b>7,162</b>	<b>7,305</b>	<b>7,451</b>	<b>7,600</b>	<b>7,752</b>	<b>7,907</b>	<b>8,066</b>
<b>Net Revenue (Gross Less COS)</b>	<b>\$ 429,558</b>	<b>\$ 657,223</b>	<b>\$ 744,853</b>	<b>\$ 759,750</b>	<b>\$ 774,945</b>	<b>\$ 790,444</b>	<b>\$ 806,253</b>	<b>\$ 822,378</b>	<b>\$ 838,825</b>
<b>Expenses</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Wages & Salaries									
Manager Wages & Benefits	32,480	33,640	34,800	35,960	37,120	38,280	39,440	40,229	41,033
Office/Store/Concession Wages & Benefits	20,269	32,304	34,204	36,105	38,005	39,905	41,805	42,641	43,494
Maintenance Wages & Benefits	16,891	32,048	33,933	35,818	37,703	39,588	41,473	42,303	43,149
Advertising	36,750	25,250	25,755	26,270	26,796	27,331	27,878	28,436	29,004
Activities	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929
Bank & Credit Card Fees	9,087	13,903	15,757	16,072	16,393	16,721	17,055	17,396	17,744
Dues & Subscriptions	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757
Insurance	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433
Licenses & Permits	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515
Office Supplies & Postage	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687
RV Park Supplies	6,150	6,273	6,398	6,526	6,657	6,790	6,926	7,064	7,206
Pool Supplies & Maintenance	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858
Professional Fees	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929
Other Taxes	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172
Property Taxes	31,000	31,620	32,252	32,897	33,555	34,227	34,911	35,609	36,321
Repairs & Maintenance	9,225	9,410	9,598	9,790	9,985	10,185	10,389	10,597	10,809
Telephone	3,600	3,672	3,745	3,820	3,897	3,975	4,054	4,135	4,218
Utilities									
Trash Removal	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Electricity	43,076	62,847	70,532	71,943	73,382	74,850	76,347	77,874	79,431
Water/Sewer	20,652	31,597	35,810	36,526	37,257	38,002	38,762	39,537	40,328
Natural Gas/Propane Expenses	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717
Cable TV	9,594	9,786	9,982	10,181	10,385	10,593	10,804	11,020	11,241
Wi-Fi	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090
Developer Fee	50,000	50,000	50,000	50,000	50,000	-	-	-	-
Management Fee	41,304	63,195	71,620	73,053	74,514	76,004	77,524	79,075	80,656
Uniforms	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343
<b>Total Expenses</b>	<b>\$ 405,578</b>	<b>\$ 482,553</b>	<b>\$ 512,938</b>	<b>\$ 525,083</b>	<b>\$ 537,372</b>	<b>\$ 499,809</b>	<b>\$ 512,395</b>	<b>\$ 522,643</b>	<b>\$ 533,096</b>
Expenses as a % of Gross Revenue	94%	74%	69%	69%	70%	64%	64%	64%	64%
<b>EBITDA</b>	<b>\$ 23,980</b>	<b>\$ 174,670</b>	<b>\$ 231,915</b>	<b>\$ 234,667</b>	<b>\$ 237,572</b>	<b>\$ 290,635</b>	<b>\$ 293,858</b>	<b>\$ 299,735</b>	<b>\$ 305,730</b>
EBITDA % Of Revenue	6%	26%	31%	31%	30%	36%	36%	36%	36%



## Phase II P&amp;L – 93 RV &amp; Camping Sites Added

# of Sites: 93	2022	2023	2024	2025	2026	2027	2028	2029
<b>Gross Revenue</b>								
Rental Revenue								
Daily RV, Glamping, Tents	180,158	275,642	312,394	318,642	325,015	331,515	338,146	344,908
Seasonal/Annual	61,286	93,768	106,271	108,396	110,564	112,775	115,031	117,331
Monthly	31,318	47,916	54,305	55,391	56,499	57,629	58,781	59,957
Cabins	32,701	49,052	54,502	54,502	54,502	54,502	54,502	55,592
Convenience Store Sales - Lease Income	3,055	4,664	5,275	5,369	5,466	5,564	5,665	5,778
Propane & Fuel	6,109	9,328	10,549	10,739	10,932	11,128	11,329	11,556
Storage	-	-	-	-	-	-	-	-
Laundry Income	4,582	6,996	7,912	8,054	8,199	8,346	8,497	8,667
Concession Fees	4,582	6,996	7,912	8,054	8,199	8,346	8,497	8,667
Monthly Electric Income	1,676	2,514	2,793	2,793	2,793	2,849	2,906	2,964
<b>Total Gross Revenue</b>	<b>\$ 319,209</b>	<b>\$ 487,365</b>	<b>\$ 551,208</b>	<b>\$ 561,093</b>	<b>\$ 571,176</b>	<b>\$ 581,461</b>	<b>\$ 591,951</b>	<b>\$ 603,790</b>
Annual Rental Revenue Per Site	\$ 3,285	\$ 5,015	\$ 5,672	\$ 5,773	\$ 5,877	\$ 5,983	\$ 6,091	\$ 6,213
Average Daily Revenue	\$ 9.00	\$ 13.74	\$ 15.54	\$ 15.82	\$ 16.10	\$ 16.39	\$ 16.69	\$ 17.02
Average Daily Rate Per Occupied Site	\$ 26.57	\$ 27.05	\$ 27.53	\$ 28.03	\$ 28.53	\$ 29.04	\$ 29.57	\$ 30.16
Other Spending Per Day/Occupied Site	\$ 0.93	\$ 0.95	\$ 0.96	\$ 0.98	\$ 1.00	\$ 1.02	\$ 1.03	\$ 1.06
Total Average Occupancy %	34%	51%	56%	56%	56%	56%	56%	56%
<b>Cost of Sales</b>								
Convenience Store	-	-	-	-	-	-	-	-
Propane	3,055	4,664	5,275	5,369	5,466	5,564	5,665	5,778
<b>Total Cost of Sales</b>	<b>3,055</b>	<b>4,664</b>	<b>5,275</b>	<b>5,369</b>	<b>5,466</b>	<b>5,564</b>	<b>5,665</b>	<b>5,778</b>
<b>Net Revenue (Gross Less COS)</b>	<b>\$ 316,155</b>	<b>\$ 482,702</b>	<b>\$ 545,934</b>	<b>\$ 555,724</b>	<b>\$ 565,710</b>	<b>\$ 575,896</b>	<b>\$ 586,286</b>	<b>\$ 598,012</b>
<b>Expenses</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Wages & Salaries								
Manager Wages & Benefits	-	-	-	-	-	-	-	-
Office/Store/Concession Wages & Benefits	-	11,401	12,035	12,668	13,302	13,935	14,568	14,860
Maintenance Wages & Benefits	-	9,501	10,029	10,557	11,085	11,613	12,140	12,383
Advertising	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872
Activities	-	-	-	-	-	-	-	-
Bank & Credit Card Fees	6,720	10,260	11,604	11,812	12,025	12,241	12,462	12,711
Dues & Subscriptions	-	-	-	-	-	-	-	-
Insurance	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872
Licenses & Permits	-	-	-	-	-	-	-	-
Office Supplies & Postage	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149
RV Park Supplies	6,150	6,273	6,398	6,526	6,657	6,790	6,926	7,064
Pool Supplies & Maintenance	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149
Professional Fees	-	-	-	-	-	-	-	-
Other Taxes	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149
Property Taxes	-	-	-	-	-	-	-	-
Repairs & Maintenance	9,225	9,410	9,598	9,790	9,985	10,185	10,389	10,597
Telephone	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757
Utilities								
Trash Removal	1,200	1,224	1,248	1,273	1,299	1,325	1,351	1,378
Electricity	28,737	43,968	49,830	50,827	51,843	52,880	53,938	55,017
Water/Sewer	-	-	-	-	-	-	-	-
Natural Gas/Propane Expenses	-	-	-	-	-	-	-	-
Cable TV	9,594	9,786	9,982	10,181	10,385	10,593	10,804	11,020
Wi-Fi	-	-	-	-	-	-	-	-
Developer Fee	-	-	-	-	-	-	-	-
Management Fee	-	-	-	-	-	-	-	-
Uniforms	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149
<b>Total Expenses</b>	<b>\$ 73,026</b>	<b>\$ 113,451</b>	<b>\$ 122,585</b>	<b>\$ 125,733</b>	<b>\$ 128,920</b>	<b>\$ 132,148</b>	<b>\$ 135,418</b>	<b>\$ 138,126</b>
Expenses as a % of Gross Revenue	24%	24%	23%	23%	24%	24%	24%	24%
<b>EBITDA</b>	<b>\$ 243,129</b>	<b>\$ 369,250</b>	<b>\$ 423,348</b>	<b>\$ 429,991</b>	<b>\$ 436,790</b>	<b>\$ 443,748</b>	<b>\$ 450,868</b>	<b>\$ 459,886</b>
EBITDA % Of Revenue	76%	76%	77%	77%	76%	76%	76%	76%

## Phase III P&amp;L – 108 RV &amp; Camping Sites Added

# of Sites: 108	2023	2024	2025	2026	2027	2028	2029
<b>Gross Revenue</b>							
Rental Revenue							
Daily RV, Glamping, Tents	216,673	331,509	375,710	383,224	390,889	398,707	406,681
Seasonal/Annual	93,768	143,465	162,594	165,846	169,163	172,546	175,997
Monthly	33,797	51,709	58,604	59,776	60,971	62,191	63,434
Cabins							
Convenience Store Sales - Lease Income	3,442	5,267	5,969	6,088	6,210	6,334	6,461
Propane & Fuel	6,885	10,534	11,938	12,177	12,420	12,669	12,922
Storage	-	-	-	-	-	-	-
Laundry Income	5,164	7,900	8,954	9,133	9,315	9,502	9,692
Concession Fees	5,164	7,900	8,954	9,133	9,315	9,502	9,692
Monthly Electric Income	23,725	35,588	39,542	39,542	39,542	40,333	41,139
<b>Total Gross Revenue</b>	<b>\$ 359,728</b>	<b>\$ 550,384</b>	<b>\$ 623,769</b>	<b>\$ 636,244</b>	<b>\$ 648,969</b>	<b>\$ 661,948</b>	<b>\$ 675,187</b>
Annual Rental Revenue Per Site	\$ 3,187	\$ 4,877	\$ 5,527	\$ 5,637	\$ 5,750	\$ 5,865	\$ 5,983
Average Daily Revenue	\$ 8.73	\$ 13.36	\$ 15.14	\$ 15.45	\$ 15.75	\$ 16.07	\$ 16.39
Average Daily Rate Per Occupied Site	\$ 23.60	\$ 24.07	\$ 24.55	\$ 25.05	\$ 25.55	\$ 26.06	\$ 26.58
Other Spending Per Day/Occupied Site	\$ 0.81	\$ 0.83	\$ 0.85	\$ 0.86	\$ 0.88	\$ 0.90	\$ 0.91
Total Average Occupancy %	37%	56%	62%	62%	62%	62%	62%
<b>Cost of Sales</b>							
Convenience Store	-	-	-	-	-	-	-
Propane	3,442	5,267	5,969	6,088	6,210	6,334	6,461
<b>Total Cost of Sales</b>	<b>3,442</b>	<b>5,267</b>	<b>5,969</b>	<b>6,088</b>	<b>6,210</b>	<b>6,334</b>	<b>6,461</b>
<b>Net Revenue (Gross Less COS)</b>	<b>\$ 356,286</b>	<b>\$ 545,117</b>	<b>\$ 617,800</b>	<b>\$ 630,156</b>	<b>\$ 642,759</b>	<b>\$ 655,614</b>	<b>\$ 668,726</b>
<b>Expenses</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Wages & Salaries							
Manager Wages & Benefits	-	-	-	-	-	-	-
Office/Store/Concession Wages & Benefits	26,664	39,634	41,835	44,037	46,239	48,441	50,643
Maintenance Wages & Benefits	20,511	31,218	32,953	34,687	36,421	38,156	39,890
Advertising	2,500	2,550	2,601	2,653	2,706	2,760	2,815
Activities	-	-	-	-	-	-	-
Bank & Credit Card Fees	7,573	11,587	13,132	13,395	13,663	13,936	14,214
Dues & Subscriptions	-	-	-	-	-	-	-
Insurance	2,500	2,550	2,601	2,653	2,706	2,760	2,815
Licenses & Permits	-	-	-	-	-	-	-
Office Supplies & Postage	1,000	1,020	1,040	1,061	1,082	1,104	1,126
RV Park Supplies	6,150	6,273	6,398	6,526	6,657	6,790	6,926
Pool Supplies & Maintenance	1,000	1,020	1,040	1,061	1,082	1,104	1,126
Professional Fees	-	-	-	-	-	-	-
Other Taxes	1,000	1,020	1,040	1,061	1,082	1,104	1,126
Property Taxes	-	-	-	-	-	-	-
Repairs & Maintenance	9,225	9,410	9,598	9,790	9,985	10,185	10,389
Telephone	2,400	2,448	2,497	2,547	2,598	2,650	2,703
Utilities							
Trash Removal	1,800	1,836	1,873	1,910	1,948	1,987	2,027
Electricity	28,737	43,968	49,830	50,827	51,843	52,880	53,938
Water/Sewer	-	-	-	-	-	-	-
Natural Gas/Propane Expenses	-	-	-	-	-	-	-
Cable TV	9,594	9,786	9,982	10,181	10,385	10,593	10,804
Wi-Fi	-	-	-	-	-	-	-
Developer Fee	-	-	-	-	-	-	-
Management Fee	-	-	-	-	-	-	-
Uniforms	2,000	2,040	2,081	2,122	2,165	2,208	2,252
<b>Total Expenses</b>	<b>\$ 122,654</b>	<b>\$ 166,359</b>	<b>\$ 178,502</b>	<b>\$ 184,512</b>	<b>\$ 190,564</b>	<b>\$ 196,658</b>	<b>\$ 202,796</b>
Expenses as a % of Gross Revenue	35%	31%	30%	30%	30%	31%	31%
<b>EBITDA</b>	<b>\$ 233,632</b>	<b>\$ 378,758</b>	<b>\$ 439,298</b>	<b>\$ 445,644</b>	<b>\$ 452,195</b>	<b>\$ 458,956</b>	<b>\$ 465,930</b>
EBITDA % Of Revenue	65%	69%	70%	70%	70%	69%	69%

**Other Profit Centers**

<b>Profit Center</b>	<b>Assumptions</b>
Convenience Store Sales & Lease Income	1% of total rental revenue
Propane & Fuel	2% of total rental revenue
RV & ATV Storage	0.5% of total rental revenue (Phase I only)
Laundry Income	1.5% of total rental revenue
Concession Fees	1.5% of total rental revenue
Monthly Electric Income*	\$2.50 per day per occupied site – monthly and annual rentals

*\*Shown as income on the P&L, it works out to approximately \$75/month per occupied site. Electric expense on P&L shown as total RV sites + common area expense. Income and expense not netted.*

**Site Types (324 total):**

Total Sites				RecVillage	Phase-1	Phase-2	Phase-3	TOTAL
<b>RV Sites</b>	<b>Total</b>		283	37	105	84	94	<b>283</b>
	Daily		41%	20	48	36	33	<b>117</b>
					41%	31%	28%	
	Monthly		19%	6	20	18	16	<b>54</b>
					37%	33%	30%	
	Seasonal		40%	11	37	30	45	<b>112</b>
					33%	27%	40%	
<b>Cabin</b>				5	5	3	2	<b>10</b>
<b>Glamping</b>				8	8	4	10	<b>22</b>
<b>Tenting</b>				5	5	2	2	<b>9</b>
<b>TOTAL CAMPING SITES</b>				<b>55</b>	<b>123</b>	<b>93</b>	<b>108</b>	<b>324</b>
	SuperSize RV Sites				60	66	70	<b>196</b>
	Pull Through	24%	12	36	25	8		<b>69</b>
	Back-in	53%	25	55	38	58		<b>151</b>
	Pull-in	22%		14	21	28		<b>63</b>
	<b>Total</b>				<b>105</b>	<b>84</b>	<b>94</b>	<b>283</b>

(Phase-1 includes RecVillage count)

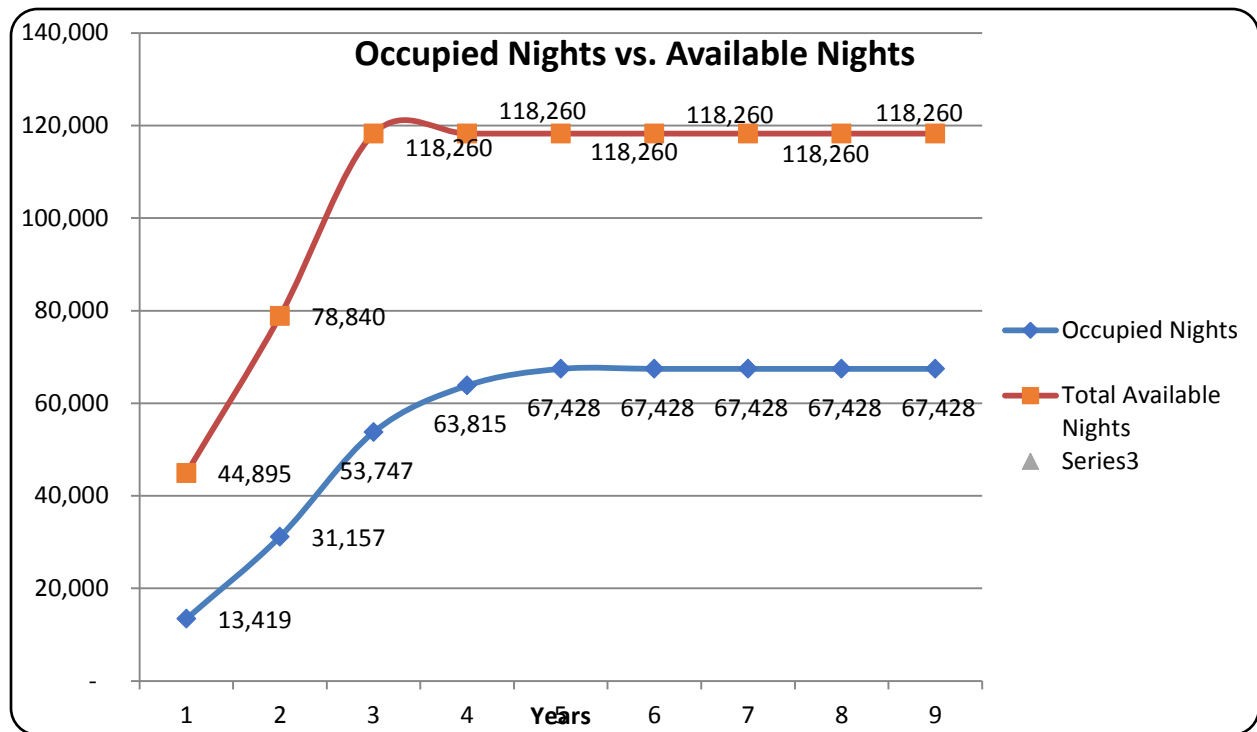
- We've set the number of designated daily rental RV sites at 41%, which is a much higher ratio than the surrounding competition. The closest comparison is 35% dailies found at the Gila Bend KOA (47 daily / 130 total). The overall number of designated daily sites at competing parks is relatively very small; they report the need for more daily rental sites, and with no room to expand, they're unable to provide more. (Holiday Palms, Quartzsite – Judy Willis, manager, phone: 928-927-5666)
- Annual renters represent 94% of the camper nights at Black Rock RV Village (384 annual / 408 total), and monthly rentals at 4%. We've assumed 40% of the sites will be annual and 20% monthly at The PRESERVE because of our location and more dynamic customer base.



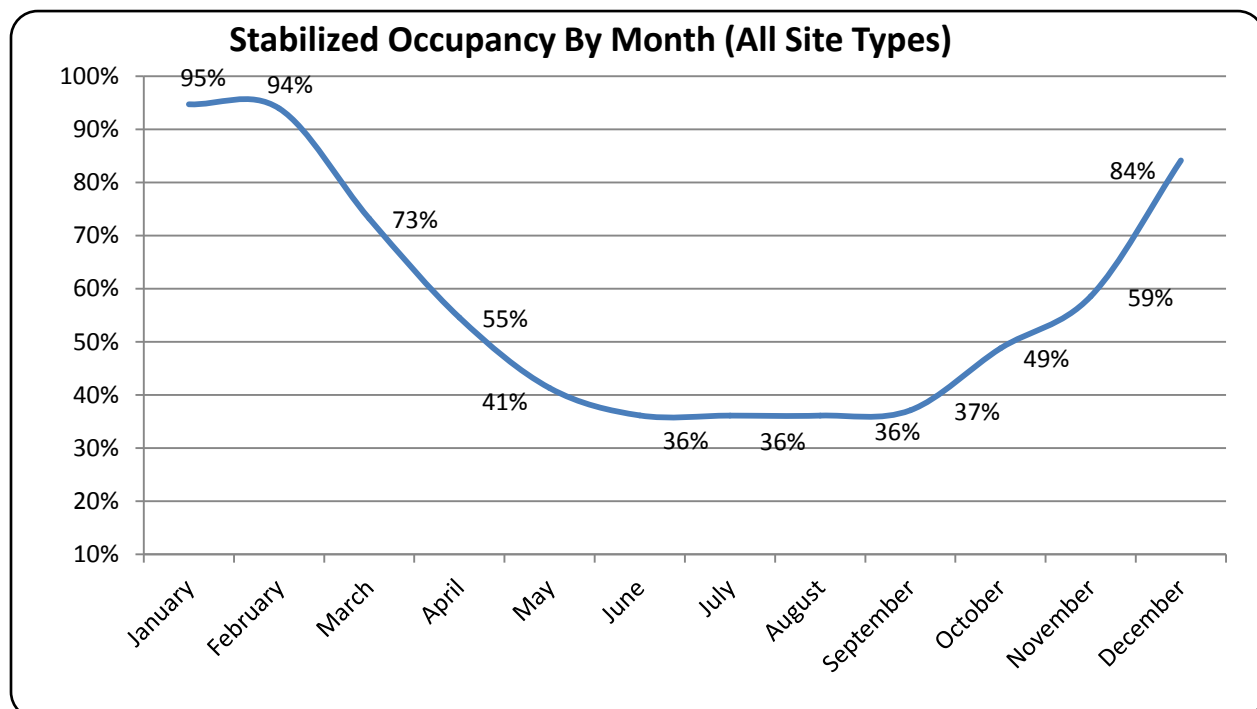
## Occupancy Rates:

- RV Site annual occupancies at stabilization are assumed as follows:
  - Total blended stabilized occupancy = 57.7%
    - Daily RV, tent, glamping and cabins = 37%
    - Monthly RV = 41%
    - Annual RV = 95%
  - Black Rock had an overall occupancy rate in 2015 of 64% due to the high percentage of annual renters.
- Each phase hits stabilization 24 months after opening.

Year	Occupied Nights	Total Available Nights	Occupancy %	Ramp Up % (of year 5)
2021	14,830	44,895	33.0%	57.3%
2022	33,741	78,840	42.8%	74.2%
2023	56,546	118,260	47.8%	82.9%
2024	65,754	118,260	55.6%	96.4%
2025	68,185	118,260	57.7%	100.0%
2026	68,185	118,260	57.7%	100.0%
2027	68,185	118,260	57.7%	100.0%
2028	68,185	118,260	57.7%	100.0%
2029	68,185	118,260	57.7%	100.0%



- *Daily and monthly* rental occupancy peak during the winter months. *Annual* rental occupancy is constant throughout the year at 95% stabilized.



## Operations and Wages

We anticipate that the property would be operated by professional management, such as Horizon RV Resorts or Buena Vista RV Property Management.

On site, the resort would be supervised year-round by a full-time manager. The office, rentals and property maintenance (including site escorts and trash pickup) would be covered by hourly workers with schedules that vary according to the season and occupancy levels.

Front desk, activities and other office coverage stabilizes at 4 full time equivalents, 7 days a week, 12 hours a day during the 6-month winter season. This does not include the manager who would also cover the desk. Actual coverage would vary by the time of day, weekdays versus weekends, and by season and may include a blend of full-time and part-time employees.

Maintenance, housekeeping, cleaning, rentals, trash pickup and escort to site stabilizes at 6 full time equivalents, 7 days a week, 10 hours a day during the 6-month extended winter season. Actual coverage would vary by the time of day, weekdays versus weekends, season and would include a blend of full-time and part-time employees.

To cover all the necessary operational duties, The Arroyos PRESERVE will employ qualified people during the season sourced from its list of previous seasonal employees and from the large number of established providers of seasonal workers, such as AmazonDelivers.jobs, CamperForce, WorkerOnWheels.com, WorkampingJobs.com, LiveWorkcamp.com, WorkCamper.com, etc.

## Wages – 324 RV & Camping Spaces

# of Sites: 324	2021	2022	2023	2024	2025	2026	2027
<b>Manager</b>							
Annual Hours	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Wage Per Hour	\$ 15.00	\$ 15.50	\$ 16.00	\$ 16.50	\$ 17.00	\$ 17.50	\$ 18.00
Annual Manager Payroll	30,000	31,000	32,000	33,000	34,000	35,000	36,000
Benefits @ 16%	\$ 4,800	\$ 4,960	\$ 5,120	\$ 5,280	\$ 5,440	\$ 5,600	\$ 5,760
<b>Total Manager</b>	<b>\$ 34,800</b>	<b>\$ 35,960</b>	<b>\$ 37,120</b>	<b>\$ 38,280</b>	<b>\$ 39,440</b>	<b>\$ 40,600</b>	<b>\$ 41,760</b>
<b>Office Staff, Store, Concession</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Peak Season</b>							
FTE's	2	2	4	4	4	4	4
Season Hours	2,184	4,368	6,553	6,553	6,553	6,553	6,553
Total Hours Worked	3,276	4,368	7,645	8,737	8,737	8,737	8,737
Hourly Wage	\$ 8.00	\$ 8.50	\$ 8.86	\$ 9.31	\$ 9.81	\$ 10.31	\$ 10.81
Total Summer Season	26,210	37,131	67,710	81,361	85,729	90,098	94,466
<b>Off Season</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
FTE's	-	-	1	1	1	1	1
Season Hours	1,040	2,080	3,120	3,120	3,120	3,120	3,120
Total Hours Worked	-	-	520	520	520	520	520
Hourly Wage	\$ -	\$ 8.50	\$ 8.50	\$ 9.00	\$ 9.50	\$ 10.00	\$ 10.50
Total Winter Season	-	\$ -	4,420	4,680	4,940	5,200	5,460
Total Office Wages	\$ 26,210	\$ 37,131	\$ 72,130	\$ 86,041	\$ 90,670	\$ 95,298	\$ 99,926
Benefits @ 16%	4,194	5,941	11,541	13,767	14,507	15,248	15,988
<b>Total Office</b>	<b>\$ 30,404</b>	<b>\$ 43,072</b>	<b>\$ 83,671</b>	<b>\$ 99,808</b>	<b>\$ 105,177</b>	<b>\$ 110,546</b>	<b>\$ 115,915</b>
<b>Maintenance &amp; Housekeeping</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Peak Season</b>							
FTE's	2	2	4	4	4	4	4
Season Hours	1,820	3,640	5,460	5,460	5,460	5,460	5,460
Total Hours Worked	2,730	3,640	6,371	7,281	7,281	7,281	7,281
Hourly Wage	\$ 8.00	\$ 8.50	\$ 8.86	\$ 9.31	\$ 9.81	\$ 10.31	\$ 10.81
Total Summer Season	21,842	30,943	56,425	67,801	71,441	75,081	78,722
<b>Off Season</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
FTE's	-	1	2	2	2	2	2
Season Hours	520	1,040	1,560	1,560	1,560	1,560	1,560
Total Hours Worked	-	520	780	780	780	780	780
Hourly Wage	\$ -	\$ 8.50	\$ 8.83	\$ 9.33	\$ 9.83	\$ 10.33	\$ 10.83
Total Winter Season	-	4,420	6,891	7,281	7,671	8,061	8,451
Total Maintenance	\$ 21,842	\$ 35,363	\$ 63,315	\$ 75,081	\$ 79,112	\$ 83,142	\$ 87,172
Benefits @ 16%	3,495	5,658	10,130	12,013	12,658	13,303	13,948
<b>Total Maintenance</b>	<b>\$ 25,337</b>	<b>\$ 41,021</b>	<b>\$ 73,446</b>	<b>\$ 87,094</b>	<b>\$ 91,769</b>	<b>\$ 96,445</b>	<b>\$ 101,120</b>
<b>Total Wages</b>	<b>\$ 90,540</b>	<b>\$ 120,053</b>	<b>\$ 194,237</b>	<b>\$ 225,182</b>	<b>\$ 236,386</b>	<b>\$ 247,590</b>	<b>\$ 258,794</b>
Wages % of Revenues	23%	15.8%	14.7%	11.5%	12.1%	12.7%	13.3%
Wages Per Site	\$ 736	\$ 976	\$ 899	\$ 695	\$ 730	\$ 764	\$ 799

FTE's = Full time equivalents



## General Operating Expenses

Expenses	Phase I Assumptions	Phase II Assumptions	Phase III Assumptions	Annual Inflation Rate
Wages & Salaries	See Wages	See Wages	See Wages	
Advertising	See Advertising	See Advertising	See Advertising	
Activities	\$2,500 annual	\$0	\$0	2.0%
Bank & Credit Card Fees	2.2% Rental Revenue	2.2% Rental Revenue	2.2% Rental Revenue	NA
Dues & Subscriptions	\$1,500 annual	\$0	\$0	2.0%
Insurance	\$20,000 annual	\$2,500 annual incremental	\$2,500 annual incremental	2.0%
Licenses & Permits	\$3,000 annual	\$0	\$0	2.0%
Office Supplies & Postage	\$4,000 annual	\$1,000 annual incremental	\$1,000 annual incremental	2.0%
RV Park Supplies	\$50 per site per year	\$50 per site per year	\$50 per site per year	2.0%
Pool Supplies & Maintenance	\$5,000 annual	\$1,000 annual incremental	\$1,000 annual incremental	2.0%
Professional Fees	\$2,500 annual	\$0	\$0	2.0%
Other Taxes	\$1,000 annual	\$1,000 annual incremental	\$1,000 annual incremental	2.0%
Property Taxes	\$31,000 Estimate	\$0	\$0	2.0%
Repairs & Maintenance	\$75 per site per year	\$75 per site per year	\$75 per site per year	2.0%
Telephone	\$300 per month	incremental	incremental	2.0%
Utilities				
Trash Removal	\$500 per month	incremental	incremental	2.0%
Electricity	\$2.50 per site per occupied day + \$500 per month common area	\$2.50 per site per occupied day	\$2.50 per site per occupied day	2.0%
Water/Sewer*	5% of total rental revenue	0.0%	0.0%	NA
Natural Gas/Propane Expenses	\$1,000 per month	\$0	\$0	2.0%
Cable TV	\$6.50 per site per month	\$6.50 per site per month	\$6.50 per site per month	2.0%
Wi-Fi	\$1 / Site / Day	\$0	\$0	2.0%
Developer Fee	\$450,000 Total - spread out over 5 years	\$0	\$0	2.0%
Management Fee or KOA FEE	10% Booking Revenue	10% Booking Revenue	10% Booking Revenue	NA
Uniforms	\$2,000/ year	\$1,000/ year incremental	\$2,000/ year incremental	2.0%

\*Water and sewer covers well and wastewater treatment operations and maintenance. A WWTP requires a licensed operator at approx. \$1,200 to \$1,500 per month.

- Operating expenses are shown above with assumptions by phase.
- A number of expenses are burdened against Phase I only.
  - Activities
  - Dues & Subscriptions
  - Professional fees
  - Property taxes
  - Electric common area
  - Water & Sewer
  - Propane
  - Wi-Fi
  - Developer fee

## Project Cash Flow & Returns – 324 RV & Camping Sites

# of Sites: 324	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Sources of Funds</b>										
EBITDA		\$ (25,222)	\$ 341,078	\$ 775,379	\$ 1,009,504	\$ 1,110,701	\$ 1,175,530	\$ 1,190,935	\$ 1,210,759	\$ 1,232,770
Debt	\$ 3,072,757	\$ 671,235	\$ 756,008							
Equity	\$ 3,540,157	\$ 773,338	\$ 871,005							
<b>Uses of Funds</b>										
Land and Entitlement Take Down	\$ (1,950,037)									
Loan Costs	\$ (199,999)									
Construction:										
Core	\$ (2,069,967)									
Big Rig CASITA Build	\$ (210,000)									
Phase I	\$ (1,582,910)									
Phase II		\$ (1,444,573)								
Phase III			\$ (1,627,013)							
Principal Payments		\$ (92,928)	\$ (110,418)	\$ (129,942)	\$ (126,012)	\$ (120,412)	\$ (118,560)	\$ (114,974)	\$ (111,497)	\$ (108,125)
Interest Payments		\$ (153,638)	\$ (182,553)	\$ (214,833)	\$ (208,336)	\$ (202,035)	\$ (196,014)	\$ (190,086)	\$ (184,338)	\$ (178,763)
<b>Net Annual Cash Flow</b>	<b>\$ 600,000</b>	<b>\$ (271,788)</b>	<b>\$ 48,107</b>	<b>\$ 430,604</b>	<b>\$ 675,156</b>	<b>\$ 788,254</b>	<b>\$ 860,956</b>	<b>\$ 885,875</b>	<b>\$ 914,924</b>	<b>\$ 945,882</b>
<b>Cumulative Cash Flow</b>	<b>\$ 600,000</b>	<b>\$ 328,212</b>	<b>\$ 376,319</b>	<b>\$ 806,923</b>	<b>\$ 1,482,079</b>	<b>\$ 2,270,333</b>	<b>\$ 3,131,289</b>	<b>\$ 4,017,164</b>	<b>\$ 4,932,088</b>	<b>\$ 5,877,970</b>

- Year 9 EBITDA (earnings before interest, taxes, depreciation and amortization) for the RV & Camping Resort is projected at \$1.23 million.
- Cumulative free cash flow over 9 years is estimated to be \$5.88 million. Annual cash flow is positive in year 2023.
- Total equity investment over three years is \$5.2 million.
- Bank financing is \$4.5 million.

## PROJECT COST & FINANCING SUMMARY

# of SITES: 324		Amount	
Land Acquisition – 50 acres		\$ 1,351,500	
Engineering, Right of Way & Entitlements		\$ 228,337	
Misc Consultation, Planning, Design & Sourcing		\$ 370,200	
<b>Total ACQUISITION</b>		<b>\$ 1,950,037</b>	
Construction Costs - Lower 40-acres		\$ 3,930,065	
Recreation Village - Upper 10-acres		\$ 2,175,568	
Entrance Road		\$ 378,830	
Marketing & Working Capital		\$ 200,000	
Construction Management		\$ 250,000	
<b>Total CONSTRUCTION</b>		<b>\$ 6,934,463</b>	
Interest Reserve – 2 yr. & Contingency		\$ 600,000	
Loan and Other Costs		\$ 200,000	
<b>Total FINANCING COSTS</b>		<b>\$ 800,000</b>	
<b>TOTAL PROJECT COST</b>		<b>\$ 9,684,500</b>	
Cost Per SUBDIVIDED Lot—165 LOTS		\$ 58,694	
Cost Per RV Site—283 RV Sites		\$ 34,221	
Cost Per Site for All Camping--324 Sites		\$ 29,890	
FINANCING ASSUMPTIONS		Amount	%
Bank Debt, non-recourse		\$ 4,500,000	46%
Offering Memorandum		\$ 4,500,000	
Developer Funds		\$ 500,000	
Land Seller Carry		\$ 184,501	
<b>Total SOURCES</b>		<b>\$ 9,684,500</b>	<b>100%</b>
Equity		\$ 5,184,500	54%

### Project Costs

- Land acquisition cost was \$1.35 million.
- Actual spending for entitlements, studies and engineering totals \$598 thousand.
- The estimated total construction costs are \$7 million and will be spread out over several phases. A more detailed exhibit about phasing and associated costs can be found on [page 57](#).
- Loan costs and miscellaneous are projected to be \$200 thousand.
- Interest reserve (2-year) and contingency estimated \$600 thousand
- The project total is \$9.7 million.

## Financing

- Bank debt is assumed to be \$4.5 million, a 46% leverage rate. We have assumed the terms are non-recourse, 5% interest rate and 20-year amortization period.
- Equity is \$5.2 million consisting of:
  - Private placement offering memorandum - \$4.5 million
  - Developer Funds - \$500 thousand
  - Seller Land Carry - \$184 thousand

## Financial Highlights

- We have projected an annual stabilized occupancy rate of 57% (blended daily, monthly and seasonal/annual occupancies). Each phase will stabilize 24 months after opening.
- This occupancy level is conservatively lower than Black Rock RV Park which runs about a 64% occupancy based on 2015 figures. Ninety four percent of their rental nights are attributed to seasonal/annual rentals with very little daily business.
- A 56% EBITDA-to-gross revenue ratio at stabilization
- RV Resort projected stabilized gross revenues of close to \$2.1 million with an EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) of approximately \$1.2 million.
- The project yields an estimated leveraged (bank debt) annualized return of 18.2% assuming an 8% terminal cap rate at the end of year 9.
- The cash on equity return is 3.4X (a \$100,000 investment returns \$340,000 of cash).



<b>FINANCING ASSUMPTIONS</b>	<b>Amount</b>	<b>%</b>
Bank Debt	\$ 4,500,000	46%
Equity*	\$ 5,184,500	54%
Total Sources	\$ 9,684,500	100%
Offering Memorandum	\$ 4,500,000	
Developer	\$ 500,000	
Seller Land Carry	\$ 184,500	
Total Equity Investment	\$ 5,184,500	
Financing Terms		
Bank and Seller		
- Interest Rate	5.0%	
- Amortization Term	20	

## Project Return

<b>IRR Calculation</b>			
Year 0 Equity Investment	\$ (3,540,157)		
Year 1 Cash Flow	\$ (271,788)		
Year 2 Cash Flow	\$ 48,107		
Year 3 Cash Flow	\$ 430,604		
Year 4 Cash Flow	\$ 675,156		
Year 5 Cash Flow	\$ 788,254		
Year 6 Cash Flow	\$ 860,956		
Year 7 Cash Flow	\$ 885,875		
Year 8 Cash Flow	\$ 914,924		
Year 9 Cash Flow	\$ 945,882		
Year 9 Terminal Value	\$ 11,739,150	8.0%	Cap Rate
<b>IRR Rate (Pre-Tax)</b>	<b>20.0%</b>		
<b>Return Measures (Pre-Tax)</b>			
Total Equity Investment	\$ 5,184,500		
Year 9 Cash Flow	\$ 945,882		
Annualized Return Based on Year 9 Cash Flow	18.2%		
Payback Years Based on Year 9 Cash Flow	5.5		
Cash-on-Equity Return (Cash Return/Cash Investment)	3.40		

- The project is forecast to generate an annualized rate of return of 20% leveraged (bank debt) over 9 years assuming a “terminal value” at an 8% capitalization (cap) rate. See the next page for an explanation of terminal value. The capitalization rate is the year 9 EBITDA divided into the terminal value.
- The cash-on-equity return on equity is 3.4X. Each \$100,000 of investment returns \$340,000 of cash.
- The terminal or hypothetical “sale” value of the 324 space RV & campsite Resort portion of the project at the end of year 9 is \$11.7 million at an 8% cap rate, which would be appropriate for RV Resorts in this market area. Note: This does not take into consideration the value of possibly converting RV sites into deeded lots in the event lot sales are integrated into the development plan. (See discussions on Pages [88](#) & [87](#)).

**\* Investopedia explains 'Terminal Value - TV'**

The terminal value of an asset is its anticipated value on a certain date in the future. It is used in multi-stage discounted cash flow analysis and the study of cash flow projections for a several-year period. The perpetuity growth model is used to identify ongoing free cash flows. The exit or terminal multiple approach assumes the asset will be sold at the end of a specified time period, helping investors evaluate risk/reward scenarios for the asset. A commonly used value is enterprise value/EBITDA (earnings before interest, tax, depreciation and amortization) or EV/EBITDA. An asset's terminal value is a projection that is useful in budget planning, and also in evaluating the potential gain of an investment over a specified time period.

**Premium Lot Casita Pow Wow (Potential development option)**

## Debt Details

[illegible]



- Principal reduction of loan is shown based on a 20-yr amortization schedule; however, it is likely that ownership would choose to sell fee simple home sites sooner in order to pay off debt. ([See page 87](#) and [page 91.](#))

### Sensitivity Analysis

The table below shows the effect of construction costs that are 10% higher than budget.

Construction Cost	Base Case	+10%
Equity Investment	\$5,184,500	\$5,877,946
Bank Loan	\$4,500,000	\$4,500,000
IRR	20.0%	18.0%
Cash-On-Equity Return	3.40	3.00
Year 9 Terminal Value	\$11,739,150	\$11,737,808

The project is very sensitive to occupancy rates. The table below shows the effect of different occupancy rates on returns.

Occupancy	Base Case – 57%	+5% Occupancy (62%)	-10% Occupancy (47%)
Equity Investment	\$5,184,500	\$5,184,500	\$5,184,500
Bank Loan	\$4,500,000	\$4,500,000	\$4,500,000
IRR	20.0%	24.0%	11.0%
Cash-On-Equity Return	3.40	4.16	1.87
Year 9 Terminal Value	\$11,739,150	\$14,267,141	\$6,700,637

The project is also sensitive to variations in EBITDA.

EBITDA	Base Case	+10% EBITDA	-10% EBITDA
Equity Investment	\$5,184,500	\$5,184,500	\$5,184,500
Bank Loan	\$4,500,000	\$4,500,000	\$4,500,000
IRR	20.0%	22.0%	18.0%
Cash-On-Equity Return	3.40	3.84	2.95
Year 9 Terminal Value	\$11,739,150	\$13,249,292	\$10,229,007

Capitalization rate (EBITDA / Terminal Value) affects overall return, the lower the terminal value cap rate, the higher the return.

Cap Rate	Base case - 8% Cap Rate	7% Cap Rate	9% Cap Rate
Equity Investment	\$5,184,500	\$5,184,500	\$5,184,500
Bank Loan	\$4,500,000	\$4,500,000	\$4,500,000
IRR	20.0%	21.0%	19.0%
Cash-On-Equity Return	3.40	3.81	3.07
Year 9 Terminal Value	\$11,739,150	\$13,896,496	\$10,061,213

## MARKETING THE RV RESORT

Advertising as a percent of total revenue stabilizes at 2%. Another approximate 1% of marketing value is expected to be realized from the contracted management company and/or other partner(s), such as Airbnb.

The success of this project is highly dependent on attracting a higher percentage of short-term renters (daily/weekly). Considering the lack of such accommodations within a 40-mile radius for the over 2 million visitors who come to this region, target marketing would include many, if not all of the following. These affordable strategies are focused on providing the camping customer a superior experience – **It's all about the service.**

# of Sites: 324	2021	2022	2023	2024	2025	2026	2027
<b>ELECTRONIC</b>							
Website	5,900	900	918	936	955	974	994
PPC Program	12,350	9,600	9,792	9,988	10,188	10,391	10,599
Email Blasts	1,000	800	816	832	849	866	883
Social Media (Facebook and Blogs via 3rd-party)	2,500	1,200	1,224	1,248	1,273	1,299	1,325
Other	-	-	-	-	-	-	-
<b>PRINT &amp; SIGNAGE</b>							
ARVC Memberships & Listings	1,000	1,020	1,040	1,061	1,082	1,104	1,126
Highway Signage - Hwy Exit Signs	10,000	12,700	15,454	15,763	16,078	16,400	16,728
Rack Cards & Other Collateral	1,500	1,530	1,561	1,592	1,624	1,656	1,689
Good Sam	-	-	-	-	-	-	-
KOA - 2%	-	-	-	-	-	-	-
<b>LOCAL EFFORTS</b>							
Grand Opening Event	-	-	-	-	-	-	-
RV Shows	-	-	-	-	-	-	-
Radius Mailings	-	-	-	-	-	-	-
Press Releases/Newspaper	2,500	-	-	-	-	-	-
<b>Total Advertising</b>	<b>\$ 36,750</b>	<b>\$ 27,750</b>	<b>\$ 30,805</b>	<b>\$ 31,421</b>	<b>\$ 32,050</b>	<b>\$ 32,691</b>	<b>\$ 33,344</b>
Advertising % of Revenue	9%	3%	2%	2%	2%	2%	2%

Snowbirds and RVers seeking affordable destination accommodations will be the primary marketing focus to increase daily and weekly occupancies. These guests can also coordinate family and friend visits with their RVs or without – considering the tent and glamping tents and cabins at The PRESERVE.



**ATV enthusiasts (traveling without RVs) looking for accommodations on their multi-day trail rides will also be key marketing targets.** In fact, the 14 ATV clubs sponsoring the Arizona Peace

Trail will have the ability to use The Arroyos PRESERVE as a trailhead and the meeting/conference center venue for nightly “round-ups” as they enjoy overnights in the glamping, tenting areas and cabins.

Located in the vicinity of the I-10 and Hwy 95 intersection, folks looking for a stopover spot will find it here.

The world of outdoor adventure has increasing allure – people working from home and homeschooling can park virtually anywhere... and they do. The travel trends developed through the 2020 Pandemic – close to home, short stays, socially distancing, family oriented – are all features found here. Social media sites afford rapid and consistent messaging to attract these guests.

Marketing to RV rally groups throughout California and Arizona will increase occupancies, not only during the peak season, but also over shoulder months.

Industry publications, attendance at the annual Quartzsite Tent Show, billboard signage, and Chamber of Commerce affiliation will serve to broaden our marketing reach.



**The ability to host corporate retreats will be an important draw to this Resort.** For Southern California and Phoenix companies (within a 300-mile radius) seeking such a venue, The PRESERVE with conference center and facilities will have the capacity to host such work/leisure events.

Our management company will be selected, in large part, by the marketing expertise they offer. Developing press releases at key intervals will increase attention and interest in this development. A strong calendar of events and activities at The PRESERVE will add initial and repeat business to the park. Working with and through online industry publications and social media will expand our marketing reach.

Most importantly, every satisfied customer will be our strongest marketing “team member”. Communication before arrival, through each stay, and following, our guests will enjoy The PRESERVE quality experience.



## OPTIONS CONSIDERED FOR DEVELOPMENT

### Including Deeded Lot Sales

**Path A** was considered: As a traditional RV Resort, branded as a KOA with 324 RV and camping spaces

NO deeded lot sales

A KOA affiliation offers a high level of management efficiency, brand recognition and marketing assistance.

KOA brings an image of “campground”, not an RV Park Resort.

**Path B** was considered: As a higher-end RV Resort with 324 Spaces not branded as a KOA, but instead affiliated with a strong third-party management firm with experience in the RV Resort industry to provide complete turnkey operations, including the ability to market the property in a cost-efficient manner.

YES, deeded lot sales. After an initial period from opening, designated lots in the southern section could be removed from inventory and sold as luxury home sites.

*The closest comparable hybrid property we know of is The Palms RV Resort in Yuma. <https://yumapalmsrvresort.com/>. They sell deeded lots that can be used for RVs, Park Model RVs and site-built homes. Many of the homes are high-end.*

**Path C** was considered: A third potential strategy was to designate groups or sections within the park to be sold as mini campgrounds to clubs or individual investors, all operating under friendly, but strict CC&Rs (one umbrella) to keep the park's image unified and intact.

Successfully selling off deeded lots could wholly benefit the investment’s metrics by enabling the early reduction or elimination of debt with lot sale proceeds. However, since it can’t be known if the real estate market value of resort lots would warrant selling lots for any purpose, the decided development plan presumes operation only as a luxury RV park resort, as described in Path B, and maintaining the option of selling deeded lots in the future as the park matures.

**All of our projections in this study were based on:**

- 324 RV and camping spaces built in 3 phases. (283 RV sites & 41 other)
- Property run by a third-party management firm
- **Future Deeded Lot Sales**, but maintaining 100% RV Park business through Year-9. The option of selling deeded lots to reduce/eliminate debt can be evaluated by stakeholders after stabilization as an RV park resort in Year-5, or sooner.
- The Terminal Value of the 324 space RV Resort as a “going concern” at the end of year 9 is based on EBITDA at an 8% cap rate.

**Plat Map Showing Location of 57 Potential Estate Lots**

## Option to Develop Hybrid Park/Resort - How It Could Work

As a fundamental element of this 50-acre development, The Arroyos PRESERVE RV Park Resort has been land-planned and subdivided into 165 individual parcels providing the option of fee-simple ownership of individual Lots or Parcels.

The RV Park, herein described, has been overlaid on these subdivided parcels.

The underlying subdivided parcels, some as large as 16,000 sq.ft., if sold individually, would accommodate small villas or integrated, custom casitas and RV garage estates.

Because the overlaid RV rental sites are smaller than the underlying subdivided lots, several RV sites can exist on each subdivided lot – in this case 283 RV sites on 165 subdivided lots.

If, for example, 30 of the underlying subdivided lots were removed from the existing RV park development plan and used for sale as home sites, the RV park business would lose the rental income from 60 RV sites (assuming 2 RV rental sites occupy each underlying subdivided lot). Therefore, removing underlying subdivided lots to sell as home sites would have the effect of eliminating RV rental sites, and revenue, at the rate of 2 RV sites per 1 underlying subdivided lot sold.

The developer has identified 57 of the subdivided parcels as being “Premium Home sites”. These parcels are mostly located on the southern and western boundaries of the property and afford private and exclusive views of the surrounding BLM desert gardens found in this area. It is believed these lots have a much greater value than any of the real estate found in the area, especially when located inside the park with resort amenities.

**Selling individual home sites (and reducing RV park rental income) might benefit investors by using a portion of the lot sales proceeds to pay down or pay off the development loan early.** This may be seen as reducing investor risk, assuming home site sales were to occur with sufficient numbers and profit margins.

As currently planned, the standalone RV park, without home sites sales, has a total of 283 RV sites (and 41 other camping options), but as a hybrid RV Park with premium home sites, there could be as few as 169 RV sites rented and as many as 57 home sites sold.

Estate Lot owners would pay annual HOA fees benefiting from county-maintained roadways throughout the lower portion of the project, and have access to Recreational Village amenities. The Estate Lot areas would be segregated from the RV park and camping areas by existing and new landscaping to ensure privacy and exclusivity.

### BIG RIG CASITA STRATEGY



To assist in marketing while assessing the potential of a hybrid park, a **key development strategy** will be to construct a “Big Rig Casita” on one lot in the southern portion of the property during the initial phase of construction. This spec. lot would have a site-built casita or multi-unit park models configured to dock a large motorhome.

The idea here is to showcase a quality example of a luxury home site, one to be rented at premium rates initially, but eventually to be offered for sale. [Note: Its initial purpose would be for use in marketing the development.]

Since there wouldn’t be any *need* to sell, its revealed sales price would be set very substantially above market. This would serve two purposes: 1.) establish and present the developer’s vision of future values, and 2.) give credence to the marketing that The Arroyos PRESERVE is developing as a luxury resort.

The PRESERVE has many exclusive lots that can be developed in this fashion for rent or sale. Each lot has wide views of the desert gardens existing in the surrounding BLM land. (See MAP on [page 86](#) and a virtual representation of this concept [here](#) and [here](#).)



**Potential Big Rig Casita Offerings** (Virtual settings with actual property views)



## Hypothetical table showing 30 estate lots sold.

NAME	Sale Cost %	Lot Count	Initial Selling Price		YEAR-2			YEAR-3			YEAR-4			YEAR-5		TOTAL
DEEDED LOT SALES				LOT PRICE	#	Total	LOT PRICE	#	Total	LOT PRICE	#	Total	LOT PRICE	#	Total	
CAREFREE COURT		0	\$ 79,950	\$ 79,950	0	\$ -	\$ 84,900	0	\$ -	\$ 88,500	0	\$ -	\$ 92,500	0	\$ -	\$ -
SE CORNER		1	\$ 110,000			\$ -	\$ 110,000	1	\$ 110,000		0	\$ -		0	\$ -	\$ 110,000
PLACID COURT		0	\$ 92,500			\$ -	\$ 92,500	0	\$ -	\$ 98,900	0	\$ -		0	\$ -	\$ -
SW PREMIUM		27	\$ 110,000			\$ -	\$ 110,000	2	\$ 220,000	\$ 110,000	12	\$ 1,320,000	\$ 126,500	13	\$ 1,644,500	\$ 2,964,500
WESTERN BOUNDARY		2	\$ 105,000			\$ -			\$ -	\$ 105,000	0	\$ -	\$ 120,750	2	\$ 241,500	\$ 241,500
LOTS SOLD		30			0			3			12			15		30
TOTAL SALES PROCEEDS						\$ -			\$ 330,000			\$ 1,320,000			\$ 1,886,000	\$ 3,536,000
Sales Costs	7.0%					\$ -			\$ (23,100)			\$ (92,400)			\$ (132,020)	\$ (247,520)
Total LOT SALES PROCEEDS						\$ -			\$ 306,900			\$ 1,227,600			\$ 1,753,980	\$ 3,288,480
HOA Fees					YEAR-2			YEAR-3			YEAR-4			YEAR-5		TOTAL ANNUAL
Average Number of Sold Lots																
BOY SOLD					0			0			3			15		30
SOLD DURING YEAR					0			3			12			15		30
EOY SOLD					0			3			15			30		60
AVERAGE SOLD					0.0			1.5			9.0			22.5		45.0
Annual HOA Dues \$75/mo.					\$900			\$918			\$936			\$955		\$974
Total HA Dues					\$0			\$1,377			\$8,427			\$21,489		\$43,839

Not shown are specifics impacting **Debt Details** by using 80% of the sale proceeds to pay down loan. Those calculations are available and can be provided in a supplemental study upon request.

In the nearby Rainbow Acres subdivision, the median price for a developed vacant lot of  $\approx 10,000$  square foot is \$65,000 today. Rainbow Acres has no clubhouse, swimming pool, convenience store, no recreational facilities and has chronic water shortages, and no security for residents.

Estate Lots in The PRESERVE will offer everything Rainbow Acres lacks, including a water supply certified by Arizona Department of Water Resources to be adequate for 100 years.

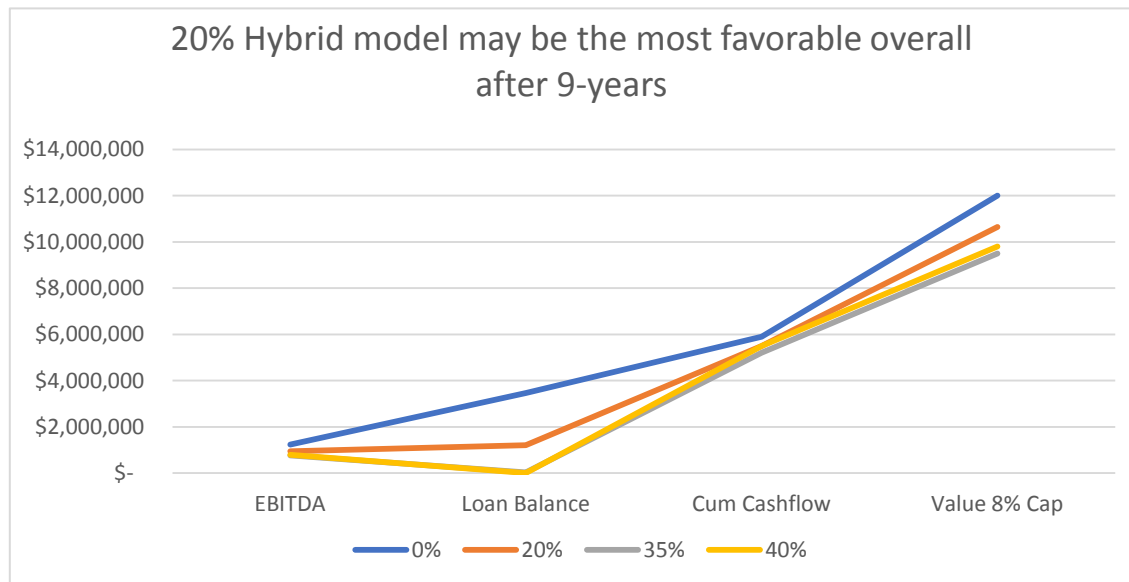
Projections used in the hypothetical table above are forecasted higher than current market, because:

- There is no comparable real estate in the region, and
- Sales projections used are for a market 2-years from the present; and, most importantly as to why prices are projected to increase...
- There are a limited number of fee-simple lots for sale in this region with the amenities being provided at The Preserve.
- The lots are much larger than those at other deeded lot RV Resorts such as Havasu RV Resort and The Palms in Yuma. The average lot size here is 10,000 square feet +.

## Financial Impact of Pursuing Hybrid Park Development

The following table shows the potential financial impact on the project when removing subdivided lots from RV rental inventory and using a portion of the proceeds from the lot sales to early pay the loan. The illustration assumes that lot sales were begun during Phase-1 construction.

Financial Impact of Hybrid RV Park and Premium Lot Sales				
	0% Hybrid	20% Hybrid	35% Hybrid	40% Hybrid
	283 RV sites	223 RV sites	183 RV sites	169 RV sites
After 5Yrs	No Lots sold	30 Lots sold	50 Lots sold	57 Lots sold
EBITDA *	\$ 1,150,000	\$ 803,200	\$ 603,000	\$ 613,000
Loan Balance	\$ 3,900,000	\$ 1,400,000	\$ 31,000	Zero in Yr-5
Cumulative Cashflow	\$ 2,200,000	\$ 2,200,000	\$ 2,300,000	\$ 2,500,000
8% Cap Terminal Value	\$ 10,500,000	\$ 8,600,000	\$ 7,500,000	\$ 7,700,000
After 9Yrs				
EBITDA *	\$ 1,230,000	\$ 902,000	\$ 685,000	\$ 696,300
Loan Balance	\$ 3,460,000	\$ 1,200,000	\$ 27,000	-
Cumulative Cashflow	\$ 5,900,000	\$ 5,500,000	\$ 5,200,000	\$ 5,500,000
8% Cap Terminal Value	\$ 12,000,000	\$ 10,100,000	\$ 8,500,000	\$ 8,700,000
* HOA Dues Included in EDITDA for Lot Sales				





Comps for local subdivision, called Rainbow Acres.

## Statistical Market Analysis

Status #	List Listings	Sold Volume	List Price	Sold Price	Sale/List Price	Acres	List Price Per Acres	Sold Price Per Acres	Days on Market	Cumulative Days on Market
Closed	17	1,154,100	1,054,700	Low 49,500	45,000	0.77	0	229,166.67	187,500.00	0
				Avg 67,888	62,041	0.92	0	299,913.63	268,746.16	302
				Med 65,000	59,000	0.93	0	295,454.55	275,000.00	207
				High 110,000	90,000	1.00	0	430,434.78	378,260.87	1,047
Overall	17	1,154,100	1,054,700	Low 49,500	45,000	0.77	0	229,166.67	187,500.00	0
				Avg 67,888	62,041	0.92	0	299,913.63	268,746.16	302
				Med 65,000	59,000	0.93	0	295,454.55	275,000.00	207
				High 110,000	90,000	1.00	0	430,434.78	378,260.87	1,047

Selection Criteria for Comparable Properties

**Specified listings from the following search:** Property type Vacant Land; Status of 'Closed'; City of 'Quartzsite'; Subdivision/Community of 'Rainbow Acres'; Close Date between '12/01/2015' and '12/26/2019'.

## Fannie Mae 1004MC Statistics

Inventory Analysis	Prior 7-12 Months 12/26/2018 - 6/25/2019	Prior 4-6 Months 6/26/2019 - 9/25/2019	Current - 3 Months 9/26/2019 - 12/26/2019
Total # of Comparable Sales (Settled)	2	1	2
Absorption Rate (Total Sales/Months)	0.33	0.33	0.67
Total # of Active Listings	1 (Active on 6/25/2019)	0 (Active on 9/25/2019)	0 (Active on 12/26/2019)
Months of Housing Supply (Total Listings / Ab. Rate)	3.03	0	0
<b>Median Sale &amp; list Price, Dom, Sale/List %</b>	<b>Prior 7-12 Months</b>	<b>Prior 4-6 Months</b>	<b>Current - 3 Months</b>
Median Comparable Sale Price	80,000	65,000	58,950
Median Comparable Sales DOM	62	16	109
Median Comparable List Price	70,000		
Median Comparable Listings DOM	207		
Median Sale Price as % of List Price	90.00 %	93.00 %	96.00 %

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Report dated December 26, 2019 was updated on September 13, 2020.



## Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/List Price	Acres	List Price Per Acres	Sold Price Per Acres	Days On Market	Cumulative Days On Market
Closed	8	524,500	474,400	Low	52,900	49,000	0.79	0	240,454.55	222,727.27	10	10
				Avg	65,562	59,300	0.91	0	283,745.95	256,024.83	85	120
				High	80,000	74,500	1.00	0	329,545.45	295,454.55	207	347
Overall	8	524,500	474,400	Low	52,900			0	240,454.55		10	10
				Avg	65,562			0	283,745.95		85	120
				High	80,000			0	329,545.45		207	347

Selection Criteria for Comparable Properties **Search Parameters:** Property type Vacant Land; Status of 'Closed'; City of 'Quartzsite'; Subdivision/Community of 'Rainbow Acres'; Close Date between '09/13/2019' and '09/13/2030'.

## Fannie Mae 1004MC Statistics

Inventory Analysis	Prior 7-12 Months 9/13/2019 - 3/12/2020	Prior 4-6 Months 3/13/2020 - 6/12/2020	Current - 3 Months 6/13/2020 - 9/13/2020
Total # of Comparable Sales (Settled)	2	4	2
Absorption Rate (Total Sales/Months)	0.33	1.33	0.67
Total # of Active Listings	4 (Active on 3/12/2020)	1 (Active on 6/12/2020)	0 (Active on 9/13/2020)
Months of Housing Supply (Total Listings / Ab. Rate)	12.12	0.75	0
<b>Median Sale &amp; list Price, Dom, Sale/List %</b>	<b>Prior 7-12 Months</b>	<b>Prior 4-6 Months</b>	<b>Current - 3 Months</b>
Median Comparable Sale Price	58,950	57,500	59,000
Median Comparable Sales DOM	109	103	32
Median Comparable List Price	65,100	72,500	
Median Comparable Listings DOM	103	46	
Median Sale Price as % of List Price	96.00 %	92.00 %	86.00 %

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## Comparable Vacant Lot Sales in Rainbow Acres to 09-13-20

	Price / Status / MLS #	Area	Acres	Apx Lot Dim	Total # Lots	CDOM	Zoning	Short Sale	In Foreclosure	Sold Price	Lot SqFt	Close Date
1	<b>\$53,000</b> 49716 Jade Ave Quartzsite, AZ 85346 Closed / 901328	Quartzsite Area		80x118		220	P-SR			53,000		01/07/2016
2	<b>\$59,000</b> 49749 Amber Ave Quartzsite, AZ 85346 Closed / 913084	Quartzsite Area		80x118x79x118		0	P-RVS			59,000		06/17/2016
3	<b>\$65,900</b> 49637 Opal Ave Quartzsite, AZ 85346 Closed / 902174	Quartzsite Area		80 X 118 X 80 X 118	1	637	P-SR			65,900	9,440	02/06/2017
4	<b>\$46,000</b> 49653 Sapphire Ave Quartzsite, AZ 85346 Closed / 923949	Quartzsite Area		80 X 119 X 80 X 119		8	P-RVS			46,000		02/16/2017
5	<b>\$55,000</b> 28126 Diamond Pl Quartzsite, AZ 85346 Closed / 899306	Quartzsite Area	0.2	80 X 125		708	P-SR			55,000	8,771	02/27/2017
6	<b>\$55,000</b> 28154 Diamond Pl Quartzsite, AZ 85346 Closed / 899302	Quartzsite Area		80 X 125		767	P-SR			55,000		04/18/2017
7	<b>\$79,900</b> 49725 Felspar Ave Quartzsite, AZ 85346 Closed / 920594	Quartzsite Area		80x118		226	P-SR			79,900		06/12/2017
8	<b>\$45,000</b> 28182 Diamond Pl Quartzsite, AZ 85346 Closed / 899303	Quartzsite Area	0.24	80 X 125		1,047	P-SR			45,000	10,300	01/02/2018
9	<b>\$65,000</b> 49721 Ruby Ave Quartzsite, AZ 85346 Closed / 936291	Quartzsite Area	0			11	P-RVS			65,000		02/13/2018
10	<b>\$48,000</b> 49650 Amber Ave Quartzsite, AZ 85346 Closed / 910802	Quartzsite Area	0	80x118		751	P-SR			48,000		02/28/2018
11	<b>\$50,000</b> 49640 Felspar Ave Quartzsite, AZ 85346 Closed / 1000018	Quartzsite Area	0.22	80x120		183	SR4			50,000	9,453	09/30/2018
12	<b>\$90,000</b> 28238 Diamond Place Quartzsite, AZ 85346 Closed / 1000917	Quartzsite Area	0.48	145x145		229	SR4			90,000	20,909	12/19/2018
13	<b>\$87,000</b> 49676 Rainbow Dr Quartzsite, AZ 85346 Closed / 1004642	Quartzsite Area	0.23	125 X 80	1	14	SR4			87,000	10,000	01/31/2019
14	<b>\$73,000</b> 49609 Rainbow Way Way Quartzsite, AZ 85346 Closed / 1004282	Quartzsite Area	0.22	80x120		109	SR4			73,000	9,600	05/13/2019
15	<b>\$65,000</b> 49619 Opal Ave Quartzsite, AZ 85346 Closed / 1006273	Quartzsite Area	0.22	80 X 120	1	16	Q-SR1			65,000	9,453	07/01/2019
16	<b>\$65,000</b> 49620 Sapphire Ave Ave Quartzsite, AZ 85346 Closed / 1005326	Quartzsite Area	0.22	80x120		207	Q-SR1			65,000	9,600	10/16/2019
17	<b>\$52,900</b> 49617 Amber Ave Quartzsite, AZ 85346 Closed / 1008326	Quartzsite Area	0.22	80 X 118 X 80 X 118		10	Q-SR1			52,900	9,453	11/15/2019

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## Update as of September 13, 2020

	Price / Status / MLS #	Area	Acres	Apx Lot Dim	Total # Lots	CDOM	Zoning	Short Sale	In Foreclosure	Sold Price	Lot SqFt	Close Date
1	<b>\$52,900</b> 49617 Amber Ave Quartzsite, AZ 85346 Closed / 326	Quartzsite Area	0.22	80 X 118 X 80 X 118		10	Q-SR1			52,900	9,453	11/15/2019
2	<b>\$49,000</b> 49693 Sapphire Ave Quartzsite, AZ 85346 Closed / 1009718	Quartzsite Area	0.22	80 X 118 X 80 X 118		49	Q-SR1			49,000	9,453	4/20/2020
3	<b>\$50,000</b> 49681 Sapphire Ave Quartzsite, AZ 85346 Closed / 1009717	Quartzsite Area	0.22	80 X 118 X 80 X 118		347	Q-SR1			50,000	9,453	4/22/2020
4	<b>\$60,000</b> 49592 Turquoise Ave Quartzsite, AZ 85346 Closed / 1011433	Quartzsite Area	0.22	80 X 120	1	46	Q-SR1			60,000	9,583	8/7/2020
5	<b>\$58,000</b> 49711 Sapphire Ave Quartzsite, AZ 85346 Closed / 1011500	Quartzsite Area	0.22	80 X 122	1	18	Q-SR1			58,000	9,453	7/30/2020
6	<b>\$65,000</b> 49620 Sapphire Ave Ave Quartzsite, AZ 85346 Closed / 1005326	Quartzsite Area	0.22	80x120		207	Q-SR1			65,000	9,600	10/16/2019
7	<b>\$65,000</b> 49540 Diamond Ave Quartzsite, AZ 85346 Closed / 1008627	Quartzsite Area	0.26	75 X 118 X 95 X 98	1	145	Q-SR1			65,000	11,108	4/20/2020
8	<b>\$74,500</b> 49520 Rainbow Dr Quartzsite, AZ 85346 Closed / 1008624	Quartzsite Area	0.27	80 X 125 X 95 X 118	1	143	Q-SR1			74,500	11,805	6/3/2020
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## Deeded Lot & Coop Properties in Arizona

We found 16 properties in Arizona that either sell deeded RV lots or sell cooperative memberships (4 properties) with a long-term proprietary lease. These are located throughout the state. Many are older, with only 5 built after 2000. Average listing prices range from a low of \$7,250 to a high of \$94,000. The overall average price of all the properties is \$41,200.

Average annual rates of sale on the newer properties range from a low of 3 per year at Arizona Legends in Benson (a troubled project with prices that are too high) to a high of 31.6 per year at Havasu RV Resort, a successful 398 site project in Lake Havasu City.

Havasu RV Resort and The Palms RV Resort in Yuma are both top rated properties. Desert Gardens in Florence is also well rated in spite of gravel roads and sites.

Name	City	Type	Good Sam Rating	# Deeded Sites	Year Opened	Best 6 Mo. Rent Deal	# Sold (Developer)	Annual Rate of Sale	Back In Lot Size	# Listed*	Average List Price	Market Home Value
Havasu RV Resort	Lake Havasu City	Deeded Lot	10/10/9.5	398	2004	\$3,600	395	31.6	35 x 70	19	\$67,116	\$234,752
Desert Gardens RV Resort - Coop	Florence	Coop	10/9.5/10	266	@2002**	\$3,117	186	21.9	40 x 50 - 60 x 70	80	\$25,300	\$133,723
Caliente Casa Del Sol & Tierra Del Sol	Florence	Deeded Lot	NA	857	1971	\$2,100	All	NA	35 x 55	8	\$20,548	\$133,723
Arizona Legends RV Resort	Benson	Deeded Lot	NA	200	2007	\$2,400	27	3.0	35 x 75	173	\$52,455	\$97,442
Cochise Terrace	Benson	Deeded Lot	9.5/9.5/9	150***	1997	\$2,982	101	16.0	40 x 50	52	\$26,383	\$97,442
Sunscape RV Resort (Escapees Cooperative)	Casa Grande	Coop	10/9.0/9.0	504	@1996	\$2,100	479	NA	35 x 65	11	\$23,045	\$154,819
Happy Trails RV Resort	Surprise	Deeded Lot	NA	2,373	1986	\$3,600	All	NA	42 x 65	19	\$58,539	\$243,266
Villages at Lynx Creek	Prescott Valley	Deeded Lot	NA	454	1980's	NA	All	NA	42 x 50	1	\$42,000	\$195,612
Copper Ridge RV Resort	Wellton	Deeded Lot	NA	101	2007	NA	50	5.3	5500 SF	51	\$31,461	\$101,198
North Ranch (Escapees Coop)	Congress	Coop	6.5/8.5/9.0	111	1980's	\$2,370	All	NA	35 x 50 to 50 x 80	3	\$48,500	\$242,037
Golden Vista RV Resort	Apache Junction	Deeded Lot	NA	1,075	1984	\$2,950	All	NA	35 x 48	10	\$32,450	\$120,691
The Palms	Yuma	Deeded Lot	10/10/10.0	453	2008	\$3,580	159	18.7	35 x 70 - 40 x 70	294	\$94,000	\$167,125
Country Roads	Yuma	Deeded Lot	NA	1,294	1985	\$3,510	All	NA	40 x 60	18	\$46,661	\$167,125
Wagons West - Coop	Tucson	Coop	NA	215	1980's	\$3,150	All	NA	40 x 60	10	\$7,250	\$177,035
Greenfield Village	Mesa	Deeded Lot	NA	792	1980's	\$3,000	All	NA	30 x 70	10	\$45,580	\$210,247
Juniper Ridge RV Resort	Show Low	Deeded Lot	NA	528	Early 1990's	\$2,250	All	NA	40 x 65	18	\$38,261	\$180,301

\* "Bare" RV lot listings - may have some small sheds but no larger casitas, park models or other significant structures.

\*\* Desert Gardens started selling coop lots in 2008.

\*\*\* Cochise Terrace has 2 deeded lot sections, 75 each. Snowbird Hill was opened for sales February, 2015 (developed earlier).

A more detailed presentation of these properties is not included in the subject proposed plan; therefore, no further substantiating data are provided here for other deeded lot properties in Arizona.



**What Are Condominium Parks?**

Condominium parks have usually been developed by corporations or developers who specialize in this type of project. They have their own marketing programs and sales force, or they contract out the sales program to an independent company. In some states, condo parks are under a different jurisdiction or government agency for oversight and permits. In the instant case, the existing zoning classification would allow for the sale of individual lots and parcels without further governmental approvals.

In a condo park, most users are owners, and receive title or deed to a specific site or lot within the park. With ownership and payment of a monthly or annual association fee, they have the right to use the facilities of the park. The association fee also covers the upkeep and maintenance of the park. An owners' association usually becomes the managing entity after all the sites are sold. The association often acts as the rental agency for the owners to rent the sites to non-owners when the owners do not occupy their sites.

Condo parks normally have a wide variety of facilities and activities, including large clubhouses, golf courses, tennis courts, indoor shuffle-board courts, swimming pools, spas, saunas, exercise and craft rooms.

## CONTROLLING THE ADJACENT PROPERTY

The Arroyos PRESERVE occupies 50-acres of an 80-acre parcel, surrounded entirely by government land (BLM land).

The 30 acres, not a part of The PRESERVE, is privately held by Ken Miller and Ron Watkins (MILLER).

Landway Development Corp believes it will eventually be able to purchase the additional 30 acres from MILLER.

Here's why:

MILLER has no current legal access to his land; as of this date, MILLER'S property is landlocked. In order for MILLER to obtain legal access over government land, MILLER must apply to BLM for a Right of Way easement, an effort that would likely be successful, according to BLM Field Office in Yuma. From our experience, and based on recent conversations with BLM Field Office personnel, the application process involves substantial time and effort, including expensive archeological and environmental studies.

MILLER has asked, and Landway has agreed, to give MILLER permission to access his land over Landway's property, using a recorded LEASE AGREEMENT, not yet executed.

Terms of such a LEASE AGREEMENT would include:

- Travel by MILLER onto other parts of Landway's property would not be allowed
- Definite term for expiration of lease not to exceed 25-ysr
- Either party can terminate the lease at any time.
- Lease terminates immediately if MILLER transfers title to his property.
- Lease terminates immediately if MILLER uses his land for any commercial purpose.
- Lease terminates immediately if MILLER splits or subdivides his property.
- Lease terminates immediately if MILLER uses the access for any purposes that would cause an increase in traffic over the Landway's private property.

## Probability of Acquiring Adjacent Land in Due Course Deemed Good





## Illustration of Private Road Link to Miller's Property





## View of Project Relative to Quartzsite, Interstate 10 and Hwy 95

*This slide reveals the location of The Arizona Peace Trail, BLM's Boondocking Areas, 320 acres of private land known as La Paz Valley and the 50-acre Arroyos PRESERVE, as it sits on the 80-acre island of private land.*



## CONCLUDING REMARKS

The Arroyos PRESERVE is situated in a prime RV/ATV location in the Arizona Sonoran Desert. The range of camping styles has broadened and The PRESERVE includes accommodations for those varied styles (with and without RVs).

Based on our unique zoning, no further zoning or conditional use permit approvals are needed to develop this park to its fullest potential.

Baby Boomers and Millennials, while enjoying active outdoor lifestyles, will appreciate the luxury destination planned at The Arroyos PRESERVE. Adding to the considerations of on-site rentals, convenience store, fuel sales, and the laundromats that are planned, are the full range of recreational activities, and the unobstructed vistas.

There is no other park in the area that has or is planning to have the amenities in this park. Private land is limited in this region and the competition has nowhere to grow, having evolved their RV park businesses into long-term rental models.

In addition to the expected value received from the contracted management company, social media sites that are eager for content will be a cost-effective vehicle for advertising. Every service consideration, from registration through visit follow-up, will be part of the excellent camping experience our customers will report, as our goal is to maintain a Good Sam 10/10/10 rating.

**The location, zoning, growing customer base, entitlements, design, offerings and conveniences, lack of competition, and the support of local government, make this “ready to build” project more compelling than ever.**



## TEAM PROFILES

The ARROYOS PRESERVE is an RV park subdivision project of Landway Development Corp, an Arizona corporation headquartered in Glendale, AZ. The development team members of Landway Development Corp have the proven ability to successfully develop this plan into a winning venture.

**James Kunisch**, President, Landway Development Corp., has owned and operated real estate and marketing businesses with locations in southern California, Nevada and Arizona. Beginning an entrepreneurial career in the late 70's he founded NuTrend, Inc., a California corporation, for the purpose of buying, refurbishing/adding value, and reselling apartment properties in North San Diego County, California and Kona and Hilo, HI. In 1980, as a licensed California real estate professional, he managed the commercial real estate division of The Jelley Company in Del Mar, CA, brokering the purchase and sale of many North San Diego County properties. From 1981 through 2002, having founded NBO (Name Brands Only) Distributors, Inc., he became a national marketing and wholesale distributor for satellite and cable TV programming and related products, establishing a call center in Carlsbad, CA, as well as retail outlets in 9 locations in three western states, employing over 150 people. During this period, as the satellite and cable TV industry matured and DIRECTV (then a division of General Motors) launched its TV programming to national subscribers, DIRECTV selected NBO as one of the first nationwide resellers of products through NBO's call center and distribution facilities, eventually earning DIRECTV's "Company of the Year" award in 2001 from among more than 12,000 nationwide DIRECTV affiliates. Eventually, NBO Distributors purchased a RadioShack franchise, adding it to its existing operation under the name Satellite Relay. In 2002, Mr. Kunisch returned to the real estate industry and co-founded Vanguard Development, an Arizona LLC, to develop land in Wilcox, Benson, Vail and La Paz County, Arizona, including the successful purchase, entitlement and buildout of the 103-lot Arroyos Quartzsite residential subdivision in Quartzsite, AZ in 2005-2008. During his career Mr. Kunisch has owned, managed or developed over 2,000 acres of land with as many as 70 spec. or rental units, and is currently involved in developing 100+ acres in La Paz County, Arizona.

**Dennis Melin**, CPA (Ret), a Marine Corps veteran, is the President of Public Partnership, a 501(c)(3) non-profit & Arizona Qualifying Charitable Organization. Mr. Melin has a career in Arizona real estate development, and was licensed as a mortgage broker and real estate salesperson. His career

history includes serving as Treasurer and Chief Planning Officer for Illinois Central Gulf Railroad with \$1 billion annual revenue and 20,000 employees, as well as an underwriter and mortgage broker for over \$300 million in union pension fund financings. A Luther College graduate with a BA in business and mathematics, Mr. Melin also completed the Stanford Executive Program, Stanford University.

**Mary Ogren**, MBA, Concept and Project Plan Review, has more than 15 years' experience as a Project Manager at the University of California ten-campus system and is the retired Director of Payroll Systems and Services at UCLA.

**Daniel Berkey**, a General Contractor for more than 30-years, is the owner and founder of DB Builders, a regional custom home builder with excellent credentials and customer referrals. Having built the custom homes at Quartzsite's premier residential subdivision, as well as along the Colorado River in nearby Ehrenburg, Arizona, he has excellent relationships with sub-contractors and is well qualified to administer the construction processes and buildout of the RV park-campground. Mr. Berkey is also an equity stakeholder in The Arroyos PRESERVE land.

**Rodney (Boomer) Schlesener**, has more than 35 years specializing in coordinating and managing civil construction work consisting of mass earthwork, site improvements, underground utilities and paving projects throughout Arizona, with notable projects including Arizona Department of Transportation, City of Kingman Improvement District and Town of Quartzsite Public Works. Mr. Schlesener's catchphrase is, "It costs less to do it right the first time."

**Daniel Lare, R.A., Dan Lare Planners LLC**, Scottsdale, Arizona. Mr. Lare has planned many commercial projects including residential subdivisions, RV Parks, college campuses and larger retail complexes. Mr. Lare spent weeks visiting the land on which this project sits, determining its ultimate configuration and maximizing its usage, while keeping the original topography and native landscape intact. His design has taken advantage of the natural drainage and other land features which allowed the final plan approval to avoid both mass grading and the requirement for stormwater retention basins.



## The Quartzsite Story

The allure of the old West is alive and well in Quartzsite, “old” being the operative word. Quartzsite is a town that has aged in place, benefitting mainly from the seasonal influx of interest and revenue from visitors. The small year-round population has also aged in place, being primarily folks who found themselves here and somehow cobbled a way of life where there’s not much year-round employment opportunity (other than some municipal employment and gas station, retail store work).

The seasonal influx of visitors increases the opportunities to work in local restaurants and seasonal businesses and for the travelling vendors and their pop-up businesses.

The limited amount of private land and lack of available housing in the area restricts larger businesses and people seeking employment from coming here. The cycle is “chicken and egg” with business not locating here without more workers, and workers not coming without housing/employment.

What has in the past been esteemed as “quaint” in Quartzsite remains so. Everyone can let his hair down with folks driving Trapper John RVs parked alongside \$300,000+ big rigs, as is the nature of folks who camp generally, anyway. Interesting is the presence of the giant La Mesa RV sales facility located at Four Corners (intersection of Main Street and Central Avenue), as well as many other upscale RV retailers for 4-5 months of the year, AS THIS IS THE RV MECCA OF THE SOUTHWEST. Every vehicle style, price point, accessory, convenience, and decorative element associated with camping is for sale from vendors around town all season long. If you can spell “RV”, you belong in Quartzsite, Arizona.

People of varied socio-economic levels enjoy the experience of this community, but primarily in the winter months. The year-round residents of this retired and retiring community otherwise live a sparse life here once the influx leaves in May.

This situation has left the Town of Quartzsite with a mixed reputation. People love it or they don’t. Growth and opportunity are slow to sprout and blossom here; nevertheless, the RV community, snowbirds, and treasure hunters alike come back year after year to find their place in the sun and meet old friends where “everyone just feels better” while they’re here.

The Arroyos PRESERVE is located 7.5 miles from town. While it will attract guests from the market of over 2 million people travelling through each

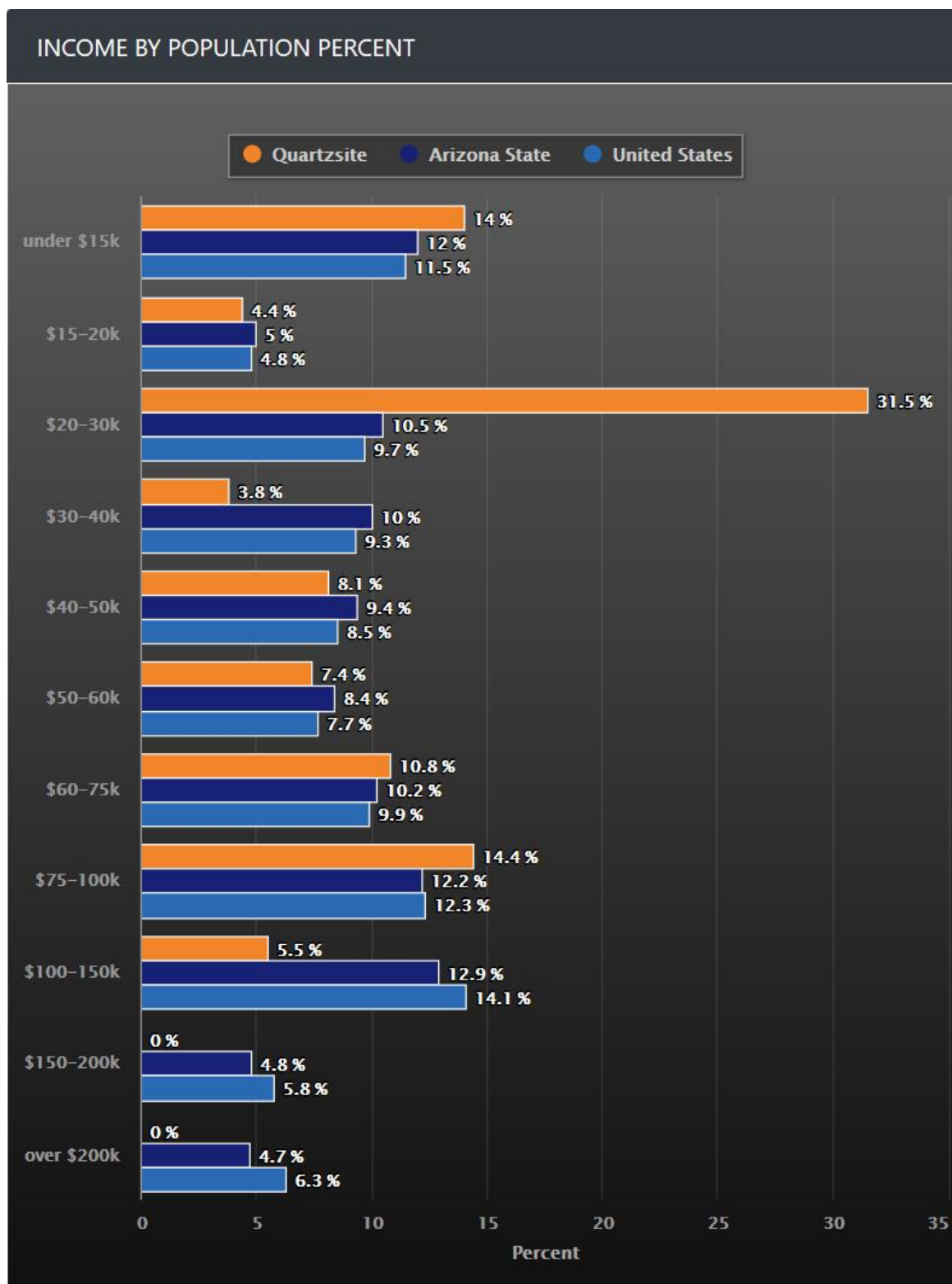
year, and it will heartily recommend many of the tourist spots in town, as well as some very good restaurants, The PRESERVE is *the* new RV Campground and Recreational Village that will be separate, distinct, and not reliant on the demographics of the town. No local campground has ever had the attractions, amenities, or accommodations to offer guests that we have planned. Our differentiated offer is truly different.

Who knows? It may be the beginning of the end of the “chicken and egg” dilemma. With our cabins and park model configurations, there will be opportunities for workers to live at the park and be part of a business revival in the town. In any case, we do not believe the state of the Town during the off-season affects us, our plan, or our projections because residents of Quartzsite are not our targeted customers.

We look forward to the opportunity to serve this community with new construction, new ideas, and new revenue from the visitors we will serve.

**U.S., ARIZONA & QUARTZSITE DEMOGRAPHICS** (Source: U.S. Census Bureau)

Fact	La Paz County, Arizona	Arizona	United States
Population estimates, July 1, 2019, (V2019)	NA	7,278,717	328,239,523
Population estimates, July 1, 2018, (V2018)	21,098	7,171,646	327,167,434
Population estimates base, April 1, 2010, (V2019)	NA	6,392,288	308,758,105
Population estimates base, April 1, 2010, (V2018)	20,489	6,392,288	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	NA	13.90%	6.30%
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	3.00%	12.20%	6.00%
Population, Census, April 1, 2010	20,489	6,392,017	308,745,538
Persons under 5 years, percent	4.70%	6.10%	6.10%
Persons under 18 years, percent	16.80%	22.90%	22.40%
Persons 65 years and over, percent	39.30%	17.50%	16.00%
Female persons, percent	48.70%	50.30%	50.80%
White alone, percent	76.50%	82.80%	76.50%
Black or African American alone, percent	1.20%	5.10%	13.40%
American Indian and Alaska Native alone, percent	18.20%	5.30%	1.30%
Asian alone, percent	1.00%	3.70%	5.90%
Native Hawaiian and Other Pacific Islander alone, percent	0.10%	0.30%	0.20%
Two or More Races, percent	3.00%	2.90%	2.70%
Hispanic or Latino, percent	28.10%	31.60%	18.30%
White alone, not Hispanic or Latino, percent	56.70%	54.40%	60.40%
Veterans, 2014-2018	2,575	487,684	18,611,432
Foreign born persons, percent, 2014-2018	11.00%	13.40%	13.50%
Housing units, July 1, 2018, (V2018)	16,291	3,035,669	138,537,078
Owner-occupied housing unit rate, 2014-2018	74.30%	63.60%	63.80%
Median value of owner-occupied housing units, 2014-2018	\$77,600	\$209,600	\$204,900
Median selected monthly owner costs -with a mortgage, 2014-2018	\$999	\$1,394	\$1,558
Median selected monthly owner costs -without a mortgage, 2014-2018	\$272	\$406	\$490
Median gross rent, 2014-2018	\$625	\$1,009	\$1,023
Building permits, 2018	10	41,664	1,328,827
Households, 2014-2018	8,912	2,524,300	119,730,128
Persons per household, 2014-2018	2.3	2.69	2.63
Living in same house 1 year ago, percent of persons age 1 year+, 2014-2018	88.10%	82.20%	85.50%
Language other than English spoken at home, percent of persons age 5 years+, 2014-2018	18.70%	27.20%	21.50%
Households with a computer, percent, 2014-2018	76.50%	89.90%	88.80%
Households with a broadband Internet subscription, percent, 2014-2018	60.60%	81.80%	80.40%
High school graduate or higher, percent of persons age 25 years+, 2014-2018	77.30%	86.80%	87.70%
Bachelor's degree or higher, percent of persons age 25 years+, 2014-2018	12.40%	28.90%	31.50%
With a disability, under age 65 years, percent, 2014-2018	14.00%	8.60%	8.60%
Persons without health insurance, under age 65 years, percent	19.80%	12.70%	10.00%
In civilian labor force, total, percent of population age 16 years+, 2014-2018	39.70%	59.20%	62.90%
In civilian labor force, female, percent of population age 16 years+, 2014-2018	36.70%	54.50%	58.20%
Total accommodation and food services sales, 2012 (\$1,000)	D	13,996,635	708,138,598
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	D	37,055,881	2,040,441,203
Total manufacturers shipments, 2012 (\$1,000)	D	51,243,473	5,696,729,632
Total merchant wholesaler sales, 2012 (\$1,000)	64,199	69,437,272	5,208,023,478
Total retail sales, 2012 (\$1,000)	435,958	84,716,542	4,219,821,871
Total retail sales per capita, 2012	\$21,496	\$12,927	\$13,443
Mean travel time to work (minutes), workers age 16 years+, 2014-2018	13.7	25.3	26.6
Median household income (in 2018 dollars), 2014-2018	\$33,333	\$56,213	\$60,293
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$21,845	\$29,265	\$32,621
Persons in poverty, percent	23.70%	14.00%	11.80%
Total employer establishments, 2017	337	143,306	7,860,674
Total employment, 2017	3,604	2,448,538	128,591,812
Total annual payroll, 2017 (\$1,000)	100,519	113,490,959	6,725,346,754
Total employment, percent change, 2016-2017	-11.60%	2.90%	1.50%
Total nonemployer establishments, 2017	817	485,984	25,701,671
All firms, 2012	1,230	499,926	27,626,360
Men-owned firms, 2012	756	245,243	14,844,597
Women-owned firms, 2012	332	182,425	9,878,397
Minority-owned firms, 2012	310	135,313	7,952,386
Nonminority-owned firms, 2012	854	344,981	18,987,918
Veteran-owned firms, 2012	196	46,780	2,521,682
Nonveteran-owned firms, 2012	931	427,582	24,070,685
Population per square mile, 2010	4.6	56.3	87.4
Land area in square miles, 2010	4,499.63	113,594.08	3,531,905.43
FIPS Code	"04012"	"04"	"00"

**Household Income** (Source: BestPlaces.com)

<https://www.bestplaces.net/docs/datasource.aspx>

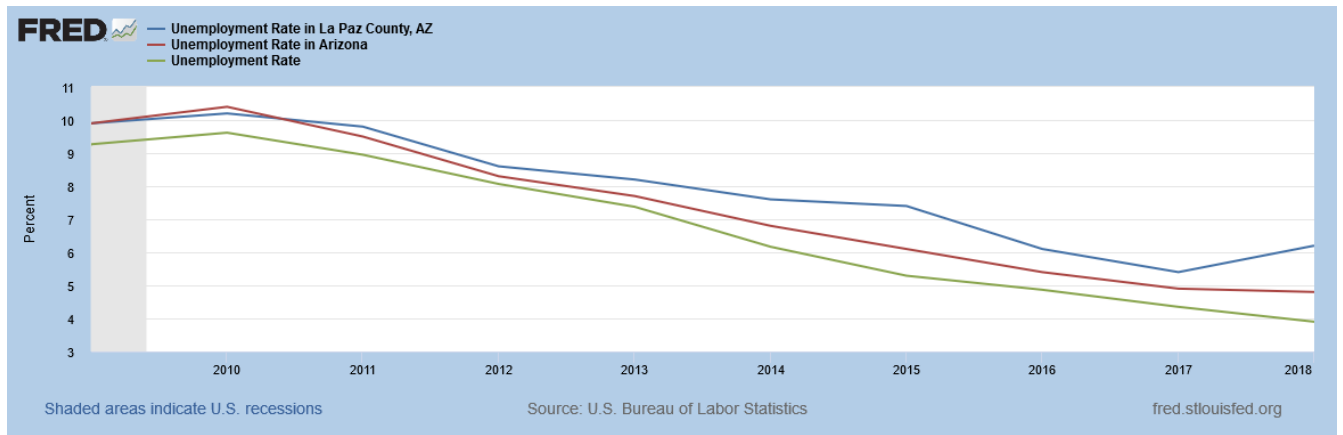


**Housing** (Source: BestPlaces.com)

HOUSING	Quartzsite, Arizona	United States
<a href="#">Median Home Age</a>	25	40
<a href="#">Median Home Cost</a>	\$92,600	\$231,200
<a href="#">Home Appr. Last 12 months</a>	4.3%	6.7%
<a href="#">Home Appr. Last 5 yrs.</a>	26.2%	35.6%
<a href="#">Home Appr. Last 10 yrs.</a>	2.9%	27.4%
<a href="#">Property Tax Rate</a>	\$15.39	\$11.78
<a href="#">Property Taxes Paid</a>	\$1,425	\$2,724
<a href="#">Homes Owned</a>	38.6%	56.0%
<a href="#">Housing Vacant</a>	49.9%	12.2%
<a href="#">Homes Rented</a>	11.5%	31.8%
<b>AVERAGE RENT FOR HOME OR APARTMENT</b>		
<a href="#">Average Rent</a>	\$1,104	\$1,470
<a href="#">Studio Apartment</a>	\$605	\$821
<a href="#">1 Bedroom Home or Apartment</a>	\$622	\$930
<a href="#">2 Bedroom Home or Apartment</a>	\$823	\$1,148
<a href="#">3 Bedroom Home or Apartment</a>	\$1,076	\$1,537
<a href="#">4 Bedroom Home or Apartment</a>	\$1,178	\$1,791

[www.bestplaces.net/docs/datasource.aspx](http://www.bestplaces.net/docs/datasource.aspx)

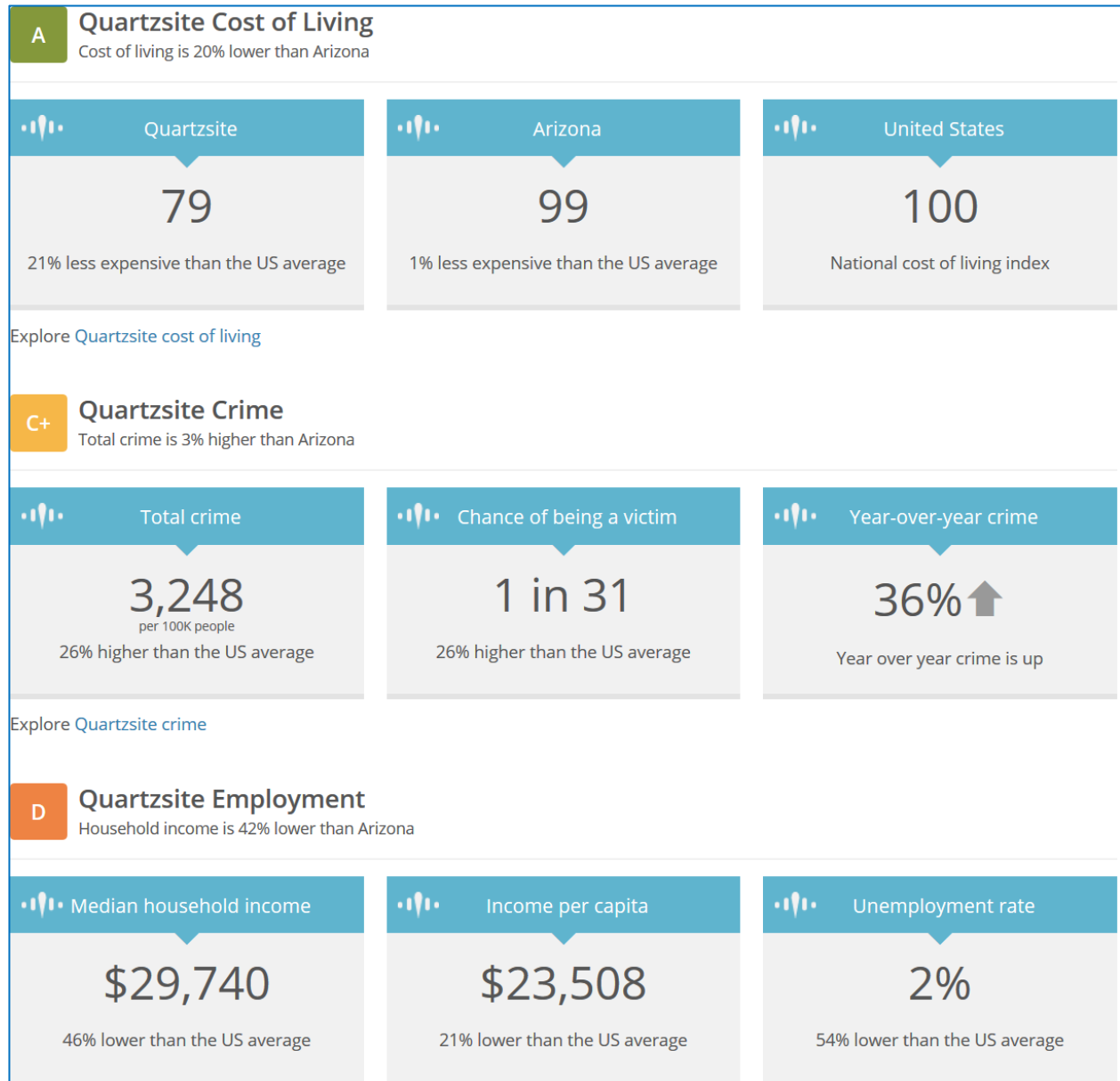
## Unemployment in La Paz County (Source: St. Louis Federal Reserve)



Since 2010, the unemployment rate in La Paz County (blue line) has consistently been above the U.S. rate (green line). It has also been above the Arizona unemployment rate since 2011. The seasonal nature of tourism in this area accounts for much of the “unemployment” in off-season periods.

**Employment by Industry** (Source: Area Vibes and City Data)

POPULATION BY OCCUPATION		
<a href="#">Agriculture, forestry, fishing, hunting</a>	2.3%	1.3%
<a href="#">Mining, quarrying, oil and gas extraction</a>	0.0%	0.6%
<a href="#">Construction</a>	0.0%	6.2%
<a href="#">Manufacturing</a>	0.0%	10.4%
<a href="#">Wholesale trade</a>	0.0%	2.7%
<a href="#">Retail trade</a>	0.0%	11.6%
<a href="#">Transportation and warehousing</a>	0.0%	4.1%
<a href="#">Utilities</a>	0.0%	0.9%
<a href="#">Information</a>	0.0%	2.1%
<a href="#">Finance and insurance</a>	27.6%	4.7%
<a href="#">Real estate, rental, leasing</a>	0.0%	1.9%
<a href="#">Professional, scientific, technical services</a>	0.0%	6.7%
<a href="#">Management of companies</a>	0.0%	0.1%
<a href="#">Administrative, support, waste mgt svcs</a>	9.6%	4.3%
<a href="#">Educational services</a>	13.3%	9.3%
<a href="#">Health care and social assistance</a>	0.0%	13.8%
<a href="#">Arts, entertainment, recreation</a>	0.0%	2.2%
<a href="#">Accommodation, food services</a>	47.2%	7.4%
<a href="#">Other services</a>	0.0%	4.9%
<a href="#">Public administration</a>	0.0%	4.8%

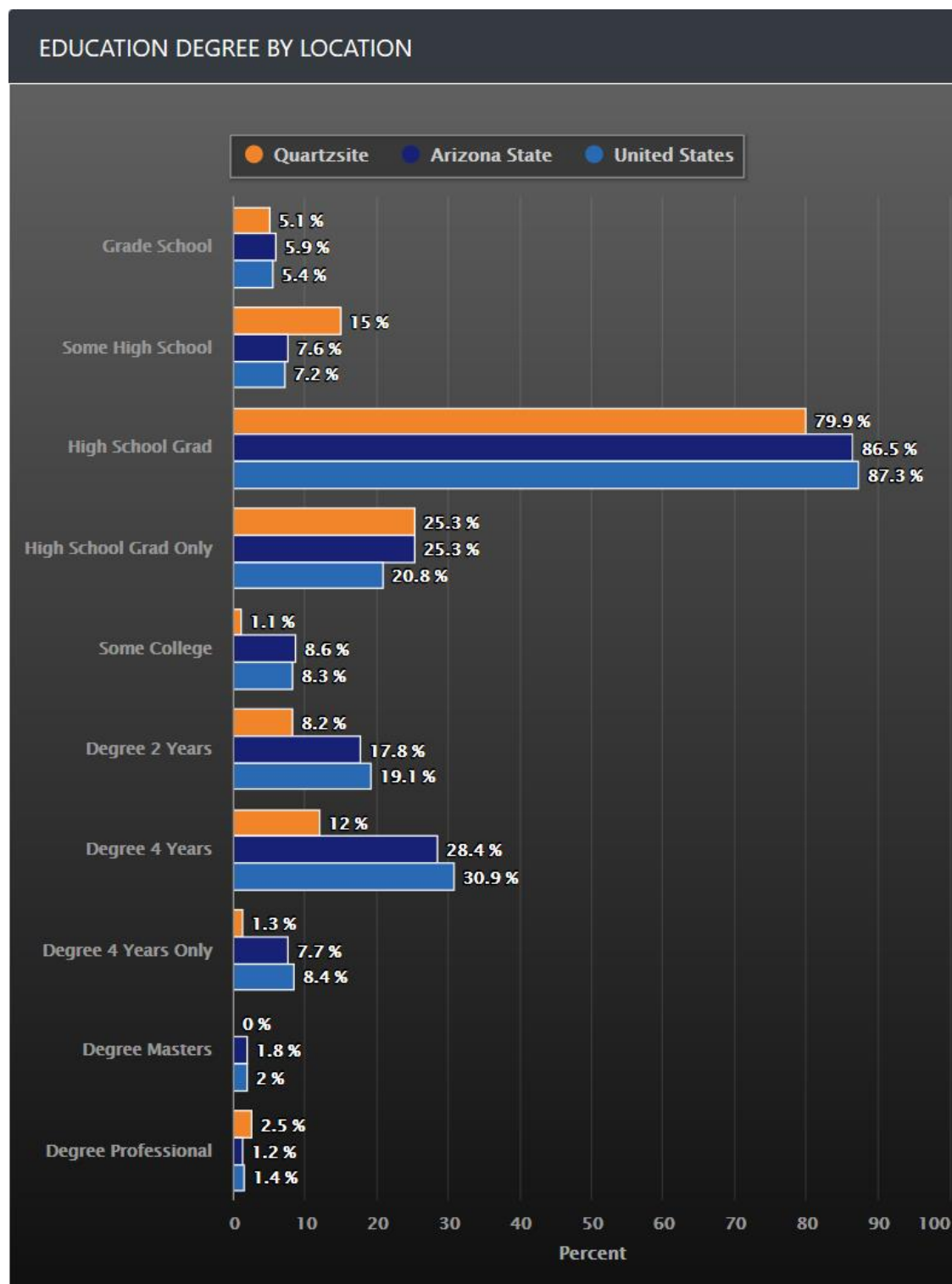
**Area Grades** (Source: Area Vibes)



**Cost of Living** (Source: BestPlaces.com)

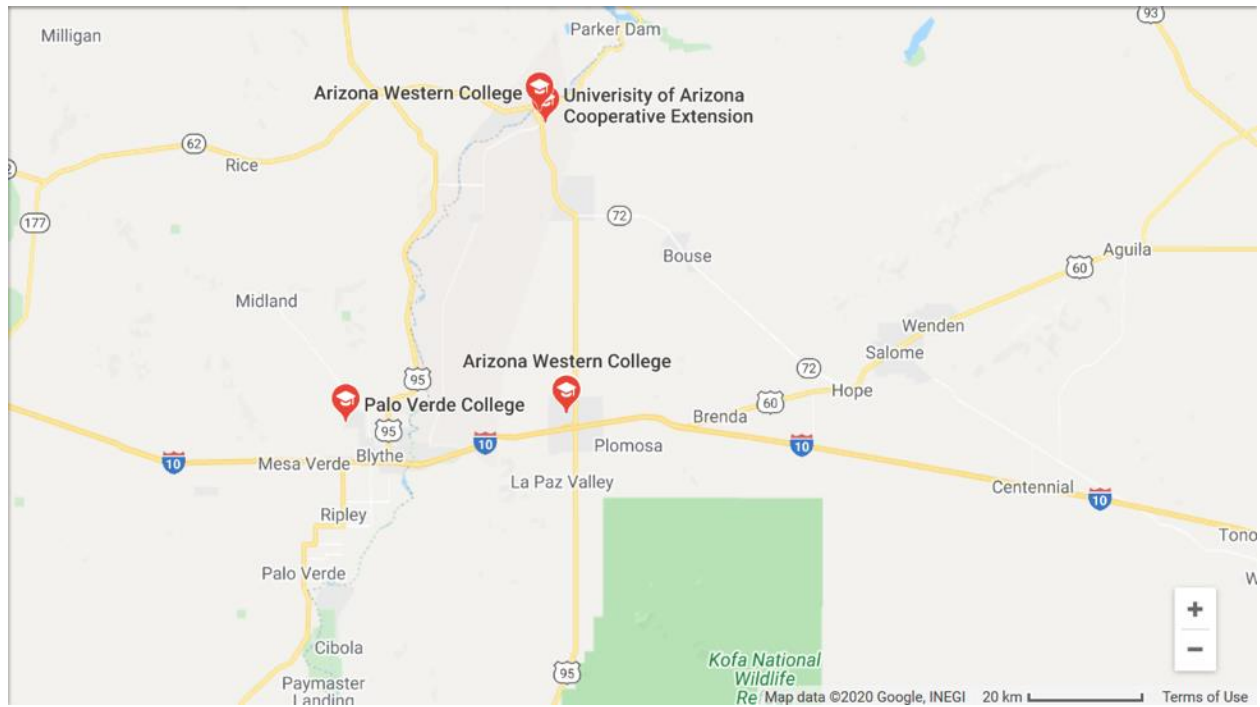
COST OF LIVING	Quartzsite	Arizona	USA
<a href="#">Overall</a>	75.2	102.2	100
<a href="#">Grocery</a>	92.5	96.1	100
<a href="#">Health</a>	119.9	95.2	100
<a href="#">Housing</a>	40.1	107.8	100
<a href="#">Median Home Cost</a>	<a href="#">\$92,600</a>	<a href="#">\$249,300</a>	\$231,200
<a href="#">Utilities</a>	106.8	102.7	100
<a href="#">Transportation</a>	64.3	107	100
<a href="#">Miscellaneous</a>	93.8	95.8	100
100=National Average			

<https://www.bestplaces.net/docs/datasource.aspx>

**Education Profile** (Source: BestPlaces.com)

<https://www.bestplaces.net/docs/datasource.aspx>

## Colleges and Universities (Source: Google Maps)



**Pollution** (Source: Area Vibes)

Quartzsite Air Quality Index & Pollution Index			
Index	Quartzsite	Arizona	National
Air quality index	18	57	50
Pollution index	2,561,410	5,576,494	5,066,862
In the event that the air quality/pollution data was unavailable for this city, estimates based upon nearby cities were used.			
Quartzsite Air Quality Information		Quartzsite Air Quality Information	
Measurement	Total	Pollutant	Total
Days measured	357	Arsenic	0.002%
Days with good air quality	342	Benzene	0.050%
Days with moderate air quality	14	Carbon Tetrachloride	0.010%
Days w/ poor A.Q. for sensitive groups	1	Lead	0.090%
Days with unhealthy air quality		Mercury	0.001%



**Crime** (Source: Area Vibes)

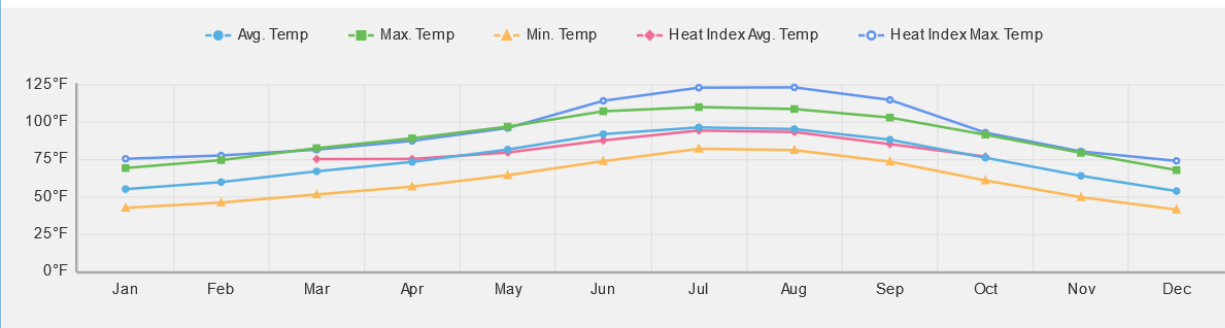
Statistic	Reported incidents	Quartzsite /100k people	Arizona /100k people	National /100k people
Total crime	120	3,248	3,152	2,580
Statistic	Reported incidents	Quartzsite /100k people	Arizona /100k people	National /100k people
Murder	0	0.0	5.1	5.0
Rape	1	27.1	50.7	42.6
Robbery	1	27.1	91.0	86.2
Assault	13	351.8	328.1	246.8
Violent crime	15	406	475	381
Burglary	24	649.5	439.7	376.0
Theft	71	1,921.5	1,970.3	1,594.6
Vehicle theft	10	270.6	266.9	228.9
Property crime	105	2,842	2,677	2,200

**Climate** (Source: Area Vibes & Wikipedia)

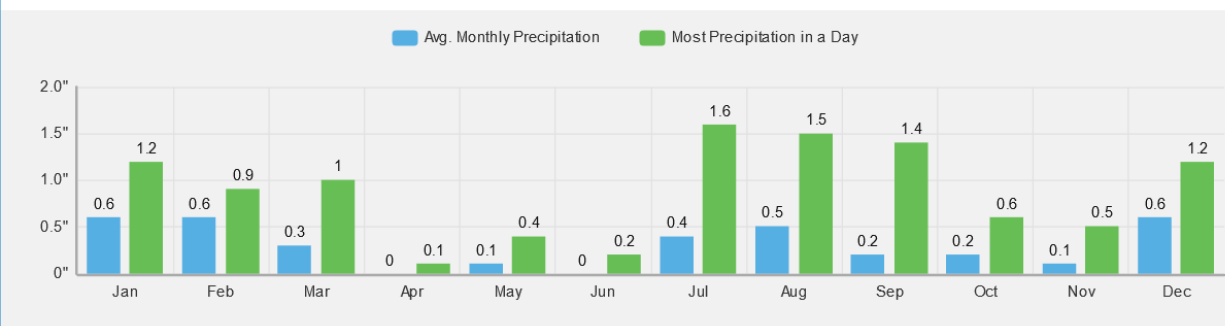
The town of Quartzsite has a hot desert climate with mild to warm winters from November to March and hot to extreme summers for the remainder of the year. In the middle of summer, Quartzsite is one of the hottest places in the United States and has recorded temperatures as high as 122 °F on July 28, 1995.

There is very little precipitation with only 3.51 inches falling during an average year, while in May and June more than 80 percent of years do not have measurable rainfall.

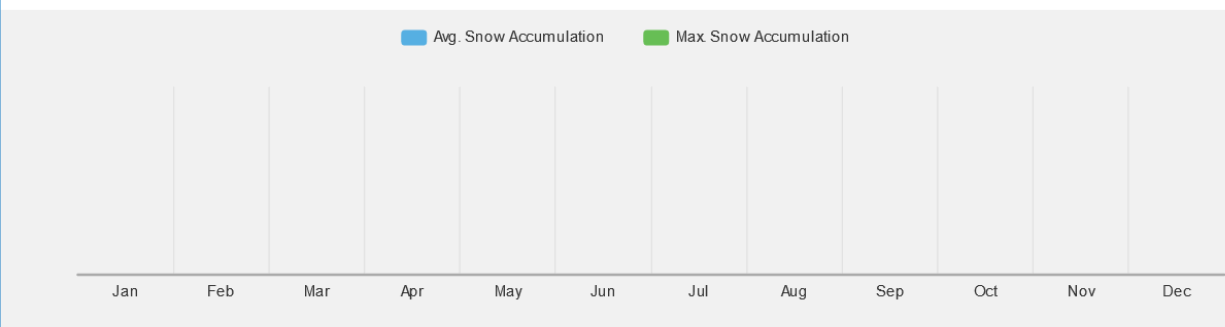
## Average Monthly Quartzsite Temperature With Heat Index



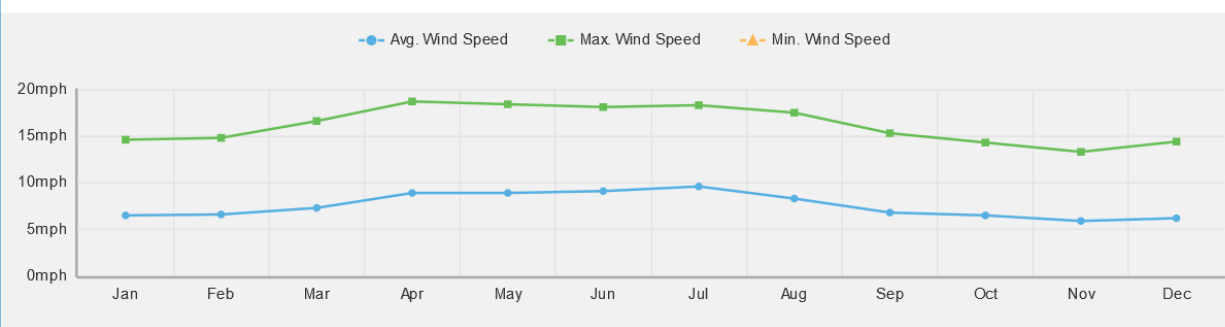
## Quartzsite Monthly Precipitation With Daily Maximum



## Quartzsite Monthly Snow Depth With Daily Maximum










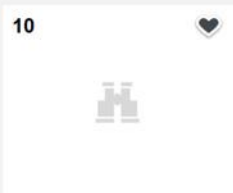


## Quartzsite Monthly Wind Speed Information



## Local Attractions – Top 10 Things to Do in the Quartzite Area (Source: Trip Advisor)

**Top Attractions in Quartzsite** Sort by: Traveler Favorites

<b>1</b>  SIGHTS & LANDMARKS <b>Hi Jolly's Tomb</b> 88 reviews	<b>2</b>  MUSEUMS <b>Quartzsite Museum</b> 33 reviews
<b>3</b>  SIGHTS & LANDMARKS <b>Joanne's Gum Gallery</b> 4 reviews	<b>4</b>  OTHER <b>Reader's Oasis Bookstore</b> 27 reviews
<b>5</b>  MUSEUMS <b>Gunny's RV Park &amp; Military Museum</b> 3 reviews	<b>6</b>  SHOPPING <b>T-Rocks</b> 32 reviews
<p>When are you traveling? <input type="text" value="Feb 9"/> <input type="text" value="Feb 10"/> <input type="button" value="Search"/> <input type="button" value="Clear Dates"/></p>	
<b>7</b>  SHOPPING <b>Daniel's Really Good Fresh Jerky</b> 4 reviews	<b>8</b>  FOOD & DRINK <b>Quartzsite Wine Works</b> 1 review
<b>9</b>  SHOPPING <b>Daniel's Really Good Fresh Jerky</b> 4 reviews	<b>10</b>  FOOD & DRINK <b>Quartzsite Wine Works</b> 1 review

## Golf Courses (Source: Google Earth)





## Quartzsite Restaurants – Top 10 (Source: Trip Advisor – based on



## 1. Silly Al's Pizza

4.5 stars 288 reviews · Open Now  
Italian, American · \$\$ - \$\$\$ · [Menu](#)

“They have Karaoke and **live entertainment**.”

“**Great Pizza** - Great Atmosphere”

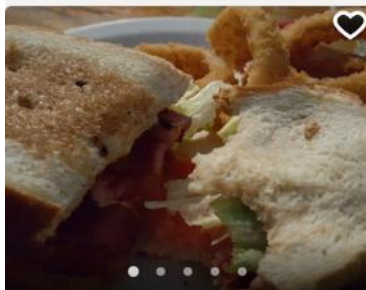


## 2. Mountain Quail Cafe

4.5 stars 136 reviews · Closes in 25 min  
American, Cafe · \$\$ - \$\$\$ · [Menu](#)

“... burgers - they were delicious - wayyyyyy better than any fast food **burger**!”

“My friend had a **burger** which he said was ok.”



## 3. Quartzsite Yacht Club Bar and Grill

4.5 stars 78 reviews · Open Now  
American, Bar · \$\$ - \$\$\$ · [Menu](#)

“Fun tounge in cheek **bar**”

“Famous for their fish and chips, **live entertainment** and generous drinks.”



## 4. Taco Mio

4.5 stars 82 reviews  
Mexican, Southwestern · \$\$ - \$\$\$

“Had a “Mia's Special” **burrito**.”

“... is worth the wait I had the Mio **Burrito** and it was one of the better pork...”



## 5. Times Three Family Restaurant

4.5 stars 110 reviews · Open Now  
American, Diner · \$\$ - \$\$\$ · [Menu](#)

“My friend had the **pulled pork** and she was very happy.”

“... highly recommend to try their **pancakes** in the morning or clam cedar soup ...”

reviews)



### 6. Main Street Eatery

8 reviews  
American, Arabic · \$\$ - \$\$\$

- "Decent Filling Station...."
- "Not A Bad Spot"



### 7. Sweet Darlene's

89 reviews · Open Now  
American · \$\$ - \$\$\$

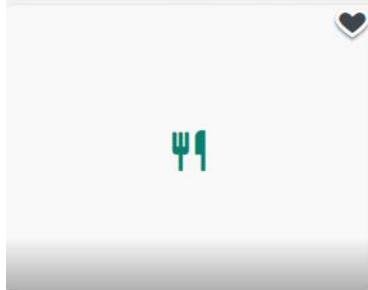
- "Breakfast"
- "Stopped here for lunch and"



### 8. Times Three Family Restaurant

9 reviews

- "Food Service"
- "My favorite restaurant in Quartzsite!"



### 9. VFW post 769

7 reviews  
American · \$\$ - \$\$\$

- "Very friendly"
- "Friday night Fosh Fry"

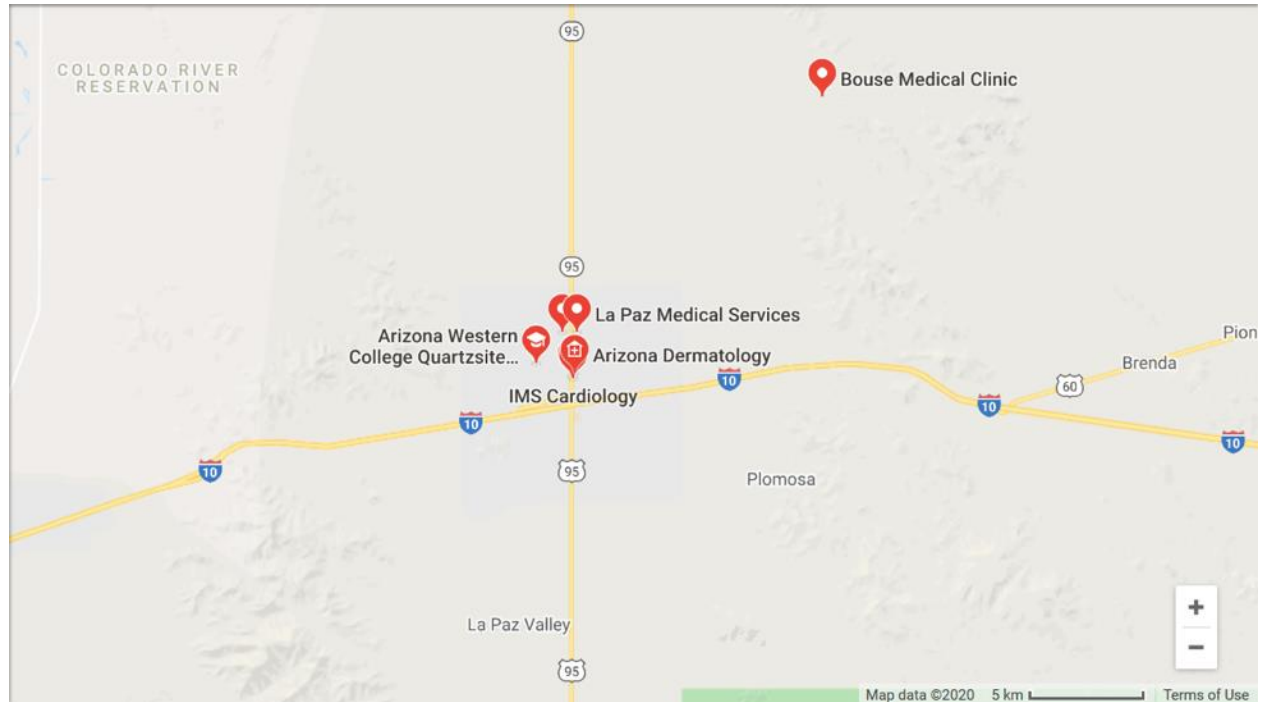


### 10. Heaven's Kitchen Bar BQ

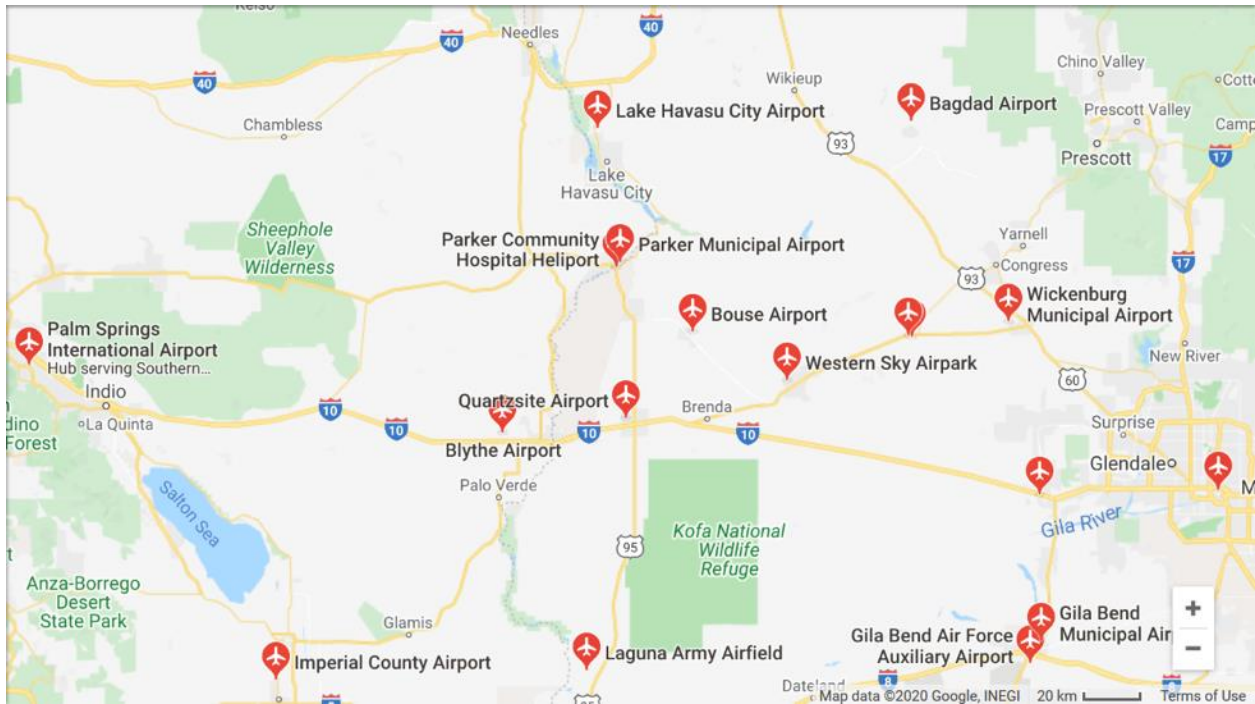
29 reviews · Closes in 25 min  
American, Barbecue · \$\$ - \$\$\$

- "Definitely not a favorite"
- "Bbq in Quartzsite"

## Hospitals/Medical Centers (Source: Google Search)



## Airports (Source: Google)



## Highways (Source: Google Maps)





## SHIFTS IN TRAVEL BEHAVIOR

Much has been written about the exponential surge in RV travel and RV living sparked by the 2020 COVID-19 pandemic and health advisories regarding social distancing. Growing sales and rentals of RVs, and reservations at parks across the country are reported daily from various sources. The lookback is impressive, but of greater importance is the forecast for the RV sector and its ability to grow even more robustly in the future.

RV Park University asserts some remarkable possibilities. The following are excerpts from their blog:

### **Does it ever really end?**

Dr. Fauci recently commented that the vaccine will only be a partial cure –he thinks of it as just an additional tool along with face masks and social distancing. If that’s true, then Covid-19 actually never ends, at least as far as returning to normal times. And, if that’s the way it will be going forward, then the current strength in RV park occupancy as part of the pandemic should never end.

### **Permanent vs. temporary shifts in consumer behavior**

But when Covid-19 does finally end in the future, intuition tells us there will be some fundamental shifts in consumer behavior that will remain. These include:

- A loss of interest in discretionary air travel. Studies are showing that Americans were already losing their allure for long lines, the TSA, and poor service. This will put more Americans on the road.
- A loss of interest in foreign travel. Surveys are showing that Americans have decided that they will not return to overseas destinations as they find it too risky – and are also finding that there is plenty to do in the U.S. This will cause more Americans to travel domestically.
- A return to the old-fashioned goals of building relationships and bonding. Families are looking for more than just going to a destination – they want to do things together when they get there, and an RV park like The Arroyos PRESERVE gives them those activities.

A renewed interest in the outdoors. Social distancing and repeated calls from the government that outdoor spaces are safer has given millions of Americans a new taste for nature and an appreciation for the exact environment that RV parks create.

### **Things that were learned from Covid-19**

RV parks learned much from the Covid-19 pandemic. These include:

- The fact that the business model is extremely favorable for social distancing, and that is important since nobody knows when the pandemic ends and the next one begins. Just as some industries prospered by being “essential”, RV parks proved that their demand is solid during this type of American emergency.
- Americans with RVs who retreated to traveling and RV parks for quarantine found it more fun than in their own homes.
- Working from home is the future of American business, and RV parks can be that home, and workplace, if they have high-speed internet. This is a wakeup call that all good RV parks need to have internet service for their customers.
- Destination RV parks are still the best, as overnighter parks do not offer the services that American RV owners are looking for when camping out for a prolonged period.

### **Conclusion**

RV parks have fared well during the Covid-19 pandemic, and show no signs of weakening post-Covid. There’s an old saying that “it’s better to be lucky than smart” and in this one case RV park owners may have just gotten lucky.

## THE RV INDUSTRY

### Benefits of RV Travel

#### Freedom & Flexibility

Whatever the type, RVs provide the freedom to travel where you want when you want, offering the convenience of a home away from home. RV vacationers avoid the problems of canceled and delayed flights, lost luggage and moving in and out of hotel rooms.

#### Convenience & Comfort

Whether for long excursions or weekend getaways, RVs provide families with the conveniences of home on the road. With comfortable sleeping quarters, fully-equipped kitchens and baths, living and dining areas that expand at the touch of a button, central air and heat, TVs, VCRs, surround-sound stereos, and more, today's RVs provide all the amenities of home while on the road or at the campground.

#### Family Appeal

RVing is a uniquely enjoyable way to travel as a family. Families that frequently vacation by RV report that it fosters an increased sense of togetherness and helps improve family communications. Louis Harris research found that 92 percent of parents who own an RV said that RVs are the best way to travel with family and children.

#### Adult Freedom

Those who have had the "young ones" leave the nest now enjoy their long-awaited freedom by joining the RV lifestyle. Most high line motorhomes and trailers are purchased by RVers who spend most of their time as "full-timers", enjoying their best years. These RVers seek deluxe RV resort facilities that best meet the requirements of their lifestyles.

#### Lure of the Outdoors

RVers can enjoy the mountains, beaches, parks, popular tourist attractions and small towns whenever they want to without giving up the comforts of home. Even with the new sport utility travel trailers and motor coaches, RV travelers can easily haul their ATVs, snowmobiles, motorcycles, or other outdoor vehicles right on board.

## **Versatility**

In addition to travel, camping, and outdoor recreation, RVs are being used year-round for a wide variety of other purposes: tailgate parties at sporting events, pursuing special interests like horse, dog and antique shows and other hobbies. Work from home and home-schooling fit well in the RV lifestyle.

## **Affordability**

RV travel is a natural choice for the growing number of individuals looking to maximize the value of their vacation dollars. Even considering the initial cost of the RV, the vacation savings are so significant that it would not take many trips to recover this amount. Plus, RVers consider their purchase as a lasting investment that provides continuing returns, including unlimited use, savings on future vacations, and rentability and resale value of the unit itself.

RV vacationers save significantly on travel costs. A recent vacation cost comparison study by PKF Consulting, found that a family gets 30 percent to 80 percent more vacation for their money when traveling and camping in an RV regardless of the distance, duration or region. The study dealt only with quantifiable economic factors and did not attempt to address the perceived quality of vacation experiences. As a result, the convenience, flexibility and quality family time cited as major travel benefits by many current RVers were not addressed.

On average, the total cost of RV vacations was found to be:

- 50% less than driving a car and staying in hotels
- 60% less than traveling by bus or train and staying in a hotel or motel
- 65% less than flying and renting a house or condo
- 70% less than flying to a vacation destination and staying in a hotel
- 75% less than taking a cruise
- 80% less than an all-inclusive package vacation

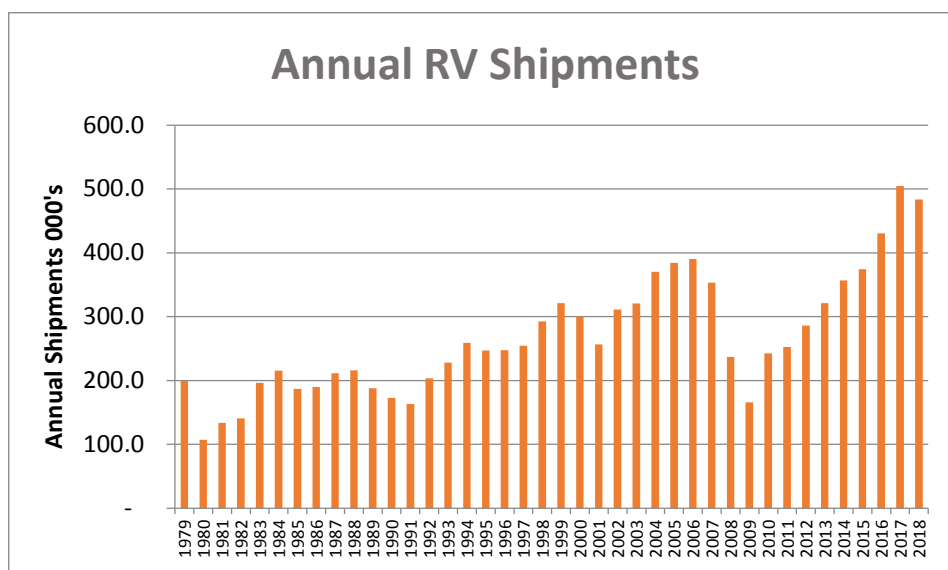
## **Safety**

Recently reported in The Great American Road Trip, “since news about community spread of COVID-19 continues to pepper the media, trips to large metropolitan cities like New York will be less appealing than remote camping trips, national park adventures, lake houses or cabin rentals, and a rising star – RV trips.”

## RV Sales Trends

### Sales Volume

RV shipments have recently hit historically high levels, with annual shipments in excess of 400,000 units in 2018 & 2019. The 2020 pandemic has created an even bigger surge in RV ownership, as the July 2020 industry reports the biggest number of shipments in over four decades.



SOURCE: Recreational Vehicle Industry Association – [rvia.org](http://rvia.org)

### Economic Indicators

The strength and health of the overall economy affects the RV industry. Since the purchase of an RV is typically discretionary in nature, fluctuations in disposable personal income and interest rates can help to track industry trends. During recessionary periods, consumers may postpone large purchases. An RV purchase competes with other substitutes for consumers' discretionary spending such as boats, airfare and cruises. Below is a chart of disposable personal income over the past 10 years.

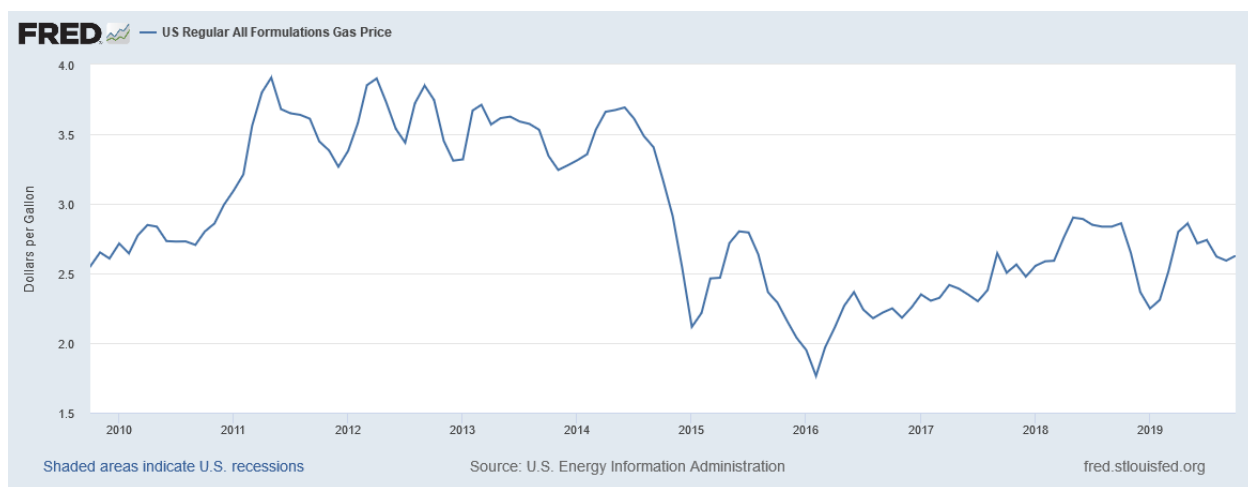
Since purchases of motor homes and trailers typically require financing, interest rate levels are another factor contributing to the attractiveness of RV purchases. In periods of high interest rates, buyers favor less expensive models or consider the consignment RV market. In low interest rate environments, consumers can get more features for their money. Interest rates remain at an all-time historical low, and this should bode well for consumers wishing to finance the purchase of an RV.





## Gasoline Prices

There also appears to be little direct relationship between gasoline prices and RV sales volume.



## Baby Boomer Market

The aging Baby Boomer population will result in higher growth rates in the prime RV buying age groups with their total income growing due to higher proportions of the population being in their peak earning years. As the nation's single largest demographic group ever, the numbers are staggering. There are 76 million Baby Boomers born between 1946 and 1964, heading towards their 60's. Within the next 10 years and probably closer to 8 years, \$8 trillion in assets is going to transfer from the World War II generation to the Baby Boomers.

The RV market is already feeling the impact of the Baby Boomers on its industry, with big gains in the sales of travel trailers and camping trailers, the traditional entry-level RV purchase. The other significant upward sales trend is in the high-end motorhome business.

The mid-range market (RVs selling for more than \$100,000) has grown 19 percent annually since 1989. The market's growth and stability are attributed to favorable demographic and economic factors. The typical high-line motor coach buyer (RVs selling for more than \$150,000) is a retired or semi-retired, relatively affluent couple that has made a conscious lifestyle decision to own a luxury RV. The number of individuals in the primary buying age group is projected to rise by 30 percent, or 15 million people, by the end of this decade. Many in this age group are expected to retire earlier with greater affluence than preceding generations. As a result of this affluence, an estimated 60 percent of high-end buyers do not require financing assistance.

### **Millennial Market**

In 2016, the U.S. Census Bureau announced that millennials—generally thought to be people ages 18-34—now outnumber baby boomers—ages 51-69. They're not only the largest group (accounting for 30%) in the U.S.' general population. They also account for the largest group of campers. According to the 2019 KOA Camping Report, they constitute 41% of all campers, and 56% of new campers.

Camping millennials share a love for being outdoors, but they're far from being a homogenous group. The KOA Camping Report found that there is a growing number of non-white millennial campers, especially among Asian Americans.

The tiny-living trend is nothing new, but when it comes to RVing, tiny-traveling is a growing fad among millennials. Because they don't want to tow much, this demographic gravitates toward the mini RV. Also the units are eco-friendlier and they're cheaper. In fact, according to the Recreational Vehicle Industry Association, "towables" currently account for 87 percent of the RV market.

Another huge factor is connectivity. According to the Camping Report, 43% of millennials admit access to technology—i.e., being able to work remotely—makes it easier for them to spend more time camping.

From their purchasing habits to their styles of socializing, millennials are changing the camping industry landscape. Thor Industries, the largest RV-maker in the U.S., has even coined a new term for its smaller, lighter units catering to millennial demand: RUVs. These “recreational use vehicles” are a far cry from the mega motorhomes of the past. Campground owners are taking note of the increase in trailers and are considering millennials in the layout of their sites. Millennials also account for the largest groups when it comes to group camping. The Camping Report found the average group size for Gen Yers is 10.7 whereas Baby Boomers average groups of 7.9 and mature campers average 4.6. So, yes, they like to be on their phones and expect campgrounds to have Wi-Fi, but they’re also incredibly social creatures in person.

## **Recreational Vehicle Park & Campground Industry**

### **Overview**

Incredible changes are occurring today throughout the RV accommodations industry. Once known as campgrounds and trailer parks, both public and private facilities have experienced a significant evolution over the past twenty years. The initial change was to develop RV parks to accommodate the growing number of nomadic travelers who loved the outdoors and who had chosen the RV as their method of enjoying nature. Today, further changes are needed if the industry is to meet the new expectations and requirements of their changing customer base. Successful RV resorts of tomorrow will offer significantly more amenities to fulfill the desires of their more affluent customers and the larger units that are now appearing on the road.

### **Available Inventory**

Of the total U.S. inventory of approximately 32,000 RV parks and campgrounds (Allstays), an estimated 60% of those are owned by either the state, county or federal government. The majority of these facilities are over forty years old, in marginal condition due to deferred maintenance, and lack amenities and hook-ups for RVs. They are also located in remote areas and are impacted by potential closures due to budget cutbacks. If not closed, these parks face a major funding problem to address major rehabilitation or upgrading. The 2020 Great American Outdoor Act, recently enacted by Congress is anticipated to change this. RVIA reports, “The GAOA

is the most significant piece of outdoor recreation legislation that Congress has passed in six decades”.

The remaining 40 percent of the accommodations are privately owned and operated as small family business enterprises, the vast majority being classified as "mom and pop" type operations. Most of these existing facilities are relatively small (averaging less than 100 sites), have relatively few amenities, and are developed in remote locations. The majority of this current inventory was built in the 1960's and 1970's to accommodate the types of RVs produced during that era. Now, these park owners are faced with the challenge of needing to expand or update their facilities without the availability of land or capital to bring their facilities up to today's standards.

In recent years, corporate groups have developed mega-parks, usually found in winter vacation areas, many of which are restricted to the Plus 55 age group. A large number of these resorts are located in Arizona and Florida with some in the Palm Springs, California area. Most are booked to capacity during the winter season.

### **Available Quality**

Few parks in the industry are fully equipped to meet the needs of today's larger RVs. These units consume far more electricity than was anticipated when many existing facilities were built in the 1970's. In addition to needing 50-amp electrical service, many units now require larger sites to handle their space expanding "slide outs". Because these features are in such increasing demand, many facilities now must specify the maximum unit size and electrical capacity in their advertising. This information not only helps differentiate the more modern facilities, but also helps reduce customer dissatisfaction upon arrival.

### **Site Design**

A major innovation in the industry was the introduction of the "pull-through" RV site in the early 1970's. Although this type of site design requires more square footage than the existing "back-in" sites, it provides more convenient access to the site by avoiding the difficult task of maneuvering the RV backward in order to set it up.

Many of the park operators did not foresee or react to the changing customer preferences and increasing demand for larger spaces. Some

motorhomes now are more than forty feet long and tow an automobile. For these RVers, backing their units into a site without unhooking the towed vehicle is a physical impossibility.

As the RV accommodations industry looks forward to developing facilities for the future, they are now starting to focus on the changing trends in customer expectations and manufacturing innovations. The industry leaders are beginning to realize the importance of providing state-of-the-art facilities and amenities for their increasingly selective and affluent clientele.

### **Consumer Concerns**

As a spin-off of the Go RVing Coalition, ARVC, RVIA, and RVDA have formed a "Committee on Excellence" to conduct surveys and identify areas of needed improvement in customer satisfaction. Data have been gathered from camping and RVing clubs, operators of multiple parks, and major camping directory publishers. Based on the survey results, four basic areas of concern were identified:

1. Park Maintenance is the primary concern of campers. Specific issues involve: the overall condition of sites, buildings, roadways, size and privacy of sites, and RV accessibility.
2. Campground Rules were cited as another dissatisfier. Campers feel rules are not evenly enforced or enforced at all. Some also felt the rules were too restrictive or detailed. Reservations and deposit policies, site appearance, and quiet hours were the most frequent issues.
3. Quality Service orientation focus of staff was noted as a disappointment in the majority of comments. Increased emphasis on staff training to improve hospitality and people skills is critical. Campground owners have a growing pool of eager workers from the RV community itself, e.g., workcampers, who themselves are RVers and are more service oriented.
4. Cleanliness is a major concern, especially in restrooms and laundry facilities.

Additionally, as affluence of RV owners continues to rise, their expectations for the quality of facilities and services increases dramatically. The largest difference in camper satisfaction survey ratings corresponded to household income. Higher income households voiced much less satisfaction with campgrounds and RV parks on every dimension of their ratings. The



proportion of RV owners with incomes above \$50,000 that were satisfied with their experiences was twenty or more percentage points lower than those owners with incomes below \$35,000.

Clearly, the challenge for the RV Park and Campground Industry is to implement changes designed to retain higher income customers. More upscale facilities and amenities need to be offered to attract this important market segment. Building value into the campers' experiences will provide higher ratings and allow higher rates supporting higher costs required to provide these facilities and services.

### **Types of Facilities, Ratings and Trends**

Today's campgrounds and recreation vehicle (RV) parks come in many sizes and personalities, but they share one quality – a secure, neighborly atmosphere that attracts longtime enthusiasts and an increasing number of new RVers alike. A recent Louis Harris study found that 83 percent of prospective RV buyers -- mostly Baby Boomer families -- consider RV parks a second neighborhood to RV users. With more than 32,000 campgrounds throughout the U.S. on both public and private lands, RVers can choose a property to fit their budget, activity preference and location.

Since there are several types of RV parks and campgrounds, it is important to review the differences in order to understand and determine the design of a new facility, the potential guest's experience, and how these factors coincide with the overall marketing strategy and target markets for park guests.

The designation of the type of RV park is usually determined by the segment of consumers from which the park has drawn the majority of its clientele: tourists (overnight parks), vacationers (destination parks & resorts), and long-term (residency parks). While most facilities fall into one of these categories, each situation is unique due to general location, terrain, climate, and degree of development and services. Also, while the majority of a facility's business may come from a primary segment, most parks position themselves to attract consumers from various segments, sometimes differing on a seasonal basis.

Because of the inconsistent use of the terms, there are many confused customers looking for a particular experience, yet are not sure what to expect when they arrive at their destination. There are many industry

leaders who are attempting to standardize these category descriptions in order to better serve and more clearly communicate to the consumer the type of facilities that are available. [NOTE: Social media sites provide an excellent service by independently and visually featuring parks' amenities so prospective customers can "shop" before they make reservations.]

## **Campgrounds**

These are usually less developed locations catering to the tent camper, affording a rustic camping experience. Few sites have utility hook-ups, and sites are smaller (mostly back-ins), usually located in more remote areas. Roadways are normally packed soil or gravel, and the parking spaces are the same materials or grass. Most public facilities and many private ones fall into this category.

## **Public Facilities**

For many, the nation's parks and recreation areas are a magnet. Campgrounds on public lands generally offer beautiful wilderness settings, but very basic sites and services.

The National Park Service's 367 parks offer more than 440 developed campgrounds with 29,000 campsites. Camping facilities are generally simple and rustic, but are set amidst some of the nation's most spectacular scenery.

The U.S. Forest Service boasts more than 4,000 developed campgrounds in its 156 forests, covering in excess of 191 million acres of land with 124,629 miles of trails, 128,000 miles of streams and rivers, 16,500 miles of coasts and shorelines, and 2.2 million acres of lakes.

The Bureau of Land Management oversees 270 million acres of scenic outdoor recreation sites in the western United States, including Alaska.

Other public camping areas include those managed by the U.S. Army Corps of Engineers near oceans, rivers, and lakes, by National Wildlife Refuges controlled by the U.S. Fish & Wildlife Service, as well as thousands of state and local-run facilities.

## **Privately Owned**

There are approximately 8,500 privately owned RV parks and campgrounds located near national parks and forests, popular tourist attractions, along interstates and in cities and small towns. Many of them offer swimming pools, game rooms and recreation centers, supervised activity programs, evening entertainment, snack bars and restaurants, organized tours to nearby points of interest, well-stocked grocery and supply stores, firewood, ice, playgrounds, fishing facilities, hiking and biking trails and a variety of other recreational activities.

## **RV Parks**

These are facilities of moderate development cost with sites designed primarily for recreation vehicles. They offer more utility hook-ups, but have limited amenities such as recreational and social activities. The roadway and site surfaces can vary from those found in campgrounds to fully paved streets and sites.

## **Motorcoach Resorts**

The newest and most costly to develop, these are generally exclusively for Class A Motor coaches, but many also have tenting areas. These facilities offer the most extensive services, amenities, recreation, and social activities. The roadways and sites are almost always paved. Like the hotel industry, when the term “resort” is used, the consumer envisions top quality, state-of-the-art facilities, staff, and activities.

The latest development in RV vacation experiences is the full-scale recreational resort. Complete with hot tubs, spas, golf courses, tennis courts, skeet shooting, on-site food service, nightclubs and adult lounges, these resorts cater to those who enjoy the outdoors and the RV lifestyle, yet want a little more pampering.

## **Overnight Parks**

The majority of the occupants of overnight RV parks are travelers who stay for only one or two nights, usually en route to their eventual destination. This type of park is located on or near a major traffic artery or with easy access to an attraction outside of the park. Normally, this type of park requires fewer amenities, since the customer is not necessarily drawn to the park for its facilities and services. However, minimal basic conveniences are required for the overnight park depending on the weather and location.

Most of the older parks developed in the 1960's and 1970's fall into this category.

### **Destination Area Parks**

This is a highly developed facility, located near an attraction or attractions which draw a significant number of visitors. It may be near a national or state park or a major tourist destination like Disneyland. This type of park provides accommodations for guests whose principle activities will be outside the park's boundary, but who may still spend considerable time enjoying the activities provided by the park.

### **Residency Parks**

This type of facility is a relatively new phenomenon that has become a growing segment in the industry. The majority of the occupants use the park as their principal residence. They rent their sites by the month or, in some cases, by the season or year. It is very similar to a mobile home park except that residents live in recreation vehicles rather than the larger mobile homes.

Numerous factors have contributed to the increase in the number of individuals choosing the RV as their principal or only home:

- Increasing number of senior citizens and retirees
- Increased life-expectancy and improved health promotes more active lifestyles
- Increased discretionary income among retirees
- Increased number of empty-nesters or childless couples
- Shift in priorities from maintaining a residence to enjoying a lifestyle
- Rising costs of conventional housing make even luxury RVs a viable alternative

In addition to consumers who have been influenced by one of the above factors, there have always been those individuals and families who, because of their trade or profession, find the RV more practical than conventional housing, such as construction or seasonal workers who are able to have their families with them during their periods of employment.

### **Condominium Parks**

The condominium parks have usually been developed by corporations or developers who specialize in this type of project. They have their own marketing programs and sales force, or they contract out the sales program

to an independent company. In some states, condo parks are under a different jurisdiction or government agency for oversight and permits.

In a condo park, most users are owners receiving title or deed to a specific site or lot within the park. With ownership and payment of a monthly or annual association fee, they have the right to use the facilities of the park. The association fee also covers the upkeep and maintenance of the park. An owners' association usually becomes the managing entity after all the sites are sold. The association often acts as the rental agency for the owners to rent the sites to non-owners when the owners do not occupy their sites.

Condo parks normally have a wide variety of facilities and activities, including large clubhouses, golf courses, tennis courts, indoor shuffle-board courts, swimming pools, spas, saunas, exercise and craft rooms.

### **Membership Parks**

Often developed by large corporations with multiple parks usually located a considerable distance apart, membership parks sell a "right to use" permit. They are usually not open to the public; however, exceptions are normally made during the drive for membership sales. The general public is solicited through various means or as part of an on-going sales program that uses free or low-cost short term stays as an enticement to show the park. Each group of membership parks has its own unique membership restrictions, sales prices, and annual maintenance fees. Like the condo parks, the membership parks have a "country club" atmosphere with extensive facilities, services and activities programs.

### **RV Park Ratings**

Just like in the hotel industry, ratings drive the RV park owner's ability to maximize the rates charged and stimulate increases in consumer demand and occupancy.

The most widely recognized rating organization for the RV accommodations industry is Good Sam's/Woodall's. The company annually publishes extensive national directories of campgrounds and RV parks. Included in each facility's listing is a standardized compilation of information detailing its physical attributes, utility capacities, amenities, and available activities.

Additionally, the Good Sam's/Woodall's directory has a standardized rating system that assists the traveler by evaluating the quality and completeness of the facilities. Ratings are based on a scale of 1 to 10 for facilities/restrooms/overall appeal, the highest being 10/10/10. The



consumer and park owners take these ratings very seriously. Receiving a lower or higher rating from these groups has a direct influence on rates and occupancy.

### **Future Trends**

The industry is still dominated by small "mom and pop" operations; however, that trend is changing. Today's RV resort operators are rapidly developing into a more sophisticated industry demanding professionalism and utilizing the latest technology to produce accurate and current data. Demand has brought about refreshing prospects of increased occupancy levels and substantial profits for the well located, well-planned, well-developed and well-managed RV facilities.

### **Limited Availability is Improving**

The University of Michigan Survey Research Center conducted a survey for the Recreation Vehicle Industry Association. The survey reported that RV owners who abandoned the RV lifestyle and recreation opportunities stated dissatisfaction with the RV product or service available in the industry. These individuals specifically addressed the lack of campgrounds and facilities planned for RVs in existing campgrounds.

Availability of places to camp was decreasing as the Federal Department of the Interior continued to close public campgrounds to overnight stays in National Parks. National Forests nationwide were facing overall similar cutbacks. The budget for the Forest Service has been down by three percent, and inflation, combined with the budget reductions, was taking its toll. As Government agencies continued to close campgrounds due to reduced budgets, the RV market needed to develop more privately-owned campgrounds to provide accommodations for RVs.

The Great American Outdoors Act of 2020 directly addresses the issue of our massive public-land maintenance backlog by establishing The National Parks and Public Land Legacy Restoration Fund to be divided among federal land management agencies to assist in park maintenance, including, but not limited to repairing the park's infrastructure and modernizing and expanding campgrounds.

The GAOA also guarantees \$900 million per year in perpetuity for the Land and Water Conservation Fund to provide state and federal financial assistance for enhancing access to national parks, forests, wildlife refuges

and other public lands and creating and improving recreational areas, trail, campgrounds, and waterways.



### Industry Opportunity

The RV market is booming and needs new camping facilities to satisfy the growing and changing demand. An improved economy, combined with this rapidly growing RV market and increased customer expectations, should allow a properly designed and positioned property to achieve higher overall profitability and value than was typical only a few years ago.

The heightened social consciousness of 2020 in regards to public “distancing”, coupled with the flexibility of “work from home” and homeschooling options, are all drivers of continued market growth. RVIA President, Craig Kirby reports, “many campground owners are already seeing their booking season extend later into the fall and winter.” [RV Business 08.26.20]

### RV Business Indicators

RV shipments for 2019 totaled 406,070 units, a slight decrease of 16.0% from 2018's near record-setting year.

### Recent shipments history:

Year	RV Units Shipped (Thousands)	% Change from Prior Yr.	RV Retail Value (Billions)
2020	(Pandemic- RV Business reports July 2020 Wholesale RV Shipments Biggest in 4 Decades)		
2019	406.1	-16	16.646
2018	483.7	-4.1	21.112
2017	504.6	17.2	20.022
2016	430.7	15.1	17.667
2015	374.2	4.9	16.506
2014	356.7	11.1	15.396

The RV industry has a \$114 billion economic impact according to the results of the 2019 RVs Move America Study, research commissioned by the RV Industry Association. The industry provides 596,355 jobs and \$32.2 billion in wages. For additional information and the direct economic impact in any state or congressional district, check out [RVs Move America](#).

## Reasons for Industry Growth

RVs support a balanced and active lifestyle - In a Harris Interactive survey, owners reported that RV travel enables them to experience nature and outdoor activities and enjoy quality family time. RVers reported stronger bonds with loved ones and benefits to children. RVers also cited healthier eating on the road, sleeping in their own beds, and having their own bathroom facilities as advantages of RV travel.

**RV ownership and travel are a great value** – A 2014 Vacation Cost Comparison prepared by PKF Consulting USA showed that a family of four can save 27-62% on vacation costs by traveling in an RV, even when factoring in ownership costs and fuel. For a two-person traveling party, savings are 11-48%. Even when fuel prices rise, more than 80% of RV owners say their RV vacations cost less than other forms of travel.

RVs have uses as diverse as the people who own them – In addition to vacation travel, owners use RVs for tailgating, travel with pets, business, outdoor sports and other leisure activities.

**Shorter trips closer to home** – Research shows that RVers spend more time enjoying campgrounds and less on the road to save fuel and time. More than 90% of RVers take three or more mini vacations per year. With more than 16,000 campgrounds nationwide, it's easy for RVers to stay closer to home.

## Other Factors Behind RV Industry Growth

- **IRS tax deduction** - For most RV buyers, interest on their loan is deductible as second home mortgage interest.
- **RV manufacturers are featuring innovative new products that offer an optimal mix of size, amenities and price for today's budget-conscious consumers** - Manufacturers are producing lightweight trailers and smaller, fuel-efficient motorhomes. Green technologies such as solar panels and energy-efficient components are appearing on an increasing number of RV models.
- **Lifestyle trends continue to spur demand for RVs** - RV owners overwhelmingly said in recent surveys that their RVs make it easier to take more frequent weekend getaways or mini-vacations that accommodate busy family schedules.
- **Go RVing ads build demand** - The industry's Go RVing advertising campaign continues to stoke consumer interest in RVs and the RVing lifestyle. The "AWAY" television and print ads were appearing on TV

and in print, and Go RVing is partnering with music festivals and sports leagues to expand the campaign's reach. The "REAL RV Experiences" TV and radio promotions are featuring real air, real bonding, real food.

- **The Social Media phenomenon heightens awareness** of the RV lifestyle, ease of travel in RV, increased adventure, and return to basics of health and happiness – everyone is a photographer these days with cell phones and the pictures of sunsets, campfires, open terrain and skies fill social media sites. If you're not on the road, you surely wish you were when you see the posts. Increased bookings for RV rentals are testimony to this (Outdoorsy, RVShare, and others), as well as the industry reports of record RV sales.

### Indicators for Future Growth

- **RV ownership has reached record levels** - More than ten million households now own an RV – the highest level ever recorded – a 16% increase since 2001 and a 64% gain since 1980.
- **Population and demographic trends favor long-term RV market growth** - Buyers aged 35-54 are the largest segment of RV owners, according to the 2011 University of Michigan study of RV consumers commissioned by the RV Industry Association.
- **Baby boomers entering retirement, and millennials** - RV sales are expected to benefit as aging baby boomers continue to enter the age range in which RV ownership has been historically highest. Millennials are discovering the "experience" and the "freedom" afforded by RV travel, especially with the ability to work remotely.
- **The 2020 pandemic highlighted concerns about health safety** and also revealed dissatisfaction with air travel, even on a good day. With hotel prices and poor service, travelers now enjoy a "back to basics" mindset. Considering the RV product continually gets better, more people are choosing RV travel/enjoyment.

**WEBSITES:** [www.RVIA.org](http://www.RVIA.org) [www.GoRVing.com](http://www.GoRVing.com)

## TOP RV STATISTICS

[www.condorferries.co.uk/rv-statistics](http://www.condorferries.co.uk/rv-statistics)

- Approximately 1 million Americans live in recreational vehicles full time.
- The hashtag #vanlife has been used around 6 million times on Instagram.
- RV ownership has grown from 7.9 million households in 2005 to over 9 million today.
- Over 11% of US households own a recreational vehicle.
- More than 50% of RVers take their pets with them.
- Over 40 million Americans regularly go RVing, with over 25 million RVing each year.
- The average RV owner is male, 38-55; however, there is a rise of solo female RVers.
- A family of 4 can save between 21-64% in travel costs over traditional vacationers.
- The industry contributed over \$114 billion to the US economy in 2018.
- 10% of 35-year olds use a recreational vehicle once a year.
- RVs can cost anywhere between \$6,000.00 - \$500,000.00.
- RVers spend between 3-4 weeks in their recreational vehicles a year.
- Millennials have pushed this industry to record highs in recent years.
- 38% of the 40 million people who own a recreation vehicle are Millennials.
- Approximately 25% of campers are under the age of 18 in the U.S.
- There are over 16,000 campgrounds and parking facilities to support public and private camping.

The 2020 COVID-19 Pandemic has impacted the RV industry greatly. It has highlighted the lifestyle/vacation option, mindful of social distancing precautions. Work from home employees do so from their RVs. Families home school and travel in their homes on wheels. The RV manufacturing sector in July 2020 experienced a 15% increase in shipments over the previous year. 55% of people buying RVs were first-time buyers. Production is up among small towable and van campers. Dealerships started reporting record sales in May 2020 as soon as retailers re-opened and inventory reportedly flew off the lots. Manufacturing was delayed during shut down, but is quickly catching up. [Monica Geraci, RVIA, RV Business 09.04.20]



## OHV – Arizona Economic Impact

In 2016–2017, Arizona State University conducted a study to measure the economic impact of OHV recreation on the State of Arizona by retained and out of state visitors.

Some key takeaways are:

- \$1.86 billion of direct spending impact on the State
- 43% of OHV types are side-by-side followed by Jeep/SUV at 18%.
- Most ATV riders reside in the State of Arizona and the majority of them are from Maricopa County.
- Approximately 87% are males and approximately 41.4% have attended at least some college/technical school and 56% are college graduates.
- Average age across all visitors is 55 years with a median of 56 years.
- 66% percent of OHV trips are day and 34% are overnight.
- Median party size is 4 with 36.4% of travel companions being friends and family.
- Almost 19.9% and 14.9% of the patronized OHV trails are located in Yavapai and La Paz counties, respectively. Approximately 27.8% of most frequented trails are located in Maricopa County.
- The Most Common Source of Information for OHV Users:
  - Word of mouth
  - Online/website
  - Maps/GPS programs
  - State/Federal agency

These takeaways should be very useful as The Arroyos PRESERVE formulates its marketing strategy to attract OHV customers.

Also, reaching out to OHV clubs in Arizona and California would be a strong source of potential customers:

<https://azstateparks.com/join-an-ohv-club>

<http://www.offroaders.com/atv/california-atv-clubs.html>

### Economic Impact

To determine the economic benefits of OHV recreation, a comprehensive economic impact analysis was conducted which required use of an input/output modeling technique.

### Leverage Ratio

The leverage ratio (calculated by dividing total labor income due to recreation at OHV trails by total operating expenses) for managing OHV recreation by the State of Arizona (\$5.08 million) is 1:184.48. This means that for each state dollar invested in net operating cost by the State of Arizona in managing the OHV program, approximately \$184 are generated in resident income.

### Impact of Visitor Spending

OHV visitors incur expenditures on a variety of ancillary (recreation and tourism products and services) and vehicle-related items. Total spending in OHV recreation by local and out of state visitors:

#### \$1.86 BILLION IN TOTAL DIRECT SPENDING:

- \$793.41 million is annual contribution by ancillary sectors
- \$1.07 billion approximately are generated by annual OHV (vehicle-related) expenses
- \$65.51 million out-of-state contribution by ancillary sector expenditures
- \$177.61 million on vehicle operating expenses by out-of-state visitors
- \$727.90 million on ancillary sectors by local retained visitors
- \$888.68 million on vehicle-related expenses by local retained visitors

#### Economic impact breakdown by vehicle-related expenses and ancillary spending:

Expense Category	Jobs	Labor Income (\$)	Value Added (\$)	Output (\$)
Operating	11,159	601,656,568	1,037,973,487	1,688,519,567
Ancillary	9,896	333,989,541	553,525,912	937,366,712
<b>Total</b>	<b>21,077</b>	<b>940,319,938</b>	<b>1,599,415,134</b>	<b>2,637,044,177</b>

#### Direct Spending by retained and out-of-state visitors:

Type of Visitor	Ancillary (\$)	OHV Operating Expenses (\$)	Total Expenditures (\$)
Retained	727,897,419.02	885,664,653.82	1,613,562,072.84
Out-of-State	65,512,121.01	177,606,602.80	243,118,723.81
<b>Total</b>	<b>793,409,540.03</b>	<b>1,063,271,256.62</b>	<b>1,856,680,796.65</b>

**PRIMARY REASONS FOR AN OHV TRIP**

- 1** Trail riding on a Side by Side/UTV
- 2** Trail riding/ATVs
- 3** Driving back roads

**OHV Visitor Travel Behavior and Profile**

An effort is also made to determine the travel behavior and marketing profile of OHV visitors based on online survey responses. Key findings are presented as follows:

**MOST POPULAR VEHICLE ACROSS ALL OHV**





Median party size  
(for both day trips  
and overnight trips)



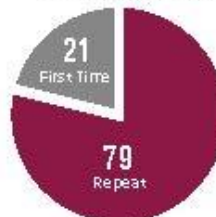
Average number of  
times an OHV trail  
was visited by all  
OHV visitors



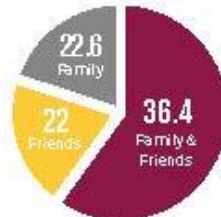
OHV VISIT STAY (%)



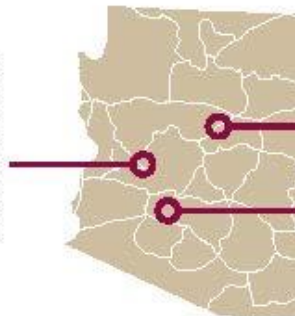
TRAVEL VISITS (%)



TRAVEL COMPANIONS (%)



Almost **19.9%**  
and **14.9%** of the  
patronized OHV  
trails are located  
in Yavapai and  
La Paz counties  
respectively



Most popular OHV trail is  
**BOULDERS** followed by  
Havasupai and Table Mesa

Approximately, **27.8%**  
of most frequented  
trails are located in  
Maricopa County

#### The Most Common Source of Information for OHV Users:

- + Word of mouth
- + Online/website
- + Maps/GPS programs
- + State/Federal agency



Most visitors reside in  
the STATE OF ARIZONA  
and the majority of them  
are from MARICOPA  
COUNTY.



Approximately **91%**  
of the respondents  
are Caucasians.



Average age across all  
visitors is **55 YEARS**  
with a median value  
of **56 YEARS**.



Approximately **87%** ARE  
**MALES** and approximately  
**41.4%** have attended at least  
some college/technical school  
and **56%** are college graduates.



Only 7.4% of the OHV users  
**EARN LESS THAN \$40,000**  
in annual household income  
and **48.6%** of the respondents  
**EARN MORE THAN \$100,000**  
on annual household income.

## ATV MARKET OVERVIEW

### Types of ATVs

ATVs come in many different shapes and sizes. The different types of ATVs are designed and manufactured for different uses including racing, pit-vehicles, recreation, hunting, ranching, military, emergency services and industrial.

While the most common type of ATV is of the four-wheeled variety, there are also ATVs that come with three, six or even eight wheels. And there are some eco-friendly ATVs hitting the market that run on batteries like the Model One EUV from Barefoot Motors.

The different types of ATVs range in size from as small as 50cc youth ATVs up to 700cc Sport quads, 800cc Utility ATVs, and Side by Sides going over 1,000 cc.

The size of most engines is measured in Cubic Centimeters, or "cc". This measures the volume of the cylinder. For multiple cylinder engines, the "cc" measurement is of all cylinders combined.

Aside from the number of wheels and different sizes of ATVs, there is also a distinct difference in ATVs based on their intended application. The most popular types of 4 wheeled ATVs are the 4-wheel drive Utility ATVs, Sport ATVs and Side by Sides.

### Utility ATV

Utility ATVs are the most popular type of ATV. This type of ATV typically has short travel suspension, a big motor and more accessories designed for working or hunting.

Utility ATVs are used in industries such as agriculture and ranching where repair work, feeding and other tasks are done. They are also very popular with hunters who traverse rugged terrain, often carrying heavy cargo. Electric ATVs are becoming popular with hunters because they can move more quietly.



You see a lot of Utility ATVs being ridden at recreation spots like desert OHV areas and on private property. Some are bought with every intention of being used as a tool but often see just as much recreation time, which isn't a bad thing.



## Sport ATV

Sport ATVs are the second most popular type of ATV in the USA. Ranging in size from 250cc on up to 700cc, these All-Terrain Vehicles are lightweight, have lots of suspension to handle jumps, bumps and turns. These quads can be highly modified and enhanced with literally thousands of accessories to



alter style and performance based on numerous criteria.

Sport ATVs are much quicker than their utility-based brethren and extra care goes in to designing them to be as light as possible with very forgiving suspension and responsive engines. Sport quads are used in sanctioned racing because of their speed and suspension advantages over other different types of ATVs.



## Side-by-Side ATV



Side by Side ATVs are sometimes referred to as SxS or Rhino's. They're like golf carts, only with suspension equal to that of sport quads, with larger, more powerful motors. SxS, with their ability to carry passengers and cargo, their light weight, extreme suspension and short wheel-base, are able to take you and your friends to places you might not have thought possible.

SxS are becoming the most popular of the different types of ATVs in small rural communities. Some towns allow them to be registered on-highway use. They are used as "pit vehicles" at races and other events to provide more versatility in transportation and mobility. Fire and Rescue or military often get them highly modified for specific applications.

### ATV Market Overview

In 2017, the ATV Safety Institute (ASI) claimed that close to 35 million Americans use ATVs in the U.S. This makes the industry approximately 3.5X the size of the RV industry

The North America ATV and UTV market was valued at USD 5.89 billion in 2019 and is anticipated to register a CAGR of about 4.81% during the forecast period (2020 – 2025).

Power Products Marketing's recent estimates show a record 458,000 UTVs sold in the United States in 2018, up 5.9% from 2017 and a 95.3% gain from 2006.

As most of the All-Terrain Vehicles (ATVs) and Utility Terrain Vehicles (UTVs) are not permitted to be operable on highways and other main-roads, government authorities across the region have increased the budgetary allocations to build new off-road trails that would be helpful for recreational enthusiasts and boost adventure sports. This is expected to drive the ATV and UTV market.

ATVs and UTVs were initially associated with sports and recreational activities, but over time the application of these vehicles has diversified and they are now being used in agricultural sectors, patrolling, hunting, gardening and others. Also, manufacturers are now working towards making electric ATVs and UTVs more common in the region studied.

The United States is the largest market in the North American region occupying a significant share of the total market value. Since the market is still in the nascent stage, Canada and Mexico are expected to exhibit relatively high growth rate.

Regionally speaking, California, Texas, and Arizona stand as the chief revenue pockets for the U.S. off-road vehicles industry. According to Global Market Insights, Inc., in 2017, California held around 10% of the U.S. off-road vehicles market share owing to the presence of several state parks and recreational areas for driving.

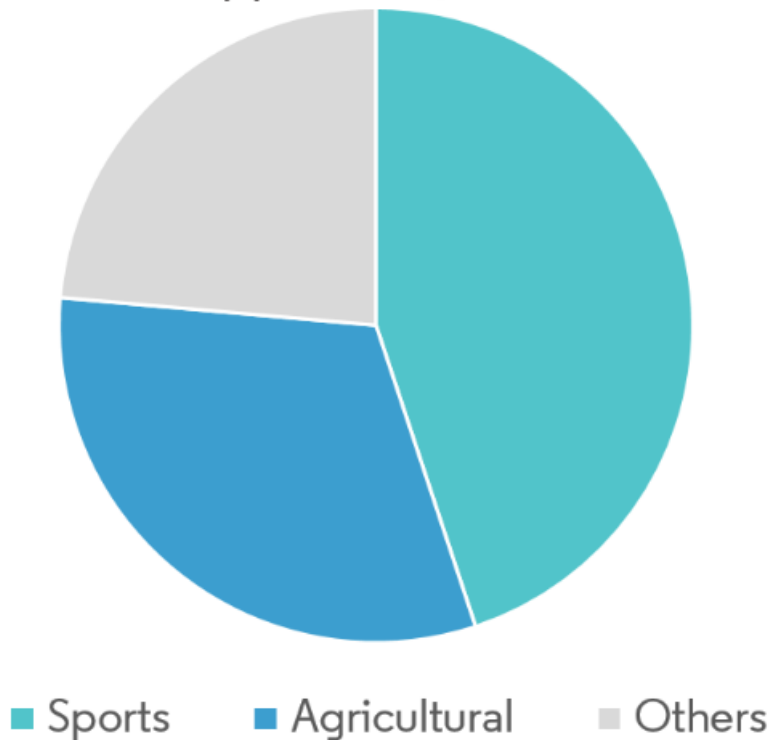
Arizona, boasting of 365 riding days per year, is likely to emerge as one of hotspots for the expansion of the U.S. off-road vehicles market. The state is home to some of most iconic road trails that attract tourists across the globe, namely, the Harquahala Mountain Byway, Backway to Crown King, Broken Arrow Trail, and Cinder Hills OHV Area, every one of which boasts of being a popular off-roading community. As the popularity of these trails, in addition to the many hundreds of trails that the state houses, increases by the day, U.S. off-road vehicles market players are likely to target Arizona as their potential investment hub.

Arizona will witness over 5% CAGR until 2024 owing to the continuous rise in disposable income. According to the U.S. Census, in 2017, the disposable income in Arizona grew by over 5% as compared to 2013. The presence of organizations such as the Arizona Office of Tourism (AOT) is promoting tourism and recreational activities. In 2017, AOT entered into a partnership

with Arizona State Parks and trails to organize a summer campaign, showcasing state parks to Arizona residents, propelling the U.S. off-road vehicles market share.

As per reliable estimates, 78% of ATVs are used for recreational purposes while 22% are used in occupational settings.

North America ATV And UTV Market - Market Share, by Application, 2019



Source: Mordor Intelligence

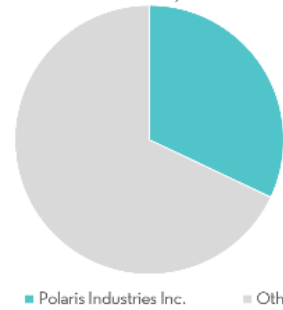
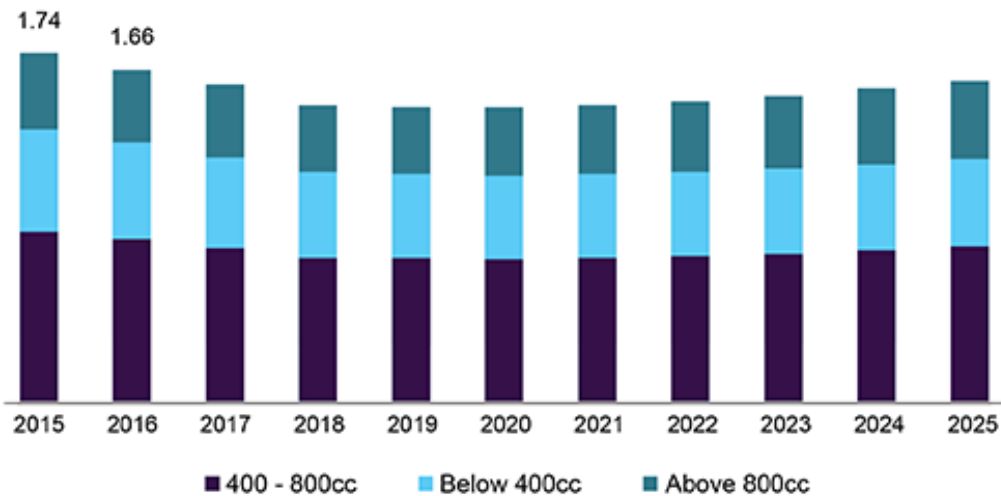




**Major Players**

- 1 BRP Inc.
- 2 Polaris Industries Inc.
- 3 American Honda Motor Co. Inc.
- 4 Yamaha Motor Co. Ltd
- 5 Arctic Cat Inc.

North America ATV And UTV Market - Market Share (in %), By Manufacturers, 2019

**U.S. all-terrain vehicle market size, by engine type, 2015 - 2025 (USD Billion)**Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

Note: the above information was gleaned from various sources including Market Watch, Tech Mag, Live about dotcom, SEMA, Mordor Intelligence and Grandview Research. ATV pictures are from Google Images.

## PARK MODEL RV OVERVIEW

### What is a Park Model RV?

A park model RV (also known as a recreational park trailer) is a trailer-type RV that is designed to provide temporary accommodation for recreation, camping or seasonal use. Park models are built on a single chassis, mounted on wheels and have a gross trailer area not exceeding 400 square feet in the set-up mode. They are certified by their manufacturers as complying with the ANSI A119.5 standard for recreational park trailers.

Park Models are most often used in recreational vehicle campgrounds. They may be owned by the campground and rented to guests, or they may be brought in and used exclusively by their owners on a site rented or leased from the campground. They can also be placed by their owners on private property. These RVs are used for recreational purposes only. They are not meant to be permanently affixed to the property, they do not improve property values in any way, and they are neither designed nor intended by their manufacturers to be used as permanent residences.

Park Models come in many configurations, with various options for siding and roofs and are also generally shipped completely furnished. Park Models are usually set on blocks with the wheels removed and then skirted. Decks and sunrooms can usually be added (depending on the jurisdiction) as long as they are not affixed to the Park Model. Costs installed run from the high \$30 thousand range to \$75,000+. A good park model can be purchased, delivered and installed for about \$40,000.



Park Model RVs can also be “pit set” which places them flush with the ground and avoids having skirting and entry steps and/or raised decks.



WARDEX





## Park Model RVs (aka Recreational Park Trailers): Definition and Use

### What a Park Model RV is:

A park model RV (PMRV) is a unique trailer-type RV that is designed to provide temporary accommodation for recreation, camping or seasonal use. PMRVs (also sometimes referred to as recreational park trailers) are built on a single chassis, mounted on wheels and have a gross trailer area not exceeding 400 square feet in the set-up mode. They are certified by their manufacturers as complying with the ANSI A119.5 standard for recreational park trailers.

PMRVs are most often used in recreational vehicle campgrounds. They may be owned by the campground and rented to guests or they may be brought in and used exclusively by their owners on a site rented or leased from the campground. They can also be placed by their owners on private property. These units are designed and built to be used for recreational/camping purposes only. They are not meant to be affixed to the property in any way, they do not improve property values in any way, and they are neither designed nor intended by their manufacturers to be used as permanent residences. Park model RVs are titled as motor vehicles by the various states just like other RV types.

What makes PMRVs unique is that they are up to 12 feet in width and 36 feet long with a peaked and shingled or metal roof. Some offer gabled windows, and siding choices of cedar, aluminum, vinyl, masonite or even split logs for a rustic look, while others are made of full solid logs. They are often designed with built-in porches, decks and/or storage areas. Many look like tiny summer cottages. Others look more like traditional but slightly longer RV travel trailers.

Most park model RV owners (67%) locate their unit within several hours of drive time from their primary residences and use them for weekend camping get-aways. Some owners may place their PMRV in a warm climate location and use them as a seasonal/temporary get-away to escape the cold gray winter weather, while others place their PMRVs in cooler climate locations to escape the summer heat and humidity back home.

In the off-season, these units are typically winterized (i.e. have antifreeze in the water lines; and are unusable because water and sewage facilities are not operational). These units are left in "onsite storage" when not being used.

The Recreation Vehicle Industry Association (RVIA) operates a safety standards and inspection program that requires member manufacturers of all recreation vehicles, including park model RVs, to affix a RVIA standards program seal to every unit they build in their factories. This seal indicates the manufacturer's certification that the unit complies with the requirements of the applicable standards. A park model RV can always be identified by the blue and gold RVIA ANSI A119.5 certification seal (or its predecessor green RPTIA seal) affixed to the right of main door of the unit.



### RECREATION VEHICLE INDUSTRY ASSOCIATION

1896 Preston White Dr. P.O. Box 2999 Reston, VA 20195-0999 Tel: 703/620-6003 Fax: 703/620-5071 [www.rvia.org](http://www.rvia.org)



Recreational Park Trailers: Definition and Use  
Page 2 of 2

**What a Park Model RV is Not:**

Although the distinctive appearance of park model RVs may sometimes lead people to think they look like small manufactured homes, appearances can be deceiving. PMRVs are actually titled and registered just like any other RV. Due to their design, small size and use as recreation, vacation and seasonal units, PMRVs are explicitly excluded from being considered or used as a manufactured home under the codes and regulations of the U.S. Department of Housing and Urban Development (HUD) specifically because they are a type of recreation vehicle (Title 24 § 3282.8(g)).

Park model RVs are built in accordance with the national safety standards set forth under a nationally recognized standard, the American National Standards Institute (ANSI) A119.5 Standard, not the HUD requirements that manufactured homes are mandated to comply with. The key distinction is that manufactured homes are single-family dwellings that are designed and built for *permanent* residency under standards set by the Department of Housing and Urban Development. Park models RVs, as noted, are designed and built to be used by families as a recreational, camping, or seasonal accommodation. PMRVs are not intended for, nor should they be used for, anything other than recreational camping or seasonal use. They are not permanent residences and should never be used as such.

Like RV motor homes, travel trailers and fifth-wheel trailers, park model RVs are built to ensure safety but are not required to meet the building codes or installation codes that stick-built or manufactured homes are required to meet. They are designed to remain on their axles and wheels, ready for movement and are not connected to the ground by footers, foundations, or columns (some local units of government do require them to be anchored to the ground due to excessive local winds, but even then they can easily be detached in minutes with only hand tools).

PMRVs are not housing. There is no practical difference in the use of PMRVs than travel trailers or fifth-wheel trailers. They are not 'improvements' to campgrounds any more than a travel trailer placed and used in a campground is. They are simply one choice among many in the RV camping environment.

For more information about park model RVs, contact Matt Wald, RVIA Executive Director of Park Model RVs at (703) 620-6003 x. 313 or [mwald@rvia.org](mailto:mwald@rvia.org).

## **“GLAMPING” OVERVIEW**

### **What is “Glamping”?**

The term “glamping” is a combination of the words glamorous and camping.

According to a recent USA Today article, glamping is the answer for those people who enjoy being outdoors and want to camp, but also like real beds, en suite bathrooms and running water. According to Glamping.com, demand and supply for glamping is up by 39% since January 2016, and the number of inquiries made by consumers to Glamping.com about specific glamping properties is up 107% since that same time (January 2016).

“It’s clear that the glamping slice of the travel pie has become something to pay attention to,” said Jay Goss, Chief Operating Officer, Glamping.com.

Glamping is particularly popular among millennials seeking an experiential “camping” experience.

Moreover, as reported by research group Arizton, the US glamping market is projected to reach revenue of around \$1 billion by 2024, growing at a compound annual growth rate greater than 15% from 2018–2024. The Arizton report noted that the demand for cabins and safari tents is expected to grow some 2.5 times the current rate in the next five years as corporate retreats and adventure vacations emerge as the new vacation trends in the US market. Also, expect growth in urban locations to start to catch up with rural locations.

### **Why it’s important**

Having glamping elements in an RV Resort can be important as it broadens out the customer base beyond RVers and also allows groups with and without RVs to stay together in the same resort. Glamping units also tend to have a very high ADR, often surpassing area hotels.

Typically, glamping units work best in destination areas that are not too far from large population centers.

## What are Glamping Units?

Glamping is very broad in what it encompasses and can include:

### Cabins, Park Models and Tiny Homes



### Airstreams and Vintage Trailers

## Tents and Tepees



## Yurts



## Treehouses



Horizon RV Resorts reports that Park Model RVs have the best repeat customer rental record. Although Tents and Yurts do well, they tend to attract one-time guests just trying out the experience.

For more information on the types of accommodations, see:

<https://www.glamping.com/accommodations/>

## Examples of Glamping Resorts

**Autocamp, California:** If you're traveling through California and want to do a bit of glamping along the way, check out AutoCamp, an officially-licensed partner of Airstream. In Santa Barbara, AutoCamp's flagship property features 15 Airstreams (some with deep-soaking bathtubs) in a beach setting with an urban spin. At Russian River, about 90 minutes north of San Francisco, luxury Airstreams, hand-crafted Shelton Huts and canvas tents

are ideal for couples and active families alike, and some of the Airstreams are even pet friendly.

**Doe Bay Resort and Retreat**, San Juan Islands, Washington: On Washington's serene San Juan Islands, Doe Bay Resort & Retreat provides an escape from the hustle and bustle of everyday life on its 38 acres of waterfront campsites. Doe Bay's yurts, domes and cabins are a bit more rustic than other glamping sites, but you can't beat the location – and massages, yoga, a sauna and soaking tubs add the glamour back into the camping.

**Alpenglow Luxury Camping**, Alaska: Alaska's Matanuska Glacier takes center stage from the porches of Alpenglow Luxury Camping's canvas tents' spacious porches, not to mention the rest of Alaska's natural grandeur. Inside the 12'x14' tents, a queen size bed with down comforters keep guests warm during Alaskan nights. Alpenglow is a place to disconnect, too – no electricity is found in the tents themselves, but a charging station is at the ready at base camp.

**Under Canvas, USA.:** Under Canvas takes the hassle out of camping with its luxury tents that are so comfortable they may beat out the best hotel you've stayed in, yet provide immediate access to the great outdoors. The glamping season is open in Moab, Utah (near Arches and Canyonlands national parks), and near Yellowstone and Glacier national parks. Under Canvas Zion, right next door to the entrance of Zion National Park, recently opened, and in 2018, Under Canvas Grand Canyon in northern Arizona.

### Issues with Glamping

Other than Park Model RVs which adhere to strict RVIA standards, there are not any real standards for most of the other types of glamping regarding building materials, electrical standards and adherence to fire and safety codes.

Developers should ensure that glamping units are safe and adhere to all applicable codes. This is important to avoid future liability issues in the event somebody gets injured or there is a fire or some other adverse event.



## **RECREATIONAL VEHICLE TYPES**

(Source: GoRVing.com)

Recreational Vehicles comprise a whole family of vehicles that combine transportation and temporary living quarters for recreation, camping and travel. Some provide a simple place for sleeping and eating, while others are virtually luxury lodges on wheels, equipped with conveniences ranging from complete kitchens and bathroom facilities to air-conditioning and a self-contained power source.

The Recreation Vehicle Industry Association (RVIA) specifies RV types by their characteristics which determine their typical prices. RVs fall into two general categories: towables (folding camping trailers, travel trailers, and fifth-wheel trailers) and motorized (motorhomes, truck campers and conversion vehicles). Additionally, a newer category of Recreational Park Trailers has begun to emerge as a choice for longer-term vacation accommodations: the RV Park Model.

## Towable Vehicles

### Conventional Travel Trailer

Conventional Travel Trailers offer a wide range of floor plans, sizes and conveniences.

Size: 12-35 feet

Weight: 1,100 to 12,000 Pounds

Height: 9' to 11'5"

Costs: From \$8,000 to \$95,000

Sleeps: Up to 10



### Features:

- Smaller models can be towed by mid-size vehicles, including the family car, minivan, SUV or pickup truck equipped with a hitch. It is important to match the loaded weight of the RV to the towing capacity of the tow vehicle. Consult your dealer or owner's manual for details and have the tow hitch professionally installed.
- Lightweight composite models are designed specifically for towing behind many six-cylinder family vehicles.
- At the campground, easily detach from the tow vehicle to use the vehicle for errands and sightseeing.
- Travel Trailers boast all the conveniences of home, including kitchen, dining, bathroom, entertainment and storage.
- Slide outs in some models move the RV wall outward up to three feet at the touch of a button, to create larger living areas once the travel trailer is set up in a campsite.

## Small Travel Trailer



DIMENSIONS			WEIGHTS (LBS.)			TANKS (GALS.)		
FLOORPLAN	EXTERIOR LENGTH	HEIGHT W/ AC	AVE. SHIPPING WEIGHT	DRY HITCH WEIGHT	CARGO CARRYING CAPACITY	**FRESH WATER CAPACITY	GREY WATER CAPACITY	BLACK WATER CAPACITY
175BH	21' 5"	10' 5"	3,532	417	1,088	52	39	28
176RD	21' 5"	10' 5"	3,554	497	1,066	52	39	22
185MB	23' 0"	10' 5"	3,896	562	724	52	39	28
172E	18' 10"	10' 0"	3,298	404	1,542	52	39	28
179E	21' 8"	10' 1"	3,774	518	1,626	50	78	28
186E	20' 8"	10' 0"	3,674	368	1,826	52	39	28
222ES	26' 3"	9' 11"	4,648	624	1,952	52	39	28

\*Length is defined as the distance from the centerline of hitch pin/coupler to rear bumper of trailer.

\*\*Our weights represent how most units are built, inclusive of many commonly-ordered options.

\*\*\*Fresh water capacity includes water heater capacity.

## Large Travel Trailer



www.ChesacoRV.com

		DIMENSIONS			WEIGHTS (LBS.)			TANKS (GALS.)		
MODEL	FLOORPLAN	*EXTERIOR TRAVEL LENGTH	EXTERIOR HEIGHT (WITH A/C)	EXTERIOR WIDTH	**AVERAGE SHIPPING WEIGHT	DRY HITCH WEIGHT	CARGO CARRYING CAPACITY	***FRESH WATER CAPACITY	GREY WATER CAPACITY	BLACK WATER CAPACITY
Aspen Trail	1900RB	24' 8"	10' 8"	8'	4,173	501	3,427	52	42	42
Aspen Trail	1930RDWE	22' 11"	9' 11"	8'	4,130	456	3,470	52	38	38
Aspen Trail	2050QBWE	24' 10"	10' 6"	8'	4,230	452	3,370	52	38	38
Aspen Trail	2340BHS	27' 8"	11' 2"	8'	5,599	619	2,001	52	42	42
Aspen Trail	2390RKS	27' 2"	11' 4"	8'	5,682	796	1,918	52	42	42
Aspen Trail	2460RLS	28' 3"	11' 4"	8'	5,644	565	1,956	52	42	42
Aspen Trail	2480RBS	28' 9"	11' 4"	8'	5,944	672	3,736	52	42	42
Aspen Trail	2610RKS	30' 3"	11' 3"	8'	6,318	796	3,362	52	84	42
Aspen Trail	2710BH	28' 7"	11' 5"	8'	4,811	578	2,789	52	42	42
Aspen Trail	2750BHS	31' 4"	11' 3"	8'	6,293	805	3,387	52	38	38
Aspen Trail	2790BHS	31' 11"	10' 7"	8'	6,612	642	3,068	52	84	42
Aspen Trail	2810BHS	32' 2"	11' 3"	8'	6,379	830	3,301	52	42	42
Aspen Trail	2850BHS	32' 9"	11' 4"	8'	6,582	712	3,098	52	84	42
Aspen Trail	2860RLS	32' 6"	11' 3"	8'	6,501	730	3,179	52	42	42
Aspen Trail	2880RKS	32' 11"	11' 3"	8'	6,625	667	3,055	52	84	42
Aspen Trail	2910BHS	33' 1"	11' 3"	8'	6,597	777	3,083	52	42	42
Aspen Trail	3010BHDS	35' 9"	11' 7"	8'	7,660	919	2,020	52	42	42
Aspen Trail	3070RLS	34' 11"	11' 2"	8'	7,333	975	2,347	52	42	42
Aspen Trail	3100BHS	37' 6"	11' 8"	8'	8,609	1,032	2,567	52	78	42
Aspen Trail	3210BHDS	36' 10"	11' 4"	8'	7,782	1,058	1,898	52	42	42
Aspen Trail	3600QBDS	39' 9"	11' 5"	8'	8,250	1,073	2,926	52	78	42
Aspen Trail	3650BHDS	39' 9"	11' 5"	8'	8,179	916	2,997	52	78	42

## Fifth-Wheel Travel Trailer

The Fifth-Wheel Travel Trailer can have the same amenities as the Conventional Travel Trailer but is constructed with a raised forward section that provides a spacious bi-level floor plan. These models are designed to be towed by a pickup truck equipped with a device known as a fifth-wheel hitch.

Size: 21-40 feet

Weight: 7,000 to 20,000 Pounds

Height: 13'4" Typical

Costs: From \$18,000 to \$160,000

Sleeps: Up to 6



### Features:

- Equipped with all the conveniences of home, including sleeping, showering, dining, cooking, entertainment and storage, many manufacturers also offer luxury models that are very spacious and elegantly furnished.
- There can be as many as four slide outs in some models, which move the RV wall outward up to three feet at the touch of a button to create larger living areas.
- Fifth wheels often have a large picture window at the rear for panoramic views.
- At the campground, easily detach from the tow vehicle, freeing the vehicle for errands and sightseeing.
- Lightweight models have been designed specifically to allow the use of smaller trucks with less towing capacity.
- It is important to match the loaded weight of the RV to the towing capacity of the tow vehicle. Consult your dealer or owner's manual for details and have the tow hitch professionally installed.



## Typical Fifth Wheel



FLOORPLAN	DIMENSIONS			WEIGHTS (LBS.)		
	*EXTERIOR TRAVEL LENGTH	EXTERIOR WIDTH	EXTERIOR HEIGHT (WITH A/C)	DRY HITCH WEIGHT	SHIPPING WEIGHT (AVERAGE)	CARGO CARRYING CAPACITY
3615	38', 11"	8', 4"	13', 3"	2,835	13,745	3,055
3655	39', 4"	8', 4"	13', 4"	2,801	13,464	3,336
3705	39', 0"	8', 4"	13', 3"	2,860	13,113	3,687
3915	42', 11"	8', 4"	13', 3"	3,028	14,876	5,124
4115	43', 10"	8', 4"	13', 3"	3,326	15,456	4,544
4145	TBD	TBD	TBD	TBD	TBD	TBD
4185	44', 5"	8', 4"	13', 3"	3,560	15,465	4,535
4205	43', 9"	8', 4"	13', 4"	3,571	15,983	4,017

## Expandable Travel Trailer

A cross between a hard-sided Travel Trailer and a Folding Camping Trailer, the Expandable Travel Trailer ends pull out to offer more sleeping room. Expandable units are lighter than the Conventional Travel Trailer and often more affordable.

Size: 19-30 feet

Weight: Up to 4,000 Pounds

Height: 10' Typical

Costs: From \$10,000 to \$30,000

Sleeps: Up to 8



### Features:

- Smaller models can be towed by mid-size vehicles: either the family car, minivan, SUV or pickup truck. Check with your dealer for your vehicle's tow limits.
- Lightweight versions have been designed specifically for towing behind many six-cylinder family vehicles. It is important to match the loaded weight of the RV to the towing capacity of the tow vehicle. Always check your vehicle owner's manual for towing weight restrictions and have your tow package professionally installed.
- At the campground, easily detach from the tow vehicle to use the vehicle for errands and sightseeing.
- A generous amount of living space makes kitchen, dining, bathroom and sleeping areas standard, with additional amenities available depending upon size.

Typical Expandable Trailer



**Sport Utility RV (Towable and Motorized)**

The Sport Utility RV, or SURV, is for the active family who wants to take motorcycles, dirt bikes, ATVs or other motorized toys on the road. Available as a motorhome or towable unit, the rear end of the SURV drops down, forming a ramp for access into a “garage” area where motorized toys can be safely stored; the living quarters are separated by a wall.

Size: 19-39 feet

Weight: Up to 12,000 Pounds

Height: 11’ to 12’ typical

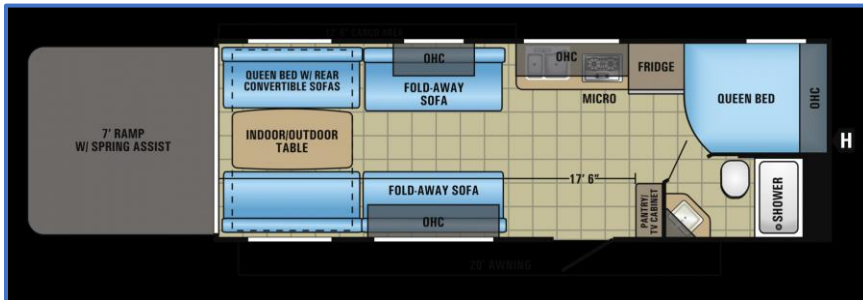
Costs: From \$10,300 to \$170,000

Sleeps: Up to 8

**Features:**

- All the conveniences of home, including kitchen, dining, bathroom, entertainment and storage.
- Slide outs in some models, which move the RV wall outward up to three feet at the touch of a button to create larger living areas.

## Typical Sport Utility RV (Toy Hauler)



MODELS		DIMENSIONS			WEIGHT (LBS.)			
FLOORPLAN	EXTERIOR TRAVEL LENGTH	EXTERIOR WIDTH	EXTERIOR HEIGHT (WITH A/C)	INTERIOR HEIGHT	UNLOADED VEHICLE WEIGHT	DRY HITCH WEIGHT	GROSS VEHICLE WEIGHT RATING	CARGO CARRYING CAPACITY
161	20' 8"	102"	134"	89"	4,470	635	7,500	3,030
222	26' 5"	102"	135"	89"	5,445	790	8,000	2,555
260	30' 5"	102"	142"	89"	6,165	770	9,995	3,830
265	31' 6"	102"	143"	89"	6,550	1,020	10,500	3,950
272	33' 11"	102"	144"	89"	6,990	1,020	10,500	3,510
273	30' 11"	102"	143"	89"	6,420	1,045	9,950	3,530
312	37' 11"	102"	146"	89"	7,840	1,070	11,500	3,660



## Folding Camping Trailer

Also known as pop-ups and tent trailers, Folding Camping Trailers are great for outdoor lovers who enjoy sleeping in a tent without sleeping on the ground. The Folding Camping Trailer stows away for easy, lightweight towing. With canvas sides that extend to reveal queen-sized beds, it's easy to have a fresh-air experience with all the comforts of an RV.

Size: 8-24 feet

Weight: 700 to 4,000 Pounds

Height (retracted): 5' 6" to 6' Typical

Costs: From \$6,000 to \$22,000

Sleeps: Up to 8



### Features:

- Folding Camping Trailers appeal to budget-conscious consumers looking for a roomy towable RV.
- The lighter weight allows for towing behind many typical family vehicles, including some small cars. It is important to match the loaded weight of the RV to the towing capacity of the tow vehicle. Always check your owner's manual for towing weight restrictions and have your tow package professionally installed.
- Lightweight and easy to maneuver when closed, Folding Camping Trailers are a snap to unhitch from the tow vehicle, freeing the vehicle for errands and sightseeing.
- The compact size allows for easy storage as well as quick and simple setup.
- Ample living space means kitchen, dining and sleeping areas are standard, with additional amenities available depending on size.
- Some Folding Camping Trailer models have slide outs that provide additional living space at the campground.

## Typical Folding Trailer (Pop-up)



MODEL NUMBER	1640ESP	1910ESP	1970ESP	2280BHESP	232ESP	282TESP	A122BHESP	A122THESP	A122SESP	A213HWESP
Unloaded Vehicle Weight*	1722	2180	2076	2559	2933	3377	2392	2392	2272	2604
Base Dry Hitch Weight	178	254	234	338	294	221	346	346	290	302
Base Dry Axle Weight	1525	1907	1823	2202	2620	3118	2008	2008	1944	2264
Cargo Capacity	656	724	808	1279	861	1844	1454	1454	1518	1198
Box Size	8' 4"	10'	10'	12'	12'	12'	12'	12'	12'	14'
Trailer Size (Closed w/ Hitch)	12' 1"	17' 1"	15' 4"	19' 2"	22' 5"	26' 8"	22' 1"	22' 1"	19'	20' 10"
Height (Closed)	71"	71"	71"	74"	74"	74"	71"	71"	71"	71"
Trailer Length (Open)	17' 1"	20' 4"	20' 1"	23' 10"	26' 5"	30' 8"	--	--	--	--
Fresh Water Capacity	20	20	20	26	26	26	26	26	26	26

## Truck Camper

The Truck Camper is a portable unit designed to be loaded onto, or affixed to, the bed or chassis of a pickup truck. The slide-in units are easily loaded and unloaded from the bed of the truck, freeing the truck's bumper to tow boats, ATVs and other trailers.

Size: 8-20 feet

Weight: 1,000 to 5,000 Pounds

Height: 8' from bottom of truck bed

Costs: From \$6,000 to \$55,000

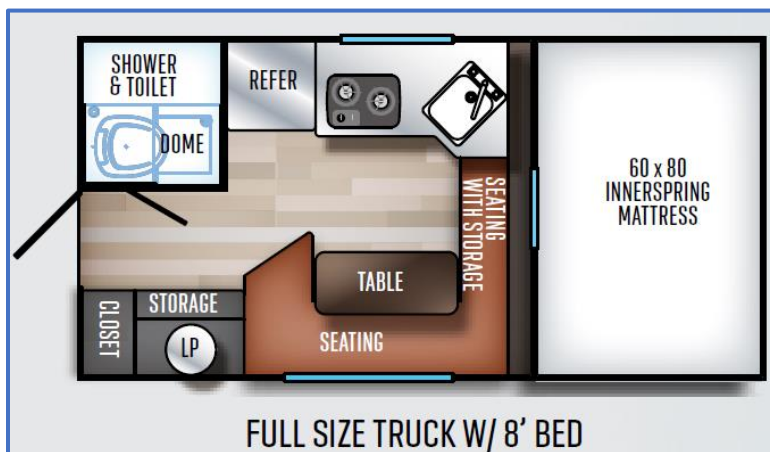
Sleeps: Up to 6



### Features:

- Pickup truck owners find Truck Campers to be an easy, economical option for camping getaways.
- The compact size makes them easy for travel on rough or windy roads.
- Outdoor sportsmen find them handy for fully equipped base camps in remote locations.
- The detachable camping unit allows the pickup truck to be used separately at the destination.
- Small space still offers a range of floor plans that maximize living area. Many models also have slide outs, which move the RV wall outward up to three feet at the touch of a button to create larger living areas.
- Amenities include toilets, showers, kitchen facilities and storage.

## Typical Truck Camper



WEIGHTS & MEASURES	HS 1801	HS 1803	HS 1804	HS 1806
Total Exterior Length (Incl. Ladder)	16'	16'	16'8"	18'
Total Exterior Width	7'2"	7'2"	7'2"	7'2"
Floor Length	6'6"	8'2"	9'	9'
Wheel Well Width	48"	48"	48"	48"
Exterior Height with Ladder	7'7"	8'2"	8'2"	8'2"
Interior Height	6'6"	6'6"	6'11"	6'11"
Dry Weight (Lbs.)	1520	1860	2051	2594
Fresh Water Capacity [Gals]	15	31	31	31
Black Water Capacity [Gals]	NA	8	6	7
Gray Water Capacity [Gals]	NA	8	8	8
LP Gas Capacity	20 LBS	20 LBS.	20 LBS	20 LBS
Cab over Bed Size	60"x80"	60"x80"	60"x80"	60"x80"
Dinette Bed Size	32" x 69"	60"X40"	40"x73"	40"x73"
Center of Gravity **	29 1/2"	27"	38"	42"

## Motorized RVs

### Type A Motorhome

Type A or conventional motorhomes are constructed entirely on a specially designed motor vehicle chassis. Home-like amenities abound, and generally these motorhomes have kitchens, bathrooms, living areas with entertainment centers and centrally controlled heating and air conditioning.

Size: 21-40 feet

Weight: 13,000 to 60,000 Pounds

Height: 11' to 12' 11"

Costs: From \$60,000 to \$500,000+

Sleeps: Up to 6



### Features:

- Spacious and well-equipped, even the smaller, basic models are roomy and home-like.
- The larger, more luxurious models have many of the bells and whistles of a custom home.
- Designed with extensive storage capacity and often include basement storage areas.
- At a touch of a button, slide outs in some models move the RV wall outward up to three feet to create larger living areas. Many motorhome models include multiple slide outs.
- Many owners choose to tow a small vehicle for short side trips once the motorhome is parked.

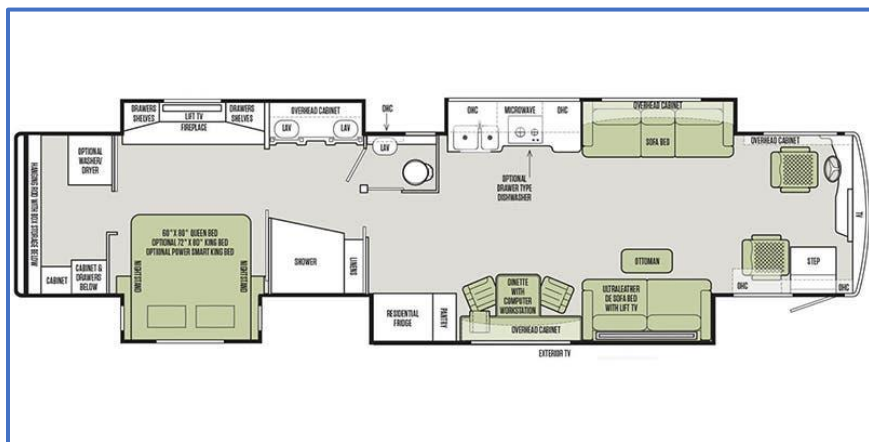


## Class A Motorhome – Small



OVERALL:	31 BR	33 BR
Overall Length (Approximate)*	31' 6"	33' 6"
Overall Height with Roof Air (Maximum)	11' 8"	11' 8"
Interior Height	78"	78"
Overall Width*	95"	95"
Interior Width	91"	91"
Fresh Water (Gallons)	70	70
Black Water (Gallons)	33	33
Grey Water (Gallons)	55	55
LPG Tank (Gallons; can only be filled to 80% capacity)	20	20
Basement Storage (Cubic Feet — Approximate)	79	94
Minimum Garage Height	12'	12'
Hitch Rating**	4,500 lb	4,500 lb

## Class A Motorhome – Large



OVERALL:	45 MZ	45 PZ
Overall Length (Approximate**)	44' 11"	44' 11"
Overall Height with Roof Air (Maximum)	12' 11"	12' 11"
Interior Height	7'	7'
Overall Width	101"	101"
Interior Width	96"	96"
Basement Storage (Cubic Feet — Approximate)	165	165
Fresh Water (Gallons)	90	90
Black Water (Gallons)	50	50
Grey Water (Gallons)	70	70
Minimum Garage Height	14'	14'
Hitch Rating***	20,000 lb Towing Capacity	20,000 lb Towing Capacity

## Type B Motorhome

Commonly called van campers, Type B Motorhomes are built using automotive manufactured van or panel-truck shells. Van campers drive more like the family car but offer the comforts and conveniences of home on the road.

Size: 16-22 feet

Weight: 4,000 to 9,000 Pounds

Height: 9' 4" to 9' 10"

Costs: From \$60,000 to \$130,000

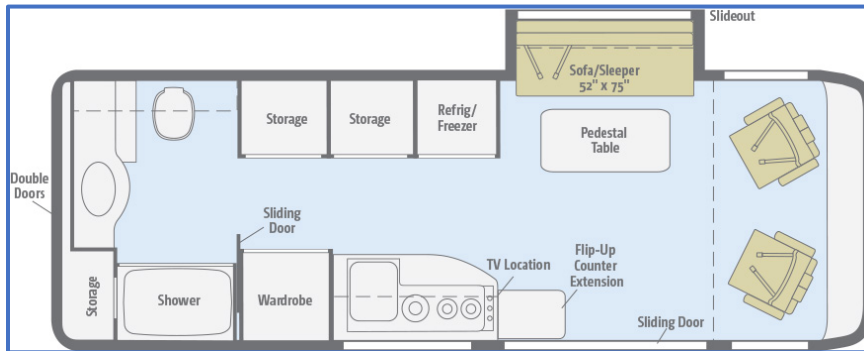
Sleeps: Up to 4



### Features:

- Nimble and easy to drive, Type B Motorhomes are easy to park and maneuver, even in downtown settings.
- Home-like conveniences are standard, including bathroom, sleeping, dining and kitchen facilities as well as storage.
- Full stand-up room is achieved by raising the roof and sometimes by the use of dropped floors, for extra interior headroom.

## Typical Type B Motorhome



Weights & Measures	70A	70B	70M	70X
Length	24'3"	24'3"	24'3"	24'3"
Exterior Height <sup>1</sup>	9'8" <sup>A</sup> /9'10" <sup>B</sup>	9'8" <sup>A</sup> /9'10" <sup>B</sup>	9'8" <sup>A</sup>	9'8" <sup>A</sup> /9'10" <sup>B</sup>
Exterior Width	6'4.25"	6'4.25"	6'4.25"	6'4.25"
Awning Length	16'4"	16'4"	16'4"	16'4"
Interior Height	6'3"	6'3"	6'3"	6'3"
Interior Width	5'9.75"	5'9.75"	5'9.75"	5'9.75"
Freshwater Tank Capacity <sup>2</sup> (gal.)	25	25	44	25
Water Heater Capacity (gal.)	2.6	2.6	2.6	2.6
Holding Tank Capacity - Black/Gray <sup>2</sup> (gal.)	8/26	9/19	22/25	9/19
LP Capacity <sup>3</sup> (gal.)	16	16	9.5	16
Fuel Capacity (gal.)	24.5	24.5	24.5	24.5
GCWR <sup>4</sup> (lbs.)	15,250	15,250	15,250	15,250
GVWR (lbs.)	11,030	11,030	11,030	11,030
GAWR - Front (lbs.)	4,410	4,410	4,410	4,410
GAWR - Rear (lbs.)	7,720	7,720	7,720	7,720
Wheelbase	170"	170"	170"	170"
Seating Capacity	4	6	4	7

## Type C Motorhome

Type C Motorhomes are built on an automotive van frame with a wider body section attached to the original cab section. Many Type C Motorhomes are easily recognizable by the over-the-cab area that is often an optional sleeping area. Amenities are similar to those in conventional motorhomes.

Size: 21-35 feet

Weight: 10,000 to 13,000 Pounds

Height: 11' to 11' 4"

Costs: From \$43,000 to \$200,000+

Sleeps: Up to 8



### Features:

- Ample living space includes sleeping, kitchen, dining and bathroom facilities, as well as entertainment systems and storage.
- Slide outs in some models move the RV wall outward up to three feet at the touch of a button to create larger living areas.
- Owners can tow a small vehicle for short side trips once the motorhome is parked.

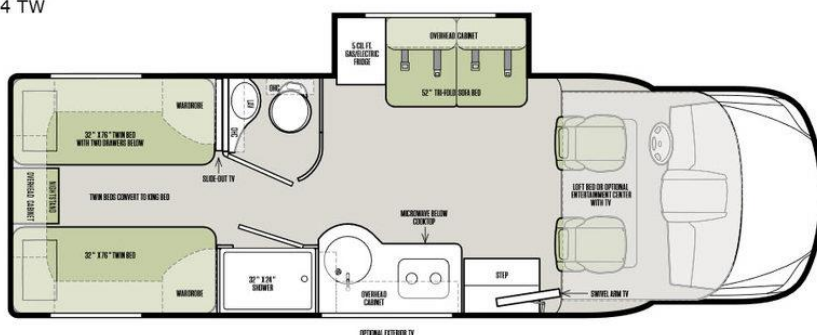
The ability to easily move from the driving area or belted passenger seats to the living space when stopped along the way is the main reason owners say they chose a motorhome over a towable model.



## Typical Type C Motorhome



24 TW

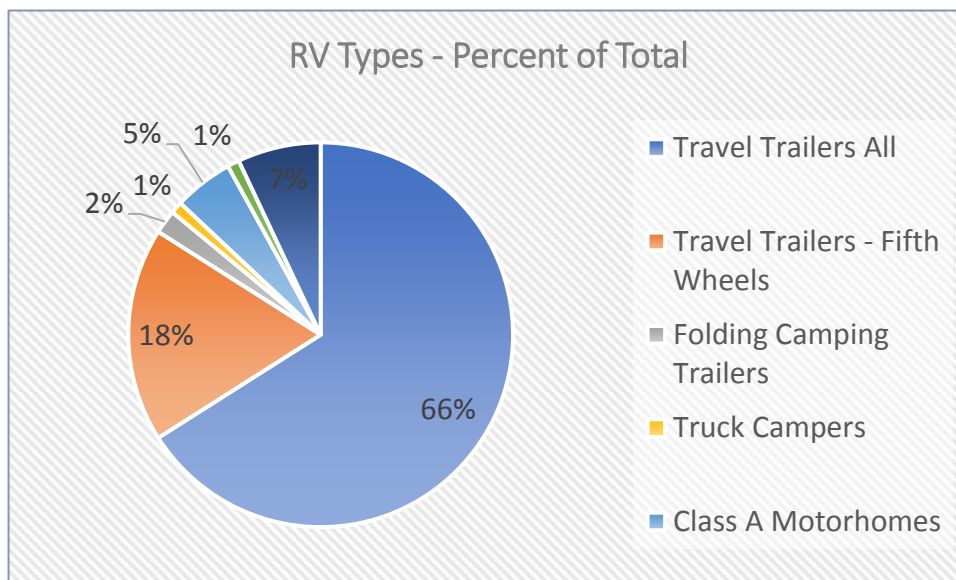


FLOOR PLAN:	24 BW	24 FW	25 QW	24 TW	25 RW
Overall Length (Approximate)*	25' 7"	25' 7"	25' 7"	25' 7"	25' 7"
Overall Height with Roof Air (Maximum)	11' 4"	11' 4"	11' 4"	11' 4"	11' 4"
Interior Height	6' 8"	6' 8"	6' 8"	6' 8"	6' 8"
Overall Width	7' 6"	7' 6"	7' 6"	7' 6"	7' 6"
Interior Width	7' 3"	7' 3"	7' 3"	7' 3"	7' 3"
Fresh Water (Gallons)	31	35	31	38	38
Black Water (Gallons)	28	36	28	28	28
Grey Water (Gallons)	32	28	32	32	36
LPG Tank (Gallons; can only be filled to 80% capacity)	20 gallon (16 usable)	20 gallon (16 usable)	20 gallon (16 usable)	20 gallon (16 usable)	20 gallon (16 usable)
Basement Storage (Cubic Feet — Approximate)	54	37	54	68	32
Trailer Hitch Capacity**	5,000 lb	5,000 lb	5,000 lb	5,000 lb	5,000 lb

**PERCENT OF RECREATIONAL VEHICLE TYPES - NATIONAL**

Towable travel trailers are the largest segment of RVs at 66% of total, followed by Fifth Wheel Trailers at 18%. Motorized RVs (types A, B and C) represent 13% of total RVs.

RV TYPES	% Total
Travel Trailers All	66%
Travel Trailers - Fifth Wheels	18%
Folding Camping Trailers	2%
Truck Campers	1%
Class A Motorhomes	5%
Class B Van Campers	1%
Class C Motorhomes	7%
	100%



## Recreation Park Trailers

### Park Model RVs

Park Model RVs are unique units that provide temporary accommodations for recreation, camping or seasonal use. Park Model RVs are designed to look like a home, but they need to be hooked up to site electricity, sewer and water like any RV.

Size: Under 400 square feet

Costs: From \$20,000 to \$80,000

Sleeps: Up to 10



#### Features:

- Park Model RVs are a great match for those who want to experience Seasonal Camping and enjoy staying in one campground/resort for an extended period of time.
- Seasonal Camping is when a campsite is rented for the full season, and the occupants treat it as if it were a vacation home that they can come and go to as frequently as they wish.
- Park Model RVs give Seasonal Campers extra space to spread out. Many Park Model RVs have a sleeping loft on a second level.
- While Park Model RVs are towable, with their large size, owners leave them at a resort to enjoy the Seasonal Camping experience, but are able to move them when they want a change of scenery.

## **MUNICIPAL RV PARK REGULATIONS and REQUIREMENTS**

Municipalities can have a wide range of regulations and requirements for RV parks. Some have virtually no requirements while others can be quite extensive and specific.

Typical requirements include:

- Density – number of RV spaces per acre can range from 8 to 16.
- RV site size – typical RV space (lot size) size ranges from 1,500 to 2,500 square feet.
- Bathrooms and Showers – typical number of bathrooms/showers generally run about one male and one female per 30 to 40 RV spaces. Proximity to RV spaces is typically about a 400-foot radius.
- Roads – road types can range from gravel to paved. The fire department typically has requirements for road widths, turning radii and a second ingress/egress street. Entry/Exit roads often have regulations regarding width and how they tie into the main public roads (turning lanes, traffic lights, accel/decel lanes).
- Parking – parking is often limited to common parking areas and within the RV space. Parking on streets within the RV park is often restricted.
- Lighting – some municipalities have regulations on lighting (maximum lumens).
- Utilities – water, sewer and electrical hookups at each RV space are generally governed by the codes adopted by the municipality.
- Green Space/Recreational Areas - Some municipalities have requirements for a minimum amount of green space. Typical is about 10% green space as a percent of total.
- Collection and disposal of waste – Often there are regulations governing size, location and enclosures for waste dumpsters.
- Number of hydrants and placement are usually governed by the fire department.
- Fencing – Often fencing or walls are required along the property lines.
- Signs – Entry signs are almost always regulated regarding construction, size, etc.
- Length of stay – Although not common, some municipalities restrict the length of stay at RV Parks.
- Type of RV – Restrictions on type of RV is not common.
- Noise – Noise problems are usually dealt with on a case-by-case basis.

- Restrictions of business – some municipalities restrict certain types of businesses from operation out of RVs (i.e. – ones that would have clients physically visiting).
- Sheds and other structures – there are often restrictions on sheds and other structures within an RV space.
- Buildings – Buildings such as clubhouses are regulated by municipal commercial building codes/requirements.



## PRIVATE RV PARK REGULATIONS AND REQUIREMENTS

RV parks typically have published rules and regulations for their guests. These are usually available on the websites and always handed out at registration.

Most common rules include:

- Check-in/check-out times
- Quiet hours and general nuisance
- Garbage
- Age and length of RVs at higher end resorts - typical is a minimum of 24' and 10 years or newer or in "like new" condition
- Parking – cars, boats, etc.
- No tent camping at high end resorts
- Pet restrictions and waste cleanup
- Restriction on number of people in RVs and guests
- Operations of businesses and soliciting
- Smoking and firearms
- Length of stay is sometimes limited

Following is an example of a good set of published rules:

# VISTA·DEL·SOL

*We thank you for choosing to stay with us at Vista Del Sol.*

*To help insure that your stay is safe and comfortable we ask that you comply with our Resort Rules.*

*Please have fun, enjoy your stay, and return often!*

<b><u>CHECK IN:</u></b>	After 2:00 pm.
<b><u>CHECK OUT:</u></b>	By 12:00 pm (Noon). We ask that you notify the office if you plan to stay longer or depart sooner than initially planned. Extensions must be paid in full at the time of request and may require a move to a different site.
<b><u>SPEED LIMIT:</u></b>	For the safety of all guests and four-legged friends, the speed limit is <u>15 mph</u> throughout the Resort.
<b><u>QUIET HOURS:</u></b>	10:00 pm to 7:00 am. Please respect your neighbors during all hours; loud objectionable noise is not allowed at any time. We are a drug free Resort; public intoxication or obscene language will not be tolerated. Management reserves the right to require any guest to vacate the Resort immediately, and without refund, for any behavior that disturbs or endangers other guests.
<b><u>SITES:</u></b>	Please keep your RV site clean and free of clutter. Clotheslines, storage under or around RV units, residential appliances or "indoor" furniture are NOT permitted outside on RV sites.
<b><u>SEWER CONNECTIONS:</u></b>	A sealed airtight connection is required.
<b><u>VEHICLES:</u></b>	A maximum of two (2) vehicles are permitted however, they may not be commercial or oversized trucks. A storage area for additional vehicles, trailers, boats, etc. is available. RV and vehicle repairs are better done elsewhere; please ask for recommendations at the office.
<b><u>PARKING:</u></b>	Parking on through streets is prohibited in the Resort. Vehicles may be towed at the owner's expense.
<b><u>PETS:</u></b>	Limit of two (2) pets per site. All pets must be leashed when outside and picked up after promptly; bag dispensers are located throughout the RV Park. Pets may not be left outside unattended at any time. Two (2) pet parks (for small dogs and large dogs) are located near the main entry gate. We are pet friendly however, there are certain areas where pets are prohibited; please refer to posted signs.
<b><u>GUESTS:</u></b>	Guests are welcome, please register them at the Resort office. <u>Guests must be accompanied</u> by the registered RV owner when using any Resort amenities.
<b><u>AMENITIES ACCESS:</u></b>	Everyone is assigned a <u>Personal Amenity Gate Code</u> at check in for access to the Pool Area, Clubhouse, Fitness Center, etc. Please do not share your code with any other RV guests or residents.
<b><u>SWIMMING POOL:</u></b>	There is NO LIFEGUARD ON DUTY. All users must abide by the posted rules.
<b><u>LAUNDRY/SHOWER:</u></b>	The Laundry and Showers are for our RV guests' convenience. Please be considerate of our other guests and clean up after yourself when using the laundry equipment and/or shower rooms.
<b><u>TRASH COLLECTION:</u></b>	Trash (Blue) and Recycling (Green) bins are located at the corner of San Raphael Dr. & Monterrey Ln. Curbside pick-up is also available during certain months, please check with the office for details.
<b><u>SMOKING:</u></b>	Smoking is prohibited in all Resort buildings and pool area.
<b><u>FIREARMS/WEAPONS:</u></b>	Firearms and weapons of any type are prohibited in all Resort buildings and pool areas.
<b><u>PROPANE:</u></b>	On-site Propane fills are available weekly. Please sign up at the office.
<b><u>MAIL:</u></b>	Mail pick up is at the office and available <u>after 3:00 pm</u> unless the USPS carrier is late.
<b><u>UTILITY BILLS:</u></b>	Utility bills must be paid in full within 10 days of issuance or late fees will be incurred.
<b><u>SOLICITING:</u></b>	Soliciting of any type is prohibited, please notify the office immediately of any such activity.

Revised 09/01/2017. JIH

***"This park sits at the very hub of the growing national trends developing in the RV and off-road vehicle (OHV) recreation industries."***

With almost 2 miles of roads inside the park, getting to and from the park's amenities will be helped using a driverless shuttle continuously on call. Using a smartphone app, guests will be able to call up the shuttle and be driven to wherever they need to go inside the park. The driverless shuttle is planned to be deployed after Year-5 of the park operation.



Luxury RV Park and Recreational Village Resort