

Winona Beach Resort

OFFERING MEMORANDUM

33022 WINONA BEACH ROAD, VALLEY, WA, 99181 |

Steve Klontz

Principal Broker - OR, WA, ID,
NM, SD, MT, WY, CO

(541) 953-7817

steve@campgroundbrokers.com

Nathan Klontz

Broker - OR, WA, ID, GA, UT

(541) 350-7719

nate@campgroundbrokers.com

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Exclusively Marketed by:



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steve@campgroundbrokers.com



Nathan Klontz

Broker - OR, WA, ID, GA, UT

(541) 350-7719

nate@campgroundbrokers.com



Leslie Povey

Broker - OR

(541) 610-2545

leslie@campgroundbrokers.com

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OFFERING SUMMARY

ADDRESS	33022 Winona Beach Road Valley WA 99181
COUNTY	Stevens
TOTAL ACREAGE	16+/-
OWNERSHIP TYPE	Other

FINANCIAL SUMMARY

OFFERING PRICE	\$2,985,000
OCCUPANCY	81.19 %
NOI (CURRENT)	\$192,876
CAP RATE (CURRENT)	6.46 %
CAP RATE (Pro Forma 2020)	10.67 %

PROPOSED FINANCING

LOAN TYPE	Fully Amortized
DOWN PAYMENT	\$450,000
LOAN AMOUNT	\$2,535,000
INTEREST RATE	5.50 %
ANNUAL DEBT SERVICE	\$186,797
LOAN TO VALUE	85 %
AMORTIZATION PERIOD	25 Years
NOTES	Owner will consider carrying part of the balance matching bank terms.

- Potential KOA Franchise availability.
- Seven lots close to lake for sale.
- Three acres undeveloped, room for expansion.
- Two Owner's Residences

Winona Beach Resort sits on beautiful Lake Waitts just an hour drive north west of Spokane. This park boasts a store, two owners residence above the store and next to the store, 85 FHU RV sites, 8 Cabins, 7 Tent sites and 6 boating docks including a swimming dock. Not to mention a playground, legal half basketball court, horseshoe pit, three laundry facilities (one facility for employees only) and two shower bathroom facilities both on the upper and lower level of the park. This resort is an hour drive from Spokane KOA and over three hours from Winthrop KOA in Washington. This is a turn key park with upgraded amenities and constant upkeep by current owners.

Along with the sell of this gorgeous park, the owner is selling 6, 5 acre lots along Lake Waitts, and a note for the 7th, 5 acre lot with a current approximate balance of \$98,000.

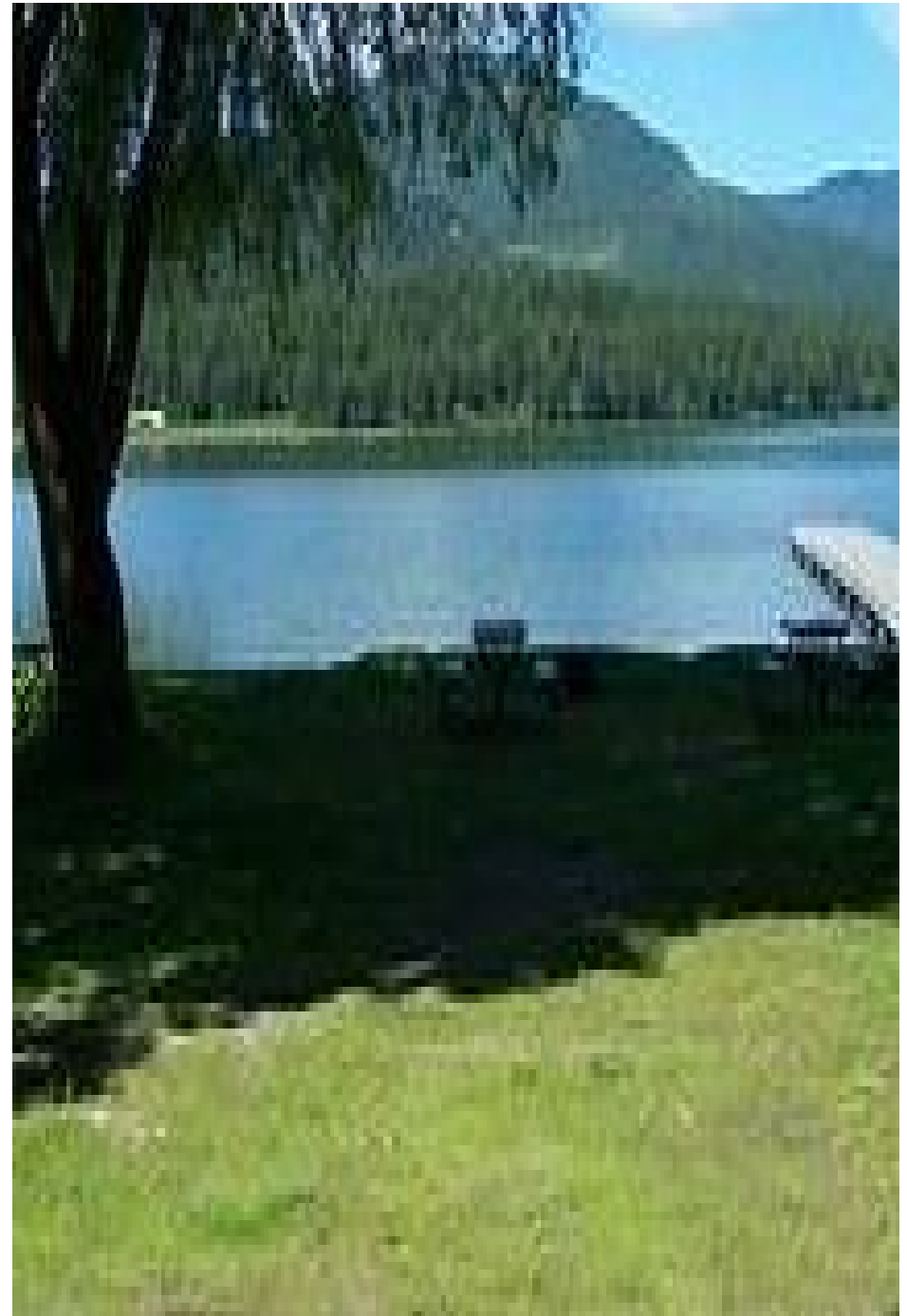
New owners have the opportunity to invest in the beautiful Pacific Northwest and look into a possible KOA Franchise option.

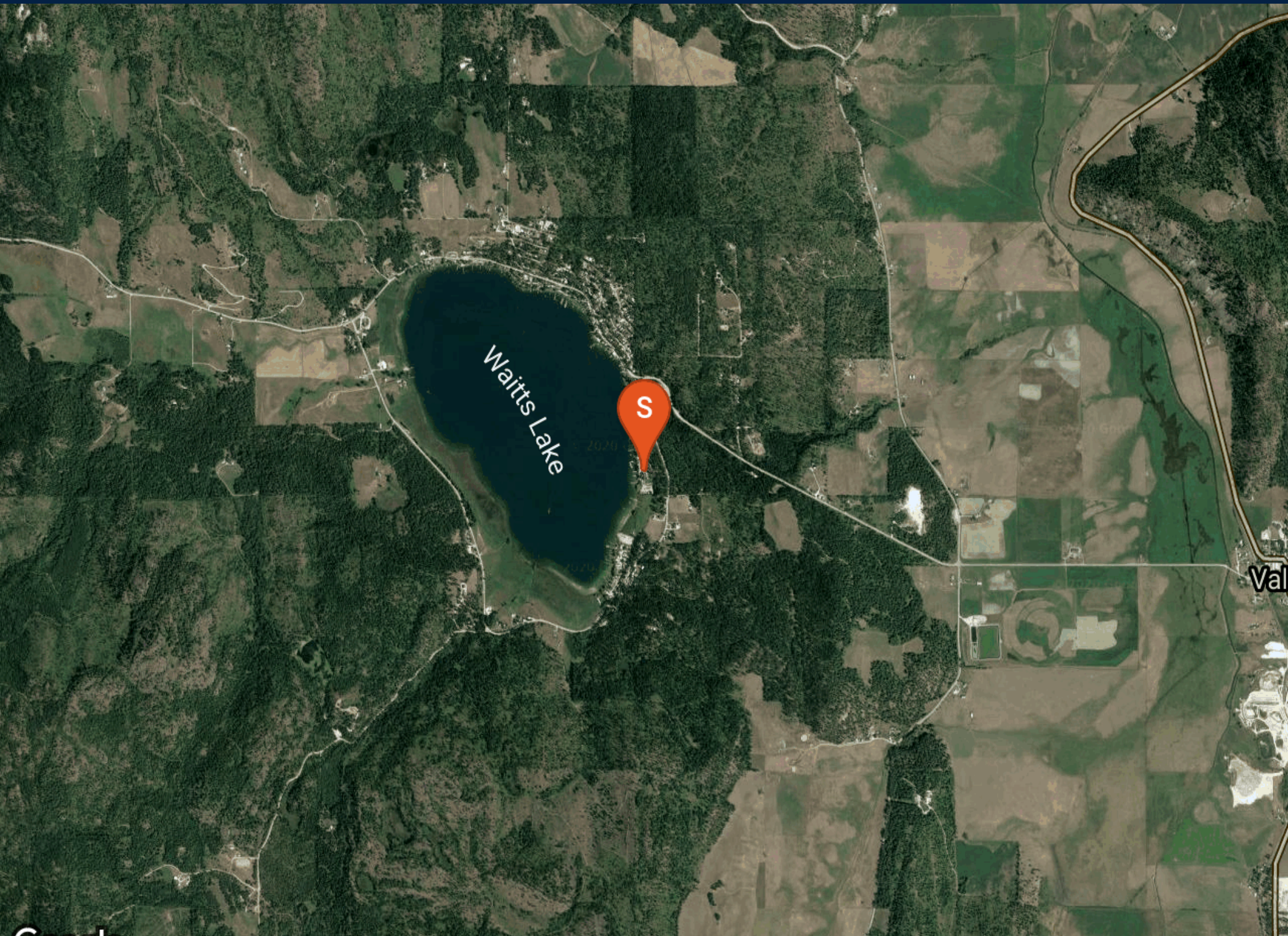
PROPERTY FEATURES

TOTAL ACREAGE	16+/-
ACRES UNDEVELOPED	3+/-
ZONING TYPE	Commercial & Residential
RESIDENTIAL LOTS	7 - 5 Acre Lots Lake View
DOCKS	6 Docks including swim dock.
MAINTENANCE SHOP	Yes w/wood stove
OWNERS RESIDENCE #1	2 Bed / 2 Bath above store 2,000 SQ FT +/-
OWNERS RESIDENCE #2	3 Bed / 2 Bath next to store 2,000 SQ FT +/-
LAKEFRONT RV SITES FHU	20
IN PARK SITES FHU	65
DELUXE CABINS W/KITCHEN	7
STANDARD CABIN W/BATHROOM	1
REC ROOM	Yes with Television
LAKEFRONT TENT SITES	7 -w/outside sink area

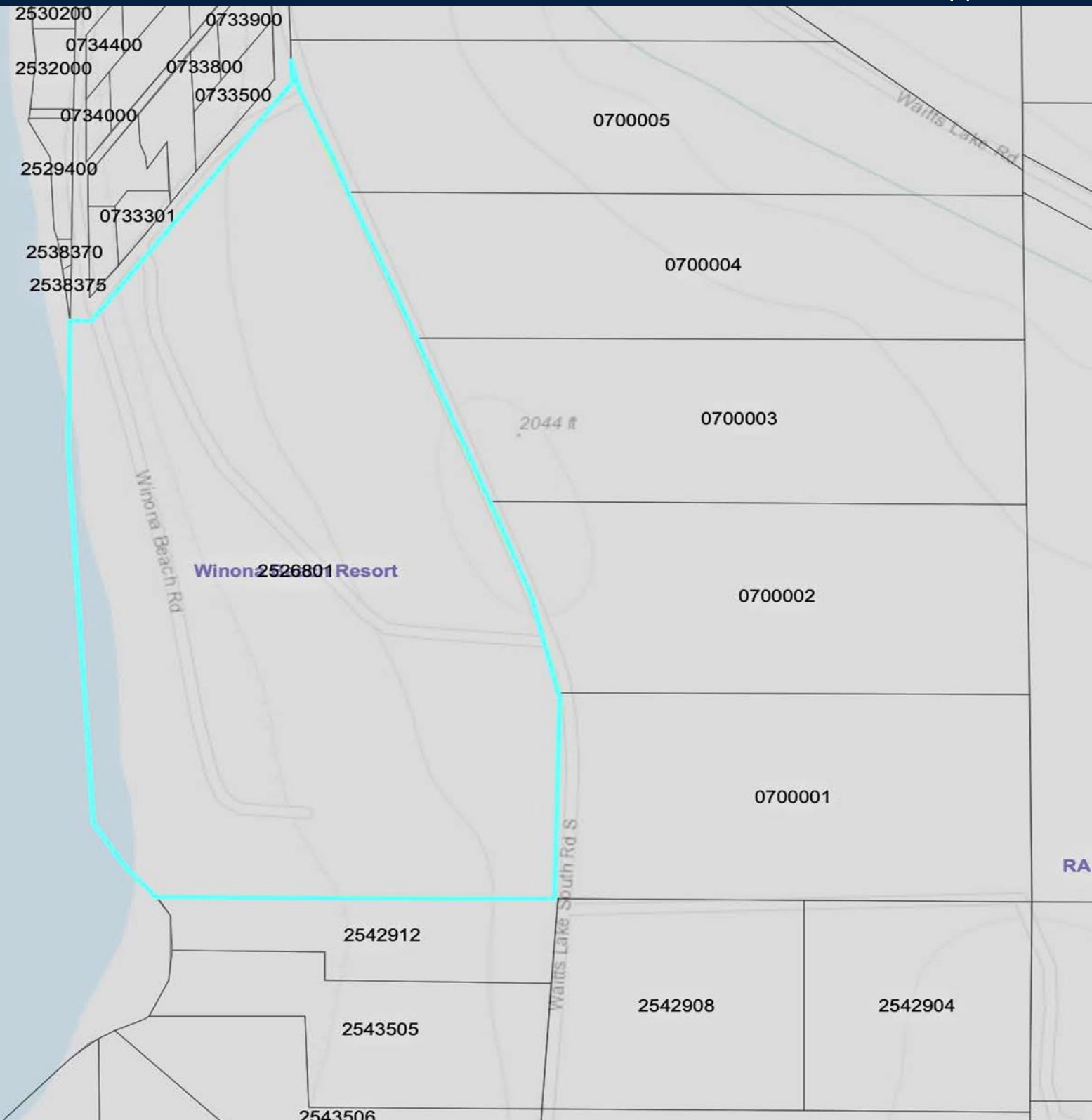
AMENITIES

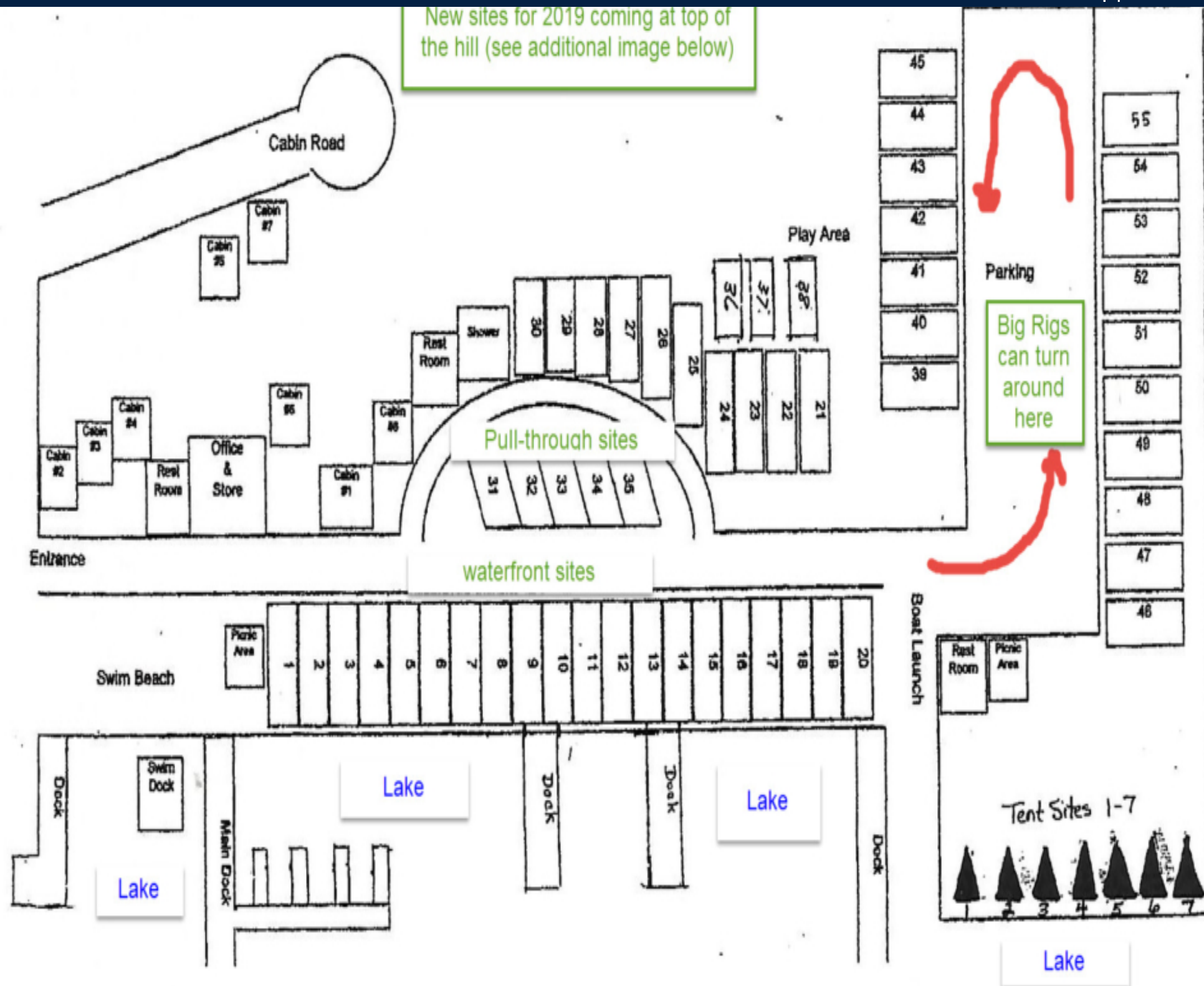
STORE	Yes w/ Propane Sales
BASKETBALL COURT & HORSESHOE PITS	Yes - Legal Half Court
PLAYGROUND	Yes
SHOWERS / RESTROOMS	Yes - 2 Locations in the Park
LAUNDRY FACILITIES	Yes - 3 Locations in the Park
WIFI	Yes
RESTAURANT	Small Food Service w/beer & wine sales.





Val





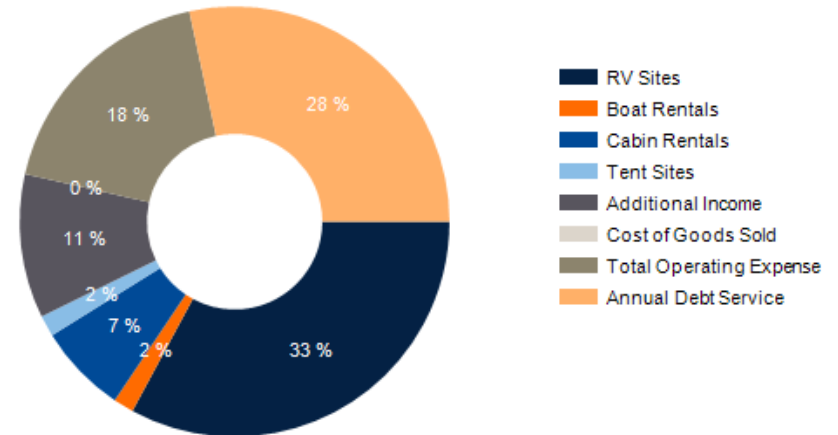
Number Of Units	Units SF	Room Type	In-Season Price	Off-Season Price	Notes
20		Lakefront RV Sites	\$49	2019 Rate	
7		Deluxe Cabin	\$125	2019 Rate	
63		In Park Sites	\$45	2019 Rate	
1		Standard Cabin	\$80	2019 Rate	
7		Tent Sites	\$32	2019 Rate	



INCOME	CURRENT	PRO FORMA 2020
RV Sites	\$216,466	\$357,000
Boat Rentals	\$10,084	\$10,084
Cabin Rentals	\$44,306	\$111,895
Tent Sites	\$10,489	\$21,756
Boat Slips	\$4,508	\$4,508
Store Sales	\$66,676	\$77,344
Gross Potential Income	\$352,529	\$582,587
Less: Cost of Goods Sold	\$40,717	\$47,232
Effective Gross Income	\$311,812	\$535,355
Less: Expenses	\$118,936	\$217,004
Net Operating Income	\$192,876	\$318,351
Principal Reduction	\$47,373	\$47,373
Total Return	11.9 % \$53,452	39.8 % \$178,927

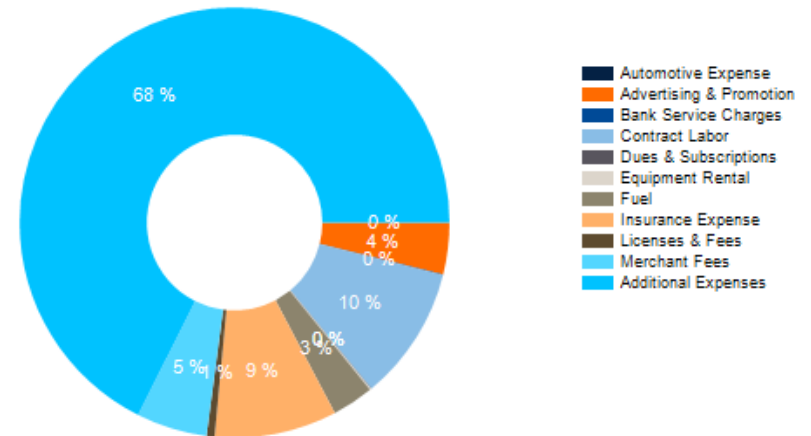
Income Notes: The Pro Forma is based on a \$5 increase to RV, Cabins, and Tent Sites. Based on previous store sales from previous years the Store Sales and Cost of Goods was increased by 16%.

Current Income BreakDown



EXPENSES	CURRENT	PRO FORMA 2020
Automotive Expense	\$12	\$12
Advertising & Promotion	\$4,585	
Bank Service Charges	\$71	\$71
Contract Labor	\$12,000	
Dues & Subscriptions	\$55	\$55
Equipment Rental	\$104	\$104
Fuel	\$3,723	\$3,723
Insurance Expense	\$10,954	\$10,954
KOA Advertising 2%		\$9,813
KOA Royalties 8%		\$39,252
Licenses & Fees	\$711	\$711
Merchant Fees	\$6,330	\$11,438
Office Supplies	\$1,704	\$1,704
Payroll		\$60,480
Postage	\$771	\$771
Professional Fees	\$2,515	\$2,515
Property Taxes	\$10,735	\$10,735
Repairs & Maintenance	\$7,876	\$7,876
Resort Supplies	\$2,780	\$2,780
Telephone Expense	\$2,078	\$2,078
Utilities	\$51,932	\$51,932
Total Operating Expense	\$118,936	\$217,004
Annual Debt Service	\$186,797	\$186,797
% of EGI	38.14 %	40.53 %

Current Expense BreakDown



Expense Notes: Pro Forma 2020 expenses include the KOA opportunity.
 - We removed Advertising and replaced it with the 2% KOA Advertising.
 - Added KOA Royalties
 - Budgeted 4 Full Time staff for 6 months at the current Washington State Minimum Wage.

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