

### The Arroyos Preserve

**CONFIDENTIAL**

**THE ARROYOS PRESERVE RV ESTATES & RESORT**

pswr:d:B42

Date	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	
Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	
<b>Total Lots Developed</b>			0	25	50	75	100	125	150	175	202	202	202	
<b>Beginning Retail Price per RV Lot</b>	\$56,000	56,000	56,000	56,000	56,000	57,120	59,405	60,593	61,805	63,041	65,562	66,874	68,211	
<b>RV Lots SOLD per Quarter</b>	0	0	0	0	5	9	12	0	0	11	0	0	37	
<b>Sales Revenue</b>	0	0	0	0	280,000	514,080	712,858	0	0	693,449	0	0	2,200,387	
<b>Beginning Retail Price per Estate Lot</b>	\$86,000	86,000	86,000	86,000	86,000	87,720	91,229	93,053	94,914	96,813	100,685	102,699	104,753	
<b>Estate Lots SOLD per Quarter</b>	0	0	0	0	6	15	20	10	15	35	35	15	165	
<b>Sales Revenue</b>	0	0	0	0	516,000	1,315,800	1,824,576	930,534	1,423,717	3,388,446	3,523,983	1,540,484	1,466,541	
<b>Quarterly Lot Appreciation Rate</b>	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	4.0%	2.0%	2.0%	2.0%	4.0%	2.0%	2.0%	
<b>RV Resort Lots SOLD per Quarter</b>	0	0	0	0	11	24	32	10	15	46	35	15	202	
<b>Total Lots SOLD</b>	0	0	0	0	11	35	67	77	92	138	173	188	202	
<b>Beginning FOR SALE Lot Inventory per Period</b>	0	0	0	25	50	64	65	58	73	83	64	29	14	
<b>Lots Developed/Added during Period</b>	0	0	25	25	25	25	25	25	25	27	0	0	202	
<b>Ending Lot Inventory per Period</b>	0	0	0	50	64	65	58	73	83	64	29	14	0	
<b>TOTAL GROSS SALES REVENUE PER QTR</b>	0	0	0	0	796,000	1,829,880	2,537,434	930,534	1,423,717	4,081,895	3,523,983	1,540,484	1,466,541	
<b>OPERATING EXPENSES</b>				0%	22%	47%	67%	62%	61%	73%	66%	93%		
Pre-Development Engineering (Phase II Final Plat)	25,000	25,000	25,000	0	0	0	0	0	0	0	0	0	75,000	
OFF Site Development Construction Costs	0	200,000	300,000	100,000	0	0	200,000	100,000	0	0	0	0	900,000	
On Site Development Construction Costs	60,000	685,000	1,075,000	1,375,000	225,000	230,000	150,000	150,000	0	1,500,000	0	0	5,450,000	
Setup & Legal	2,500	15,000	15,000	0	0	5,000	20,000	0	0	0	0	0	57,500	
Common Amenities, Swimming/Rec and Golf Area	0	0	0	250,000	250,000	250,000	200,000	0	0	0	0	0	950,000	
Construction Supervision	\$30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	390,000	
Pro-rata Share of H.O.A./RE Taxes <sup>‡</sup>	\$70	0	0	10,500	13,440	13,650	12,180	15,330	17,430	13,440	6,090	2,940	105,000	
Lot Sales Commission	3.5%	0	0	0	27,860	64,046	88,810	32,569	49,830	142,866	123,339	53,917	634,566	
Advertising/Marketing	6.0%	15,000	15,000	50,000	47,760	109,793	152,246	55,832	85,423	122,457	105,720	46,215	830,445	
Developer Profit*	5.0%	0	0	0	39,800	91,494	126,872	46,527	71,186	204,095	176,199	77,024	906,523	
Contingencies**	3.0%	0	0	0	23,880	54,896	76,123	27,916	42,711	122,457	105,720	46,215	543,914	
General Administration Expenses	1.5%	0	0	0	11,940	27,448	38,062	13,958	21,356	61,228	52,860	23,107	271,957	
<b>TOTAL EXPENSES</b>	\$55,024 per lot	Per Period 132,500	970,000	1,470,000	1,815,500	669,680	876,327	1,094,292	472,131	317,936	2,196,543	599,927	279,417	
<b>NET REVENUE</b>	\$34,731 per lot	Per Period (132,500)	(970,000)	(1,470,000)	(1,815,500)	126,320	953,553	1,443,141	458,402	1,105,780	1,885,352	2,924,056	1,261,067	
Land Cost	2,900,000 \$14,356 per lot	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Financing Cost</b>	0 Points	8.0% Interest	0 (1,000)	(20,420)	(50,228)	(87,543)	(86,767)	(69,432)	(41,958)	(33,629)	(12,186)	25,278	0	
LoanRepaymentToDate	Total paid for lots released	0	0	0	306,312	974,629	1,865,718	2,144,183	2,561,881	3,842,822	0	0	0	
Loan Repayment (Lot Releases <sup>***</sup> )	\$27,847	125% Lot	0	0	0	(306,312)	(668,317)	(891,089)	(278,465)	(417,698)	(1,280,941)	0	(3,842,822)	
Lender's Exit Fee	0 Lot	0	0	0	0	0	0	0	0	0	0	0	0	
Loan Amt/Balance	\$4,500,000	Funding inflow	50,000	1,021,000	2,511,420	4,338,371	3,471,586	2,097,876	1,681,432	609,280	(1,263,886)	0	0	
Periodic Cash Flow	(82,500)	0	0	0	(267,535)	198,469	482,620	137,979	654,454	592,226	2,924,056	1,261,067	1,245,891	
Cumulative Cash Flow	0	(82,500)	(82,500)	(82,500)	(82,500)	(350,035)	(151,566)	331,054	469,034	1,123,487	1,715,713	4,639,769	5,900,836	
8,053,250	*Combined w/ Developer's Profit of \$906,523, Profit Potential:												8,053,250	44.4%
	Including Land Cost of \$2,900,000, New Buyer's Profit Potential:												5,153,250	28.4%

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**ON-SITE DEVELOPMENT CONSTRUCTION COSTS**

Landscaping			150,000	125,000	125,000	100,000	150,000	150,000			250,000			1,050,000	19.3%
Mobilizing, Staking, etc.	60,000													60,000	1.1%
Rough grading		150,000		100,000										250,000	4.6%
Wastewater const.		100,000	350,000	500,000										950,000	17.4%
Well			50,000											50,000	0.9%
Water distribution			175,000	200,000										375,000	6.9%
Paving			200,000	250,000	100,000									550,000	10.1%
Sewer		175,000	150,000	200,000										525,000	9.6%
Storm Drains		175,000												175,000	3.2%
Dry utilities APS		85,000												85,000	1.6%
Sewer														0	0.0%
Resort trimmings						130,000					1,250,000			1,380,000	25.3%
<b>ON Site TOTAL</b>	60,000	685,000	1,075,000	1,375,000	225,000	230,000	150,000	150,000	0	1,500,000				5,450,000	100.0%

NOTES:

- ‡ Annual HOA budget initially is \$150,000
- \* Developer Profit is equal to 5% of GROSS REVENUE, but not to exceed \$250,000/qr
- \*\*\* Contingencies 3% of GROSS REVENUE, not to exceed \$200,000 in any one period.
- \*\*\*\* Loan Repayment (Lot Releases) are 125% per Financed Lot Cost Released
- \*\*\*\*\* Memo, 03-10-17: Yuma Palms RV Resort - Lot Price for < 3,000 sq ft = \$75,000. Yuma Palms monthly assn fees = \$170/mo. Includes water, cable and maintenance, but not electricity.