



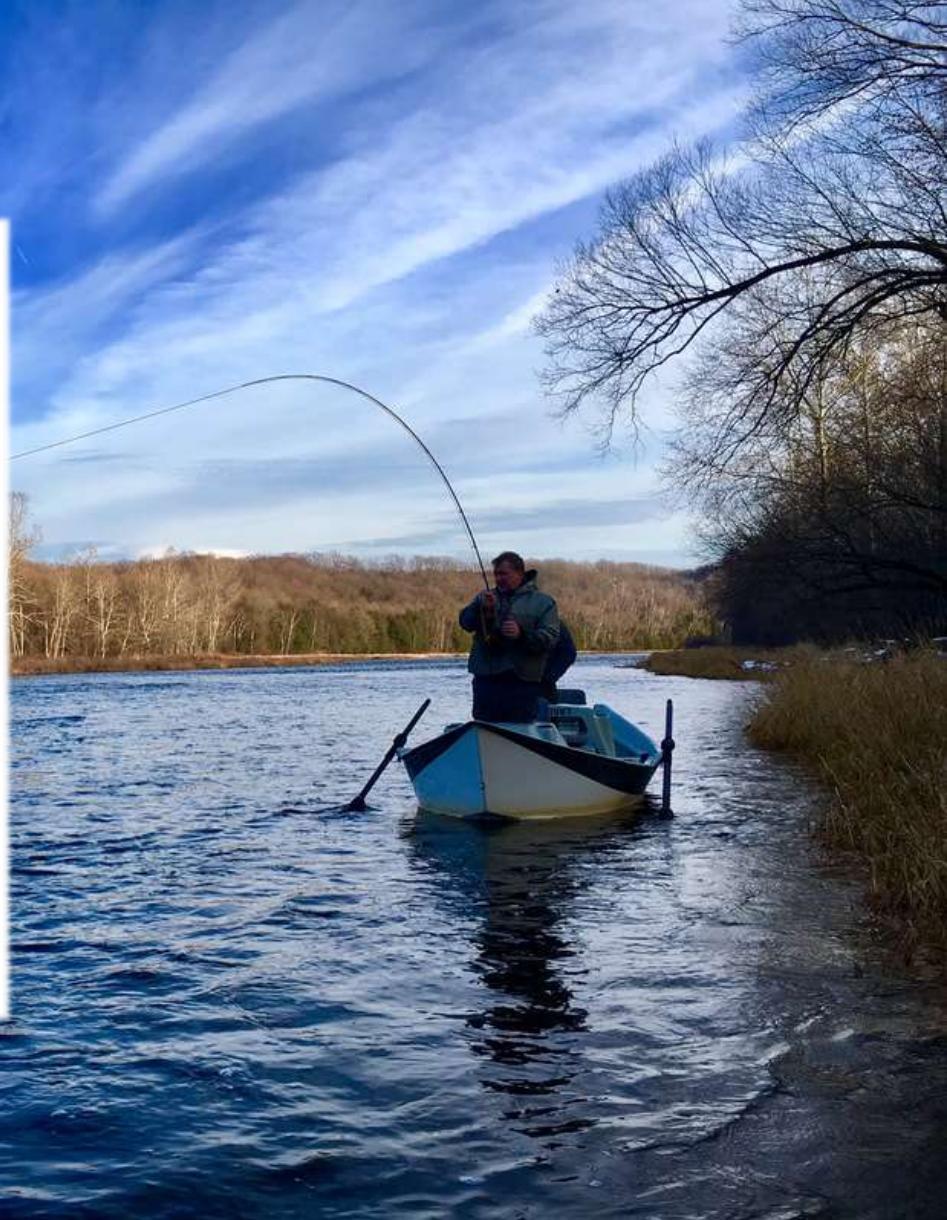
NEWMAN
GROUP Capital Investments
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RIVERSIDE RESORT



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INVESTMENT OVERVIEW



HIGHLIGHTS

Address: 76 Robinson Road, Tweed, ON

Current # of Lots: 103

Acreage: 96

Developed Acreage: <50 Acres

Average Rate Per Seasonal Lot: \$2,000.00

- Well established resort with 100% continual occupancy rate
- Large acreage for lot and amenity additions and expansion
- No annual rental caps on vacation resorts (current rates are 25% under market)
- Located in beautiful Kawarthas, directly on the Skootamatta River
- Seasonal operations for 6 months
- Rents are collected in full at the beginning of the season
- Newly renovated salt water pool and new pavillion
- High growth asset located in prime location

Preferred Return - 13%/Y, Respective Shares Profit Split

Distributions - Monthly (Interest)

Fund Size - \$700K

Minimum Investment - \$100K

Hold Period - 5 Years

Targeted ROI - 2.5x

Structure - Limited Partnership

Closing - January 15, 2020

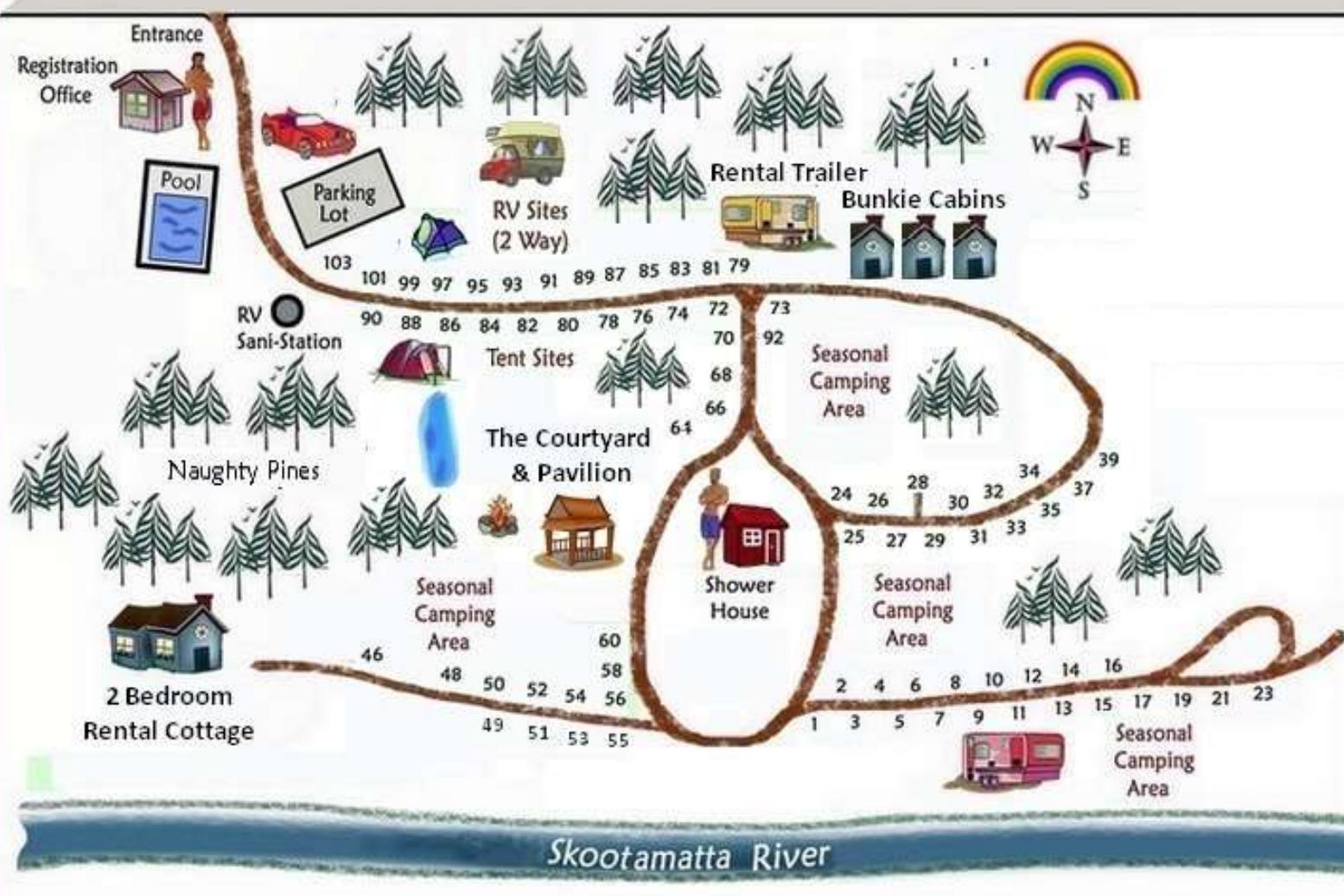
HIGHLIGHTS

- Pavilion & courtyard
- Salt water in ground pool
- Shower house and bunkie cabins
- 2 bedroom rental cottage
- 30 & 50 amp service
- Direct river access
- Fire pits & picnic tables on all lots
- Separate tent camping sites (away from seasonals)
- Outdoor boat and trailer storage
- 24 hour surveillance
- Excellent outdoor activities (boating, fishing, swimming etc.)
- Canoes & kayaks available for rent





PROPERTY DESCRIPTION



Management Overview

Property Manager: Existing manager will remain.

Property manager will be responsible for lease agreements and collections.

Utilities

Water, hydro and garbage removal is included in lot fees. Tenant is responsible for internet/cable and all other entertainment requirements.

LOCATION ANALYSIS

Riverside RV Resort is located just outside of Tweed, Ontario in the Kawarthas. The resort is located directly on 96 acres with full river frontage on the Skootamatta River. All necessary amenities including grocery stores, restaurants, shopping etc. are all within close driving proximity. Nearby provincial parks include Kawartha Highlands to the west and Bon Echo to the east. The park itself holds one of Ontario's largest soap stone deposits. The area is well known for camping, hiking, fishing, hunting, swimming, boating and more. Many trail systems and historical sites can be found in the area.





FINANCIAL ANALYSIS

RIVERSIDE RV RESORT & CAMPGROUND INC.
STATEMENT OF INCOME (LOSS) AND DEFICIT
YEAR ENDED DECEMBER 31, 2017

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|----------------------------|----------------------------|
| REVENUE | | |
| Sales | <u>\$ 129,150</u> | <u>\$ 142,941</u> |
| EXPENSES | | |
| Advertising and promotion | 34,735 | 29,425 |
| Amortization | 7,539 | 8,042 |
| Insurance | 2,008 | 3,345 |
| Interest and bank charges | 4,655 | 4,008 |
| Interest on long-term debt | 42,701 | 38,926 |
| Office | 2,928 | 996 |
| Professional fees | 9,924 | 1,300 |
| Property taxes | 2,908 | 3,234 |
| Repairs and maintenance | 33,897 | 17,772 |
| Supplies | 3,735 | 7,708 |
| Travel | 3,993 | 3,753 |
| Utilities | 24,807 | 19,512 |
| | <u>173,830</u> | <u>138,021</u> |
| NET INCOME (LOSS) | (44,680) | 4,920 |
| DEFICIT, beginning of year | <u>(194,845)</u> | <u>(199,765)</u> |
| DEFICIT, end of year | <u>\$ (239,525)</u> | <u>\$ (194,845)</u> |

RIVERSIDE RV RESORT & CAMPGROUND INC.
STATEMENT OF INCOME (LOSS) AND DEFICIT
YEAR ENDED DECEMBER 31, 2018

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|----------------------------|----------------------------|
| REVENUE | | |
| Sales | <u>\$ 179,744</u> | <u>\$ 129,150</u> |
| EXPENSES | | |
| Advertising and promotion | 43,615 | 34,735 |
| Amortization | 7,092 | 7,539 |
| Insurance | 3,794 | 2,008 |
| Interest and bank charges | 9,561 | 4,655 |
| Interest on long-term debt | 38,451 | 42,701 |
| Office | 271 | 2,928 |
| Professional fees | 1,300 | 9,924 |
| Property taxes | 3,003 | 2,908 |
| Repairs and maintenance | 22,755 | 33,897 |
| Supplies | 3,578 | 3,735 |
| Travel | 4,060 | 3,993 |
| Utilities | 17,539 | 24,807 |
| | <u>155,019</u> | <u>173,830</u> |
| NET INCOME (LOSS) | 24,725 | (44,680) |
| DEFICIT, beginning of year | <u>(239,525)</u> | <u>(194,845)</u> |
| DEFICIT, end of year | <u>\$ (214,800)</u> | <u>\$ (239,525)</u> |

FINANCIAL ANALYSIS

Projections – Year 1

Income

Lot Rentals - \$216,300.00 (\$2,100.00/103 Sites)

Misc. - \$39,600.00 (Boat Rentals & Cabin & Tent Camping)

Gross Margin - \$255,900.00

Expenses

Advertising - \$4,800.00

Insurance - \$3,500.00

Legal & Accounting - \$2,000.00

Municipal Taxes - \$3,650.00

Repairs, Maintenance & Upgrades - \$26,000.00

Supplies - \$2,200.00

Utilities & Telephone - \$21,000.00

Mortgage - \$62,376.00

Management - \$30,000.00

Total Expenses - \$155,526.00

Net Operating Income - \$100,371.00

- 10 new lots, each w/ 30 amp service will be added to the north west side of the park during year one.
- The park will be cleaned out thoroughly. All roadways will be graded and necessary repairs made.
- All general maintenance will be completed.

FINANCIAL ANALYSIS

Projections – Year 2

Income

Lot Rentals - \$248,600.00 (\$2,200.00/113 Sites)

Misc. - \$46,200.00 (Boat Rentals & Cabin & Tent Camping)

Gross Margin - \$294,800.00

Expenses

Advertising - \$5,500.00

Insurance - \$3,700.00

Legal & Accounting - \$3,000.00

Municipal Taxes - \$4,000.00

Repairs, Maintenance & Upgrades - \$33,000.00

Supplies - \$2,700.00

Utilities & Telephone - \$23,000.00

Mortgage - \$62,376.00

Management - \$32,000.00

Total Expenses - \$169,276.00

Net Operating Income - \$125,524.00

- 15 new lots, each w/ 30 amp service will be added to the north west side of the park during year two.
- 4 boat docks will be added along the shoreline.
- New front gate and signage installed.

FINANCIAL ANALYSIS

Projections – Year 3

Income

Lot Rentals - \$288,000.00 (\$2,250.00/128 Sites)

Misc. - \$47,000.00 (Boat Rentals & Cabin & Tent Camping)

Gross Margin - \$335,000.00

Expenses

Advertising - \$5,500.00

Insurance - \$4,200.00

Legal & Accounting - \$3,000.00

Municipal Taxes - \$4,400.00

Repairs, Maintenance & Upgrades - \$33,000.00

Supplies - \$3,000.00

Utilities & Telephone - \$24,500.00

Mortgage - \$62,376.00

Management - \$34,000.00

Total Expenses - \$173,976.00

Net Operating Income - \$161,024.00

- 15 new lots, each w/ 30 amp service will be added to the north west side of the park during year three.

Year 4 Projected NOI - \$190,590.00

Year 5 Projected NOI - \$218,660.00

Preferred Return - 13%/Y, Respective Shares Profit Split
Distributions - Monthly (Interest)
Fund Size - \$700K
Minimum Investment - \$100K
Hold Period - 5 Years
Targeted ROI - 2.5x
Structure - Limited Partnership
Closing - January 15, 2020

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