

SUNDANCE



RV RESORT PLAN OF DEVELOPMENT

Revised January 13, 2014

Sundance R.V. Resort

Submitted by: Sundance R.V. Resort LLC.

1201 Parker Dam Road

Earp, CA 92242

Organized December 1st, 2012

E.I.N. # 46-0967479

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Plan of Development

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Introduction

Introduction

The contractual and operating entity is Sundance R.V. Resort LLC. which is a California Limited Liability Company.

The existing concession is known as the Rite Spot. It has been an operating B.L.M concession since 1967 and the business components are a convenience store, gas station, boat service garage and outdoor storage yard. The current lease has 28 years left with a five year option. The Rite Spot lease has been sold and the transfer has been approved by B.L.M. in May 2013 to Sundance RV Resort LLC. Empire Landing is a B.L.M property which is located adjacent to the Rite Spot. This concession has been operated by B.L.M as a day use, swim beach, camp ground and RV park. The concession area also includes approximately 1200 feet of Riverfront.

An application has been submitted to B.L.M to combine the existing Rite Spot lease with Empire where both properties would become one commercial recreation lease and become known as the Sundance RV Resort LLC.

It is the vision of the developer to incorporate both parcels into a single recreation commercial lease and construct a Waterfront R.V. Park with approximately 124 sites at build out. With the expansion of the R.V. park and upgraded services (WIFI access, Cabanas, Concrete Pads, Paved Roads, 50 AMP Electric Service) the guest experience will be enhanced and a larger market segment will be attracted to the upgraded facility. The existing 40 sites of Empire will remain intact, all pricing and services will remain as exists under current B.L.M. Management. All prior guest of Empire will have the same experience and pricing as had existed upon any prior visit. The only policy change is that they will now be able to extend their visit to a maximum of 155 days.

An additional benefit to combining these properties is the proximity to Pirates Den R.V. Resort and Marina. The Parker Strip is 34 miles to circumnavigate. The Sundance R.V. Resort is located directly across the river from Pirates Den, with the utilization of a 28 passenger water taxi and existing parking lots, access and guest visitation from the California side of the river will be convenient and visitation should be increased while vehicular traffic may be decreased.

Description of Services

Description of Services

Sundance RV Resort will consist of the following components:

- **RV Park**
The Waterfront RV sites will consist of 28'x60' sites with 12'x24' concrete pads, full hookups, and Waterfront Cabanas. The electrical pedestals will be 50amp with a 30amp, 20amp and 110 outlets. Phase I will consist of a 64 site build with only 50 sites built with operating sewer. (Preexisting sewer capacity at Empire). Phase II will add 60 more sites when sewer capacities are increased and approved
- **Convenience Store / Boutique**
The General Store is not only an amenity to boaters and park guest but do to its location on Parker Dam Road this will be a convenience to other guest in the immediate area. The store will merchandise and sell RV accessories, beer, wine, beverages, ice, food and beach toys. A Boutique area will sell Sundance t-shirts, beachwear and novelties.
- **Registration Desk, Pizzeria and Draft Beer Saloon**
A 1500 square foot area will incorporate a guest lounge and guest registration desk and pizza parlor with a draft beer saloon. Pizza and beer will be served to guests and patrons from 2pm to 8pm.
- **Travel Trailer Rentals**
Travel Trailer Rental accommodations will be offered to park guests at daily and weekly rates. Park guest will check in Registration Office and the Travel Trailer will be delivered to the Pre-Registered site. Our market study has determined that many park guests invite their family and friends when rental trailers are available on Property.
- **Water Craft Rentals**
Rental Boats will be available seven days a week. Pontoon Boats and Personal Watercraft will be made available for rent. Guests will register for rental at the registration desk and be taken on the water taxi to the Pirates Den Marina for rental.
- **Secure Outdoor RV and Boat Storage**
A fenced outdoor area will be maintained for a monthly fee for guests of the park. Our experience has shown that many guest wish to store their recreational equipment on site for seasonal use rather than towing back and forth.
- **Sewer Expansion**
Upon approval from the water board, expansion of the existing leach fields will be constructed in Phase II as shown on plan.

- **Indoor Boat Storage**
An indoor boat storage facility is contemplated in a later phase based on demand and a market study. 48 storage units could be built on the existing outdoor storage area.
- **Water Taxi**
A Permit for a water taxi dock will be applied for through The Army Corp of Engineers to accommodate a free water taxi shuttle to Pirates Den Resort. This will enable guests of the Sundance Resort and other guests on the California Strip to enjoy the food and beverage facilities without driving the twenty miles across the Dam.
- **Tree House Accommodation's**
A later phase will incorporate gradual replacement of waterfront R.V. Sites with a modular removable guest accommodation that will be elevated above ground level. Each Tree House foot print will replace 1 ½ RV sites on the waterfront as shown on plan. Tree Houses will be sold to perspective buyers and a monthly land lease fee will be charged.
- **The existing Empire RV sites and sewer dump will be maintained as managed by B.L.M. Pricing for sites and services will remain the same as currently exists under B.L.M Management.**
- **The tent camping area will be removed and existing tent camping sites at Crossroads and Bullfrog will be promoted.**
- **Beach access will remain open to the public with parking and walking access incorporated into the project plan. A five foot public access path connecting the beach will be maintained between sites 33 and 34. This will also designate the site boundaries between motor coaches and 5th wheel tow behinds.**
- **Water Treatment**
The Water Treatment facility will be outsourced and contracted to a firm or individual who is compliant with San Bernardino County clean water regulations. All operational costs and maintenance for the facility will be the responsibility of the concessionaire. All water safety testing will continue with the county of San Bernardino. The annual calculated maximum water consumption upon completion of the project will be 13.8 surface areas.

*Capital Improvements &
Construction Timeline*

Sundance R.V. Resort
At
EARP, California
Capital Improvements
Projected Cost & Construction Schedule

Phase I – First Year

Planning & Entitlements

Engineering, Architecture/Environmental & Consultant Fees \$140,000.00

Grading \$110,000.00

Entryway \$25,000.00

Sewer Water \$250,000.00

Process plan approvals through State and Federal Agencies trench and install per plan

Install Phase 1 Utility Infrastructure \$320,000.00

Negotiate agreements & pay extension fees to Edison
Extend on-site electrical & install conduit for electric
Phone & Cable extensions

Improve RV & Boat Storage Facility \$15,000.00

Extend water & Electric Utilities
Landscape
Install additional security fencing & gate

Remodel Existing Convenience Store \$450,000.00

Remodel Store according to plan
Remodel Registration Office
Remodel Space to accommodate saloon and community center
Replace Fuel System, New Sewer, All New Electric

Construct & Install Marina Dock for Water Taxi \$80,000.00

Construct 100 New RV Sites per plan \$600,000.00

Concrete pads and bar patios on waterfront

Landscaping \$100,000.00

Roads \$100,000.00

Contingency and Fees \$110,000.00

Total Cost for First Year Improvements \$2,300,000.00

Sundance R.V. Resort
At
EARP, California
Capital Improvements
Projected Cost & Construction Schedule

Phase II - Second Year

Add 60 off waterfront sites per plan	\$420,000.00
Replace partial outdoor storage yard with 24 indoor storage units	\$240,000.00
<hr/>	
<i>Total Cost for Second Year Improvements</i>	<i>\$660,000.00</i>

Total Project Investment \$2,960,000.00

Proposed Rate Structure



Sundance Proposed Rates R.V. Park

RV Site Guest Rates

Short Term Rates

	Daily*	Weekly**
Waterfront w/Cabana	\$ 55.00	\$ 275.00
Row No 2	\$ 40.00	\$ 220.00
Row No 3 (With Hookups) ***	\$ 30.00	\$ 180.00
Row No 3 (No Hookups) ***	\$ 15.00	Daily Only

*An adjustment of \$10.00 will be added to Summer Hoilday reservations including Memorial Day,

4th of July and Labor Day with a three night miniumum stay.

***Weekly Rates calculated at six (6) nights with the seventh (7th) night at no additional charge

Long Term Monthly Rates

	4/1-9/30	10/1-3/31
	Spring/Summer	Fall/Winter
Waterfront w/Cabana	\$ 525.00	\$ 495.00
Row No 2	\$ 325.00	\$ 395.00
Row No 3 (With Hookups) ***	\$ 280.00	\$ 300.00
Row No 3 (No Hookups) ***	\$ 220.00	\$ 220.00

Trailer rentals daily \$169.00 + site with a 2 night min. - call for weekly or monthly rates

Boat Rentals call for informatiom on rates

Storage available at \$35.00 per month

All long term rentals of 30 days or more will have an added electrical charge of .17 cents per kilowatt billed monthly and all daily reservations will be charged \$5.00 a day.

Reservation accepted with a minimum \$100.00 deposit due at the time of booking your reservation.

Your advance deposit will be refunded if Sundance RV Resort is notified 30 days prior to your scheduled arrival date less \$6.00 service fee. In the event that you cancel 29 days or less your deposit is considered non-refundable.

*** **Current B.L.M. Sites**

Revenue Share

Revenue Share

Sundance R.V. Resort will offer the following concession fees based on percentages of gross revenues.

2014 – 2015	4%
2016 – 2017	5%
2018 – 2019	6%
2020 – 2021	7%
2021 – End of Lease	7%

Payments shall begin 180 days after final plan approval and B.L.M. approvals, including B.L.M. record of decision – this allows concessionaire time for construction.

Marketing Campaign

Sundance R.V. Resort

At

EARP, California

Marketing & Promotional Campaign

Marketing will be primarily focused on the existing area park guests, boaters, Southern California residents and Canadian Guests in the winter season. Marketing efforts will focus on two distinct seasons, spring, summer and fall, winter. The vast majority of our guests will be visiting for the recreational use of the Colorado River. Sundance will merchandise clothing, R.V. Sites, amenities around beach and boating with a Western Theme. The resort community events and watersport activities create a relaxing atmosphere in which our guest can enjoy our unique riverside accommodations. A variety of clothing, merchandised with Western Theme logos, will be available for purchase to add a personal touch to each guest's experience.

Sundance will use the same marketing that is used at Pirates Cove at Moabi Regional Park and Pirates Den at La Paz County Park. This has been proven successful in bringing new guests to the resort and river area. All marketing literature will be high quality printing with a Western Theme to compliment the variety of concessions on The Colorado River.

- Water Taxi

A free water taxi service will allow guest transportation from the California side to connect to the Arizona side of the river.

- Web Page

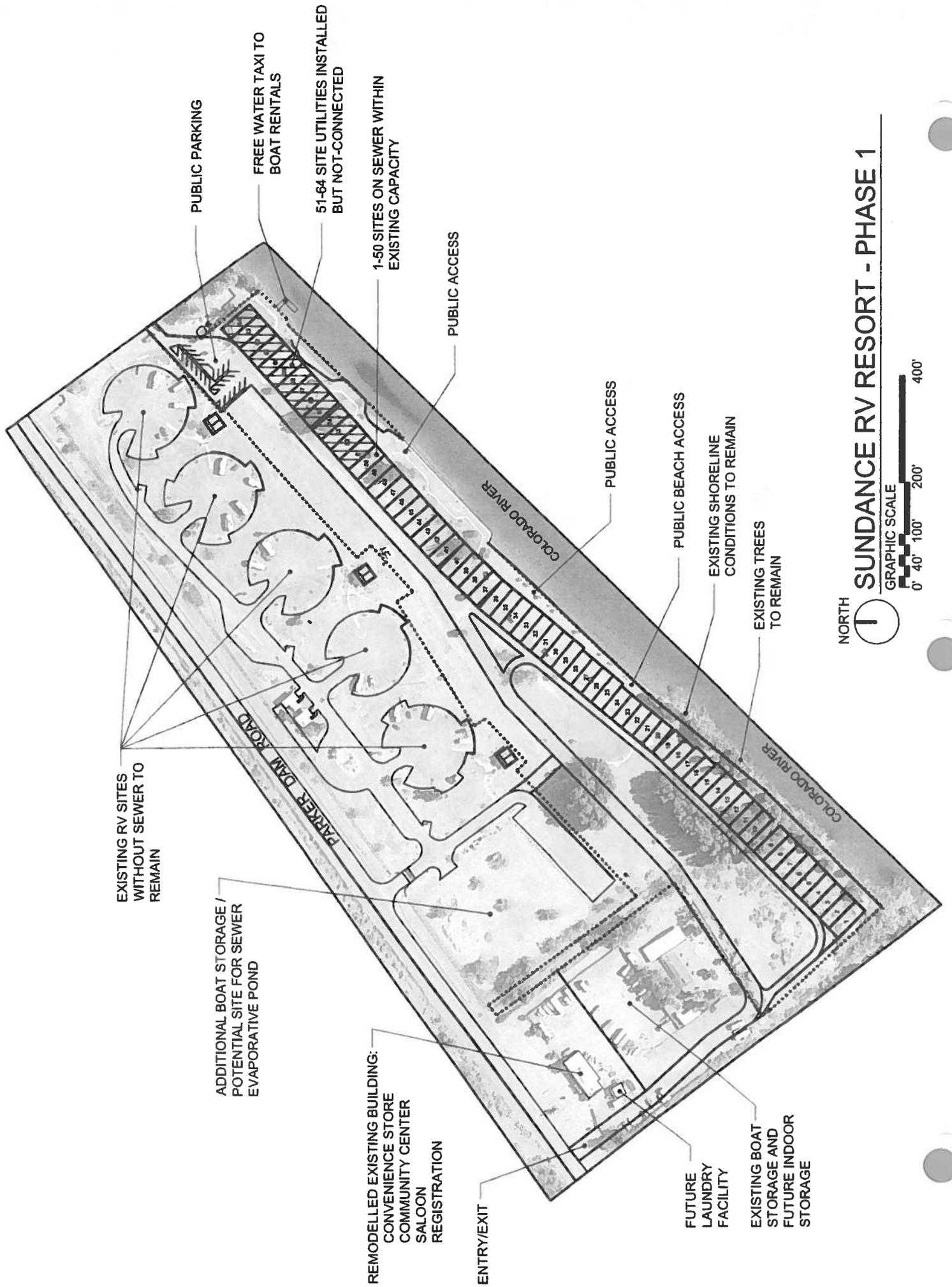
- * The web page will feature pictures of the sites and amenities showing the Colorado River, watersports, float trips, fishing, R.V. / boat storage and our unique R.V. site patios.

- * Printed information about location, amenities and services

- * Maps showing location and directions from all regional highways

- Signs
 - Billboard sign on Highway 95 and Interstate 10
- Magazine Advertising and Features
 - Boat Magazines
 - Fishing Magazines
 - Senior Citizen magazines (Winter Visitors)
 - Outdoor & Sports magazines
 - Recreational Vehicle magazines
- Boat Shows
 - L.A. boat show
 - Orange County boat show
 - Long Beach boat show
 - San Diego boat show
- Recreational Vehicle Shows
 - Promote R.V Park and unique amenities associated with Sundance R.V. Resort
- Brochures
 - Quality color brochures featuring
 1. Western Theme
 2. Happy Families enjoying the outdoors and watersports
 3. Winter Visitors / active adults walking trails, fishing, etc.
 4. Demonstrating site and amenities
- Uniforms with Sundance Logos
 - All employees will wear Sundance uniforms with logos
 - Clothing with logos will be offered for sale to the public
- Contact and join the Chamber of Commerce in Parker and Lake Havasu City
- Internet – Capture e-mail addresses and e-mail blast promotions and events
- Facebook – utilize Facebook and open forums for discussions and promotions

Master Site Plan Phase I and II



EXISTING RV SITES WITHOUT SEWER TO REMAIN

ADDITIONAL BOAT STORAGE / POTENTIAL SITE FOR SEWER EVAPORATIVE POND

REMODELLED EXISTING BUILDING: CONVENIENCE STORE COMMUNITY CENTER SALOON REGISTRATION

ENTRY/EXIT

FUTURE LAUNDRY FACILITY EXISTING BOAT STORAGE AND FUTURE INDOOR STORAGE

PUBLIC PARKING
FREE WATER TAXI TO BOAT RENTALS
51-64 SITE UTILITIES INSTALLED BUT NOT-CONNECTED
1-50 SITES ON SEWER WITHIN EXISTING CAPACITY

PUBLIC ACCESS

PUBLIC ACCESS

PUBLIC BEACH ACCESS

EXISTING SHORELINE CONDITIONS TO REMAIN

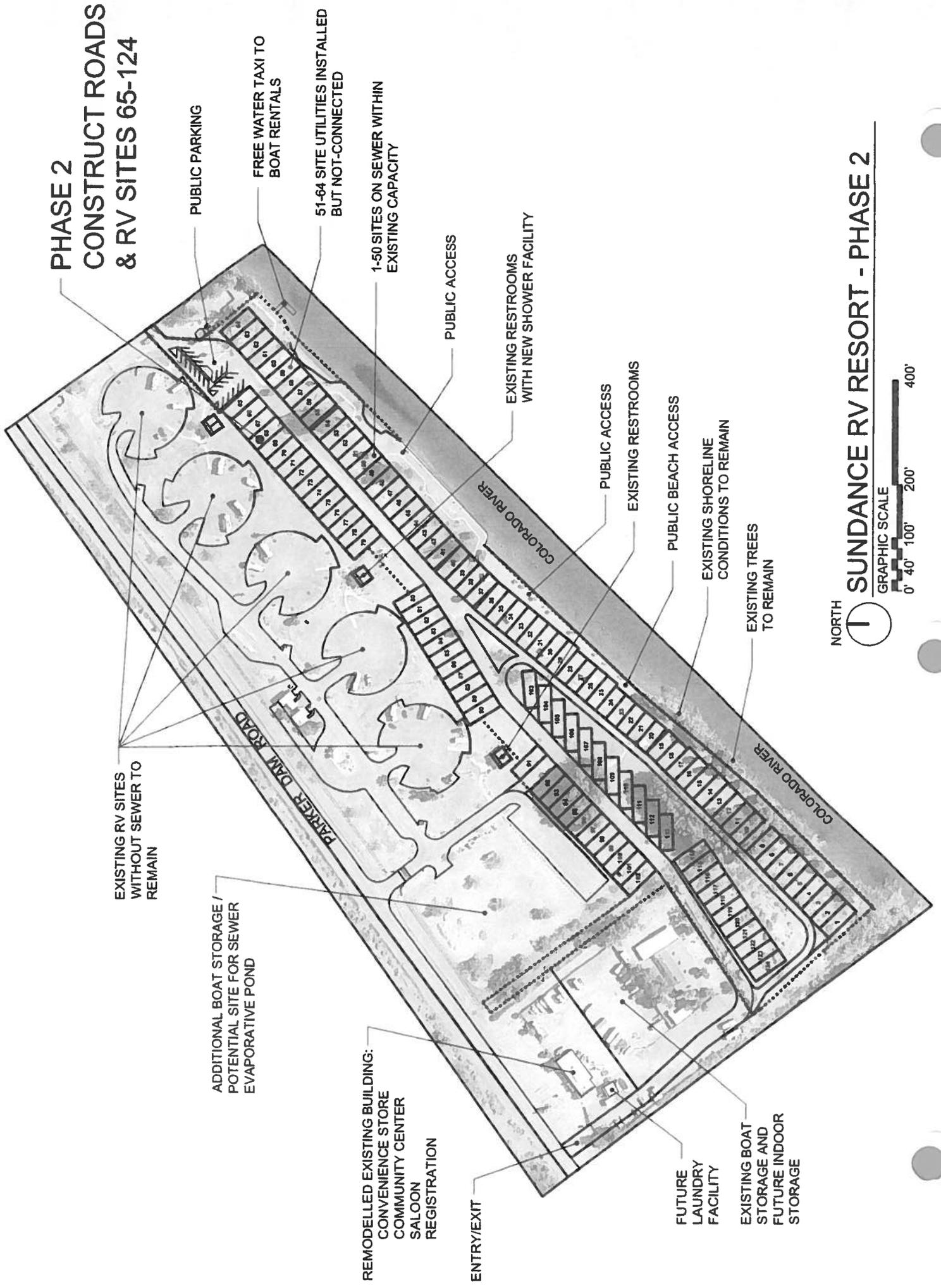
EXISTING TREES TO REMAIN

NORTH

SUNDANCE RV RESORT - PHASE 1



PHASE 2 CONSTRUCT ROADS & RV SITES 65-124



EXISTING RV SITES WITHOUT SEWER TO REMAIN

ADDITIONAL BOAT STORAGE / POTENTIAL SITE FOR SEWER EVAPORATIVE POND

REMODELLED EXISTING BUILDING: CONVENIENCE STORE COMMUNITY CENTER SALOON REGISTRATION

ENTRY/EXIT

FUTURE LAUNDRY FACILITY
EXISTING BOAT STORAGE AND FUTURE INDOOR STORAGE

PUBLIC PARKING

FREE WATER TAXI TO BOAT RENTALS

51-64 SITE UTILITIES INSTALLED BUT NOT-CONNECTED

1-50 SITES ON SEWER WITHIN EXISTING CAPACITY

PUBLIC ACCESS

EXISTING RESTROOMS WITH NEW SHOWER FACILITY

PUBLIC ACCESS

EXISTING RESTROOMS

PUBLIC BEACH ACCESS

EXISTING SHORELINE CONDITIONS TO REMAIN

EXISTING TREES TO REMAIN

NORTH



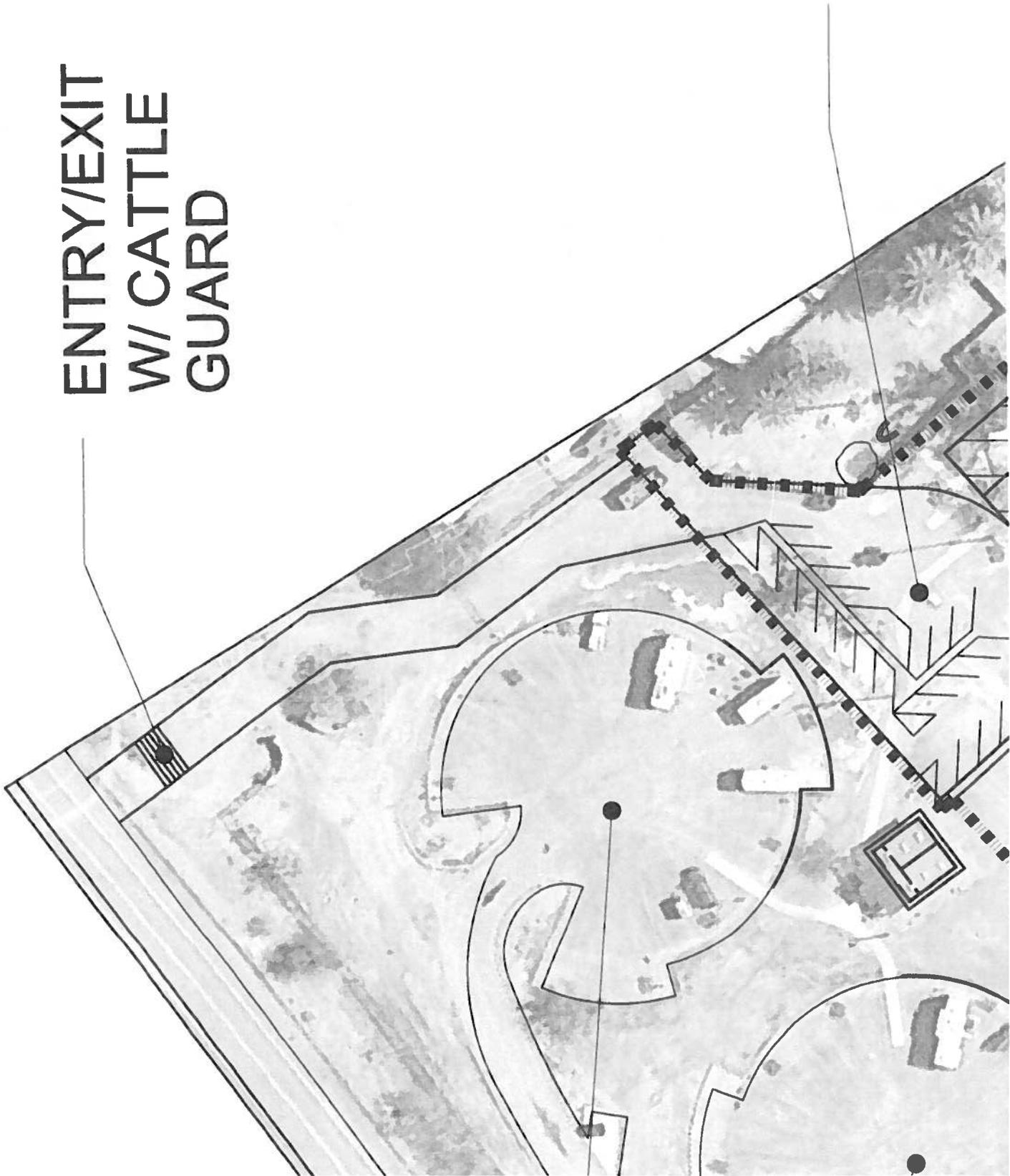
SUNDANCE RV RESORT - PHASE 2

GRAPHIC SCALE



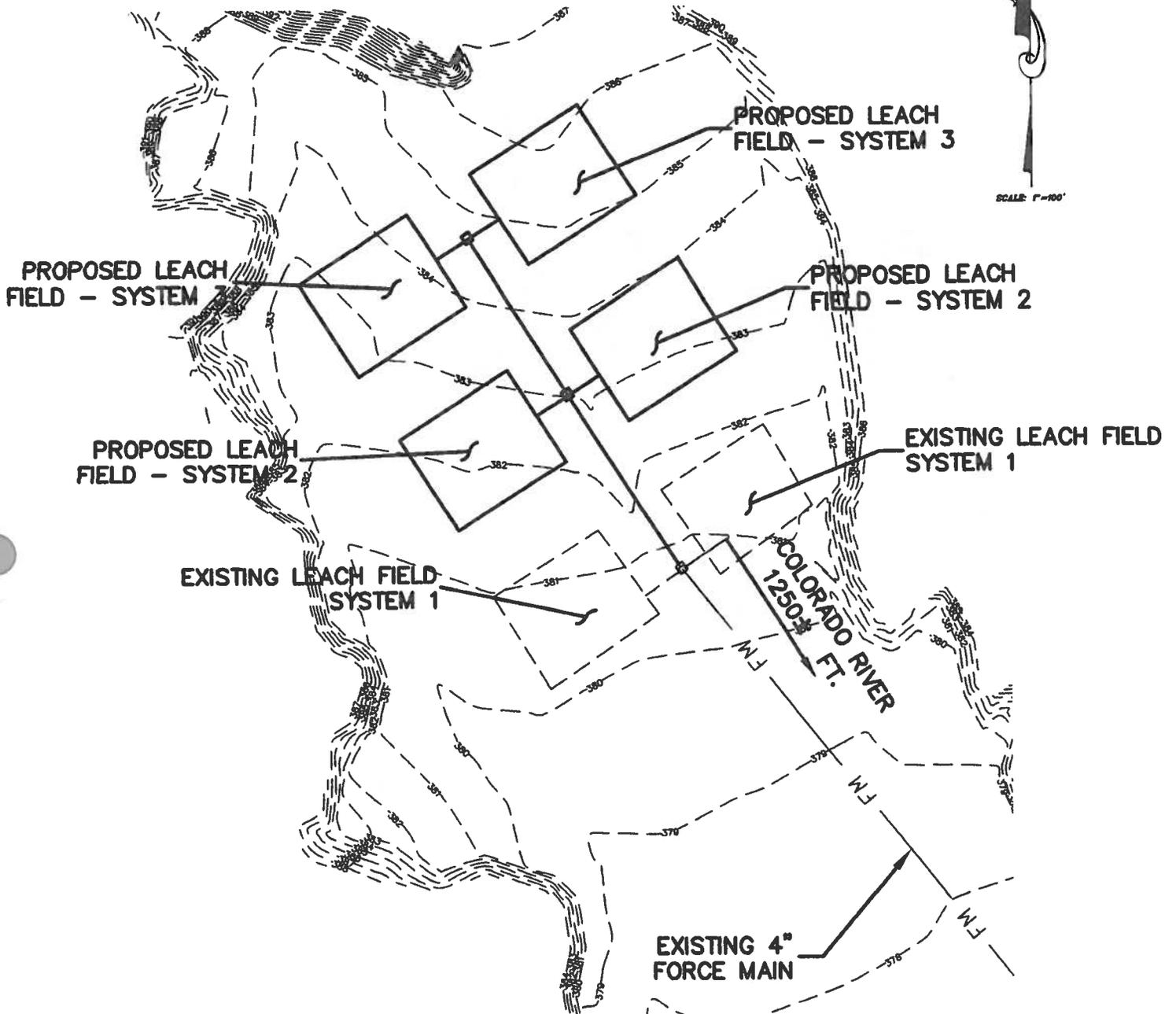
ENTRY/EXIT
W/ CATTLE
GUARD

PUBL



Sewer Expansion

SUNDANCE RV AT EMPIRE LANDING



LEACH FIELD EXPANSION EXHIBIT

EXISTING LEACH FIELD SYSTEM, 5000 gpd CAPACITY

PROPOSED LEACH FIELD SYSTEM, 5000 gpd CAPACITY,
EACH

ARQ ENGINEERING LLC
Engineering and Survey

4440 S. HIGHWAY 95, SUITE A
FORT MOHAVE, ARIZONA 86426
(928) 758-3333



Figure 2. Recreational facilities near the proposed Sundance Resort

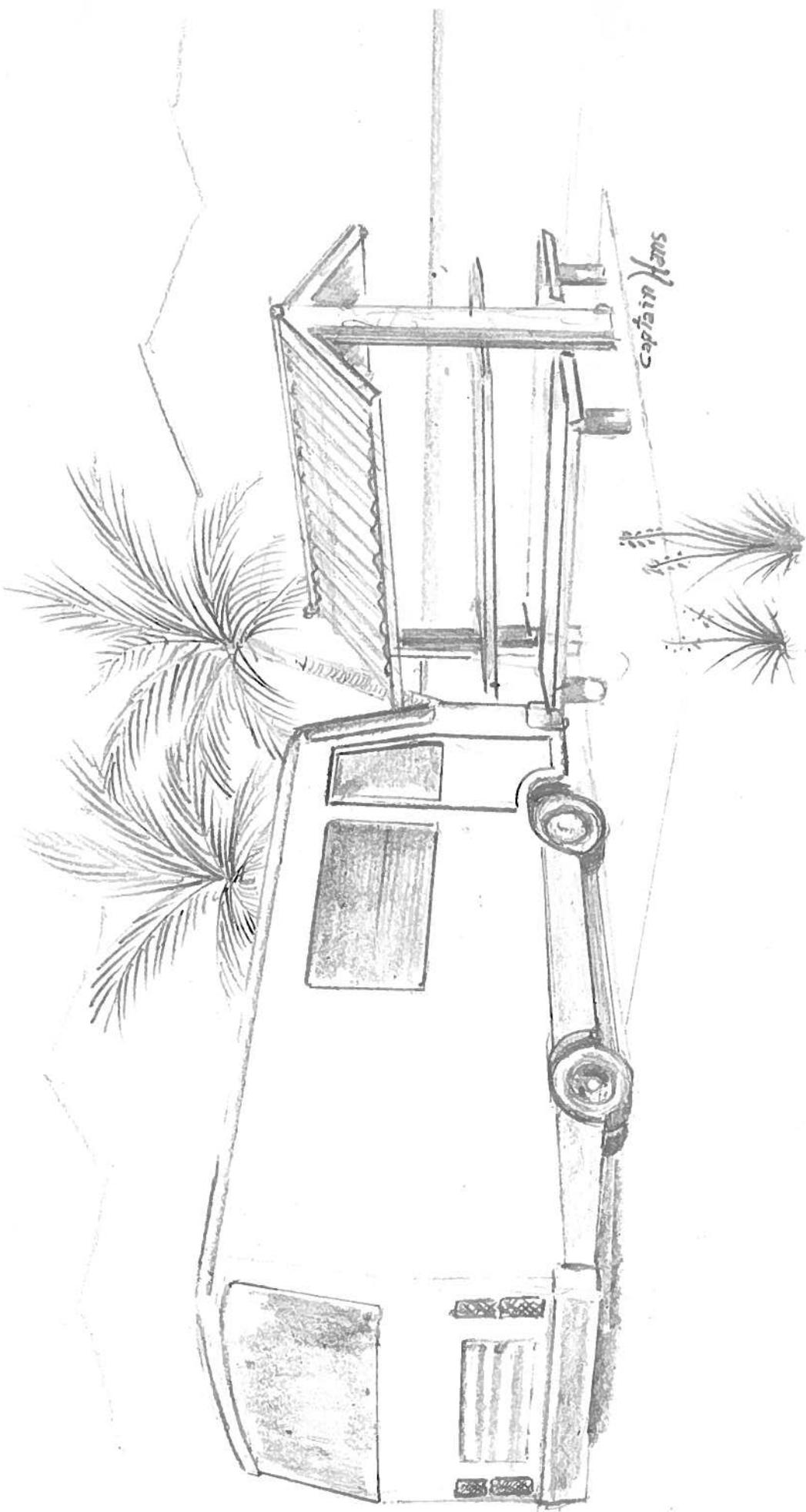
CLIENT:
SR
DRAWING CREATED:
11/5/13
REVISED:



CJE

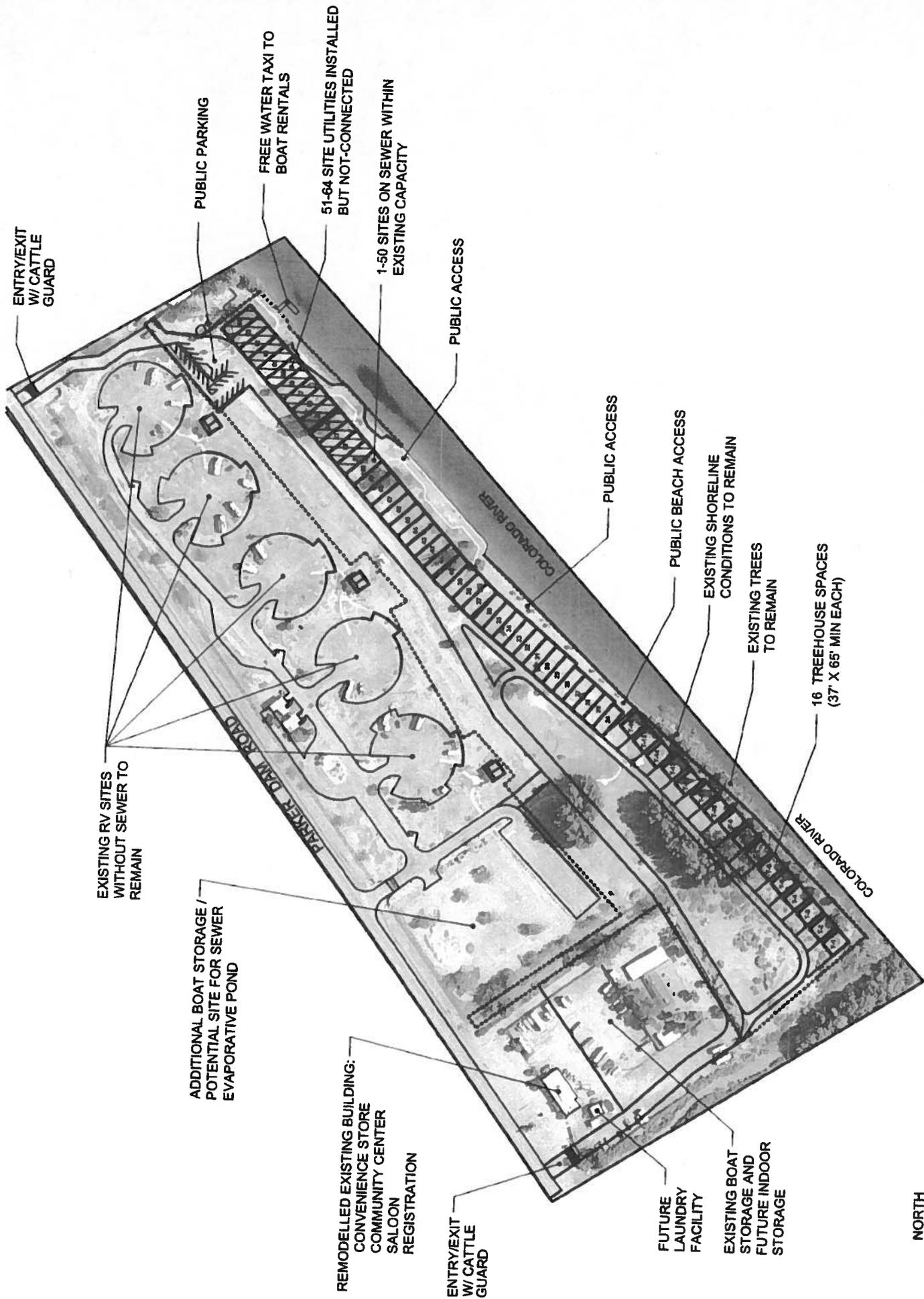
FIGURE 2

Exhibit B – RV Patio



captain james

Tree House Floor Plan – Site Location



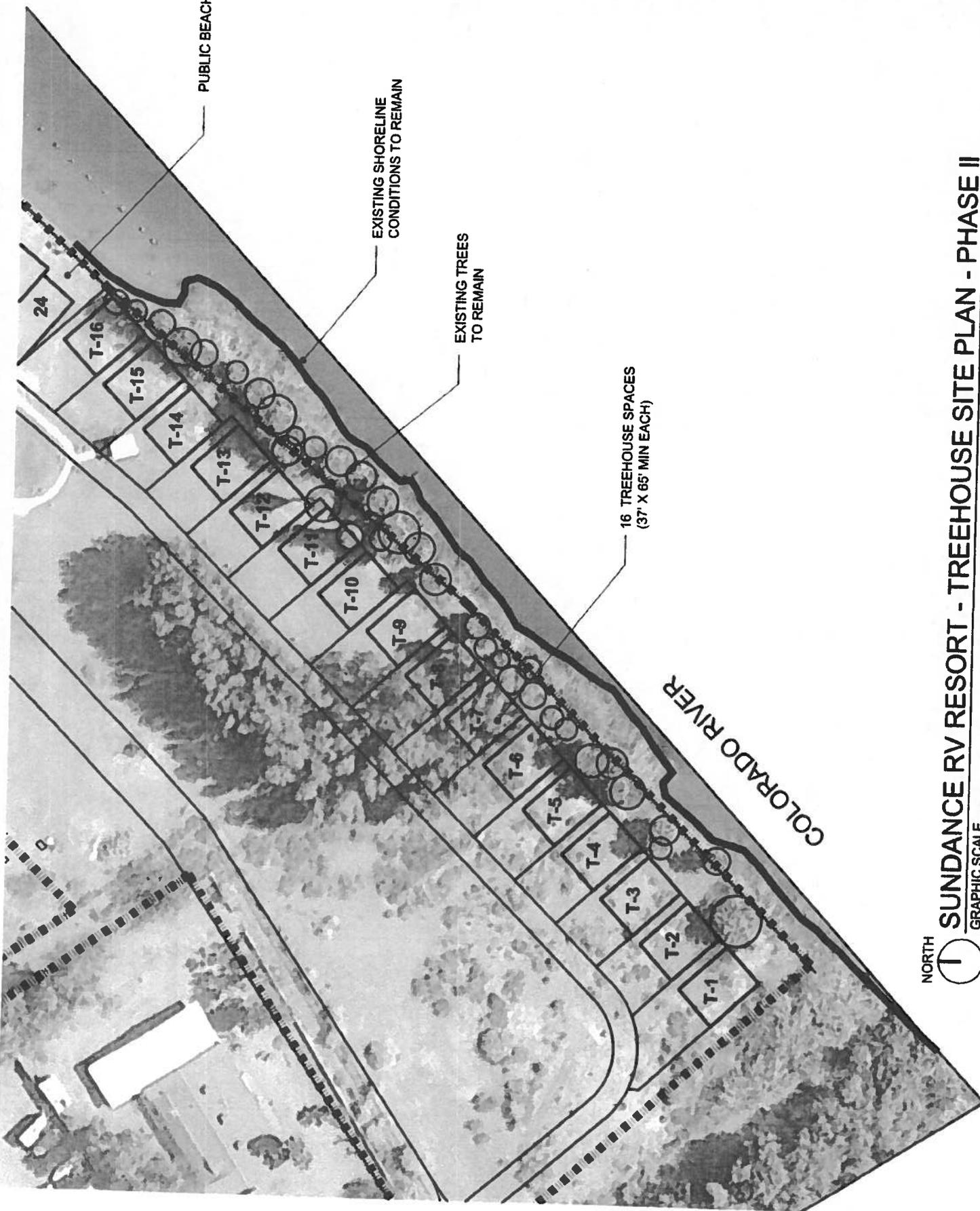
NORTH



1 SUNDANCE RV RESORT - TREEHOUSE SITE PLAN - PHASE II

GRAPHIC SCALE





PUBLIC BEACH ACCESS

EXISTING SHORELINE
CONDITIONS TO REMAIN

EXISTING TREES
TO REMAIN

16 TREEHOUSE SPACES
(37' X 65' MIN EACH)

COLORADO RIVER

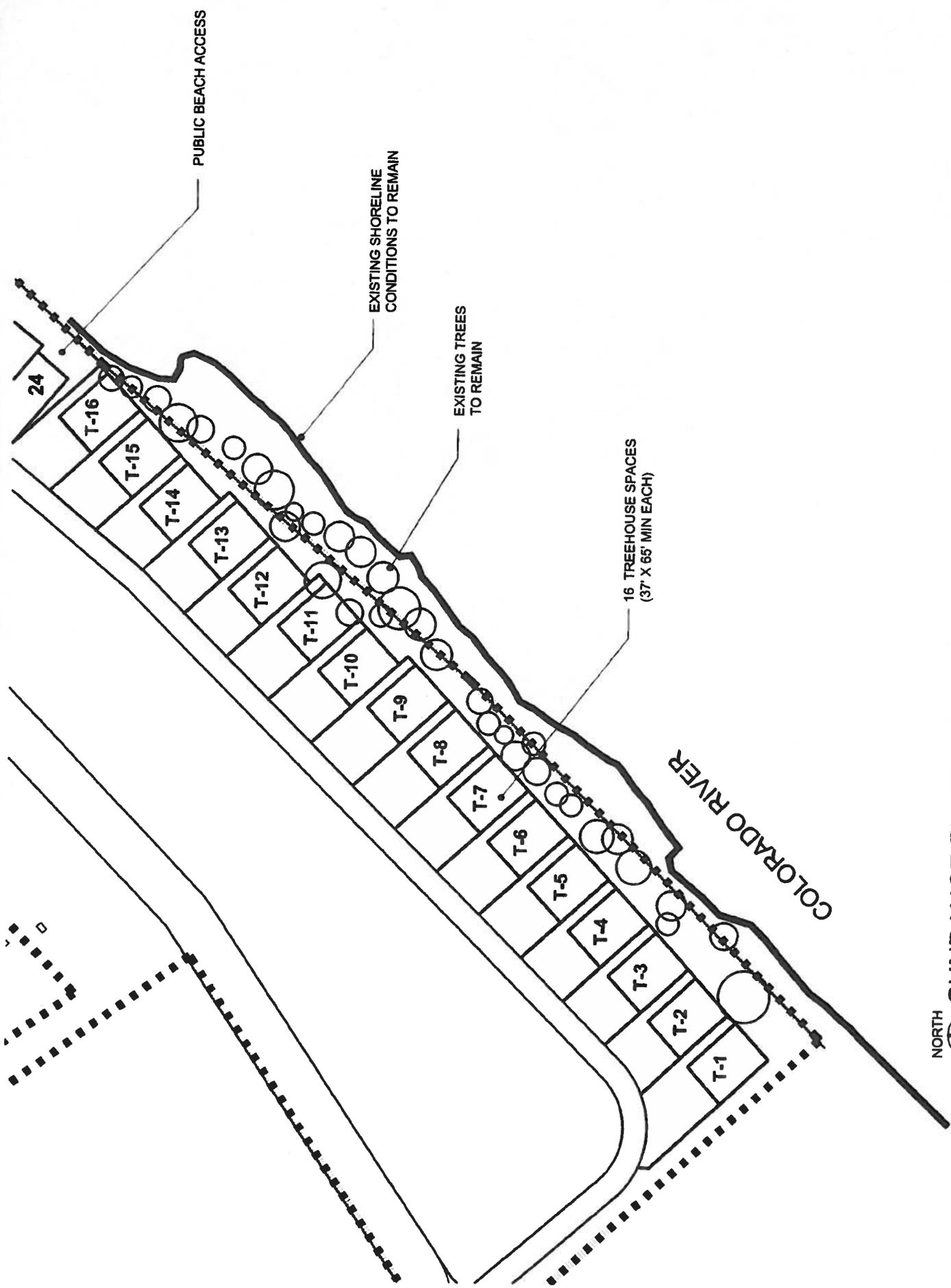
NORTH



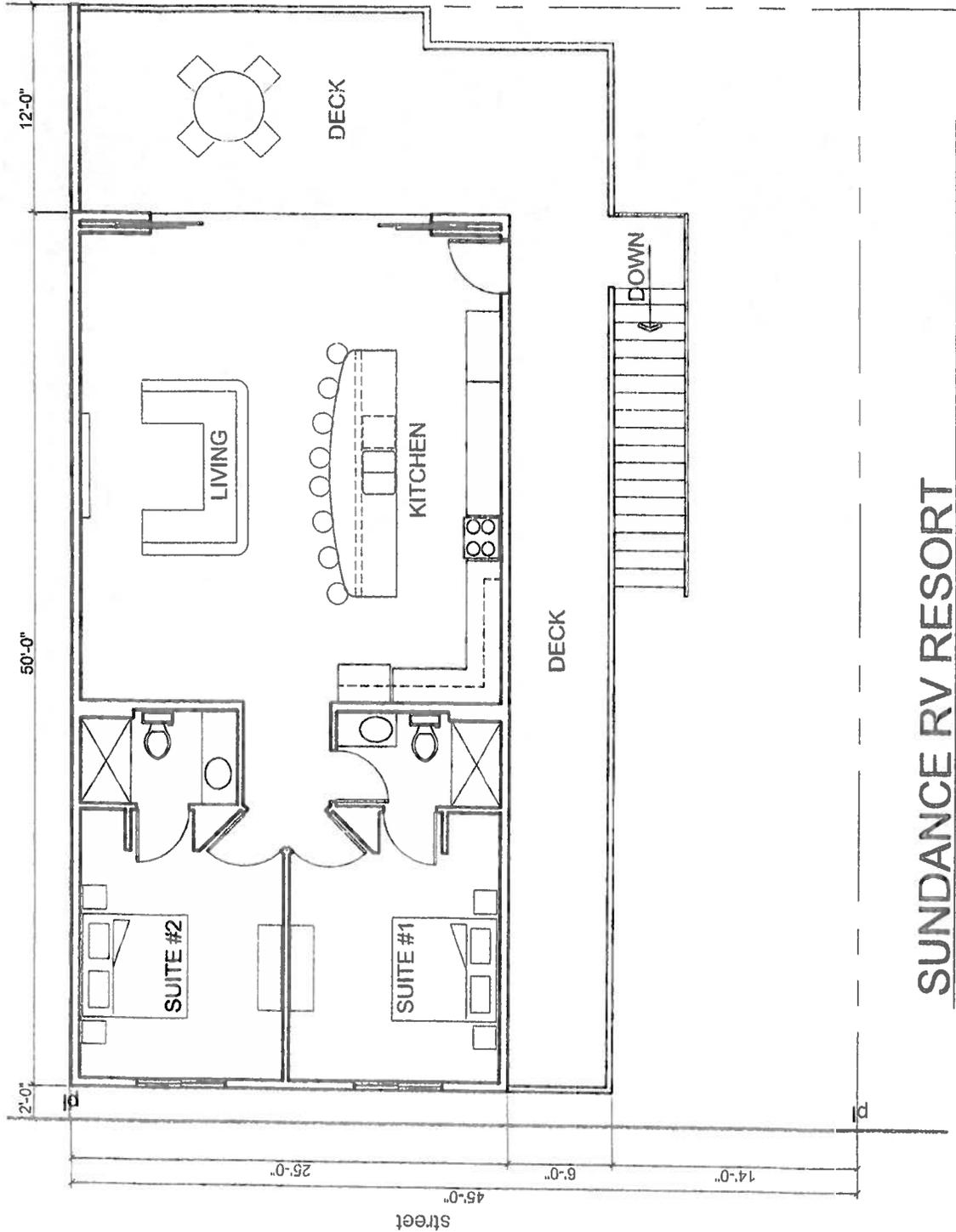
SUNDANCE RV RESORT - TREEHOUSE SITE PLAN - PHASE II

GRAPHIC SCALE





SUNDANCE RV RESORT - TREEHOUSE SITE PLAN - PHASE II

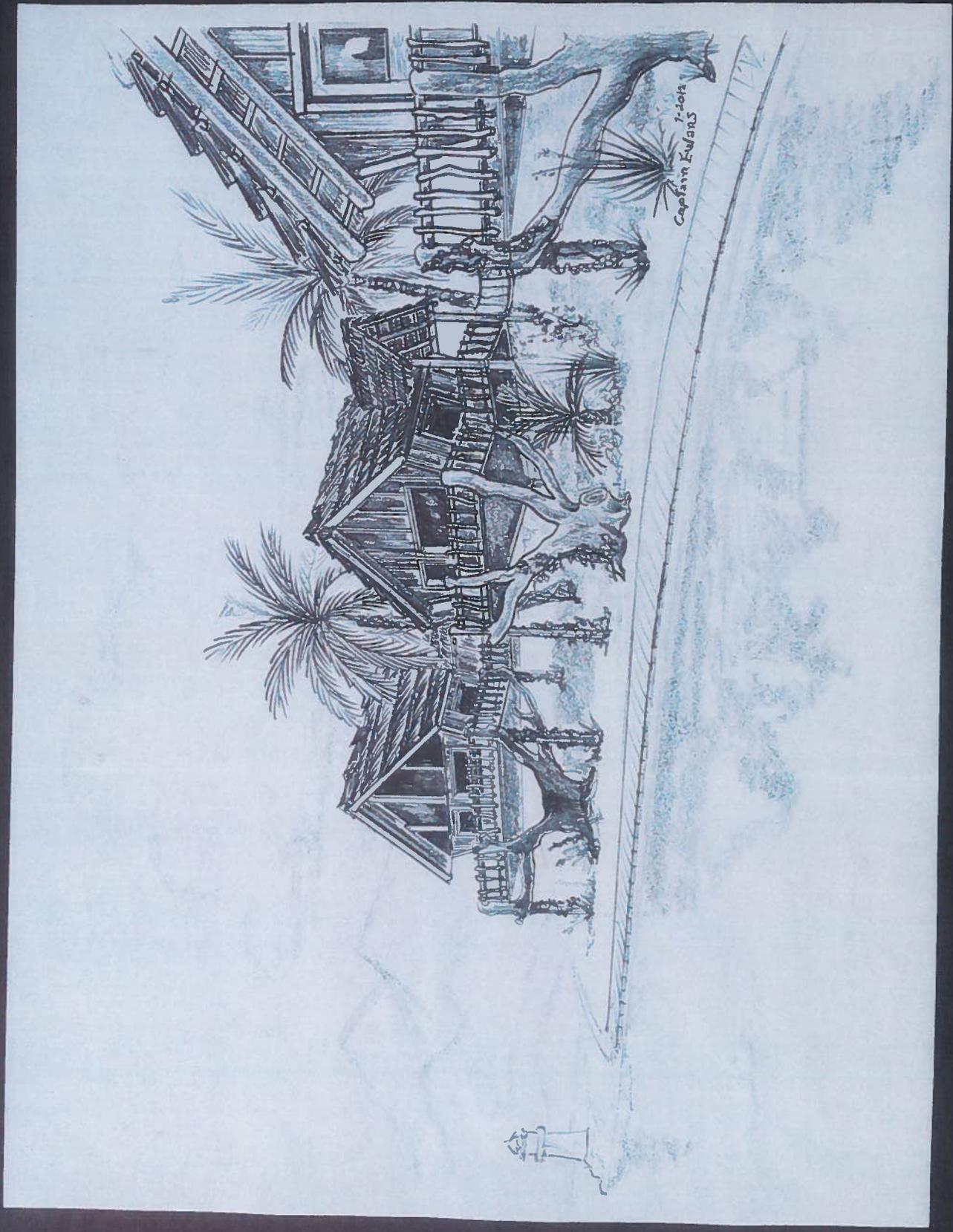


river's edge

beach

SUNDANCE RV RESORT
PRE-LIM UPPER FLOOR PLAN OF TREEHOUSE

street



1-10-01
Captain Evans

Cash Flow Proforma

Sundance RV Resort, LLC
Proforma Cash Flow Statement
Assumptions

First year will have 64 Waterfront Sites at 70% Occupancy (64 X 70% = 45 spaces X 12 Months X \$510.00 ea) \$275,400.00
First year will have 60 Off the Water Sites at 30% Occupancy (60 X 30% = 18 spaces X 12 Months X \$395.00 ea) \$85,320.00
Second year 64 Waterfront Sites at 80% Occupancy (64 X 80% = 51 spaces X 12 Months X \$510.00 ea) \$312,120.00
Second year 60 Off the Water Sites at 40% Occupancy (60 X 40% = 24 spaces X 12 Months X \$395.00 ea) \$113,760.00
Third Year 64 Waterfront Sites at 90% Occupancy (64 X 90% = 58 spaces X 12 Months X \$510.00 ea) \$354,960.00
Third Year 60 Off the Water Sites at 50% Occupancy (60 X 50% = 30 spaces X 12 Months X \$395.00 ea) \$142,200.00
Utilities charged to RV Spaces Average \$66.00 Per Month and Cost \$62.33
Second year will have 2 Tree House Sales at \$249,000 each and will cost \$200,000 each to build
Tree House Sales are expected to continue at a minimum of 2 per year
24 Indoor Storage Units will be built by the second year and will rent for \$280 per month and will have 100% occupancy
Outdoor storage rental income will be \$48,000 per year
Cost of Beer and Wine will be 29%
Cost of Pizza product and supplies will be 26%
Lease expense is 4% for 2014 & 2015 increasing to 5% for 2016
Credit Card is expected to average 2% of all sales with the exception of Tree House Sales
Interest & Principal payments based on \$1,520,000.00 financed at 6% interest

Sundance RV Resort
Proforma Cash Flow Statement
For the Twelve Months Ending December 31, 2014

Revenues:

Waterfront Rentals 64 Spaces	\$ 275,400.00
Off Waterfront Rentals 60 Spaces	85,320.00
Beer & Wine	160,000.00
Fuel Sales	160,000.00
Convenience Store	150,000.00
Pizza	60,000.00
Utilities Revenue RV Sites	49,698.00
Outside Storage	<u>48,000.00</u>

Total Revenues

\$ 988,418.00

Cost of Sales:

Fuel Purchased	\$ 136,000.00
Beer & Wine Purchased	46,400.00
Convenience Store Purchases	31,000.00
Pizza Supplies Purchases	15,600.00
Cost of Utilities Sold	46,935.00
Wages and Payroll Tax	162,000.00
Lease Expense @ 4%	39,536.72
Credit Card Expense	<u>19,768.36</u>

Total Cost of Sales

547,240.08

Gross Profit

\$ 441,177.92

Expense:

Repair & Maintenance	\$ 35,000.00
Water Taxi Expense	55,000.00
Utilities Saloon/Store	18,000.00
Taxes & License	2,400.00
Advertising & Marketing	40,000.00
Loan Payments (Interest and Principal)	109,358.04
Telephone	4,320.00
Insurance	8,550.00
Office Expense	<u>5,700.00</u>

Total Expenses

278,328.04

Net Cash Flow Before Federal and State Income Tax

\$ 162,849.88

Sundance RV Resort
Proforma Cash Flow Statement
For the Twelve Months Ending December 31, 2015

Revenues:

Waterfront Rentals 64 Spaces	\$ 312,120.00
Off Waterfront Rentals 60 Spaces	113,760.00
Tree House Sales	498,000.00
Beer & Wine	170,000.00
Fuel Sales	160,000.00
Convenience Store	150,000.00
Pizza	60,000.00
Inside Storage	80,640.00
Utilities Revenue RV Sites	59,530.00
Outside Storage	<u>48,000.00</u>

Total Revenues

\$ 1,658,050.00

Cost of Sales:

Fuel Purchased	\$ 136,000.00
Tree House Construction	400,000.00
Water Taxi Expense	55,000.00
Beer & Wine Purchased	51,040.00
Convenience Store Purchases	81,000.00
Pizza Supplies Purchased	15,600.00
Cost of Utilities Sold	56,222.00
Wages and Payroll Tax	172,000.00
Lease Expense @ 4%	66,322.00
Credit Card Expense	<u>23,201.00</u>

Total Cost of Sales

1,056,385.00

Gross Profit

\$ 601,665.00

Expense:

Repair & Maintenance	\$ 45,000.00
Utilities Saloon/Store	18,000.00
Taxes & License	2,400.00
Advertising & Marketing	40,000.00
Loan Payments (Interest and Principal)	109,358.04
Telephone	4,320.00
Insurance	8,550.00
Office Expense	<u>5,700.00</u>

Total Expenses

233,328.04

Net Cash Flow Before Federal and State Income Tax

\$ 368,336.96

Sundance RV Resort
Proforma Cash Flow Statement
For the Twelve Months Ending December 31, 2016

Revenues:

Waterfront Rentals 64 Spaces	\$ 354,960.00
Off Waterfront Rentals 60 Spaces	\$ 142,200.00
Tree House Sales	498,000.00
Beer & Wine	202,400.00
Fuel Sales	160,000.00
Convenience Store	150,000.00
Pizza	60,000.00
Inside Storage	80,640.00
Utilities Revenue RV Sites	69,366.00
Outside Storage	<u>48,000.00</u>

Total Revenues

\$ 1,755,566.00

Cost of Sales:

Fuel Purchased	\$ 136,000.00
Tree House Construction	400,000.00
Water Taxi Expense	55,000.00
Beer & Wine Purchased	58,696.00
Convenience Store Purchases	81,000.00
Pizza Supplies Purchased	15,600.00
Cost of Utilities Sold	65,510.00
Wages and Payroll Tax	172,000.00
Lease Expense @ 5%	88,278.30
Credit Card Expense	<u>25,351.32</u>

Total Cost of Sales

1,097,435.62

Gross Profit

\$ 668,130.38

Expense:

Repair & Maintenance	\$ 55,000.00
Utilities Saloon/Store	18,000.00
Taxes & License	2,400.00
Advertising & Marketing	40,000.00
Loan Payments (Interest and Principal)	109,358.04
Telephone	4,320.00
Insurance	8,550.00
Office Expense	<u>5,700.00</u>

Total Expenses

243,328.04

Net Cash Flow Before Federal and State Income Tax

\$ 424,802.34

Conclusion

Why choose Sundance R.V. Resort as your concessionaire for EARP, California?

1. Experience

Craig Reynolds has been in the resort business his whole life. He has been a resident of Lake Havasu since 1984 and fully understands the market on the Colorado River. He is the exclusive sub-concessionaire for AZ State Lands at the Nautical Inn Resort. He has operated resort concessions in Jamaica, Grand Caymans, Maui, St. Croix and Bermuda. Craig's experience in the Caribbean is what created the pirate/Caribbean theme experience at the Naked Turtle, Pirates Cove Resort and Pirates Den Resort. He has developed and managed these themed restaurants and resorts successfully and professionally. The attention to detail and authenticity of build-out is the magic that drives the success of these projects.

2. Hands on commitment and dedication to the project

This is an owner operator concession. The ownership and management of the resort will be on property. This concession will not be managed by owners in California with hired staff to look after the project. Many of the managers working with Craig have been seasoned successful managers at the Naked Turtle, Pirates Cove and Pirates Den.

3. Local bank financing

Horizon Community Bank financed The Naked Turtle, Pirates Cove Resort and Pirates Den Resort projects for Craig Reynolds.

4. Proven track record

As stated earlier, the Naked Turtle, Pirates Cove Resort and Pirates Den Resort were conceived, designed and managed by Craig Reynolds. Of course, a tremendous supporting staff assisted with the success of these projects. Craig Reynolds also holds a marine contractor's license and designs, manufactures and installs from single residential docks, to 300 slip commercial marinas, as shown on his resume. He has been involved with boat rental boat facility, renting everything on the water, from paddleboards and kayaks to performance boats and 85 foot houseboats.

This is a very exciting project and all of us involved at Sundance RV Resort are looking forward to this opportunity and completion of a Resort that we believe will be a well-received addition to compliment the Parker Strip.