LANDWRIT

UNDERWRITING REPORT

Cedar Hollow

Cedar Hollow RV Resort — Sonora Bend, AZ

Prepared for **Sample Recipient**
August 20, 2026
Report ID LW-20260820-625A5BA6

AT A GLANCE

96 SITES · 68.4% OCCUPIED · NOI $350,460 · DSCR 1.81x

01 / PLAIN-ENGLISH READ

Plain-English read

This page translates the numbers in this report into plain language. It describes the deal as stated — it does not make a recommendation either way.

You are looking at a 96-site community where 66 sites currently pay rent. After operating expenses, it earns $350,460 a year before any loan payments.

For every $1.00 of year-one loan payments, the property earns $1.81 — a wide cushion by most lenders' standards.

Measured the conservative way — adding a market-rate manager cost, and using the full loan payment once any grace periods end — every $1.00 of payments is covered by $1.46 of earnings; that is the number to underwrite to.

The cash flow is seasonal: 2 months of the year run negative after loan payments — Jan is the deepest — so the property needs a cash reserve of at least $14,847 to cover the slow season.

In all three standard what-if tests (higher interest rates, fewer occupied sites, higher expenses), earnings still covered the loan payments.

TERMS USED IN THIS REPORT

Term	Plain meaning
DSCR	Debt-service coverage ratio: yearly earnings divided by yearly loan payments. 1.00x means earnings exactly cover the payments; below 1.00x, they fall short.
Cap rate	Yearly earnings before loan payments, as a percentage of the purchase price. A way to compare price across properties.
Cash-on-cash	The cash left each year after loan payments, as a percentage of the cash invested to buy.
Debt constant	Total yearly loan payments as a percentage of the total borrowed. Compares loan burdens regardless of rate or structure.
Interest-only (IO)	A period when payments cover interest only: smaller payments, but the loan balance does not shrink.
Deferred	A period with no payments at all: unpaid interest is added to the loan balance, so the debt grows until payments begin.

02 / EXECUTIVE SUMMARY

Executive summary

Cedar Hollow RV Resort — Sonora Bend, AZ is a 96-site community with an average of 66 sites occupied across the year (68.4%) at an average lot rent of $585 per month. At the stated purchase price of $3,900,000, the property produces $350,460 of net operating income — a 8.99% capitalization rate on effective gross income of $522,460.

The proposed structure carries 2 loans totaling $3,120,000, for year-one debt service of $193,442 and cash equity in of $840,000. Income covers year-one debt service 1.81x at the stated numbers, leaving $157,018 of annual cash flow (18.69% cash-on-cash).

Under mechanical stress the deal is most sensitive to a 10% occupancy decline, where coverage moves to 1.45x. The full stress panel is in section 7.

The engine raised 3 flags on this deal as stated — detailed in section 8 with the diligence each one calls for. None of them is a verdict; each is a number that moved outside a threshold and should be resolved before hard money goes nonrefundable.

03 / KEY TERMS

Key terms

Item	Value
Purchase price	$3,900,000
Closing costs	$60,000
Total capitalization	$3,960,000
Total debt	$3,120,000
Cash equity in	$840,000
Sites (total / occupied)	96 / 66
Occupancy	68.4%
Average lot rent (monthly)	$585
Capitalization rate	8.99%
Year-1 DSCR	1.81x
Year-1 cash flow	$157,018
Cash-on-cash	18.69%

04 / INCOME ANALYSIS

Income analysis

Line	Amount	Tie-out
Site rental income	$468,460	Sum of 12 monthly profiles (section 5) = $468,460
Other income	$54,000	Stated — utility reimbursements, laundry, fees
Effective gross income	$522,460	$468,460 + $54,000 = $522,460
Operating expenses	($172,000)	Stated operating expenses (see provenance, section 9)
Net operating income	$350,460	$522,460 – $172,000 = $350,460
Market manager payroll (injected)	($38,400)	No management payroll stated — market-rate cost injected ($400/site/yr, floor $18,000, cap $48,000)
Adjusted NOI	$312,060	$350,460 – $38,400 = $312,060

Tie-out arithmetic is shown so every figure can be reproduced by hand from the stated inputs. Vacant-site upside is not credited anywhere in this report.

Stated NOI and Adjusted NOI are shown side by side because no management payroll appears in the stated expenses. At the Adjusted NOI, year-one coverage is 1.61x and cash flow is $118,618 (14.12% cash-on-cash). A lender will underwrite to the adjusted figure if the current owner self-manages.

05 / MONTHLY SEASONALITY & LIQUIDITY

Monthly seasonality & liquidity

Income follows the stated monthly profile; operating expenses and debt service are spread evenly across the year. A month is red when the property does not cover its own loan payments from that month's earnings.

Month	Occupied	Avg rent	EGI	NOI	Debt service	Cash flow
Jan	34	$545	$23,030	$8,697	$16,120	**($7,424)**
Feb	50	$545	$31,750	$17,417	$16,120	$1,296
Mar	52	$565	$33,880	$19,547	$16,120	$3,426
Apr	66	$585	$43,110	$28,777	$16,120	$12,656
May	78	$605	$51,690	$37,357	$16,120	$21,236
Jun	90	$625	$60,750	$46,417	$16,120	$30,296
Jul	92	$625	$62,000	$47,667	$16,120	$31,546
Aug	92	$625	$62,000	$47,667	$16,120	$31,546
Sep	84	$605	$55,320	$40,987	$16,120	$24,866
Oct	68	$585	$44,280	$29,947	$16,120	$13,826
Nov	48	$565	$31,620	$17,287	$16,120	$1,166
Dec	34	$545	$23,030	$8,697	$16,120	**($7,424)**

Minimum-liquidity check: 2 months (Jan, Dec) run negative after debt service; the worst is Jan at ($7,424). The reserve required to cover every negative month is $14,847 — computed as the sum of the shortfalls, which assumes surplus months are not retained. Fund it at closing, not from hoped-for season earnings.

06 / DEBT STACK

Debt stack

Pos	Loan	Principal	Rate	Amort	Structure	Yr-1 pay
1	Assumable senior note	$1,620,000	5.15%	30y	balloon yr 6	$107,192
2	Seller carry (2nd)	$1,500,000	5.75%	30y	2 yr interest-only; balloon yr 10	$86,250
	Total	$3,120,000				$193,442

Blended year-one constant: $193,442 ÷ $3,120,000 = 6.20% of principal.

Debt service by year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Assumable senior note	$107,192	$107,192	$107,192	$107,192	$107,192
Seller carry (2nd)	$86,250	$86,250	$106,074	$106,074	$106,074
Total	$193,442	$193,442	$213,266	$213,266	$213,266
DSCR at stated NOI	1.81x	1.81x	1.64x	1.64x	1.64x

Note the step-up: once interest-only and deferred periods burn off, annual debt service rises from $193,442 to $213,266. Coverage at the stated NOI is 1.64x; at the Adjusted NOI it is 1.46x — adjusted income against the full payment, the conservative anchor. Underwrite to that number, not to year one.

07 / STRESS PANEL

Stress panel

Scenario	NOI	Debt service	DSCR	∆ vs base
Base case (stated)	$350,460	$193,442	1.81x	+0.00
Rate +200 bps (floating loans)	$350,460	$193,442	1.81x	+0.00
Occupancy –10% of sites	$280,260	$193,442	1.45x	-0.36
Expenses +10%	$333,260	$193,442	1.72x	-0.09

Each stress is mechanical and applied independently to the stated inputs. The rate stress re-prices every floating-rate loan in the stack individually before re-deriving total debt service — it is never approximated from the senior alone. DSCR below 1.00x is shown in red.

08 / FLAGS & DILIGENCE ITEMS

Flags & diligence items

Each flag below was raised mechanically by the underwriting engine from the stated inputs, with the diligence it calls for.

- **Expense ratio 32.9% below 35% of revenue — expenses likely understated**

  Diligence: Rebuild the expense stack line by line before trusting the stated NOI — the lines most often missing are management payroll, maintenance reserves (≈5% of income), capital-expenditure reserves (≈10%), and owner-paid utilities.

- **Cash flow negative in 2 months after debt service — worst Jan at –$7,424; hold a liquidity reserve of at least $14,847**

  Diligence: Verify the seasonal pattern against monthly bank deposits, and fund the stated liquidity reserve at closing — a winter shortfall is a cash problem long before it is a value problem.

- **No management payroll stated — Adjusted NOI shown with market-rate manager cost of $38,400 injected**

  Diligence: Confirm who manages the park today and at what cost — if the seller self-manages, underwrite a replacement manager at market rate before trusting the stated NOI.

09 / ASSUMPTIONS & PROVENANCE

Assumptions & provenance

Every input used by the engine, with its source. Anything marked unverified should be confirmed in diligence before it is relied on.

Input	Value	Source
Property	Cedar Hollow RV Resort — Sonora Bend, AZ	Sample LOI dated 2026-08-06 (invented)
Purchase price	$3,900,000	Sample LOI dated 2026-08-06 (invented)
Total sites	96	Sample site map + rent roll dated 2026-07-31 (invented)
Occupied sites	66	Sample rent roll dated 2026-07-31 — annual average of the monthly profile (invented)
Average lot rent (monthly)	$585	Sample rent roll dated 2026-07-31 — simple average of the monthly rate card (invented)
Other income (annual)	$54,000	Sample seller T12 ending 2026-06 — store, laundry, utility reimbursements (invented)
Operating expenses (annual)	$172,000	Sample seller T12 ending 2026-06 — unaudited, no management payroll line (invented)
Closing costs	$60,000	Landwrit estimate at ~1.5% of purchase price (invented)
Loan — Assumable senior note	$1,620,000 @ 5.15%, 30y amort; balloon yr 6	Sample loan-assumption package from the seller's lender dated 2026-08-05 (invented)
Loan — Seller carry (2nd)	$1,500,000 @ 5.75%, 30y amort; 2 yr interest-only; balloon yr 10	Sample seller counter-offer dated 2026-08-12 (invented)

Methodology: all figures are produced by Landwrit's deterministic underwriting engine — pure arithmetic on the inputs above, reproducible line by line. No figure in this report is generated by a language model.

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10 / YOUR ENGAGEMENT

Your engagement

This engagement includes:

- This underwriting report, with the full stress panel and mechanical flag review.
- The complete engine output (JSON) behind every figure, on request — every number is reproducible.
- One revision within 14 days if your inputs change (updated term sheet, corrected rent roll, revised T12).
- Email follow-up for questions about anything in this file.

Questions on this file: **hello@landwrit.com** — reference "Cedar Hollow" and the prepared date (August 20, 2026).

Scope: this report analyzes the deal exactly as stated by the inputs in section 9. It is analytical work product — not an appraisal, legal advice, or investment advice, and not a recommendation to transact. Verify all inputs independently before relying on any figure.