
RV Park, Inc.

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RV Park, Inc.

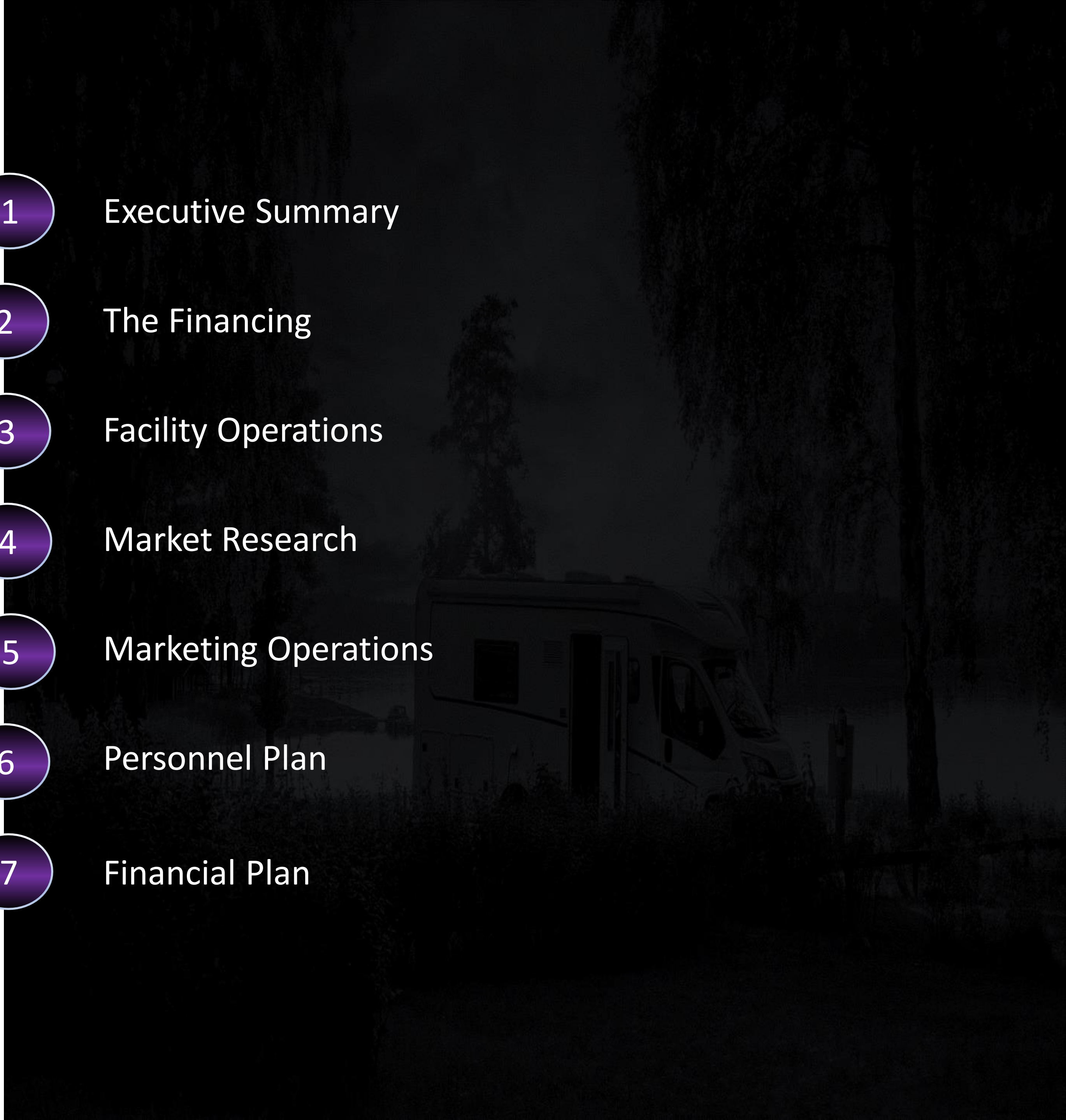
Owner: John Doe

Address:

123 Main Street
Houston, Texas 70004

Phone:
(555) 555-5555

Email:
John@Email.com



Executive Summary

The purpose of this business plan is to raise $857,500 for the acquisition of a RV park property while showcasing the expected financials and operations over the next three years. The RV Park, Inc. (“the Company”) is a Texas based corporation that will provide high quality rental spaces to RV owning tenants in its targeted market. The Company was founded by John Doe.

The Services

As stated above, the Company intends to launch its operations with the acquisition of an existing RV Park. The expected rent roll for this 25 lot RV park is $340,000 per year, which includes rental fees and other ancillary income including the facility’s onsite Laundromat. The RV Park will generate enough positive cash flow to cover both the interest and principal payments for the debt capital sought in this business plan.

The third section of the business plan will further describe the services offered by the RV Park.

Financing

Mr. Doe is seeking to raise $857,500 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate. The financing will be used for the following:

•Acquisition of the Company’s RV Park.
•Financing for the first six months of operation.
•Development of the RV Park’s onsite office.

Mr. Doe will contribute $100,000 to the venture.

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Executive Summary

Mission Statement

It is the goal of the Company to create a business that provides customers with high quality and scenic parking spaces while providing a steady stream of operating and passive investment income for Mr. Doe.

Management Team

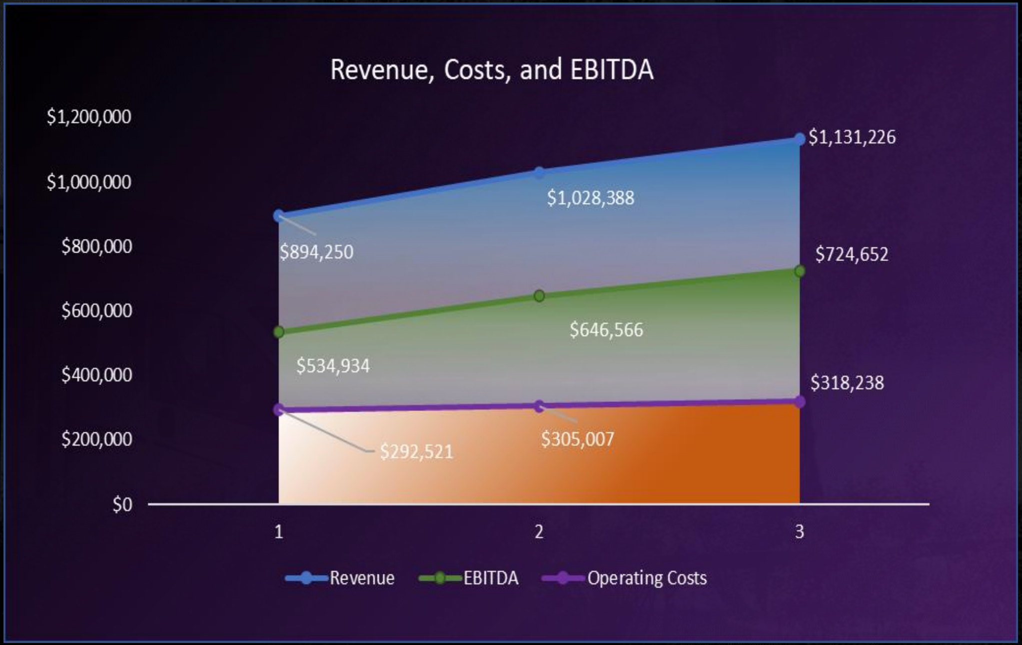
The Company was founded by John Doe. Mr. Doe has more than 10 years of experience in the real estate management industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

Expansion Plan

Management intends to expand its property base through reinvestment and several additional financings. This additional capital will be used to acquire and manage several other RV Park properties.

The Company will also continued to engage a broad based marketing campaign within its target market in Texas in order to provide RV storage services to area residents that want to place their recreational vehicles at a third party facility. Many HOAs prohibit RV owners from having their recreational vehicles in their driveways, and as such, Mr. Doe sees a substantial opportunity to provide these services to the general public as well.

Profit and Loss Statement			
Year	1	2	3
Revenue	**$894,250**	**$1,028,388**	**$1,131,226**
Cost of Revenue	$66,795	$76,814	$88,336
Gross Profit	**$827,455**	**$951,573**	**$1,042,890**
Expenses	**$292,521**	**$305,007**	**$318,238**
EBITDA	**$534,934**	**$646,566**	**$724,652**



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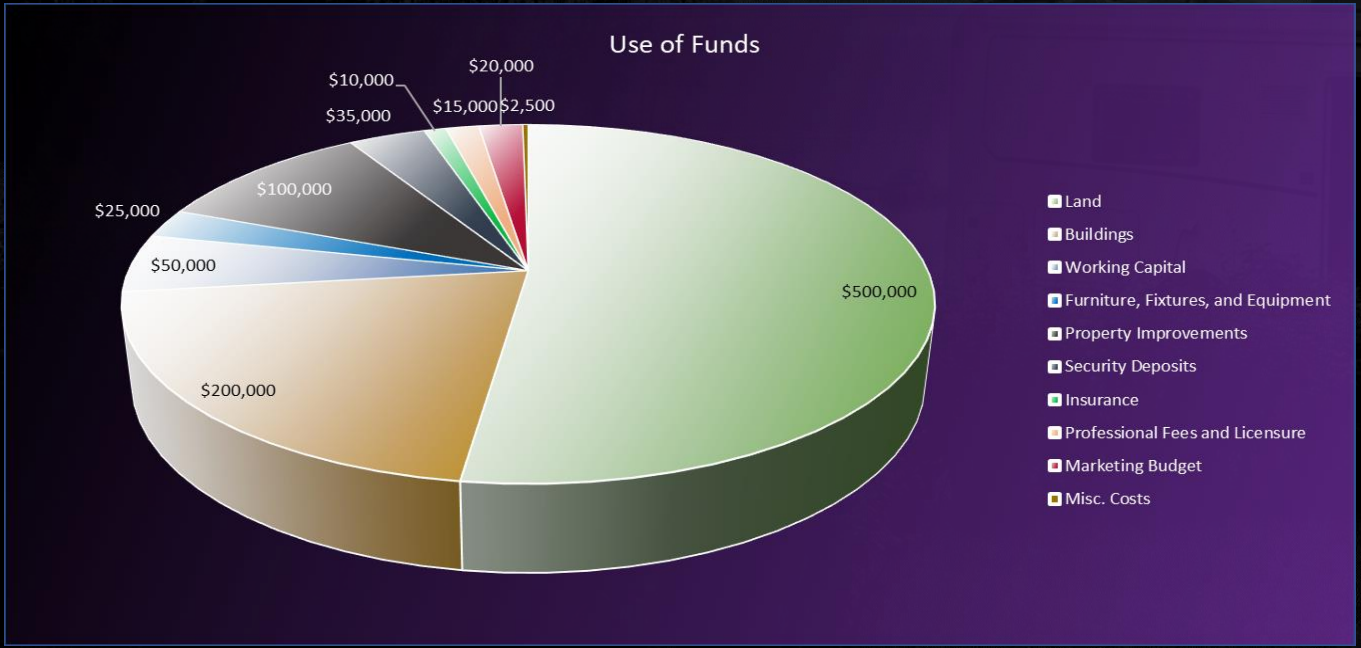
The Financing

Use of Funds

Use of Funds	
Land	$500,000
Buildings	$200,000
Working Capital	$50,000
Furniture, Fixtures, and Equipment	$25,000
Property Improvements	$100,000
Security Deposits	$35,000
Insurance	$10,000
Professional Fees and Licensure	$15,000
Marketing Budget	$20,000
Misc. Costs	$2,500
Total	**$957,500**



Registered Name and Corporate Structure

RV Park, Inc. The Company is registered as a corporation in the State of Texas.

Investor Equity

Mr. Doe is not seeking an equity investor at this time.

Management Equity

John Doe retains a 100% ownership interest in the business.

Board of Directors

The above named owner will serve as the sole director of the Company.

Exit Strategies

In the event that Mr. Doe wishes to sell the RV Park to a third party, he will contract a real estate brokerage firm to market the property to potential buyers. Based on historical sales prices of RV parks, Mr. Doe expects that the property will appreciate to have a value in excess of $1,000,000 by the third year of operations.

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Facility Operations

Rental of RV Spaces

The primary source of revenue for the RV Park is the rental of the 25 units located on the property that Mr. Doe intends to acquire. Each of these units produces an approximately monthly income of $600 to $750. The Company will have an onsite manager that will be given a free of charge small home to live in and a $20,000 annual stipend.

This onsite manager will oversee the general operations of the property while managing issues for people that want to rent the RV Park's units. Mr. Doe will be in daily contact with this manager to ensure the proper operation of the property.

Ancillary Fees and Income

The Company will also generate secondary revenues from late fees on rent and income from the Company's onsite coin operated laundry center. Aggregately these two income streams will provide RV Park, Inc. with approximately 10% of its revenues.

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Market and Industry Analysis

This section of the analysis will detail the economic climate, the RV park industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Currently the economic climate in the United States is moderate. The fallout from the COVID-19 pandemic has been resolved. Interest rates have risen substantially over the past twelve months as the US Federal Reserve has taken measures to control inflation. It is expected that ongoing interest rate hikes will be done on a measured basis as inflation rates have begun to decrease.

However, the demand for RV park usage is expected to climb over the next 12 to 24 months. As a result of the pandemic, families may seek to do road-based vacations in order to avoid travel on airplanes. As such, the RV Park will be able to operate profitably and with a positive cash flow at all times.

Client Profile

Management expects the following demographics of tenants that will continue to rent from the RV Park:

- Household income exceeding $45,000.
- Between the ages of 21 and 65
- Will spend five to ten days at the RV park facility on average.

Industry Overview

In the United States, there are 19,000 companies that operate in a real estate investment capacity by sourcing funds from private investors/banks with the intent to engage in real estate related activities. Each year, these companies aggregately generate $22.8 billion dollars per year and provide jobs for more than 20,000 Americans. Payrolls for these employees have exceeded $1.3 billion dollars year during the last five years.

Specifically among RV (and mobile home) parks, aggregate rental and fee income in each of the last five years have exceeded $3 billion dollars.

During the next six months to two years, Management expects that the number of agents in this market will remain stable. Certainly some market agents will close (due to poor investments during the boom cycle), but others will enter the market with fresh cash to acquire undervalued properties and RV parks.

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Marketing Operations

Marketing Objectives

- Established connections with lenders, banks, and investors.
- Develop relationships with vacation rental websites that will showcase the RV Park.
- Maintain an expansive web presence so that reservations can be taken directly over the internet.

Marketing Strategies

Management intends to place a number of traditional advertisements in RV magazines so that individuals that are traveling near the Company's facilities will be able to know where to stop, the costs associated with renting an RV rental space, and how to contact the business for more information regarding the Company's facilities.

The internet has become a very popular platform for property sellers, real estate brokers, and real estate developers to showcase their developed (including RV parks) properties to the general public.

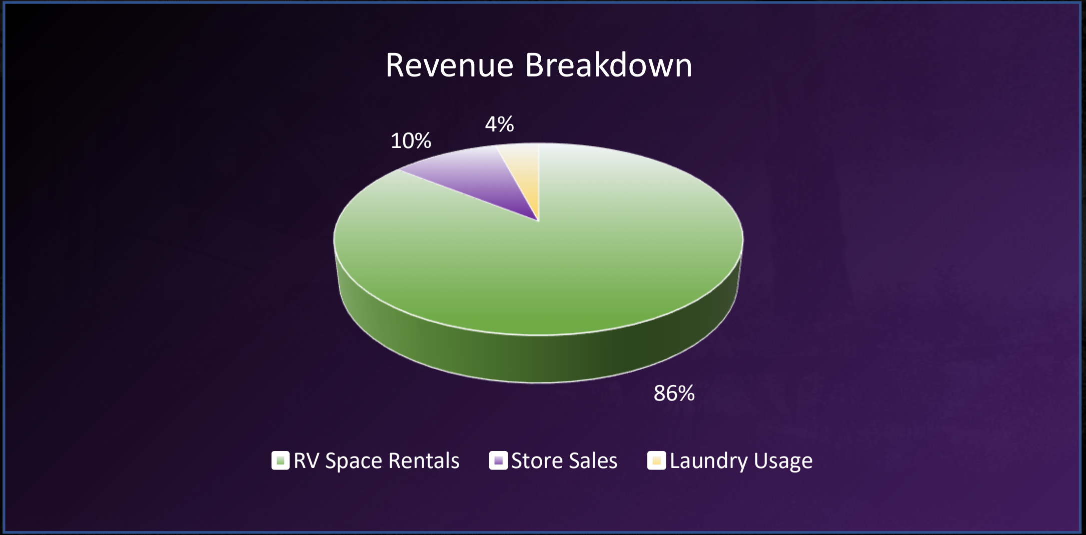
Management intends to use the full marketing capability of electronic advertising to generate sales among the Company's RV space units. The Company will use major internet vacation databases to showcase the RV park to potential customers that will be traveling within the Company's target market.

In this section, you should expand on how you intend to implement your marketing. List publications, local newspapers, radio, and other outlets that you will use to promote your business. Discuss how much money you intend to spending on marketing.

Management will also become a member of a number of professional and civic organizations. The business will provide donations and financial support to local charities and positive community causes. This will create additional awareness. These donations will be made on an ongoing basis.

Revenue Overview			
Year	1	2	3
RV Space Rentals	$766,500	$881,475	$969,623
Store Sales	$91,250	$104,938	$115,431
Laundry Usage	$36,500	$41,975	$46,173
Total	**$894,250**	**$1,028,388**	**$1,131,226**

Cost of Revenue Oreview			
Year	1	2	3
RV Space Rentals	$22,995	$26,444	$30,411
Store Sales	$36,500	$41,975	$48,271
Laundry Usage	$7,300	$8,395	$9,654
Total	$66,795	$76,814	$88,336



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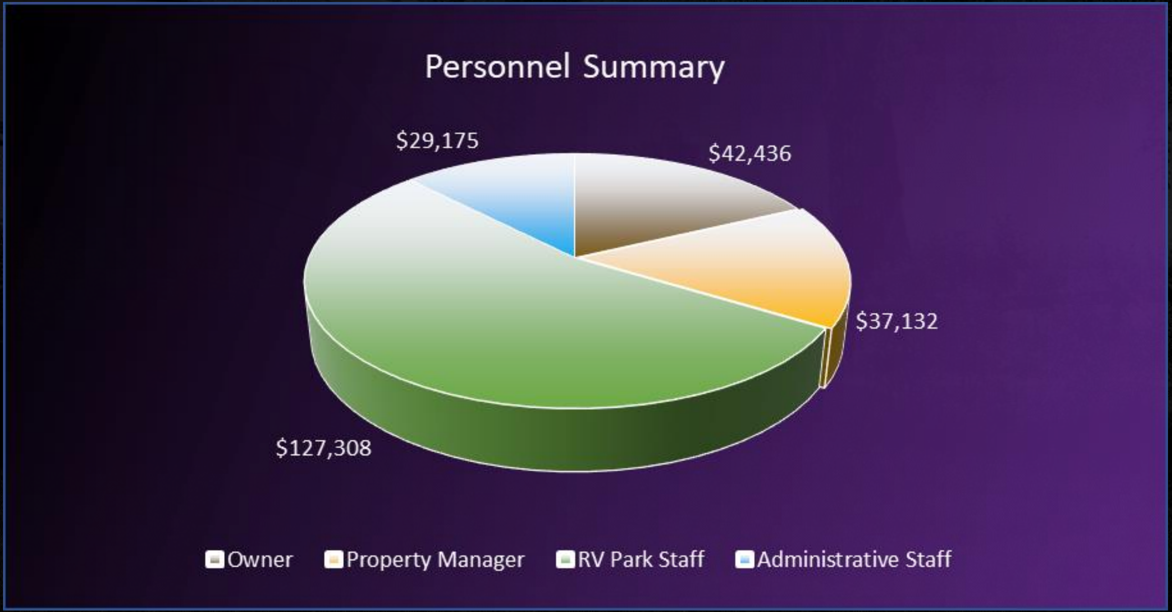
Organizational Plan

Payroll Summary			
Year	1	2	3
Owner	$40,000	$41,200	$42,436
Property Manager	$35,000	$36,050	$37,132
RV Park Staff	$120,000	$123,600	$127,308
Administrative Staff	$27,500	$28,325	$29,175
Total	**$222,500**	**$229,175**	**$236,050**
Owner	1	1	1
Property Manager	1	1	1
RV Park Staff	4	4	4
Administrative Staff	1	1	1
Total	**7**	**7**	**7**



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Financial Plan

Underlying Assumptions

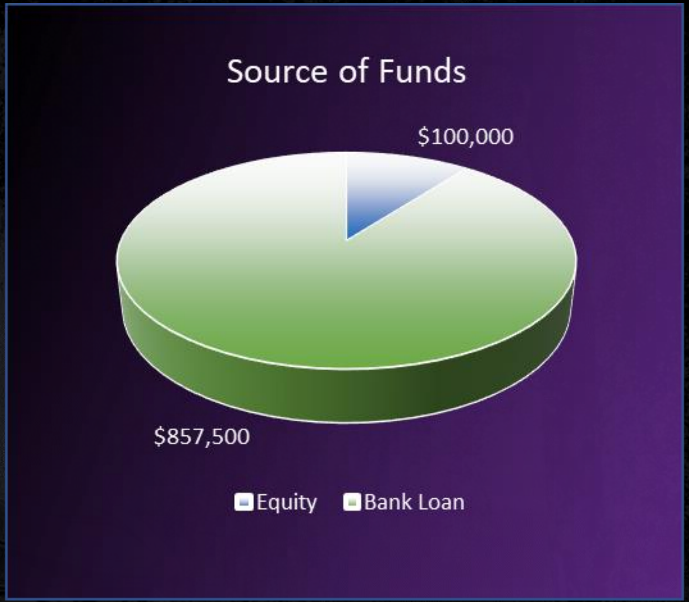
The Company has based its proforma financial statements on the following:

- RV Park, Inc. will have an annual revenue growth rate of 5% per year.
- The Owner will acquire $857,500 of debt funds to develop the business.
- The loan will have a 30 year term with a 7% interest rate.

Sensitivity Analysis

The Company's revenues are sensitive to changes in the general economy. As discussed in the fourth section of the business plan, the housing and real estate market are currently in distress. However, with real estate prices at undervalued prices, Mr. Doe feels that acquiring a RV park now will allow the business to reap substantial income and capital appreciation over the next five to ten years once the real estate market completes its correction.

Source of Funds

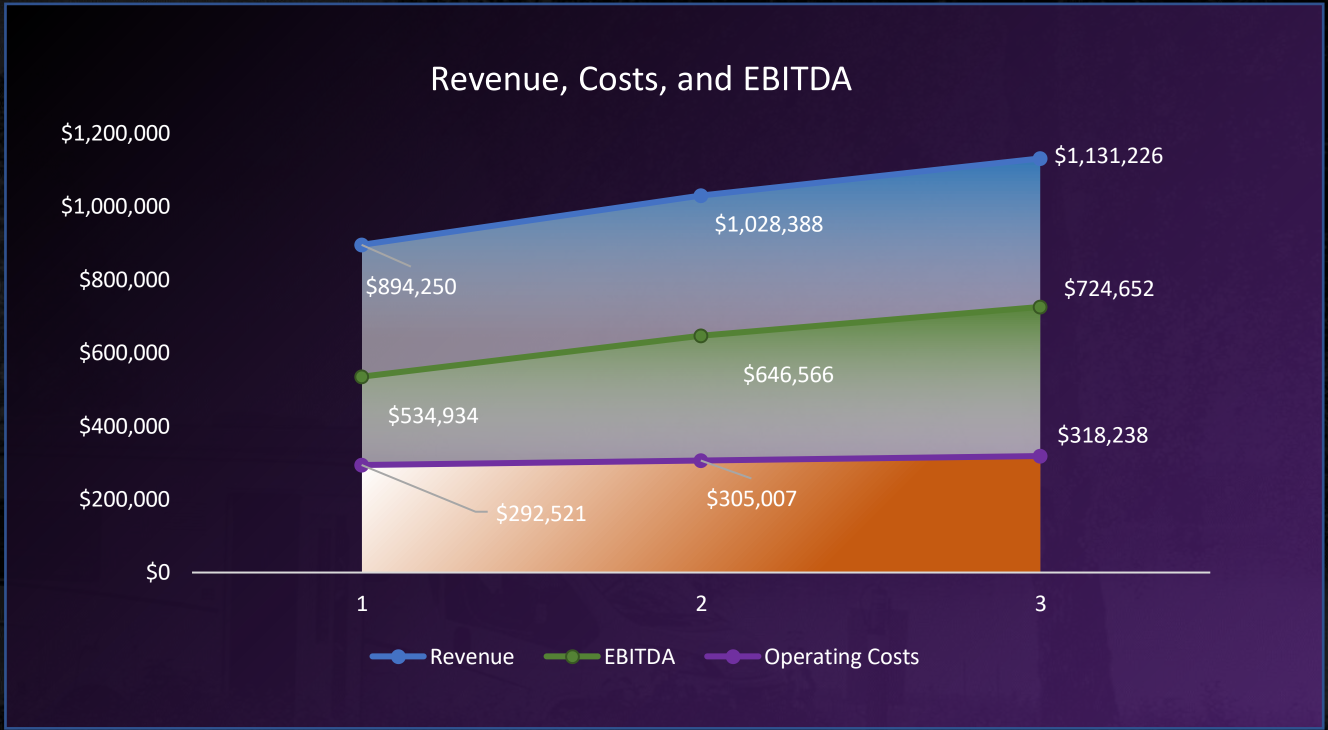


Tax Assumptions

Tax Rates			
Year	**1**	**2**	**3**
Federal Tax Rate	25.00%	25.00%	25.00%
State Tax Rate	5.00%	5.00%	5.00%
Personnel Tax Rate	7.65%	7.65%	7.65%

Profit and Loss Statement

Profit and Loss Statement			
Year	1	2	3
Revenue	**$894,250**	**$1,028,388**	**$1,131,226**
Cost of Revenue	$66,795	$76,814	$88,336
Gross Margin	92.53%	92.53%	92.19%
Gross Profit	**$827,455**	**$951,573**	**$1,042,890**
Expenses			
Payroll	$222,500	$229,175	$236,050
General and Administra	$10,000	$11,000	$12,100
Marketing Expenses	$5,000	$5,500	$6,050
Professional Fees	$3,500	$3,850	$4,235
Insurance Costs	$12,000	$13,200	$14,520
Maintenance Costs	$15,000	$16,500	$18,150
Vehicles	$7,500	$8,250	$9,075
Payroll Taxes	$17,021	$17,532	$18,058
Operating Costs	**$292,521**	**$305,007**	**$318,238**
EBITDA	**$534,934**	**$646,566**	**$724,652**
Federal Income Tax	$112,402	$139,845	$158,807
State Income Stax	$22,480	$27,969	$31,761
Interest Expense	$50,827	$49,415	$47,916
Depreciation	$34,500	$37,771	$41,508
Net Profit	**$314,725**	**$391,566**	**$444,659**



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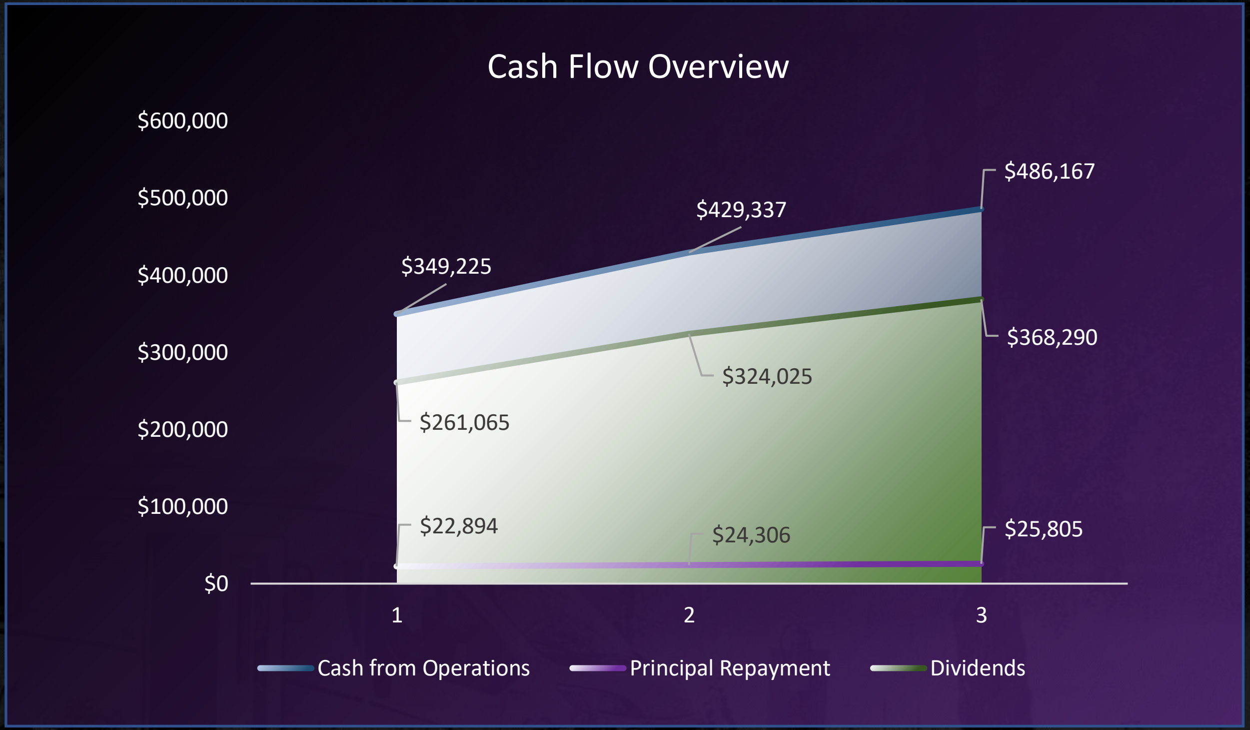
Cash Flow Analysis

Cash Flow Analysis			
Year	1	2	3
Cash from Operations	**$349,225**	**$429,337**	**$486,167**
Other Cash Inflows			
Equity Investment	$100,000	$0	$0
Increased Borrowings	$857,500	$0	$0
A/P Increases	$2,500	$2,550	$2,601
Total Other Cash Inflows	**$960,000**	**$2,550**	**$2,601**
Total Cash Inflow	**$1,309,225**	**$431,887**	**$488,768**
Cash Outflows			
Principal Repayment	$22,894	$24,306	$25,805
A/P Decreases	$2,000	$2,040	$2,081
Asset Purchases	$862,500	$40,503	$46,036
Dividends	$261,065	$324,025	$368,290
Total Cash Outflows	**$1,148,458**	**$390,874**	**$442,212**
Net Cash Flow	**$160,766**	**$41,013**	**$46,556**
Cash Balance	**$160,766**	**$201,779**	**$248,336**



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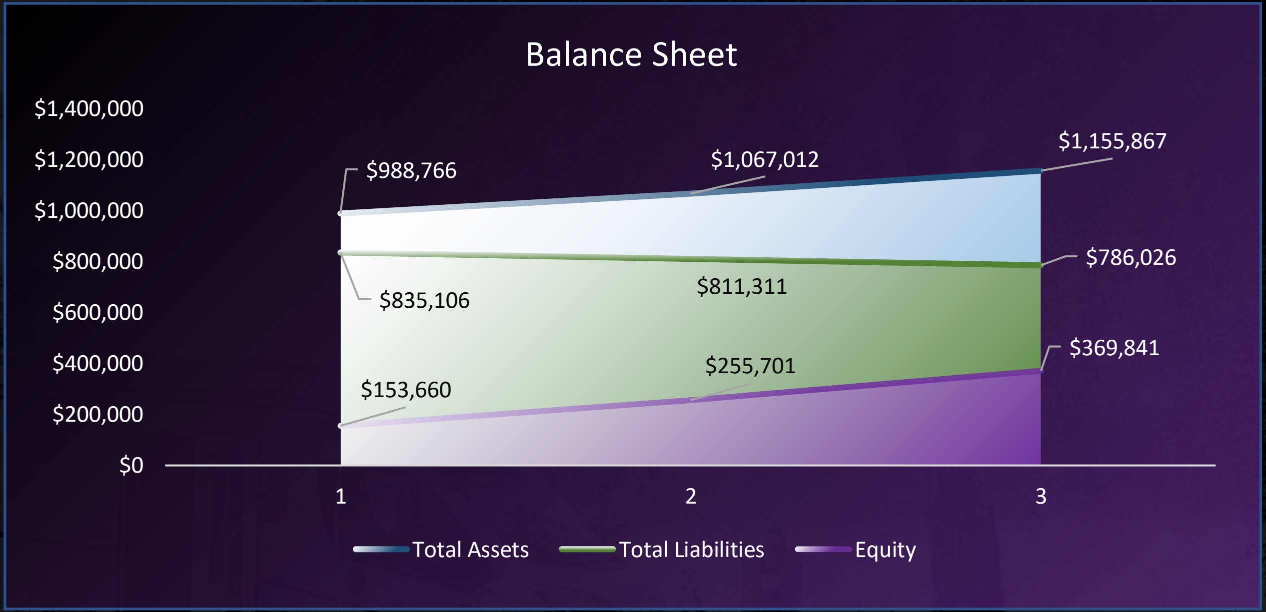
Balance Sheet

Balance Sheet			
Year	**1**	**2**	**3**
Assets			
Cash	**$160,766**	**$201,779**	**$248,336**
Fixed Assets and Inventory	**$862,500**	**$903,003**	**$949,039**
Accumulated Depreciation	**($34,500)**	**($37,771)**	**($41,508)**
Total Assets	**$988,766**	**$1,067,012**	**$1,155,867**
Liabilities			
Accounts Payable	**$500**	**$1,010**	**$1,530**
Long Term Liabilities	**$834,606**	**$810,301**	**$784,496**
Total Liabilities	**$835,106**	**$811,311**	**$786,026**
Equity	**$153,660**	**$255,701**	**$369,841**
Total Liabilities and Equity	**$988,766**	**$1,067,012**	**$1,155,867**



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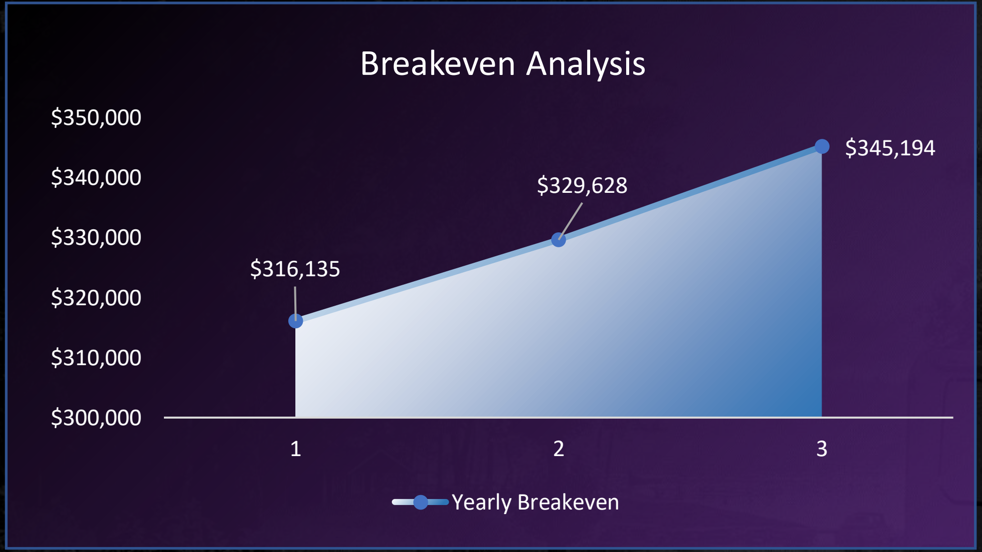
Breakeven Analysis and Business Ratios

Breakeven Analysis			
Year	1	2	3
Yearly Breakeven	$316,135	$329,628	$345,194



Business Ratios			
Year	1	2	3
Revenue			
Revenue Growth	0.00%	15.00%	10.00%
Gross Margin	92.53%	92.53%	92.19%
Financials			
Profit Margin	35.19%	38.08%	39.31%
Assets to Liabilities	1.18	1.32	1.47
Equity to Liabilities	0.18	0.32	0.47
Assets to Equity	6.43	4.17	3.13
Liquidity			
Cash to Assets	0.16	0.19	0.21
Cash to Liabilities	0.19	0.25	0.32

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SWOT Analysis

Strengths

- Economically insulated business.
- High gross margins from ongoing RV park services.
- Recurring streams of revenue on a monthly basis.
- An owner-operator (John Doe) that has extensive experience in the real estate industry.

Weaknesses

- Many regulatory and compliance issues.
- Legal liabilities from onsite injuries.
- Substantial competition in the greater Texas metropolitan area market.

Opportunities

- Expansion of the number of RV pads and campground spaces onsite.
- Acquisition of RV park and campground facilities that will be branded with the Company's name.
- Acquisition of additional rounds of capital in order to further fuel the growth of the business.

Threats

- Liabilities resulting from onsite client injury.
- General uncertainty as a result of the COVID-19 pandemic (limited risk).

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