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1.0 Executive Summary

The purpose of this business plan is to showcase the ongoing development of an RV park and campsite based in Maricopa County, Phoenix. Deutsch Hospitality Enterprises LLC (“the Company”) was founded this year with the intention of providing an outstanding hospitality experience for individuals traveling through Central Arizona. Full scale revenue generating operations will commence next year once the capital has been acquired and the campus has been completed.

Operations

The primary revenue center for the business will come from the 50 RV pads that will be on site. The business will typically charge \$50 per diem for use of the facilities. To complement these operations, the business will have a large-scale campsite where individuals can bring their own tents. The business will charge \$20 per diem for access to this aspect of the campus.

Beyond these primary revenue centers, the Company will generate income from usage of its laundry facilities, vending machines, and ancillary services that will be available on site. All guests will have access to complementary Wi-Fi.

The third section of this document further discussed the operations of this RV park and campground.

The Financing

The Company is currently seeking \$1,175,000 a capital for the development of Deutsch Hospitality Enterprises within Maricopa County. The terms of this funding are to be discussed during the negotiation. These funds will primarily be used for the acquisition land, pad grading, and establishment of the RV pads. A \$250,000 capital injection will be made by the Founder.

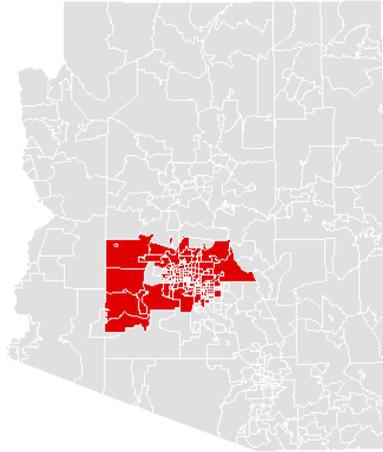
It should be noted that the Company could acquire additional capital on an as needed basis, which could be secured by the land. It is not expecting any further capital will be required moving forward.

The Future

Given the immense demand for RV parks and campsites in Maricopa County, it is expected at the business will reach near maximum capacity relatively quickly. After the fifth year of operation, Management may see to develop additional facilities within Arizona or neighboring Southwestern states.

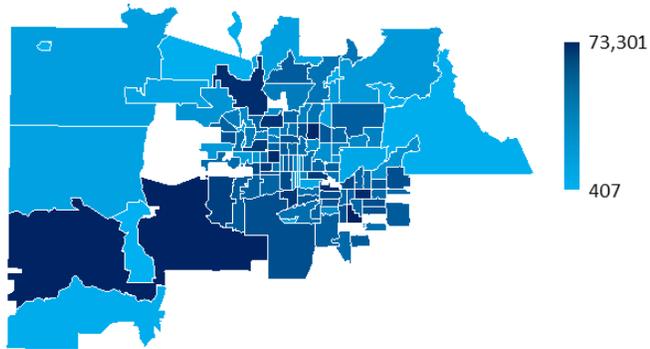
Market Overview

Target Market Area



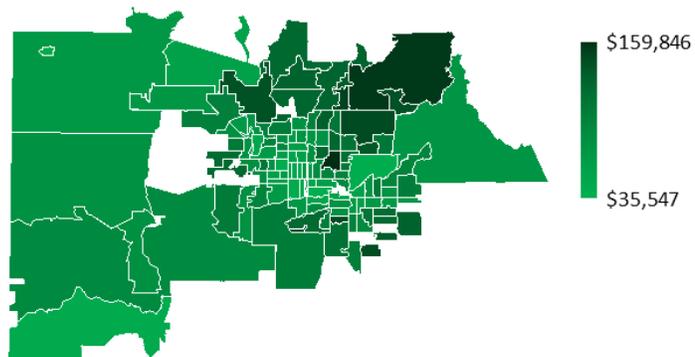
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Target Market Area Population



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Target Market Area Household Income

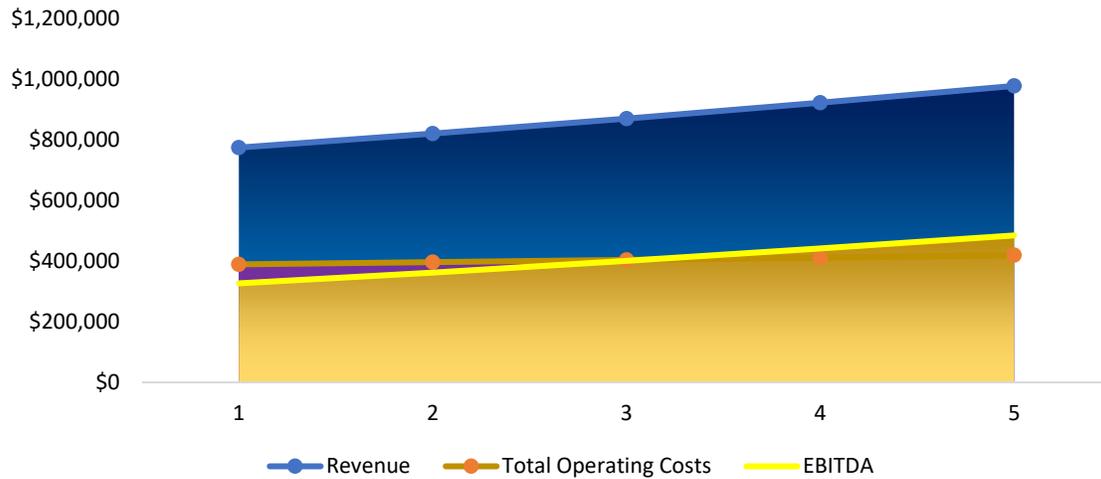


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Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$774,690	\$821,171	\$870,442	\$922,668	\$978,028
Cost of Revenue	\$58,477	\$61,985	\$65,704	\$69,647	\$73,825
Gross Profit	\$716,213	\$759,186	\$804,737	\$853,022	\$904,203
Total Operating Costs	\$389,423	\$396,513	\$403,865	\$411,495	\$419,416
EBITDA	\$326,790	\$362,673	\$400,872	\$441,527	\$484,787

Revenue, Operating Costs, EBITDA



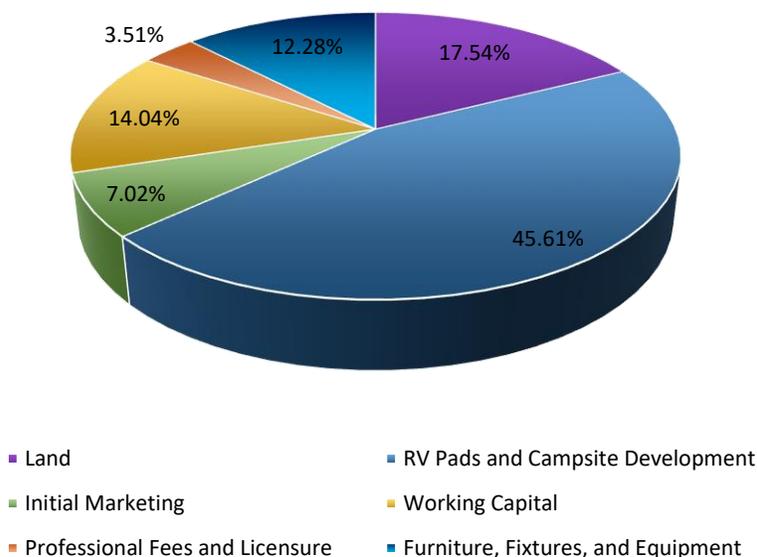
2.0 The Financing

2.1 Funds Required

The funds discussed in the executive summary will be allocated as follows:

Use of Funds	
Land	\$250,000
RV Pads and Campsite Development	\$650,000
Initial Marketing	\$100,000
Working Capital	\$200,000
Professional Fees and Licensure	\$50,000
Furniture, Fixtures, and Equipment	\$175,000
Total	\$1,425,000

Use of Funds Overview



2.2 Management and Investor Equity

The Founder is the 100% owner of Deutsch Hospitality Enterprises.

2.3 Exit Strategies

Although there are no long-term plans to sell this business, the Company would coordinate these efforts with a real estate brokerage that specializes in RV parks and campsite properties. Historically, these businesses typically have a sales price of three times EBITDA plus the value of the property.

3.0 Operations

As noted in the executive summary, Deutsch Hospitality Enterprises will be actively involved with providing a wide range of hospitality services specific for recreational vehicle owners that are traveling through the greater Maricopa County area. The 50 RV pads will provide access to high amperage connections as well as facilities for disposing of waste. It is expected that the average stay will be two nights.

In order to have an exciting experience available for guests, the campus will feature a number of installations related to entertainment. A small on-site arcade will be available as well as many outdoor focus games. The business will provide free access to the Internet for all guests.

As it relates to campsite operations, the business will have approximately 60 spaces available specific people that are camping. These fees will be significantly lower than use of the RV pads.

To further generate high margin revenue centers, the business will have an on-site laundry facility, vending machines, and access to a small general store.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Hospitality Enterprises LLC. The Company is registered as a limited liability company in the State of Arizona.

4.2 Commencement of Operations

The business is expected commence operations in the first quarter of next year.

4.3 Mission Statement

Provide an exceptional RV park in campsite experience for people traveling through Maricopa County.

4.4 Vision Statement

To become a widely recognized hospitality enterprise in a national level among people traveling through the Southwestern United States.

4.5 Organizational Objectives

- Properly finalize the development of the RV park in campsite campus once the capital has been secured.
- Leverage multiple forms up online marketing in order to establish a widely recognized brand name for the business.
- Conduct extensive direct outreach with Southwestern United States based RV dealers that will recommend the Company's facilities.
- Adhere to all regulatory frameworks within the State of Arizona regarding the operation of RV parks and campsites.
- Maintain an expansive online presence so that reservations can be acquired through the businesses e-commerce website.
- To provide an enjoyable place to work for the Company staff.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of the business plan will showcase the RV park and campsite industry, the current economic climate, the guest profile, and competitive issues.

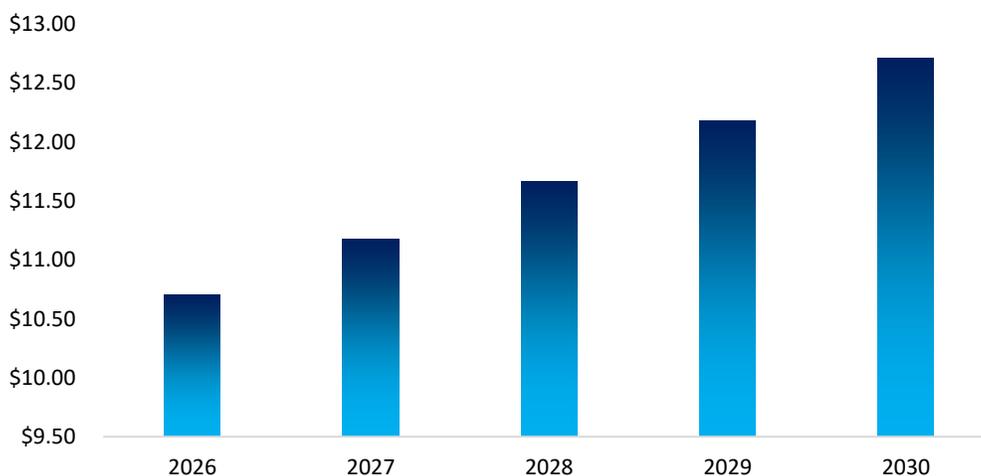
The United States economy is currently undergoing a period of change. As a result of changing trade policies, there has been a certain degree of volatility introduced to the market over the past three business quarters. Inflation has been the primary issue that the US economy is facing. Appropriate fiscal policy has been put in place to address this matter.

However, issues with the economy should only have a minimal impact on the Company's ability to generate revenue and remain profitable. The people that own recreational vehicles love traveling long distances, and staying at an RV park or campsite is a relatively low cost form of hospitality. The Company will generate substantial contributions on the revenue centers discussed earlier.

5.2 Industry Analysis

As of this year, RV parks and campsite generate in excess of \$10.7 billion per year. There are approximately 3,400 companies that are actively engaged in providing the service the general public.

RV Park and Campsite Industry Revenues (billions)



This is a highly established industry, and the future growth rate will remain similar to that as the economy as a whole. It should be noted that there is an increase interest in RV parks and campsites among people that are part of the Millennial generation and Generation Z.

5.3 Customer Profile

The enjoyment of RV travel and camping is universally loved. As such, it is difficult to determine the average customer of the Company given that this will span the entirety of the socioeconomic spectrum. Generally, these individuals will typically have a household income in excess of \$75,000.

5.4 Competitive Analysis

The Company will face moderate competition as it develops its operations in Maricopa County. The Company will maintain a strong differentiating factor given that the business will operate as both an RV park as well as a campsite. Furthermore, the business will have a number of on-site amenities that are uncommon among competing enterprises.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Hospitality Enterprises will have sustainable operations as a result of the following:

- Substantial contribution margins on all per diem fees for RV pad and campsite usage.
- Limited competition given the number of amenities on site.
- The Founder has extensive experience operating RV parks and campsite facilities.
- The Company can scale operations to the acquisition of additional parcels of land.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued growth in regards to the Company's marketing operations to drive online reservations.
- Potential acquisition of campsites or RV parks that are near the Company's initial facility.
- Development of relationships with referring RV dealers.

7.0 Marketing Plan

7.1 Marketing Objectives

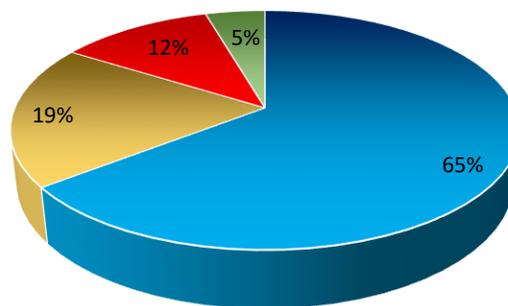
- Use multiple forms of online advertising in order to drive traffic to the Company's reservation enabled website.
- Established relationships with referral partners throughout Arizona.
- Continue to market the Company's RV park in campsites among noted periodicals.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
RV Pad Usage	\$499,800	\$529,788	\$561,575	\$595,270	\$630,986
Campsite Usage	\$149,940	\$158,936	\$168,473	\$178,581	\$189,296
Vending Machine Use	\$89,964	\$95,362	\$101,084	\$107,149	\$113,577
Laundry Use	\$34,986	\$37,085	\$39,310	\$41,669	\$44,169
Total	\$774,690	\$821,171	\$870,442	\$922,668	\$978,028

Gross Profit					
Year	1	2	3	4	5
Total	\$716,213	\$759,186	\$804,737	\$853,022	\$904,203

Revenue Generation



■ RV Pad Usage ■ Campsite Usage ■ Vending Machine Use ■ Laundry Use

7.3 Revenue Assumptions

Year 1

- The business will launch its operations in the first quarter of next year.
- First year revenue will reach \$774,000.

Year 2

- The business will begin expanding its online and traditional marketing campaigns.
- Revenue will reach \$821,000.

Years 3-5

- By Year 5, revenue will reach \$978,000.
- The Company may establish additional facilities at this time.

7.4 Marketing Strategies

The Company will use a number of marketing strategies that will drive significant interest for Deutsch Hospitality Enterprises in the coming years. During the development, the Company will create numerous articles that will be featured on the business' website as well as publications that are principally geared towards RV enthusiasts. The business will also place ads among online portal that are specific for people seeking campsites within the Maricopa County area.

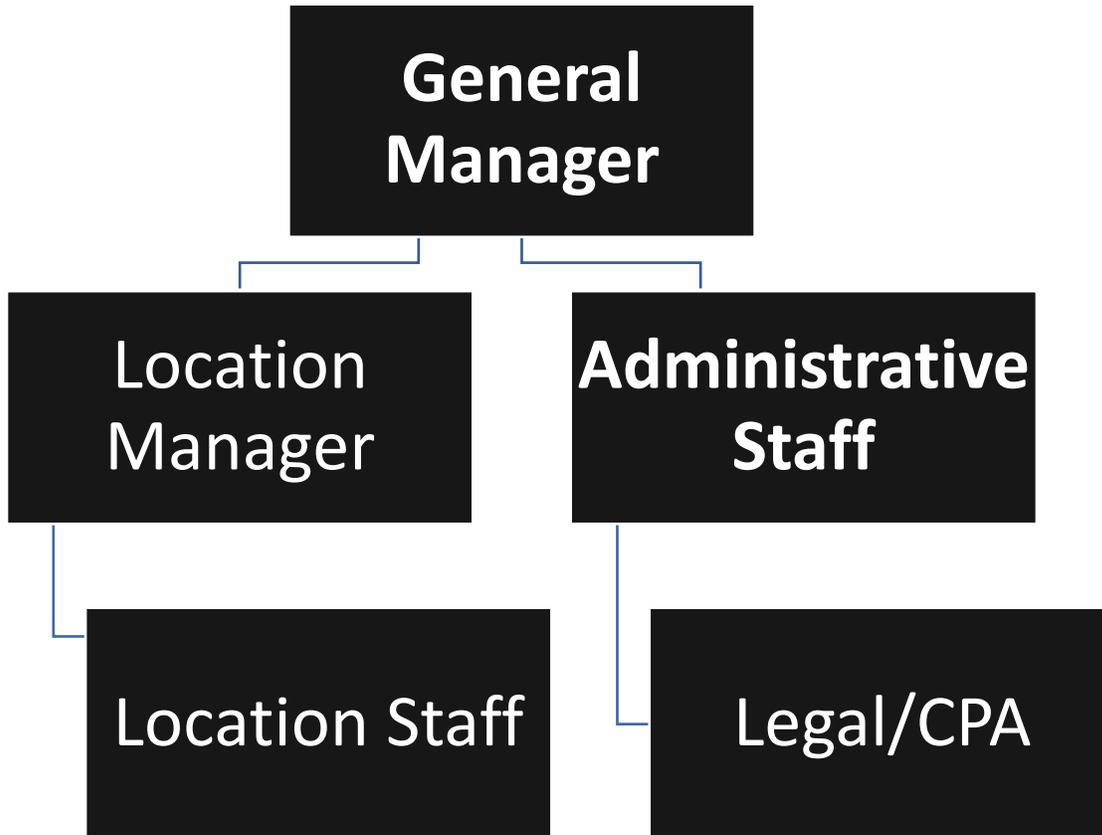
The Company's for proprietary website will undergo substantial search engine optimization that can be quickly found when searches for RV parks and campsite facilities are conducted for the Maricopa County area. This will occur during the development process so that the business gains traction prior to the full-scale launch of operations.

Deutsch Hospitality Enterprises will also maintain an extensive presence among all major social media pages. It is expected that many people will take images and videos of their stay at the facilities, which will further increase online visibility among social media platforms. This will also contribute to the Company as search engine organization campaigns.

From time to time, the Company will also take out printed advertisements, not only within Maricopa County, but also among national level recreational vehicle focus publications.

8.0 Organizational Plan

8.1 Organizational Hierarchy

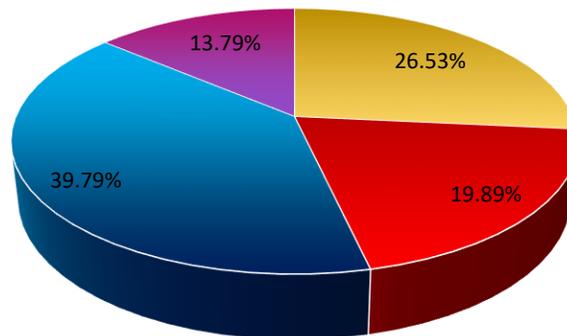


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
Location Manager	\$37,500	\$37,875	\$38,254	\$38,636	\$39,023
Location Staff	\$75,000	\$75,750	\$76,508	\$77,273	\$78,045
Administrative Staff	\$26,000	\$26,260	\$26,523	\$26,788	\$27,056
Total	\$188,500	\$190,385	\$192,289	\$194,212	\$196,154

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
General Manager	1	1	1	1	1
Location Manager	1	1	1	1	1
Location Staff	3	3	3	3	3
Administrative Staff	1	1	1	1	1
Total	6	6	6	6	6

Personnel Summary



- General Manager
- Location Manager
- Location Staff
- Administrative Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will have a compounded annual growth rate of 6%.
- Management will secure a \$1,175,000 loan.
- Deutsch Hospitality Enterprises will have an equity capitalization of \$250,000.

9.2 Financial Highlights

- On RV park in campsite rentals, the business will achieve contribution margins of 95%.
- Sales of products will achieve contribution margins of 75%.

9.3 Sensitivity Analysis

As has been noted throughout this document, the demand for recreational vehicle travel and related hospitality services typically remains strong in any economic climate. The substantial contribution margin generated from daily fees as well as other hospitality services will ensure that the business is able to remain profitable at all times.

9.4 Source of Funds

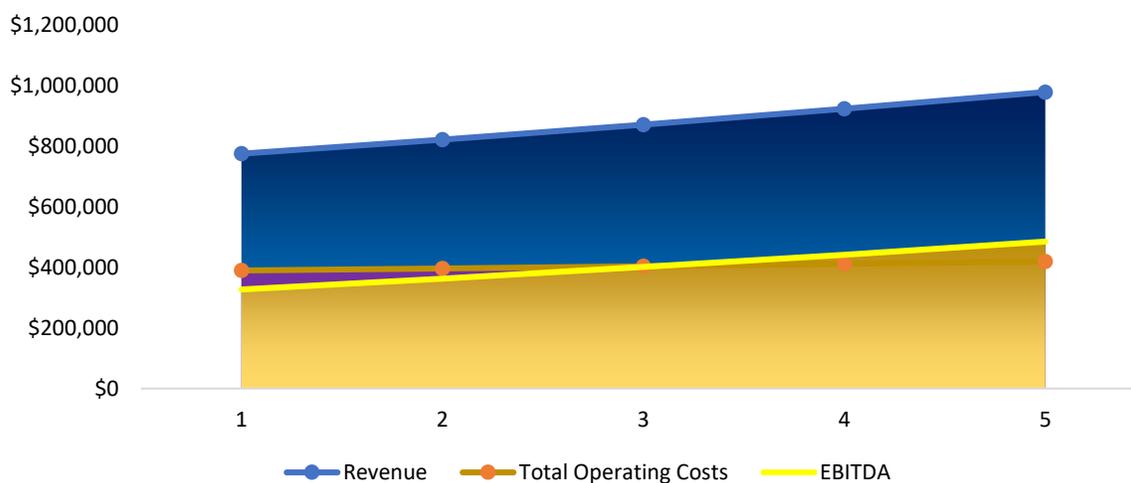
Financing	
Equity	
Equity Capitalization	\$250,000.00
Total Equity Financing	\$250,000.00
Banks and Lenders	
Business Loan	\$1,175,000.00
Total Debt Financing	\$1,175,000.00
Total Financing	\$1,425,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$774,690	\$821,171	\$870,442	\$922,668	\$978,028
Cost of Revenue	\$58,477	\$61,985	\$65,704	\$69,647	\$73,825
Gross Margin	92.45%	92.45%	92.45%	92.45%	92.45%
Gross Profit	\$716,213	\$759,186	\$804,737	\$853,022	\$904,203
Expenses					
Payroll	\$188,500	\$190,385	\$192,289	\$194,212	\$196,154
Facility Costs	\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
General and Administrative	\$16,346	\$17,327	\$18,366	\$19,468	\$20,636
Professional Fees and Licensure	\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
Insurance	\$22,591	\$22,817	\$23,045	\$23,276	\$23,508
Marketing	\$30,988	\$32,847	\$34,818	\$36,907	\$39,121
Maintenance	\$10,768	\$11,414	\$12,099	\$12,825	\$13,595
Misc. Costs	\$5,810	\$6,159	\$6,528	\$6,920	\$7,335
Payroll Taxes	\$14,420	\$14,564	\$14,710	\$14,857	\$15,006
Total Operating Costs	\$389,423	\$396,513	\$403,865	\$411,495	\$419,416
EBITDA	\$326,790	\$362,673	\$400,872	\$441,527	\$484,787
Federal Income Tax	\$44,984	\$54,202	\$64,035	\$74,524	\$85,708
State Income Tax	\$8,997	\$10,840	\$12,807	\$14,905	\$17,142
Interest Expense	\$93,102	\$91,041	\$88,809	\$86,391	\$83,773
Depreciation Expenses	\$53,750	\$54,825	\$55,922	\$57,040	\$58,181
Net Profit	\$125,956	\$151,765	\$179,299	\$208,667	\$239,984
Profit Margin	16.26%	18.48%	20.60%	22.62%	24.54%

Revenue, Operating Costs, EBITDA



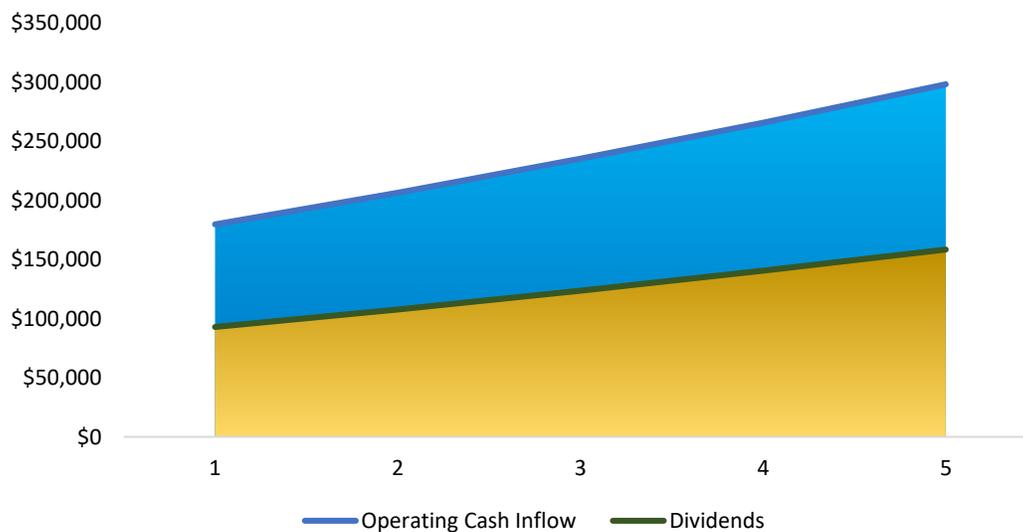
B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	7.55%	7.55%	7.55%	7.55%	7.55%
Gross Profit	92.45%	92.45%	92.45%	92.45%	92.45%
Expenses					
Payroll	24.33%	23.18%	22.09%	21.05%	20.06%
Facility Costs	6.45%	6.15%	5.86%	5.58%	5.32%
General and Administrative	2.11%	2.11%	2.11%	2.11%	2.11%
Professional Fees and Licensure	6.45%	6.15%	5.86%	5.58%	5.32%
Insurance	2.92%	2.78%	2.65%	2.52%	2.40%
Marketing	4.00%	4.00%	4.00%	4.00%	4.00%
Maintenance	1.39%	1.39%	1.39%	1.39%	1.39%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	1.86%	1.77%	1.69%	1.61%	1.53%
Total Operating Costs	50.27%	48.29%	46.40%	44.60%	42.88%
EBITDA	42.18%	44.17%	46.05%	47.85%	49.57%
Federal Income Tax	5.81%	6.60%	7.36%	8.08%	8.76%
State Income Tax	1.16%	1.32%	1.47%	1.62%	1.75%
Interest Expense	12.02%	11.09%	10.20%	9.36%	8.57%
Depreciation Expenses	6.94%	6.68%	6.42%	6.18%	5.95%
Net Profit	16.26%	18.48%	20.60%	22.62%	24.54%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$179,706	\$206,590	\$235,221	\$265,707	\$298,164
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$179,706	\$206,590	\$235,221	\$265,707	\$298,164
Other Cash Inflows					
Equity Investment	\$250,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$1,175,000	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$1,210	\$1,271	\$1,334	\$1,401	\$1,471
Total Other Cash Inflows	\$1,426,210	\$1,271	\$1,334	\$1,401	\$1,471
Total Cash Inflow	\$1,605,916	\$207,860	\$236,555	\$267,108	\$299,635
Cash Outflows					
Repayment of Principal	\$24,836	\$26,897	\$29,129	\$31,547	\$34,165
A/P Decreases	\$847	\$889	\$934	\$981	\$1,030
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$1,075,000	\$30,988	\$35,283	\$39,856	\$44,725
Dividends	\$92,923	\$107,816	\$123,655	\$140,496	\$158,399
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$1,193,605	\$166,591	\$189,001	\$212,880	\$238,319
Net Cash Flow	\$412,311	\$41,270	\$47,554	\$54,228	\$61,316
Cash Balance	\$412,311	\$453,581	\$501,135	\$555,363	\$616,679

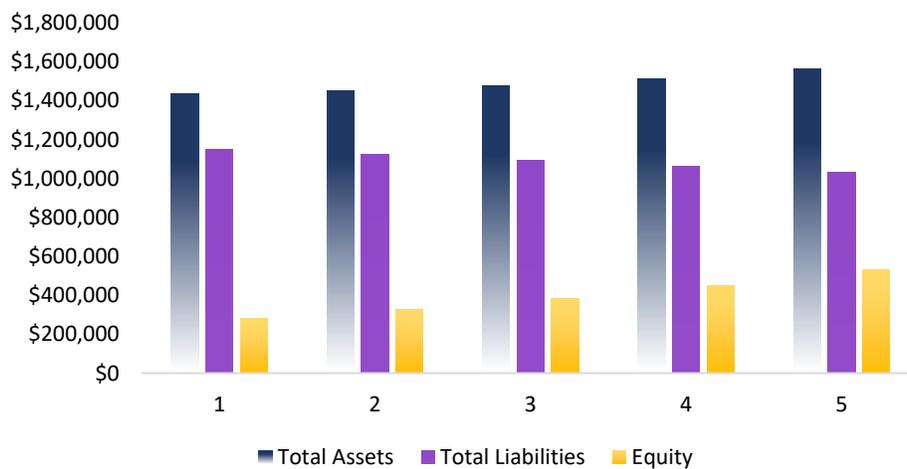
Cash Flow Analysis



D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$412,311	\$453,581	\$501,135	\$555,363	\$616,679
Fixed Assets	\$1,075,000	\$1,105,988	\$1,141,272	\$1,181,128	\$1,225,852
Accumulated Depreciation	(\$53,750)	(\$108,575)	(\$164,497)	(\$221,536)	(\$279,717)
Total Assets	\$1,433,561	\$1,450,995	\$1,477,910	\$1,514,954	\$1,562,814
Liabilities and Equity					
Accounts Payable	\$363	\$744	\$1,144	\$1,565	\$2,006
Long Term Liabilities	\$1,150,164	\$1,123,268	\$1,094,138	\$1,062,591	\$1,028,426
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$1,150,527	\$1,124,012	\$1,095,283	\$1,064,156	\$1,030,431
Equity	\$283,034	\$326,983	\$382,627	\$450,799	\$532,383
Total Liabilities and Equity	\$1,433,561	\$1,450,995	\$1,477,910	\$1,514,954	\$1,562,814

Balance Sheet



E) Expanded Sensitivity Analysis

Sensitivity Analysis (20% Higher)					
Year	1	2	3	4	5
Revenue	\$929,628	\$985,406	\$1,044,530	\$1,107,202	\$1,173,634
Cost of Revenue	\$70,172	\$74,382	\$78,845	\$83,576	\$88,590
Gross Profit	\$859,456	\$911,023	\$965,685	\$1,023,626	\$1,085,043
Total Operating Costs	\$389,423	\$396,513	\$403,865	\$411,495	\$419,416
EBITDA	\$470,033	\$514,510	\$561,819	\$612,131	\$665,628

Sensitivity Analysis (10% Higher)					
Year	1	2	3	4	5
Revenue	\$852,159	\$903,289	\$957,486	\$1,014,935	\$1,075,831
Cost of Revenue	\$64,324	\$68,184	\$72,275	\$76,611	\$81,208
Gross Profit	\$787,835	\$835,105	\$885,211	\$938,324	\$994,623
Total Operating Costs	\$389,423	\$396,513	\$403,865	\$411,495	\$419,416
EBITDA	\$398,412	\$438,592	\$481,346	\$526,829	\$575,208

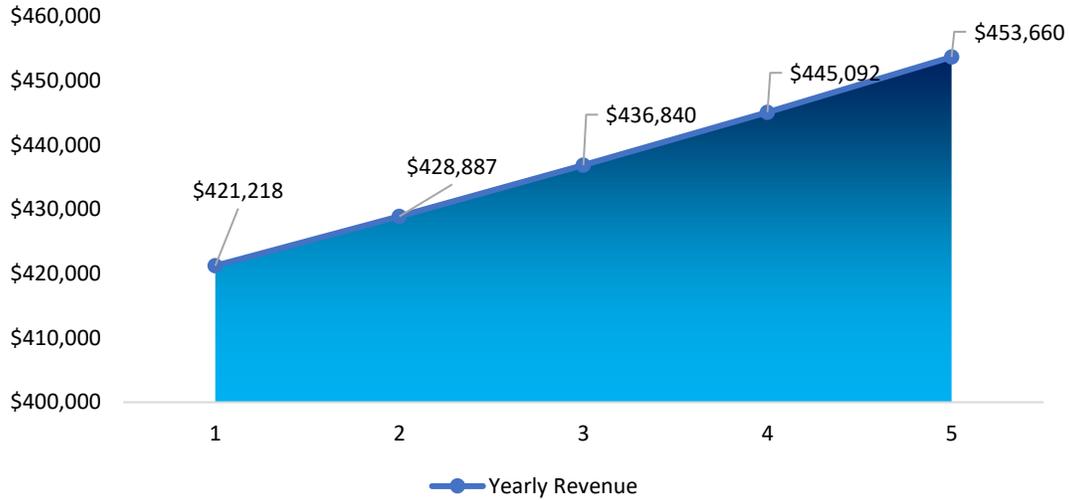
Sensitivity Analysis (10% Lower)					
Year	1	2	3	4	5
Revenue	\$697,221	\$739,054	\$783,398	\$830,401	\$880,225
Cost of Revenue	\$52,629	\$55,787	\$59,134	\$62,682	\$66,443
Gross Profit	\$644,592	\$683,268	\$724,264	\$767,719	\$813,783
Total Operating Costs	\$389,423	\$396,513	\$403,865	\$411,495	\$419,416
EBITDA	\$255,169	\$286,755	\$320,398	\$356,225	\$394,367

Sensitivity Analysis (20% Lower)					
Year	1	2	3	4	5
Revenue	\$619,752	\$656,937	\$696,353	\$738,135	\$782,423
Cost of Revenue	\$46,781	\$49,588	\$52,563	\$55,717	\$59,060
Gross Profit	\$572,971	\$607,349	\$643,790	\$682,417	\$723,362
Total Operating Costs	\$389,423	\$396,513	\$403,865	\$411,495	\$419,416
EBITDA	\$183,548	\$210,836	\$239,924	\$270,923	\$303,947

9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$35,102	\$35,741	\$36,403	\$37,091	\$37,805
Yearly Revenue	\$421,218	\$428,887	\$436,840	\$445,092	\$453,660

Breakeven Analysis



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	6.0%	6.0%	6.0%	6.0%
Gross Margin	92.5%	92.5%	92.5%	92.5%	92.5%
Financials					
Profit Margin	16.26%	18.48%	20.60%	22.62%	24.54%
Assets to Liabilities	1.25	1.29	1.35	1.42	1.52
Equity to Liabilities	0.25	0.29	0.35	0.42	0.52
Assets to Equity	5.06	4.44	3.86	3.36	2.94
Liquidity					
Acid Test	0.36	0.40	0.46	0.52	0.60
Cash to Assets	0.29	0.31	0.34	0.37	0.39

9.8 DSCR Analysis

DSCR Analysis					
Year	1	2	3	4	5
Interest	\$93,102	\$91,041	\$88,809	\$86,391	\$83,773
Principal	\$24,836	\$26,897	\$29,129	\$31,547	\$34,165
Total Debt Service	\$117,938	\$117,938	\$117,938	\$117,938	\$117,938
Base Case					
EBITDA	\$326,790	\$362,673	\$400,872	\$441,527	\$484,787
DSCR	2.77	3.08	3.40	3.74	4.11
Optimistic Case					
EBITDA	\$470,033	\$514,510	\$561,819	\$612,131	\$665,628
DSCR	3.99	4.36	4.76	5.19	5.64
Conservative Case					
EBITDA	\$183,548	\$210,836	\$239,924	\$270,923	\$303,947
DSCR	1.56	1.79	2.03	2.30	2.58

Appendix A – SWOT Analysis

Strengths

- Moderately low overhead cost as a function of the revenue produced on a daily basis.
- The Founder will be able to properly bring this business to profitability.
- Limited competition among competing RV parks in Maricopa County.
- The business will be able to produce significant revenue in any economic climate.

Weaknesses

- This business can have revenue fluctuation based on seasonality.
- RV parks have relatively low barriers entry.

Opportunities

- Expansion a number of RV parking in campsite facilities operate by the business.
- Potential acquisition of RV parks and campsites that are already in profitable operation.
- Continued expansion of the Company's online focused marketing campaigns.

Threats

- Severe inflation could cause the utility costs of the business to increase.

Appendix B – Critical Risks

Development Risk – **Low**

The primary issue that needs to be addressed to securing the funding discussed in this document. Management has already secured the parcel land that will be used to house the campus.

Financing Risk – **Low/Moderate**

The vast majority of the funding discussed this document will be used specifically for the acquisition of land as well as furniture, fixtures, equipment. The substantial revenues generated from daily fees related to RV park and campsite usage will reduce these risks.

Marketing Risk – **Low**

The Company will continue to expand upon the marketing strategies discussed earlier in order to drive interest on a national level basis. This will be complemented by print advertisements among noted RV and camping enthusiast periodicals.

Management Risk – **Low**

The Founder has extensive experience operating large scale real estate focus enterprises. He will be able to quickly bring the operations of this business to significant profitability.

Valuation Risk – **Low**

The valuation risk is offset by:

- The land will appreciate significantly during the time is held.
- Highly predictable streams of income on a monthly basis.
- The Company can easily scale of operations to include additional RV parks and campsite facilities.

Exit Risk - **Low**

As noted earlier, the Company will be able to easily sell this business to a third-party in tandem with a licensed real estate broker. This is not expected to occur for a significant period of time as the Founder intends to develop this business is a widely recognized and respected RV park and campsite.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$62,000	\$62,465	\$62,930	\$63,395	\$63,860	\$64,325	\$64,790
Cost of Revenue	\$4,680	\$4,715	\$4,750	\$4,785	\$4,820	\$4,856	\$4,891
Gross Profit	\$57,320	\$57,750	\$58,180	\$58,610	\$59,040	\$59,470	\$59,899
Expenses							
Payroll	\$15,708	\$15,708	\$15,708	\$15,708	\$15,708	\$15,708	\$15,708
Facility Costs	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
General and Administrative	\$1,362	\$1,362	\$1,362	\$1,362	\$1,362	\$1,362	\$1,362
Professional Fees and Licensure	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Insurance	\$1,883	\$1,883	\$1,883	\$1,883	\$1,883	\$1,883	\$1,883
Marketing	\$2,582	\$2,582	\$2,582	\$2,582	\$2,582	\$2,582	\$2,582
Maintenance	\$897	\$897	\$897	\$897	\$897	\$897	\$897
Misc. Costs	\$484	\$484	\$484	\$484	\$484	\$484	\$484
Payroll Taxes	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202
Total Operating Costs	\$32,452						
EBITDA	\$24,868	\$25,298	\$25,728	\$26,158	\$26,588	\$27,018	\$27,447
Federal Income Tax	\$3,600	\$3,627	\$3,654	\$3,681	\$3,708	\$3,735	\$3,762
State Income Tax	\$720	\$725	\$731	\$736	\$742	\$747	\$752
Interest Expense	\$7,833	\$7,820	\$7,807	\$7,793	\$7,780	\$7,766	\$7,752
Depreciation Expenses	\$4,479	\$4,479	\$4,479	\$4,479	\$4,479	\$4,479	\$4,479
Net Profit	\$8,235	\$8,646	\$9,057	\$9,468	\$9,879	\$10,290	\$10,701

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$65,255	\$65,720	\$66,185	\$66,650	\$67,115	\$774,690
Cost of Revenue	\$4,926	\$4,961	\$4,996	\$5,031	\$5,066	\$58,477
Gross Profit	\$60,329	\$60,759	\$61,189	\$61,619	\$62,049	\$716,213
Expenses						
Payroll	\$15,708	\$15,708	\$15,708	\$15,708	\$15,708	\$188,500
Facility Costs	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
General and Administrative	\$1,362	\$1,362	\$1,362	\$1,362	\$1,362	\$16,346
Professional Fees and Licensure	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Insurance	\$1,883	\$1,883	\$1,883	\$1,883	\$1,883	\$22,591
Marketing	\$2,582	\$2,582	\$2,582	\$2,582	\$2,582	\$30,988
Maintenance	\$897	\$897	\$897	\$897	\$897	\$10,768
Misc. Costs	\$484	\$484	\$484	\$484	\$484	\$5,810
Payroll Taxes	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$14,420
Total Operating Costs	\$32,452	\$32,452	\$32,452	\$32,452	\$32,452	\$389,423
EBITDA	\$27,877	\$28,307	\$28,737	\$29,167	\$29,597	\$326,790
Federal Income Tax	\$3,789	\$3,816	\$3,843	\$3,870	\$3,897	\$44,984
State Income Tax	\$758	\$763	\$769	\$774	\$779	\$8,997
Interest Expense	\$7,738	\$7,724	\$7,710	\$7,696	\$7,682	\$93,102
Depreciation Expenses	\$4,479	\$4,479	\$4,479	\$4,479	\$4,479	\$53,750
Net Profit	\$11,113	\$11,524	\$11,936	\$12,347	\$12,759	\$125,956

Profit and Loss Statement (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$199,134	\$203,240	\$207,346	\$211,452	\$821,171
Cost of Revenue	\$15,031	\$15,341	\$15,651	\$15,961	\$61,985
Gross Profit	\$184,103	\$187,899	\$191,695	\$195,490	\$759,186
Expenses					
Payroll	\$47,596	\$47,596	\$47,596	\$47,596	\$190,385
Facility Costs	\$12,625	\$12,625	\$12,625	\$12,625	\$50,500
General and Administrative	\$4,202	\$4,288	\$4,375	\$4,462	\$17,327
Professional Fees and Licensure	\$12,246	\$12,499	\$12,751	\$13,004	\$50,500
Insurance	\$5,704	\$5,704	\$5,704	\$5,704	\$22,817
Marketing	\$7,965	\$8,130	\$8,294	\$8,458	\$32,847
Maintenance	\$2,854	\$2,854	\$2,854	\$2,854	\$11,414
Misc. Costs	\$1,494	\$1,524	\$1,555	\$1,586	\$6,159
Payroll Taxes	\$3,532	\$3,605	\$3,678	\$3,750	\$14,564
Total Operating Costs	\$98,218	\$98,825	\$99,432	\$100,039	\$396,513
EBITDA	\$85,885	\$89,074	\$92,263	\$95,452	\$362,673
Federal Income Tax	\$13,144	\$13,415	\$13,686	\$13,957	\$54,202
State Income Tax	\$2,629	\$2,683	\$2,737	\$2,791	\$10,840
Interest Expense	\$22,960	\$22,829	\$22,695	\$22,558	\$91,041
Depreciation Expenses	\$13,706	\$13,706	\$13,706	\$13,706	\$54,825
Net Profit	\$33,446	\$36,441	\$39,439	\$42,439	\$151,765

Profit and Loss Statement (Third Year)

Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$211,082	\$215,434	\$219,787	\$224,139	\$870,442
Cost of Revenue	\$15,933	\$16,262	\$16,590	\$16,919	\$65,704
Gross Profit	\$195,149	\$199,173	\$203,196	\$207,220	\$804,737
Expenses					
Payroll	\$48,072	\$48,072	\$48,072	\$48,072	\$192,289
Facility Costs	\$12,751	\$12,751	\$12,751	\$12,751	\$51,005
General and Administrative	\$4,454	\$4,546	\$4,637	\$4,729	\$18,366
Professional Fees and Licensure	\$12,369	\$12,624	\$12,879	\$13,134	\$51,005
Insurance	\$5,761	\$5,761	\$5,761	\$5,761	\$23,045
Marketing	\$8,443	\$8,617	\$8,791	\$8,966	\$34,818
Maintenance	\$3,025	\$3,025	\$3,025	\$3,025	\$12,099
Misc. Costs	\$1,583	\$1,616	\$1,648	\$1,681	\$6,528
Payroll Taxes	\$3,678	\$3,678	\$3,678	\$3,678	\$14,710
Total Operating Costs	\$100,136	\$100,690	\$101,243	\$101,797	\$403,865
EBITDA	\$95,013	\$98,483	\$101,953	\$105,423	\$400,872
Federal Income Tax	\$15,529	\$15,849	\$16,169	\$16,489	\$64,035
State Income Tax	\$3,106	\$3,170	\$3,234	\$3,298	\$12,807
Interest Expense	\$22,418	\$22,276	\$22,131	\$21,983	\$88,809
Depreciation Expenses	\$13,980	\$13,980	\$13,980	\$13,980	\$55,922
Net Profit	\$39,980	\$43,208	\$46,439	\$49,673	\$179,299

Profit and Loss Statement (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$223,747	\$228,360	\$232,974	\$237,587	\$922,668
Cost of Revenue	\$16,889	\$17,238	\$17,586	\$17,934	\$69,647
Gross Profit	\$206,858	\$211,123	\$215,388	\$219,653	\$853,022
Expenses					
Payroll	\$48,553	\$48,553	\$48,553	\$48,553	\$194,212
Facility Costs	\$12,879	\$12,879	\$12,879	\$12,879	\$51,515
General and Administrative	\$4,721	\$4,818	\$4,916	\$5,013	\$19,468
Professional Fees and Licensure	\$12,492	\$12,750	\$13,008	\$13,265	\$51,515
Insurance	\$5,819	\$5,819	\$5,819	\$5,819	\$23,276
Marketing	\$8,950	\$9,134	\$9,319	\$9,503	\$36,907
Maintenance	\$3,206	\$3,206	\$3,206	\$3,206	\$12,825
Misc. Costs	\$1,678	\$1,713	\$1,747	\$1,782	\$6,920
Payroll Taxes	\$3,714	\$3,714	\$3,714	\$3,714	\$14,857
Total Operating Costs	\$102,013	\$102,587	\$103,161	\$103,735	\$411,495
EBITDA	\$104,845	\$108,536	\$112,227	\$115,918	\$441,527
Federal Income Tax	\$18,072	\$18,445	\$18,817	\$19,190	\$74,524
State Income Tax	\$3,614	\$3,689	\$3,763	\$3,838	\$14,905
Interest Expense	\$21,832	\$21,678	\$21,521	\$21,360	\$86,391
Depreciation Expenses	\$14,260	\$14,260	\$14,260	\$14,260	\$57,040
Net Profit	\$47,067	\$50,465	\$53,866	\$57,270	\$208,667

Profit and Loss Statement (Fifth Year)

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$237,172	\$242,062	\$246,952	\$251,842	\$978,028
Cost of Revenue	\$17,903	\$18,272	\$18,641	\$19,010	\$73,825
Gross Profit	\$219,269	\$223,790	\$228,311	\$232,832	\$904,203
Expenses					
Payroll	\$49,038	\$49,038	\$49,038	\$49,038	\$196,154
Facility Costs	\$13,008	\$13,008	\$13,008	\$13,008	\$52,030
General and Administrative	\$5,004	\$5,108	\$5,211	\$5,314	\$20,636
Professional Fees and Licensure	\$12,617	\$12,877	\$13,138	\$13,398	\$52,030
Insurance	\$5,877	\$5,877	\$5,877	\$5,877	\$23,508
Marketing	\$9,487	\$9,682	\$9,878	\$10,074	\$39,121
Maintenance	\$3,399	\$3,399	\$3,399	\$3,399	\$13,595
Misc. Costs	\$1,779	\$1,815	\$1,852	\$1,889	\$7,335
Payroll Taxes	\$3,751	\$3,751	\$3,751	\$3,751	\$15,006
Total Operating Costs	\$103,960	\$104,556	\$105,152	\$105,747	\$419,416
EBITDA	\$115,309	\$119,234	\$123,160	\$127,085	\$484,787
Federal Income Tax	\$20,784	\$21,213	\$21,641	\$22,070	\$85,708
State Income Tax	\$4,157	\$4,243	\$4,328	\$4,414	\$17,142
Interest Expense	\$21,197	\$21,030	\$20,860	\$20,686	\$83,773
Depreciation Expenses	\$14,545	\$14,545	\$14,545	\$14,545	\$58,181
Net Profit	\$54,626	\$58,204	\$61,785	\$65,370	\$239,984

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$12,715	\$13,125	\$13,536	\$13,947	\$14,358	\$14,769	\$15,181	\$15,592
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$12,715	\$13,125	\$13,536	\$13,947	\$14,358	\$14,769	\$15,181	\$15,592
Other Cash Inflows								
Equity Investment	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$1,175,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101
Total Other Cash Inflows	\$1,425,101	\$101						
Total Cash Inflow	\$1,437,815	\$13,226	\$13,637	\$14,048	\$14,459	\$14,870	\$15,281	\$15,693
Cash Outflows								
Repayment of Principal	\$1,995	\$2,008	\$2,022	\$2,035	\$2,049	\$2,062	\$2,076	\$2,090
A/P Decreases	\$71	\$71	\$71	\$71	\$71	\$71	\$71	\$71
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$1,075,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$1,077,065	\$2,079	\$2,092	\$2,106	\$2,119	\$2,133	\$2,147	\$2,160
Net Cash Flow	\$360,750	\$11,147	\$11,545	\$11,942	\$12,340	\$12,737	\$13,135	\$13,532
Cash Balance	\$360,750	\$371,897	\$383,442	\$395,385	\$407,725	\$420,462	\$433,597	\$447,129

Cash Flow Analysis (First Year Cont.)

Month	9	10	11	12	Year 1
Cash From Operations	\$16,003	\$16,415	\$16,827	\$17,238	\$179,706
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$16,003	\$16,415	\$16,827	\$17,238	\$179,706
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$250,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$1,175,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$101	\$101	\$101	\$101	\$1,210
Total Other Cash Inflows	\$101	\$101	\$101	\$101	\$1,426,210
Total Cash Inflow	\$16,104	\$16,516	\$16,927	\$17,339	\$1,605,916
Cash Outflows					
Repayment of Principal	\$2,104	\$2,118	\$2,132	\$2,146	\$24,836
A/P Decreases	\$71	\$71	\$71	\$71	\$847
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$1,075,000
Dividends	\$0	\$0	\$0	\$92,923	\$92,923
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$2,174	\$2,188	\$2,202	\$95,139	\$1,193,605
Net Cash Flow	\$13,930	\$14,327	\$14,725	-\$77,800	\$412,311
Cash Balance	\$461,059	\$475,387	\$490,111	\$412,311	\$412,311

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$47,152	\$50,147	\$53,145	\$56,145	\$206,590
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$47,152	\$50,147	\$53,145	\$56,145	\$206,590
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$308	\$314	\$321	\$327	\$1,271
Total Other Cash Inflows	\$308	\$314	\$321	\$327	\$1,271
Total Cash Inflow	\$47,460	\$50,462	\$53,466	\$56,473	\$207,860
Cash Outflows					
Repayment of Principal	\$6,525	\$6,656	\$6,790	\$6,927	\$26,897
A/P Decreases	\$216	\$220	\$225	\$229	\$889
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$30,988	\$0	\$0	\$0	\$30,988
Dividends	\$0	\$0	\$0	\$107,816	\$107,816
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$37,729	\$6,876	\$7,014	\$114,971	\$166,591
Net Cash Flow	\$9,732	\$43,586	\$46,451	-\$58,499	\$41,270
Cash Balance	\$422,043	\$465,629	\$512,080	\$453,581	\$453,581

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$53,960	\$57,188	\$60,419	\$63,653	\$235,221
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$53,960	\$57,188	\$60,419	\$63,653	\$235,221
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$324	\$330	\$337	\$344	\$1,334
Total Other Cash Inflows	\$324	\$330	\$337	\$344	\$1,334
Total Cash Inflow	\$54,284	\$57,518	\$60,756	\$63,997	\$236,555
Cash Outflows					
Repayment of Principal	\$7,066	\$7,208	\$7,353	\$7,502	\$29,129
A/P Decreases	\$226	\$231	\$236	\$240	\$934
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$35,283	\$0	\$0	\$0	\$35,283
Dividends	\$0	\$0	\$0	\$123,655	\$123,655
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$42,576	\$7,439	\$7,589	\$131,397	\$189,001
Net Cash Flow	\$11,708	\$50,079	\$53,167	-\$67,400	\$47,554
Cash Balance	\$465,289	\$515,368	\$568,535	\$501,135	\$501,135

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$61,327	\$64,725	\$68,126	\$71,530	\$265,707
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$61,327	\$64,725	\$68,126	\$71,530	\$265,707
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$340	\$347	\$354	\$361	\$1,401
Total Other Cash Inflows	\$340	\$347	\$354	\$361	\$1,401
Total Cash Inflow	\$61,666	\$65,071	\$68,479	\$71,891	\$267,108
Cash Outflows					
Repayment of Principal	\$7,653	\$7,807	\$7,964	\$8,124	\$31,547
A/P Decreases	\$238	\$243	\$248	\$252	\$981
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$39,856	\$0	\$0	\$0	\$39,856
Dividends	\$0	\$0	\$0	\$140,496	\$140,496
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$47,746	\$8,049	\$8,211	\$148,873	\$212,880
Net Cash Flow	\$13,920	\$57,022	\$60,268	-\$76,982	\$54,228
Cash Balance	\$515,055	\$572,077	\$632,345	\$555,363	\$555,363

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$69,171	\$72,749	\$76,330	\$79,915	\$298,164
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$69,171	\$72,749	\$76,330	\$79,915	\$298,164
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$357	\$364	\$371	\$379	\$1,471
Total Other Cash Inflows	\$357	\$364	\$371	\$379	\$1,471
Total Cash Inflow	\$69,527	\$73,113	\$76,701	\$80,294	\$299,635
Cash Outflows					
Repayment of Principal	\$8,288	\$8,455	\$8,625	\$8,798	\$34,165
A/P Decreases	\$250	\$255	\$260	\$265	\$1,030
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$44,725	\$0	\$0	\$0	\$44,725
Dividends	\$0	\$0	\$0	\$158,399	\$158,399
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$53,262	\$8,709	\$8,885	\$167,463	\$238,319
Net Cash Flow	\$16,265	\$64,403	\$67,817	-\$87,169	\$61,316
Cash Balance	\$571,628	\$636,032	\$703,849	\$616,679	\$616,679