



ROADHAUS

Your Nation-Wide Home Addition.

PRELIMINARY BUSINESS CASE & FEASIBILITY STUDY

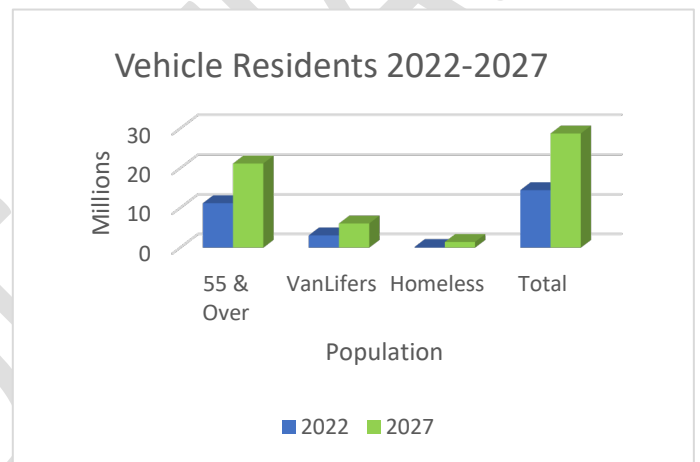
This preliminary business case provides a context for conversation regarding the feasibility and potential profitability of ROADHAUS, a business designed to serve the needs of an emerging market that should reach nearly 30 million consumers within the next five years. Study directors will be in touch with you shortly to gain your insight into the assumptions, strengths, weaknesses, opportunities, and challenges inherent in this proposed venture.

MARKET OPPORTUNITY – VEHICLE RESIDENTS

“Vehicle Residency” is becoming America’s new affordable housing. This sector of “nomads” is diverse, including the affluent who can purchase “land yachts” to middle- and low-income families living in class B and C motorhomes; converted commercial vehicles, and cars. Based on current trends, this market sector is projected to rise **from 13.5 million in 2022 to just under 30 million by the year 2027**. Nomads living in vehicles typically fall into one of three categories:

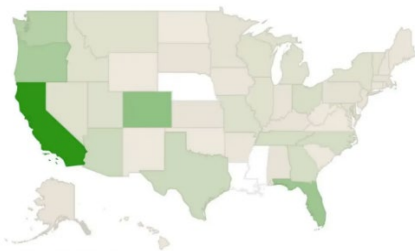
Retirees 55+– Living on the road either part- or full-time, many also maintain traditional homes. Currently estimated at nearly 11.2 million people, this sector will soon nearly double. Within the next five years, 10 million households plan to purchase an RV.

VanLifers – Either remote workers or individuals who can earn a living “on the road,” this sector is also fast-growing. In 2020, an estimated 1.9 million individuals identified as VanLifers. In 2022, that figure was 3.1 million, a growth of 63 percent. VanLifers typically live on the road full time, tend to be countercultural, adventure-seeking, or are averse to paying rent and saving for a first traditional home.



Travel Behavior

What state do you primarily live in?



Top 10 most populated states for van life:

1. California
2. Colorado
3. Florida
4. Oregon
5. Washington
6. Arizona
7. Texas
8. Georgia
9. North Carolina
10. Tennessee

The Homeless – Living in their vehicles by necessity, this group is growing, with over 200,000 Americans falling into this category, up from an est. 120,000 in 2019.

Where do they live? Nomads spend most of their time in relatively temperate climates, including the Pacific Coast and the Southwest along with Colorado, Florida, Georgia, North Carolina, and Tennessee.

Market Sector Needs– Nomad life presents unique challenges, including weather, safety and security, storage, parking, child and pet care, nutrition, bathing,

toileting, healthcare, mail and package delivery, storage, laundry, and consistent access to IT networks. Most importantly, nomad life places tremendous demands on the vehicles themselves, which serve as both housing and transportation. All things mechanical will fail. When their vehicles need repair or maintenance, the consequences for a nomad can be distressing to catastrophic.

Nearly 50 percent of Americans perform some level of vehicle maintenance on their own for reasons that include cost-consciousness, distrust of professional auto mechanics, and a “hobbyist” mentality. For nomads who are DIY mechanics by preference or necessity, lack of a garage and major equipment can present serious problems when on the road.

SOLUTION – ROADHAUS

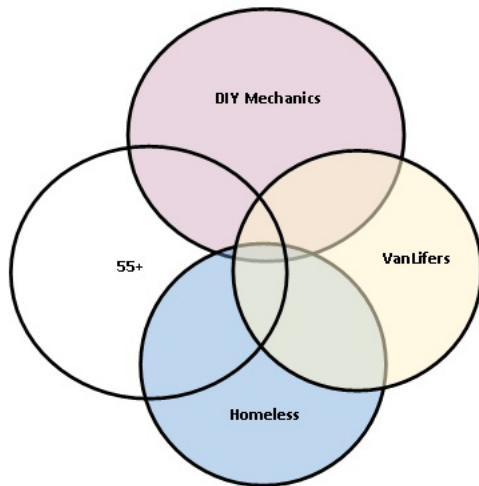
Services already exist that can help nomads with the challenges of daily living, including extended vehicle service agreements, auto clubs, truck stops, safe-parking programs, health clubs, coffee shops, minute clinics, public parks and restrooms, and DIY garages.

But these services are fragmented and not designed with the needs of this market in mind. As a matter of daily living, nomads are marginalized and struggle against public policies designed to make their lives difficult and encourage them to “move along.”

ROADHAUS identifies nomads as an emerging market rather than as a blight. The business mission is to meet the needs of this sector through strategically placed “one-stop” service centers, negotiated services with partners, and tiered memberships. At the same time, the business is intended to help cities and towns cope with the pressures that vehicle residents bring to their communities by serving as a resource to this emerging market.

PILOT PHASE – OPERATIONAL PLAN + BUDGET & ROI

ROADHAUS will target middle-income households among VanLifers, those 55+, and those homeless who have been temporarily priced out of the traditional housing market. Additionally, ROADHAUS will target a “secondary” market of DIY mechanics who live in traditional homes who would be inclined to join a DIY garage. Eventually, ROADHAUS will fund a philanthropic arm to serve the permanently homeless.



During the pilot, ROADHAUS will start with one (1) center, growing to two (2) within three years. The pilot centers will be located in California, the state with the greatest market density. Services will focus on a DIY garage managed by a mechanic able to supervise or perform repairs. The Member Center will offer mail and package delivery, office services, ample shaded parking, playground, toilets, showers, child- and pet-care services offered by approved providers, limited food and beverage service, and a lounge where members can work, rest, or escape extreme or severe weather. To extend geographic reach, ROADHAUS will develop

partnerships with existing, independently owned and operated DIY garages around the country.

During the pilot, ROADHAUS will refine services, membership tiers, and plan for nation-wide expansion of strategically located centers. Initial startup costs are projected at approximately \$4.3 MM with annual operating costs growing from approximately \$3.75 MM in year 1 to a little over \$4.5 MM in year 3. Combined annual net income at the end of the initial 3-year pilot period is estimated at just under \$76.5 MM with an ROI of roughly 6 times the original investment.

INCOME ASSUMPTIONS

- Market penetration in the range of .0025-.005.
- Memberships tiers of \$360-\$1,200 per year.
- Standard 80/20 Pareto distribution.

REQUEST FOR YOUR FEEDBACK

ROADHAUS is an ambitious project with complex factors to consider including marketing assumptions, startup costs, operations, and membership management. We seek your insight into these and other questions.

ROADHAUS PILOT PHASE YRS 1-3				
	YEAR 1	YEAR 2	YEAR 3	TOTAL YRS 1-3
Startup Costs				
Incorporation & Registration (C Corp)	1,000			1,000
D&O Insurance				
(\$1MM YR 1, \$3 MM Coverage Limit thereafter)	2,500	7,500	7,500	17,500
EPLI Rider to D&O Insurance	500	500	500	1,500
Professional Fees - Legal, Accounting, VC Cnslt				
Legal - \$3,000, Accounting - \$1,000/5,000/10,000,				
VC Cnslt (YR 1) - \$4,000	8,000	8,000	13,000	29,000
HR Consultant/Recruiter				
(.25 VP of HR YR 1 Salary)	25,000			25,000
CIT (All direct costs including programming)	300,000			300,000
Land Purchase @ \$1.2 MM/site	1,200,000	1,200,000		2,400,000
DIY Garage Construction & Equipping	250,000	250,000		500,000
Ancillary Space Construction & Equipping	100,000	100,000		200,000
Landscaping design and construction				
120 sq. ft x \$40/sq. ft	576,000	576,000		1,152,000
TOTAL STARTUP COSTS	2,463,000	2,142,000	21,000	4,326,000
DIRECT ANNUAL & OPERATING COSTS				
Salaries+Taxes & Benefits (Est. @ .30 of Base)				
[CEO, CFO, CTO, VP Marketing & Membership, VP HR, Ex Asst,				
Garage & Site Manager, Ancillary Employees(s)]	1,925,000	2,235,650	2,347,433	6,508,083
Marketing & Membership Direct Costs				
(Including Advertising & Direct Mail)	750,000	775,000	800,000	2,325,000
CIT & Information Systems Direct Costs including Developer Time		75,000	75,000	150,000
TOTAL DIRECT ANNUAL OPERATING COSTS	2,675,000	3,085,650	3,222,433	8,983,083
Overhead (Est. @ .40 of Direct Costs)	1,070,000	1,234,260	1,288,973	3,593,233
TOTAL ANNUAL OPERATING COSTS	3,745,000	4,319,910	4,511,406	12,576,316
TOTAL STARTUP & ANNUAL OPERATING COSTS	6,208,000	6,461,910	4,532,406	16,902,316
INCOME		26,730,000	66,659,999	93,389,999
NET INCOME				
INCOME-STARTUP AND ANNUAL OPCOSTS	6,208,000	20,268,090	62,127,593	76,487,683
3-YR ROI				6