

The ARROYOS PRESERVE Luxury RV Park Campground and Recreation Village
Acquisition and Financing

The 50 acres were purchased in 2007 for \$1,071,500. The improvements and entitlements were partially funded with the proceeds from a loan from 1st Bank Yuma. As of August 2019, this loan balance sits at approximately \$270,000.

The project's market valuation hasn't been formally established, other than the valuation yet to be established by investor equity participation in the current offering.

It's important to note that when the land and development plans were conceived in 2007 as a 129-lot residential subdivision and a 37-lot RV park resort, the vacant 50-acre land appraised for **\$2.15 million** FEE SIMPLE "AS IS" MARKET VALUE, and for **\$8.14 million** FEE SIMPLE "AS COMPLETE" MARKET VALUE with only the 166-lots. (See the 2007 Appraisal [here](#).)

With today's Revised Business Plan (≈300-site luxury RV park campground and off-road recreational community, and using KOA Franchise guidance with the possible blending elements of a mobile home park and fee simple ownership), a fully entitled project valuation of \$3.6 million to \$5.5 million may be considered fair today, based on the potential of this RV park as described in this document.

No subsequent appraisal has been commissioned.