

FOR SALE
30 YEAR GROUND LEASE
OWNER-OPERATOR INVESTMENT

ELK LAKE RESORT & MARINA

60000 Cascade Lakes Highway | Bend, Oregon



Elk Lake Resort and Marina is Central Oregon's premier destination year-round resort. Located on Cascade Lakes Highway 25 minutes west of Bend, Oregon, the resort is a mecca for both summer and winter outdoor enthusiasts. **This is an Owner-Operator Investment.**

Offered at \$3,200,000

Brian Fratzke, CCIM, Principal

brian@fratcommercial.com | O 541-306-4948 C 541-480-2526





With You Every Square Foot of the Way.

963 SW Simpson Ave Suite 220 | Bend, Oregon 97702

541-306-4948 | www.fratzkecommercial.com

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PROPERTY SUMMARY

OFFERED AT \$3,200,000

LOT SIZE: 16 +/- Acres

ZONING: F-1 Forest Service

BUILDINGS:

- Historic Lodge with full-service bar & kitchen including indoor & outdoor dining with new outdoor deck & pizza kitchen
- 13 cabin rentals, 10 with full kitchens
- Maintenance/tool shop
- Multiple outdoor restrooms

OTHER AMENITIES:

- 3 RV sites that accommodate up to a 32-foot RV
- 6 glamping campsites (each of which can accommodate four (4) people)
- 3 premium tent sites each of which can accommodate three (3) 4-person tents
- Onsite well
- Fuel station with excellent parking close to all amenities

MARINA INCLUDES:

- Full-size boat ramp
- Long-term boat slip rentals
- Paddleboard, kayak, canoe, and boat rentals
- Day dock & mobile day dock
- 3 Pontoon boats/party barge



FINANCIALS & DUE DILIGENCE

Upon a signed Non-Disclosure Agreement (located at the end of this document) and confirmation of the Buyer's qualifications, the following materials are available:

- A comprehensive set of financials for the past three years, 2019, 2020 & 2021 including a Balance Sheet, Profit and Loss, and Line Item Account of Expenses and Revenue.
- A complete breakdown of all personal equipment and assets including the following:
 - Buildings
 - Marina Equipment
 - Vehicles and Equipment
 - Winter Equipment
- A complete breakdown of all improvements over the past 7 years of ownership.
- Permit with the United States Department of Agriculture, Forest Service.
- Phase III Environmental.
- Master Plan 2019.
- Occupancy Reports.
- Employee Compensation.



RESORT FEATURES

The entire resort encumbers 16 +/- acres of land zoned F-1 Forest Service. Improvements include:

- 13 cabin rentals, 10 with full kitchens
- 3 RV Sites that accommodate up to a 32-foot RV
- 6 Glamping Camp Sites (each of which can accommodate four (4) people)
- 3 Premium Tent Sites each of which can accommodate three (3) 4-person tents.
- Lodge with full-service bar & kitchen including indoor & outdoor dining with new outdoor deck & pizza kitchen
- Maintenance/tool shop
- Onsite well
- Multiple outdoor restrooms
- Fuel station with excellent parking close to all amenities

Marina includes:

- Full-size boat ramp
- Long-term boat slip rentals
- Paddleboard, kayak, canoe, and boat rentals
- Day dock & mobile day dock
- 3 Pontoon boats/party barge

PROPERTY OVERVIEW

Secluded deep within the Cascade Mountains, Fratzke Commercial presents an incredible opportunity to own and operate Elk Lake Resort. Located on the southwest slope of Mt Bachelor, just 25 miles from Bend, this year-round resort includes both summer and winter income streams.

Purchased in 2013 by Pat and Wendy Prive, the resort has been brought back to a flourishing full-season resort with a full-service marina, 13 private cabins, outdoor glamping, and camping sites, updated historic lodge with a full kitchen restaurant and bar with indoor and outdoor seating.

Pat and Wendy have completed significant upgrades including a new outdoor kitchen, deck expansion, new docks in the marina, and a loyal and dedicated staff prepared to work for and support the new owner(s). Winter operations have been enhanced with a new Piston Bully Sno-Cat, snowmobiles, and a reservation and accounting/billing system.





LOCATION & HISTORY

Elk Lake Resort and Marina is Central Oregon's premier destination year-round resort. Located on Cascade Lakes Highway 25 minutes west of Bend, Oregon, the resort is a mecca for both summer and winter outdoor enthusiasts. Originally constructed in 1921 by the Wilcoxon family, Elk Lake has been owned and operated by a number of families who loved the lake and the lodge. The Hap Taylor family owned the lodge for a few years; and the Hackbart family owned and operated the lodge for 22 years, finally selling the lodge to Jim Bendis, owner of Bend Distillery. Elk Lake Partners took ownership of the property in 1994 and many of the structures, restoration, expansion, and events that the public enjoys today were put in place by this passionate group of people.

Restoration and improvement of amenities continue with the current owners who purchased the resort in 2013 upgrading cabins, docks, and the lodge, all in an attempt to keep in step with the volume of people who come to enjoy the lake and its surroundings each season. They follow the tradition of owners who are truly enamored with the honor of caretaking Elk Lake Resort.

The resort continues to hit 100% occupancy levels even during COVID-19 as guests from all over the United States appreciate the peaceful setting with the ability to properly social distance.

In the winter months, Elk Lake Resort's Sno-Cat shuttle service and ski-in & ski-out provide guests with many options to enjoy Elk Lake including premier snowmobile terrain, backcountry skiing, snowshoeing, cross country skiing, and winter camping.

www.elklakeresort.net



TAX MAP & LOCATION AERIAL



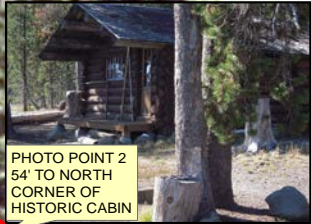
ELK LAKE RESORT - BEN942

Bend-Fort Rock Ranger District, Deschutes National Forest
Township 18 South, Range 8 East, Sections 29, 31, & 32

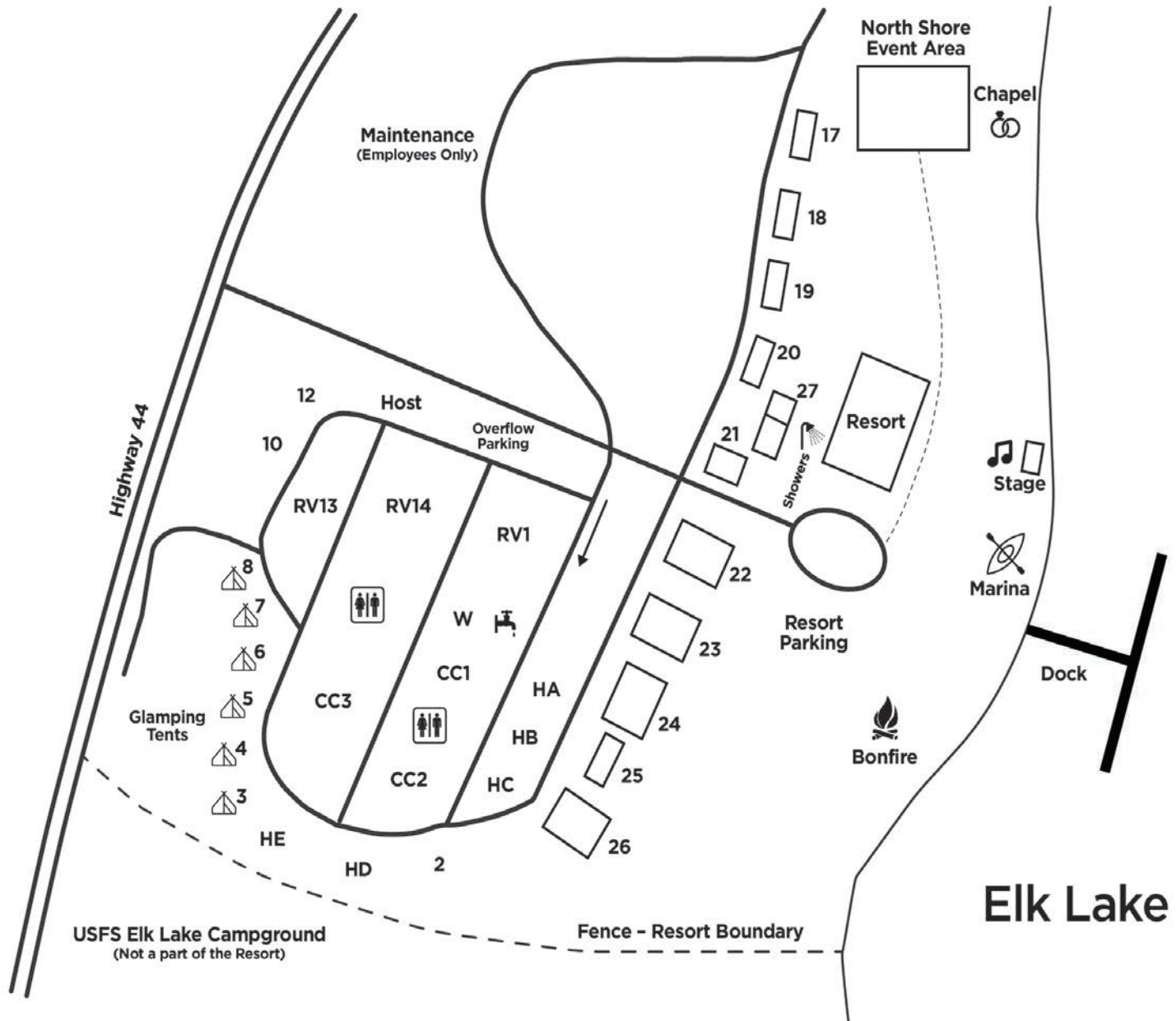
EXHIBIT B

9/23/2013

Legend
RESORT BOUNDARY
(16.75 ACRES)



START POINT 31' FROM
FOG LINE HWY 46
16' FROM EDGE OF
PAVEMENT OF
CAMPGROUND ENTRANCE







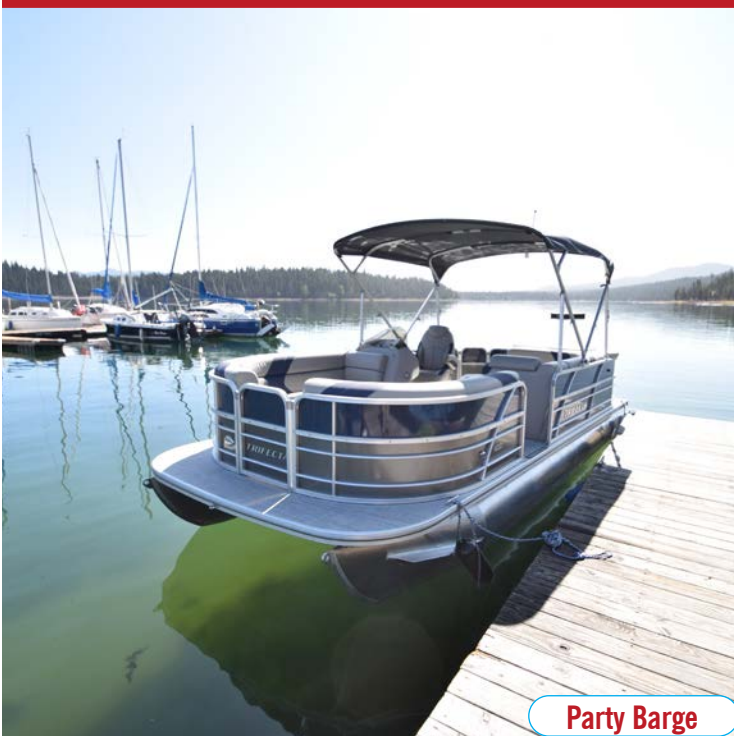
PROPERTY PHOTOS



Fuel Station



Mobile Day Dock



Party Barge



Rentals



Glamping Tents





Cabin



Cabin

PROPERTY PHOTOS



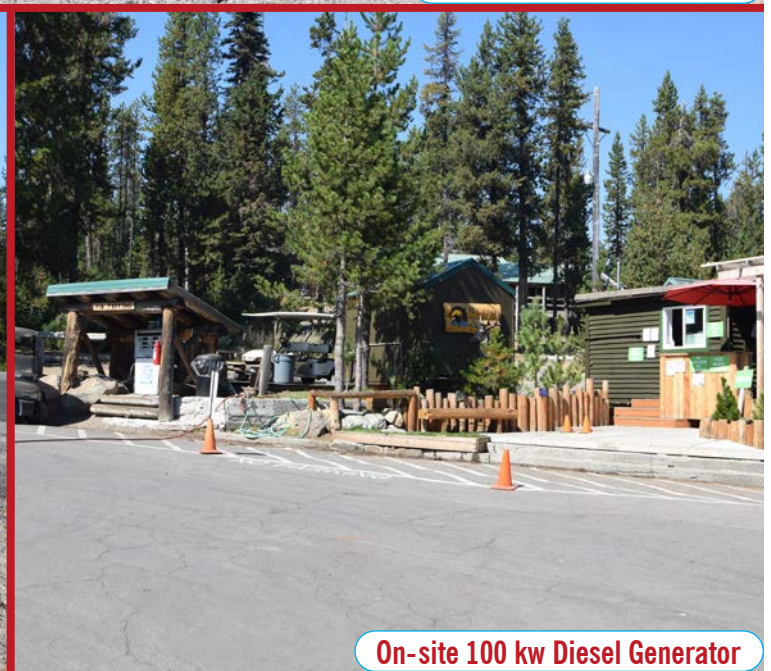
PROPERTY PHOTOS



18,000 gallon propane storage tank



2 Bombardier Sno-Cats



On-site 100 kw Diesel Generator



CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is made and entered into as of [REDACTED] 2022, by and between FRATZKE COMMERCIAL REAL ESTATE ADVISORS, Inc. ("Agent") as agent for **Elk Lake Resort and Marina, Inc.**, Owner of Elk Lake Resort and Marina, and [REDACTED] ("Prospective Purchaser").

R E C I T A L S:

A. Owner is the owner of certain Real Estate located in Bend, Oregon. Agent represents Owner as the exclusive agent for the sale of the Real Estate and business. Prospective Purchaser is considering the purchase of the Real Estate and business from Owner ("**Proposed Transaction**"). In connection therewith, Prospective Purchaser desires to review and inspect the Confidential Information (as defined in this Agreement).

B. Owner is willing to allow Prospective Purchaser to review and inspect the Confidential Information, on the terms and conditions contained in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows

1. Disclosure and Use of Confidential Information.

(a) As used in this Agreement, the term "Confidential Information" means all documents, materials and/or information relating to the Business and/or Real Estate and provided or made available by Owner and/or Agent to Prospective Purchaser, including, without limitation, operating, economic, financial, performance, valuation and/or marketing information on the Business and/or Real Estate, that is non-public, confidential and/or proprietary in nature, as determined by Owner.

(b) Prospective Purchaser shall use the Confidential Information for the sole purpose of evaluating the Business and/or Real Estate and determining whether Prospective Purchaser will enter into and/or consummate the Proposed Transaction. Prospective Purchaser shall not use the Confidential Information for any other purpose without the prior written consent of Agent, which consent Agent shall have the right to withhold in Owner's sole discretion.

(c) Prospective Purchaser shall keep and maintain the Confidential Information (whether conveyed by Agent or Owner to Prospective Purchaser orally or in written form) as confidential, and shall not release or disclose the Confidential Information to any other person or entity without the prior written consent of Agent or Owner, which consent Agent or Owner shall have the right to withhold in Agent's or Owner's sole discretion, except that Agent's or Owner's prior written consent shall not be required for Prospective Purchaser's release or disclosure of the Confidential Information:

(i) to Prospective Purchaser's officers, directors, partners, members, employees, agents, attorneys, accountants, representatives or lenders (collectively, "Prospective Purchaser's Representatives"), in each case (A) who have a need to know the Confidential Information in connection with the Proposed Transaction, and (B) who have been informed by Prospective Purchaser of the confidential nature of the Confidential Information and have agreed in writing in favor of Agent to be bound by the provisions of this Agreement; or

(ii) as required by law or regulatory or judicial process.

(d) Upon Agent's request, Prospective Purchaser shall provide Agent with a written list of all of the Prospective Purchaser's Representatives who have access to all or any portion of the Confidential Information. In addition, if Prospective Purchaser or any of the



Prospective Purchaser's Representatives become legally compelled to release or disclose any of the Confidential Information, Prospective Purchaser shall provide Agent with prompt written notice thereof, and Agent, at Agent's sole option, shall have the right (but without obligation to do so) to seek to obtain a protective order or other court order, or to pursue any other appropriate remedy, in order to prevent such release or disclosure.

(e) Prospective Purchaser's nondisclosure obligations under this section shall not apply or extend to any of the Confidential Information which becomes generally available to the public other than as a result of a disclosure by Prospective Purchaser or any of the Prospective Purchaser's Representatives.

(f) If Prospective Purchaser or any of the Prospective Purchaser's Representatives fails in any respect to perform or comply with any of Prospective Purchaser's obligations under this Agreement, such failure shall constitute a breach of this Agreement by Prospective Purchaser, and, in addition, Agent shall have the right, in Agent's sole discretion, to terminate Prospective Purchaser's right to use the Confidential Information for any purpose, to terminate any discussions or negotiations between Agent or Owner and Prospective Purchaser concerning the Proposed Transaction. The foregoing rights shall be in addition to, and shall not preclude the exercise by Agent or Owner of, any other right or remedy available to Agent or Owner under this Agreement or at law or in equity, including, without limitation, the right of Agent or Owner to apply to any court of competent jurisdiction for a temporary or permanent injunction or other appropriate order to enjoin any breach or threatened breach of this Agreement. In this regard, Prospective Purchaser agrees that money damages alone would not be a sufficient remedy for Agent or Owner for any breach of this Agreement by Prospective Purchaser. No forbearance, failure or delay by Agent or Owner in exercising any such right or remedy shall operate as a waiver thereof or preclude Agent's or Owner's further or later exercise of such right or remedy.

2. Review of Confidential Information. Prospective Purchaser shall keep and maintain a written record of the Confidential Information provided or made available by Agent or Owner to Prospective Purchaser pursuant to this Agreement, and the location of all copies of the Confidential Information, or any portion thereof, made by Prospective Purchaser or any Prospective Purchaser Representative. Upon Agent's request, Prospective Purchaser shall return to Agent, and shall cause all Prospective Purchaser Representatives to return to Agent, all Confidential Information provided or made available to Prospective Purchaser pursuant to this Agreement, as well as all copies of any Confidential Information made by Prospective Purchaser or any Prospective Purchaser's Representative, and all summaries, notes, studies, compilations, documents and written or electronic records (collectively, the "Derivative Information") that reflect any such Confidential Information prepared by Prospective Purchaser and/or the Prospective Purchaser's Representatives; provided, however, that, at Agent's or Owner's sole option, Prospective Purchaser shall be entitled to destroy the Derivative Information rather than cause the Derivative Information to be returned to Agent. Prospective Purchaser's return and/or destruction of the Derivative Information shall be confirmed by Prospective Purchaser in writing to Agent. Any Confidential Information or Derivative Information not returned by Prospective Purchaser to Agent, or not destroyed by Prospective Purchaser to the extent permitted under this section, shall remain subject to this Agreement.

3. No Representations or Warranties. Neither Agent or Owner make any representation or warranty whatsoever, express or implied, with respect to the Confidential Information, including, without limitation, as to the accuracy or completeness of the Confidential Information, and Agent and Owner shall have no liability whatsoever to Prospective Purchaser, any Prospective Purchaser's Representative or any other person or entity resulting from such party's use of any Confidential Information, except to the extent, if any, contained in any purchase agreement entered into by Owner and Prospective Purchaser in connection with the Proposed Transaction. Without limiting the foregoing, Prospective Purchaser acknowledges and agrees that the Confidential Information may not include all information in Agent's or Owner's



possession relating to the Business and/or Real Estate, or all information required by Prospective Purchaser in order to determine whether to proceed with the Proposed Transaction, and may not include any of the following: any appraisal of the Business and/or Real Estate; any internal Agent or Owner memoranda, analyses or other communications pertaining to the Business and/or Real Estate, if any; or any such communications or other information exchanged between Agent or Owner and any of Agent's or Owner's consultants or other advisors, including legal counsel.

4. Proposed Transaction. Except as permitted under Section 1 of this Agreement, without the prior written consent of Agent or Owner, which consent Agent or Owner shall have the right to withhold in their sole discretion, Prospective Purchaser and the Prospective Purchaser's Representatives shall not disclose to any person or entity (a) that Agent or Owner has provided or otherwise made available the Confidential Information to Prospective Purchaser ; (b) that discussions or negotiations are presently taking place, or may in the future take place, between Owner and Prospective Purchaser concerning the Proposed Transaction; and/or (c) any of the terms, conditions or provisions of the Proposed Transaction.

5. Contact, Access. Prospective Purchaser and the Prospective Purchaser's Representatives shall not communicate with any borrower from, or customer of, Owner concerning such party's loan from or banking relationship with Owner; any accountant or attorney for any such borrower or customer; or any other person or entity, including any tenant or property manager, connected with, related to or whose name is obtained from the Confidential Information, in each case without the prior written consent of Agent, which consent Agent shall have the right to withhold in Agent's sole discretion. In addition, in no event shall Prospective Purchaser or any Prospective Purchaser's Representative enter upon or have access to the Business and/or Real Estate for any purpose without the prior written consent of Agent, which consent Agent shall have the right to withhold in its sole discretion, except if and to the extent permitted under any access agreement or license agreement entered into by Owner and Prospective Purchaser in connection with the Proposed Transaction.

6. Reliance. Without limiting any of the provisions of Section 3 of this Agreement, any reports, studies and/or valuations included in the Confidential Information are provided by Agent to Prospective Purchaser for information purposes only, and shall not be relied upon by Prospective Purchaser as any indication of the value or condition of the Business and/or Real Estate, or for any other purpose. Prospective Purchaser shall have no right to rely upon such reports, studies or valuations, or any findings or conclusions set forth in them, and shall have no recourse against Agent or Owner in the event of any errors therein or omissions therefrom.

7. Indemnity. Prospective Purchaser shall indemnify, defend and hold Agent and Owner harmless from and against any and all claims, damages, losses, costs, expenses, liabilities and causes of action (including, but not limited to, attorneys fees and court costs and expert witness fees paid or incurred by Agent or Owner) arising out of or in any way connected with any entry onto the Premises by Prospective Purchaser or the Prospective Purchaser's Representatives, the conduct or performance of any of the Inspections by Prospective Purchaser or the Prospective Purchaser's Representatives and/or any other activities undertaken within the Business and/or Real estate by Prospective Purchaser or the Prospective Purchaser's Representatives. As used in this Section 7, the term "Owner" shall include, in addition to Owner, the parent, subsidiary and affiliate entities of Owner; the respective officers, directors, shareholders, employees and agents of Owner and such other entities; and the respective heirs, successors, assigns and personal representatives of Owner and such other entities.

8. Miscellaneous

(a) Notices. Any notices by Prospective Purchaser to Agent under this Agreement shall be in writing and given by personal delivery, recognized private courier service, certified or registered U.S. mail, return receipt requested, facsimile transmission or email transmission as follows:



Fratzke Commercial Real Estate Advisors
963 SW Simpson Avenue, Suite 220
Bend, OR 97702

Tel. 541-306-4948
Fax: 541-306-4860
brian@fratcommercial.com

In addition, any notice by Agent to Prospective Purchaser or any of the Prospective Purchaser's Representatives under this Agreement shall be given by one of the means provided for in this section as follows:

Name and Signature of Buyer's
Representative/Real Estate Broker:

Name

Signature

(b) Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors, assigns and representatives.

(c) Authority. Each party separately and for itself represents and warrants that such party or the person executing this Agreement on its behalf is duly authorized to execute this Agreement.

(d) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. Executed counterparts of this Agreement may be delivered by the parties through facsimile transmission or email transmission.

(e) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Oregon, except to the extent preempted by federal law.

(f) No Commitment. Nothing contained in this Agreement shall constitute (i) an agreement by Owner to enter into the Proposed Transaction; (ii) a commitment by Owner to enter into any such agreement; or (iii) an agreement by Owner to discuss or negotiate any such agreement with Prospective Purchaser.

(g) Termination, Survival. Agent or Owner shall have the right to terminate Prospective Purchaser's rights to review and/or inspect the Confidential Information under this Agreement at any time by written notice to Prospective Purchaser. If Agent or Owner shall so terminate Prospective Purchaser's rights, Prospective Purchaser shall promptly comply with the provisions of Section 2 of this Agreement. Prospective Purchaser's obligations under this Agreement shall survive any such termination of Prospective Purchaser's rights under this Agreement and shall continue thereafter.

(h) Attorneys' Fees. If any party to this Agreement shall commence any legal action to enforce any rights or obligations under this Agreement, the prevailing party in such legal proceedings shall be entitled to recover from the other party the prevailing party's attorneys' fees and costs of the proceedings.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

AGENT:

Fratzke Commercial Real Estate Advisors, Inc
As agent for Owner

By: _____
Name: Brian E. Fratzke, Principal Broker, CCIM
Title: President

PROSPECTIVE PURCHASER:

Printed Name: _____

Signature: _____

Date: _____

CENTRAL OREGON MARKET OVERVIEW

Welcome to Central Oregon where the commute times are short and breathtaking views await you at every turn. The region features dramatic snow-capped mountain ranges and high desert plateaus within Deschutes, Crook and Jefferson counties.

Located halfway between San Francisco and Seattle, the hottest small metropolitan market in the U.S. is Central Oregon. In the last decade the region has seen some of the highest sustained GDP growth, job growth and population growth. With these factors in mind, The Milken Institute has named the region the best small metropolitan in the nation three years in a row – an accolade no other location has ever received.

Central Oregon is pulling extraordinary talent and capital, fostering a diverse and highly entrepreneurial business ecosystem. Lured by natural scenic beauty and big city amenities (world-class health care, education, dining) without big city costs or hassle, people are learning that having a true work-life balance is possible. Employees are happier; companies are more innovative and capital-efficient. All in a region dominated by small to mid-sized firms that compete globally – and win.

240,280

REGIONAL POPULATION

*2019 estimates from
Portland State University*

117,050

REGIONAL LABOR FORCE

*Seasonally adjusted total for Q1 2019
from Oregon Employment Department*

#6

FASTEST POPULATION GROWTH IN THE U.S.

U.S. CENSUS, 2018

WHY CENTRAL OREGON?

Central Oregon has been among the fastest growing regions anywhere in the U.S.

In-migration has been the dominating factor in the region's growth with approximately 7,000 new residents moving to the area from all over the country every year. At the same time, the region's ability to attract young families has resulted in strong birth rates.

When compared against its neighbors to the north and south, Oregon's overall business costs rank significantly lower. Average electricity rates, natural gas rates, state and local sales tax rates, and business tax climates in particular are significantly lower than the national average.

For a relocating business, Central Oregon has a reputation for welcoming new companies without sacrificing workforce, talent, quality healthcare, transportation, or infrastructure.

GROWTH

The combination of a collaborative culture, a supportive attitude among government and economic development agencies, plus a location that attracts talent and investment all help Central Oregon compete nationally.

"BEND ENJOYS A TRULY COLLABORATIVE ENVIRONMENT.

Everyone is not only supportive of each other, but excited to see one another grow. We share the same trails, rivers and slopes and ultimately share a similar vision to help Bend succeed."

—Scott Allan, GM, Hydro Flask

#2

FASTEST JOB GROWTH IN THE U.S.

BLS, 2017

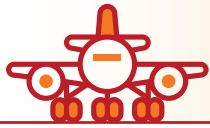
DESCHUTES COUNTY

#1

COUNTY RECEIVING MOST INVESTMENT IN OREGON

SMARTASSET, 2019

TRANSPORTATION



Air

Redmond Municipal Airport (RDM) provides commercial air service with 26 daily round-trip flights to Denver, Portland, Seattle, Los Angeles, San Francisco, Mesa, Phoenix, Salt Lake City, Las Vegas, and Chicago via six carriers (Alaska, SunCountry Airlines, Allegiant, American, Delta, and United.)



Rail

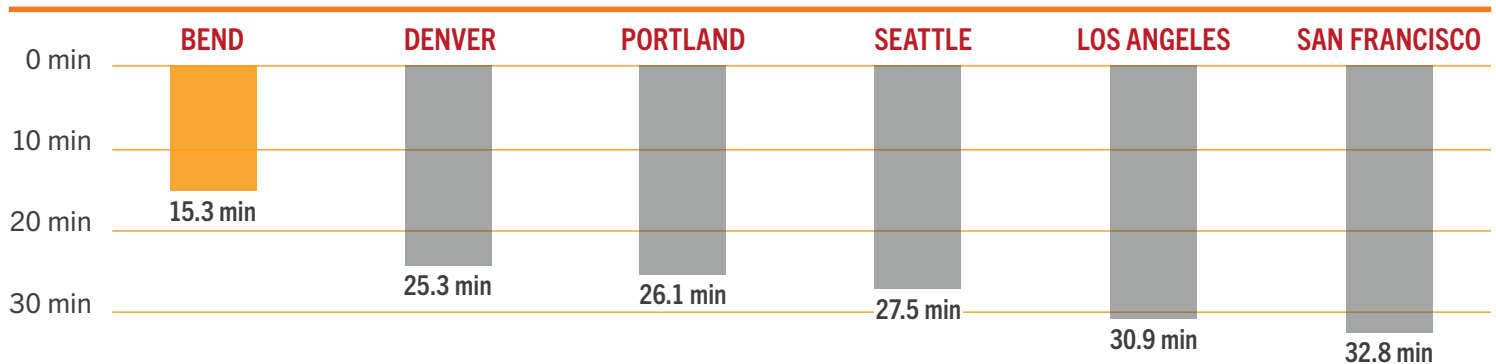
Burlington Northern-Santa Fe (BNSF), Union Pacific (UPRR), and the City of Prineville Railway (COPR) provide direct connections for shipping to any market in the United States, Canada, and Mexico.



Freight

U.S. Highways 97 and 20 are two of the state's major trucking routes, with access to major metro areas with connections to Interstate 5 (N-S) and Interstate 84 (E-W).

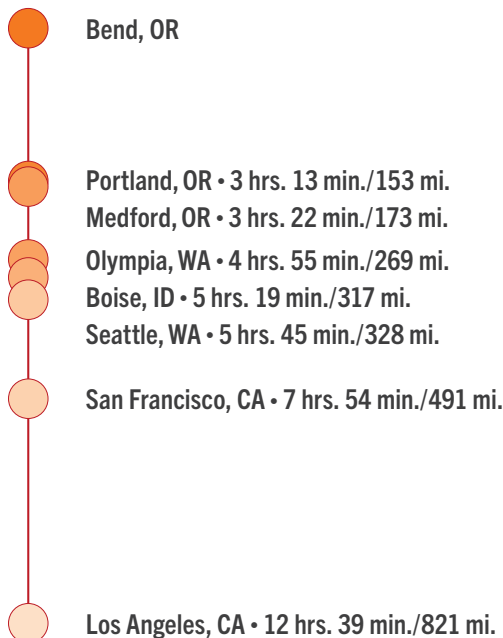
AVERAGE COMMUTE TIMES The Central Oregon average commute time is 21 minutes each way, saving the average worker over one work week per year! (*Census.gov 2019*)



TRAVEL TIME/ DISTANCE



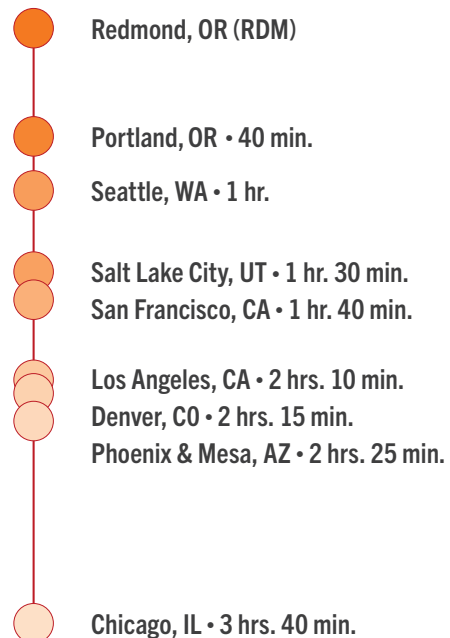
CAR



TRAVEL TIME



AIR



SERVICES AND INFRASTRUCTURE

Utilities



Because most of our region has been built new in the past two decades, our telecommunications infrastructure is one of the Northwest's most technologically advanced, meeting business and telecommuting requirements for capacity, redundancy, and reliability.

Education



Central Oregon is well-recognized for its high level of education, with some of the best K-12 public schools in the nation. In 2018, the Bend-La Pine school district's average SAT scores surpassed the national average by over 100 points. Additionally, higher education opportunities abound. From Oregon State University-Cascades ongoing expansion, to Central Oregon Community College's four campuses in the region, there are opportunities for all to obtain a quality education.

Healthcare



Top quality healthcare is one of the crown jewels of Central Oregon. St. Charles Health System is the largest healthcare provider in the region, and is also the largest employer with over 4,400 employees across the tri-county area. A network of more than 100 clinics and specialty practices further support the community.

LIFESTYLE

Central Oregon is blessed with a rare mix of city amenities and restful isolation. It offers the slower speed of a small town with a medical community and infrastructure not normally seen in a region of its size. Additionally, Central Oregon residents maintain a work/life balance that is difficult to achieve elsewhere.



30 Golf Courses



Miles and Miles of Trails



Thriving Arts and Culture Scene



33 Breweries and Counting



300 Days of Sunshine

#1

**BEST PERFORMING
SMALL CITY THREE
YEARS IN A ROW!**

—MILKEN INSTITUTE, 2016, 2017, 2018

#1

**SMALL CITIES FOR
BUSINESS AND CAREERS**

—FORBES, 2016

BEST

**PLACES TO LIVE
ON \$55,000**

—SMARTASSET, 2017

#8

**BEST PLACES TO LIVE
IN THE U.S.**

—NEW YORK POST, 2016

BEST

MULTI-SPORT TOWN

—OUTDOOR MAGAZINE, 2017