

Date: December 8, 2022

Board of County Commissioners  
 Clackamas County

Approval of a Purchase & Sale Agreement with YKC Hospitality, LLC. for the purchase of real property and improvements generally known as the Quality Inn located at 9717 SE Sunnyside Road, Clackamas, OR 97015. Total value is \$15,000,000. Funding is through a combination of local and State sources, including the State of Oregon’s Project Turnkey 2.0 program. No County General Funds are involved.

<b>Purpose/Outcome</b>	Approval to enter into a Purchase & Sale Agreement with YKC Hospitality, LLC. for the purchase of real property and improvements generally known as the Quality Inn located at 9717 SE Sunnyside Road, Clackamas, OR 97015.
<b>Dollar Amount and Fiscal Impact</b>	\$15,000,000
<b>Funding Source</b>	Capital acquisition funding will be through a combination of local and State sources, including the State’s Project Turnkey 2.0 program. Ongoing costs of use of the location as Transitional Supportive Housing will be funded by local and State sources, including the Metro Supportive Housing Services tax revenue.
<b>Duration</b>	N/A
<b>Previous Board Action/Review</b>	Policy Sessions: January 25, March 2, and December 7, 2022. Administrator Issues: Project Turnkey 2.0 application approvals: July 19 and September 20, 2022. Executive Sessions: April 26, September 9 and 20, October 20, November 9, 22 and 29, and December 6, 2022.
<b>Strategic Plan Alignment</b>	<ol style="list-style-type: none"> <li>How does this item align with your department’s Strategic Business Plan goals?                   This item aligns with the following Department strategic priorities: a) Provide sustainable and affordable housing; b) Assist individuals and families in need to be healthy and safe; c) Increase self-sufficiency; d) Increase community safety and health; and e) Continually improve the efficiency and effectiveness of services.</li> <li>How does this item align with the County’s Performance Clackamas goals?                   This item aligns with the following County strategic priorities: a) Ensure safe, healthy and secure communities; b) Grow a vibrant economy; c) Build a strong infrastructure; and d) Build public trust through good government.</li> </ol>

*Healthy Families. Strong Communities.*

<b>Counsel Review</b>	Date of Counsel review: December 5, 2022 Name of County Counsel performing review: Andrew Naylor
<b>Procurement Review</b>	(Please check yes or no for procurement review. If the answer is “no,” please provide an explanation.) 1. Was the item processed through Procurement? yes <input type="checkbox"/> no <input checked="" type="checkbox"/> Real property transactions are exempt from procurement.
<b>Contact Person</b>	Adam Brown, Deputy Director – 503-742-5325
<b>Contract No.</b>	N/A

**BACKGROUND:** Dating back to the State of Oregon’s launch of its \$65 million Project Turnkey program in 2020, which made one-time funding available to local jurisdictions and community-based organizations for capital acquisition and/or conversion of motels into short-term housing, Clackamas County has been actively evaluating and pursuing sites to acquire. In what has come to be known as Project Turnkey 1.0, the State funded 19 shelters in 13 counties, leading to a 20% increase in the state supply of shelter beds – nearly 900 units. Project Turnkey 1.0 sites were developed, on average, for less than half (and in many cases, less than a third) of the typical cost for affordable housing, which is over \$225,000 per unit. Following this success, on June 24, 2022, Project Turnkey 2.0 was launched, making an additional \$50 million available for short-term housing acquisition.

In September of this year, following its submission of a Project Turnkey 2.0 application in July, Clackamas County was notified that its application was approved to move on to Phase 2 of the application process. Phase 2 encompasses property identification and subsequent due diligence, including acquisition cost negotiations, appraisal, environmental & physical inspection reports, soil report, surveying, legal fees, exiting of flag contract (if applicable), leases, and other pre-acquisition due diligence necessary to ensure suitability and quality of property. Since that time, the County has been conducting site searches, issuing letters of intent to acquire, engaging in cost negotiations, and conducting intensive public engagement with residents, businesses, and the public at large about its intent to leverage the opportunity of Project Turnkey 2.0 funding to permanently expand critical transitional housing infrastructure in Clackamas County. The public engagement conducted to date has demonstrated broad community support and yielded valuable, solutions-oriented input on how the County can ensure this project’s success.

Since December 2020, the County has operated a motel-based transitional housing program through contracts with two local motels. These units, which have resulted in more than 100 placements into permanent housing, have been a critical resource in assisting vulnerable residents to get off the streets until they can move into permanent supportive housing. The County’s motel-based transitional housing program model, which will be replicated at the Project Turnkey 2.0 site, is operated by community-based organizations experienced in providing population-based services to individuals exiting homelessness. They provide structured, trauma-informed on-site supportive services and connection to long-term housing and other resources. Supportive services include case management, access to substance use and behavioral health treatment, physical health supports, food boxes, peer support, benefits acquisition, and housing navigation, all with goal of helping participants obtain permanent housing as quickly as possible.

This Board action will allow the County to enter into a Purchase & Sale Agreement (PSA) to acquire the 110-unit motel at 9717 SE Sunnyside Road, Clackamas, OR 97015 for \$15.0 million (approximately \$136,000 per room). Once the PSA is approved, the Oregon Community Foundation, which is administering the Project Turnkey 2.0 program on behalf of the State, will pay the required \$150,000 in

Earnest Money and support the County in conducting due diligence, which it will also pay for. The County will have 75 days to conduct due diligence and Project Turnkey 2.0 funding will be awarded at closing, following a determination of site suitability and quality. Depending on the amount of the award, the County can use other available local and State resources, as needed, to fund remaining acquisition costs. With Board approval of the PSA, Health, Housing & Human Services and Public & Government Affairs will continue community engagement activities, including contacting adjacent property owners and making public presentations to interested stakeholder groups.

The closing of this transaction will be contingent on final written approval of the Board to proceed with closing of the sale, as determined by the Board in its sole discretion, and receipt of necessary funds to pay for the acquisition, including, but not limited to, Project Turnkey 2.0 funding.

**RECOMMENDATION:** Staff recommend the Board approve the Purchase & Sale Agreement between the County and YKC Hospitality, LLC. for the purchase of real property and improvements generally known as the Quality Inn located at 9717 SE Sunnyside Road, Clackamas, OR 97015.

Respectfully submitted,

Rodney Cook  
Director  
Health, Housing & Human Services

COMMERCIAL ASSOCIATION OF BROKERS OREGON/SW WASHINGTON  
PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY  
(Oregon Commercial Form)

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AGENCY ACKNOWLEDGMENT

Buyer shall execute this Acknowledgment concurrent with the execution of the Agreement below and prior to delivery of that Agreement to Seller. Seller shall execute this Acknowledgment upon receipt of the Agreement by Seller, even if Seller intends to reject the Agreement or make a counter-offer. In no event shall Seller's execution of this Acknowledgment constitute acceptance of the Agreement or any terms contained therein.

Pursuant to the requirements of Oregon Administrative Rules (OAR 863-015-0215), both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and by execution below acknowledge and consent to the agency relationships in the following real estate purchase and sale transaction as follows:

(a) Seller Agent: **Brian Resendez** of **SVN Bluestone** firm (the "Selling Firm") is the agent of (check one):

Buyer exclusively;  Seller exclusively;  both Seller and Buyer ("Disclosed Limited Agency").

(b) Buyer Agent: **Skip Rotticci** of **Colliers International** firm (the "Buying Firm") is the agent of (check one):

Buyer exclusively;  Seller exclusively;  both Seller and Buyer ("Disclosed Limited Agency").

If the name of the same real estate firm appears in both Paragraphs (a) and (b) above, Buyer and Seller acknowledge that a principal broker of that real estate firm shall become the Disclosed Limited Agent for both Buyer and Seller, as more fully set forth in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and the named real estate agent(s).

ACKNOWLEDGED

Buyer: **Clackamas County**

(sign) \_\_\_\_\_ Date: \_\_\_\_\_

Seller: **YKC Hospitality, LLC**

(sign) \_\_\_\_\_ Date: \_\_\_\_\_

OPTION OF PURCHASE AND SALE AGREEMENT AND RECEIPT FOR OPTION MONEY

This PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY (this "Agreement") dated December 8, 2022, for reference purposes only, shall be effective on the date when this Agreement has been executed and delivered by Seller and Buyer (the "Execution Date"):

BETWEEN: YKC Hospitality, LLC an Oregon Domestic Limited Liability Company ("Seller")

Address: 9717 SE Sunnyside Road Clackamas, OR 97017

Home Phone:

Office Phone:

Fax No.:

E-Mail:

AND: Clackamas County ("Buyer")

Address: 2051 Kaen Rd. Oregon City, OR 97045

Home Phone: N/A

Office Phone: 971-421-0133

Fax No.:

E-Mail: abrown@clackamas.us

1. Purchase and Sale.

1.1 Generally. In accordance with this Agreement, Buyer agrees to buy and acquire from Seller, and Seller agrees to sell to Buyer the following, all of which are collectively referred to in this Agreement as the "Property:" (a) the real property and all improvements thereon generally described as the Quality Inn located at 9717 SE Sunnyside Rd. in the City of Clackamas, County of Clackamas, State of Oregon legally described on Exhibit A, attached hereto (if no legal description is attached, the legal description shall be based on the legal description provided in the Preliminary Report (described in Section 5), subject to the review and approval of both parties hereto), including all of Seller's right, title and interest in and to all fixtures, appurtenances, and easements thereon or related thereto; and (b) any and all personal property located on and used in connection with the operation of the Property and owned by Seller (the "Personal Property"), with the exception of personal property in the manager's unit, that Buyer has agreed, in writing, to accept upon closing. If there are any Leases, see Section 21.1, below. The occupancies of the Property pursuant to any Leases are referred to as the "Tenancies" and the occupants thereunder are referred to as "Tenants." If there is any Personal Property, see Section 21.2, below.

1.2 Purchase Price. The purchase price for the Property shall be Fifteen Million Dollars (\$15,000,000.00) (the "Purchase Price"), subject to the terms and conditions of Section 2.1 below. The Purchase Price shall be adjusted, as applicable, by the net amount of credits and debits to Seller's account at Closing (defined below) made by Escrow Holder pursuant to the terms of this Agreement. The Purchase Price shall be payable as follows:

1.2.1 Earnest Money.

(a) Within three (3) days of the Execution Date, Buyer shall deliver into Escrow (as defined herein), for the account of Buyer, \$150,000.00 as an Earnest Money (the "Earnest Money") in the form of:

[ ] Promissory note (the "Note"); [X] Check; or [ ] Cash or other immediately available funds.

If the Earnest Money is being held by the [ ] Selling Firm [ ] Buying Firm, then the firm holding such Earnest Money shall deposit the Earnest Money in the [X] Escrow (as hereinafter defined) [ ] Selling Firm's Client Trust

48 Account  Buying Firm's Clients' Trust Account, no later than 5:00 PM Pacific Time three (3) business days after  
49 such firm's receipt, but in no event later than the date set forth in the first sentence of this Section 1.2.1(a).  
50

51 (b) The purchase and sale of the Property shall be accomplished through an escrow (the  
52 "Escrow") that Seller has established or will establish with **Old Republic Title Company Portland, Oregon, attn.**  
53 **Cheryl Springer** (the "Escrow Holder") within **three (3)** days after the Execution Date. Except as otherwise provided  
54 in this Agreement: (i) any interest earned on the Earnest Money shall be considered to be part of the Earnest Money;  
55 (ii) the Earnest Money shall be non-refundable upon satisfaction or waiver of all Conditions as defined in Section 2.1;  
56 and (iii) the Earnest Money shall be applied to the Purchase Price at Closing.  
57

58 1.2.2 Balance of Purchase Price. Buyer shall pay the balance of the Purchase Price at Closing  
59 by  cash or other immediately available funds; or  Other: **Cash and the proceeds of a grant from the**  
60 **Oregon Community Foundation.**  
61

62 1.3 Section 1031 Like-Kind Exchange. Each party acknowledges that either party (as  
63 applicable, the "Exchanging Party") may elect to engage in and affect a like-kind exchange under Section 1031  
64 of the Internal Revenue Code of 1986, as amended, involving the Property (or any legal lot thereof) (a "1031  
65 Exchange"). The non-exchanging party with respect to a 1031 Exchange is referred to herein as the  
66 "Cooperating Party." Buyer and Seller each hereby agrees to reasonably cooperate with the other in  
67 completing each such 1031 Exchange; provided, however, that such cooperation shall be at the Exchanging  
68 Party's sole expense and shall not delay the Closing for the Property. Accordingly, the Exchanging Party may  
69 assign the Exchanging Party's rights with respect to the Property (or any legal lot thereof) to a person or entity  
70 for the purpose of consummating a 1031 Exchange ("Intermediary"), provided that such assignment does not  
71 delay the Closing for the Property (or applicable legal lot thereof), or otherwise reduce or diminish the  
72 Exchanging Party's liabilities or obligations hereunder. Such assignment by the Exchanging Party shall not  
73 release the Exchanging Party from the obligations of the Exchanging Party under this Agreement. The  
74 Cooperating Party shall not suffer any costs, expenses or liabilities for cooperating with the Exchanging Party  
75 and shall not be required to take title to the exchange property. The Exchanging Party agrees to indemnify,  
76 defend and hold the Cooperating Party harmless from any liability, damages and costs arising out of the 1031  
77 Exchange.  
78

## 79 2. Conditions to Purchase.

80 2.1 Buyer's obligation to purchase the Property is conditioned on the following:  
81

82  Within **seventy five (75)** days of the Execution Date, Buyer's approval of the results of the  
83 following (collectively, the "Feasibility Contingency"): (a) the Property inspection described in Section 3  
84 below; (b) the document review described in Section 4 below; (c) Environmental Assessment and  
85 review; and (d) the other conditions described below:

86  Within **seventy five (75) days of the Execution Date**, Buyer's receipt of confirmation of  
87 satisfactory financing (the "Financing Condition") and approval of Release of Funds by the  
88 State of Oregon; and/or

89  Other **Notwithstanding any other provision of this Agreement, the closing of this**  
90 **transaction will be contingent on final written approval by the Clackamas County Board of**  
91 **Commissioners (the "Board") to proceed with closing of the sale, as determined by the Board in**  
92 **its sole discretion. Buyer shall have no obligation to purchase the Property, and no transfer of**  
93 **title to the Buyer may occur, unless and until the Board, as the responsible entity, has provided**  
94 **Buyer and/or Seller with a written determination that purchase of the Property may proceed, or**  
95 **that the purchase may proceed subject to any other conditions in this Agreement, or only if**  
96 **certain conditions to address issues in the environmental or other reviews and inspections**

97 shall be satisfied before or after the purchase of the Property. The closing of this transaction  
98 and purchase of the Property will also be contingent upon the following:

- 99 1. Buyer's acceptance of the Title Report and all Exceptions identified thereon, as set  
100 forth in Section 5, below.
- 101 2. Appropriation by the Board of sufficient funds, as determined by Buyer in its sole  
102 discretion, to permit Buyer to proceed with closing of the sale and purchase of the  
103 Property.
- 104 3. Receipt by Buyer of any and all funding necessary to proceed with closing of the sale  
105 and purchase of the Property, as determined by the Buyer in its sole administrative  
106 discretion, from any and all State or Federal funding sources including, but not limited  
107 to, the State of Oregon's Project Turnkey grant program.
- 108 4. Completion of all inspections, appraisals, environmental reviews, or other assessments  
109 of the Property that Buyer determines, in its sole discretion, to be necessary. Buyer  
110 shall use its best efforts to conclude the inspections, environmental reviews, or other  
111 assessments of the Property expeditiously. Buyer's inspections, environmental  
112 reviews, or other assessments are subject to an approved request for release of federal  
113 or state funds.
- 114 5. Acceptance by Buyer, in its sole discretion, of the results of any inspections,  
115 environmental reviews, or other assessments performed on the Property.
- 116 6. Upon satisfaction of the Feasibility Contingency, the Earnest Money will become non-  
117 refundable to Buyer with the exception of Seller's default, be released to Seller, and be  
118 applicable to the Purchase Price at closing.

119  
120 The Feasibility Contingency, Financing Condition or any other conditions noted shall be defined as "Conditions."

121  
122 2.2 If Buyer decides to proceed to Closing, Buyer will give written notice to Seller before the  
123 expiration of the Feasibility Contingency indicating that Buyer waives the Conditions set forth in Section 2.1 or  
124 that the Conditions set forth in Section 2.1 have been satisfied. If, for any reason Buyer fails to give written  
125 waiver of the Conditions set forth in Section 2.1, or state in writing that such Conditions have been satisfied, by  
126 notice to Seller before the expiration of the Feasibility Contingency, this Agreement shall be deemed  
127 automatically terminated, the Earnest Money shall be promptly returned to Buyer, and thereafter, except as  
128 specifically provided to the contrary herein, neither party shall have any further right or remedy hereunder. In  
129 addition, if Buyer is unable to receive a release of funds from State or Federal funding sources necessary to  
130 purchase the Property, or if the Board does not approve closing of the sale and purchase of the Property, this  
131 Agreement shall be deemed terminated and the Earnest Money(s) shall be immediately returned to Buyer, and  
132 thereafter, except as specifically provided to the contrary herein, neither party shall have any further right or  
133 remedy hereunder.

134  
135 3. Property Inspection. Seller shall permit Buyer and its agents, at Buyer's sole expense and risk, to enter  
136 the Property at reasonable times after seventy two hour (72) prior notice to Seller and after prior notice by Seller to  
137 the Tenants as required by the applicable Leases, if any, to conduct any and all inspections, tests, and surveys  
138 concerning the structural condition of the improvements, all mechanical, electrical and plumbing systems, hazardous  
139 materials, pest infestation, soils conditions, wetlands, Americans with Disabilities Act compliance, zoning, and all  
140 other matters affecting the suitability of the Property for Buyer's intended use and/or otherwise reasonably related to  
141 the purchase of the Property including the economic feasibility of such purchase.

142  
143 4. Seller's Documents. Within **ten (10)** business days after the Execution Date, Seller shall deliver to  
144 Buyer or Buyer's designee, legible and complete copies of the following documents, including without limitation, a list  
145 of the Personal Property, and other items relating to the ownership, operation, and maintenance of the Property to

146 the extent now in existence and to the extent such items are or come within Seller's possession or control as further  
147 defined on **Exhibit B**.  
148

149 **5. Title Insurance.** Within **five (5)** business days after the Execution Date, Seller shall cause to be  
150 delivered to Buyer a preliminary title report from the title company (the "Title Company") selected by Seller (the  
151 "Preliminary Report"), showing the status of Seller's title to the Property, together with complete and legible copies of  
152 all documents shown therein as exceptions to title ("Exceptions"). Buyer shall have ten **(10)** days after receipt of a  
153 copy of the Preliminary Report and Exceptions within which to give notice in writing to Seller of any objection to such  
154 title or to any liens or encumbrances affecting the Property. Buyer's failure to provide notice shall be considered an  
155 objection to the title or to the liens or encumbrances affecting the Property. Within **five (5)** business days after  
156 receipt of such notice from Buyer, Seller shall give Buyer written notice of whether it is willing and able to  
157 remove the objected-to Exceptions. Without the need for objection by Buyer, Seller shall, with respect to liens and  
158 encumbrances that can be satisfied and released by the payment of money, eliminate such exceptions to title on or  
159 before Closing. Within **five (5)** business days after receipt of such notice from Seller (the "Title Contingency  
160 Date"), Buyer shall elect whether to: (i) purchase the Property subject to those objected-to Exceptions which Seller is  
161 not willing or able to remove; or (ii) terminate this Agreement. On or before the Closing Date (defined below), Seller  
162 shall remove all Exceptions to which Buyer objects and which Seller agrees Seller is willing and able to remove. All  
163 remaining Exceptions set forth in the Preliminary Report and those Exceptions caused by or agreed to by Buyer  
164 shall be deemed "Permitted Exceptions."  
165

166 **6. Default; Remedies.** Notwithstanding anything to the contrary contained in this Agreement, in the event  
167 Buyer fails to deposit the Earnest Money(s) in Escrow strictly as and when contemplated under Section 1.2.1 or  
168 Section 1.2 above, Seller shall have the right at any time thereafter, but prior to Buyer's deposit of the Earnest  
169 Money to Escrow, to terminate this Agreement and all further rights and obligations hereunder by giving written  
170 notice thereof to Buyer. If the conditions, if any, to Buyer's obligation to consummate this transaction are satisfied or  
171 waived by Buyer and Buyer fails, through no fault of Seller, to close on the purchase of the Property, Seller's sole  
172 remedy shall be to retain the Earnest Money(s) paid by Buyer. In the event Seller fails, through no fault of Buyer, to  
173 close the sale of the Property, Buyer shall be entitled to pursue any remedies available at law or in equity, including  
174 without limitation, the return of the Earnest Money(s) paid by Buyer or the remedy of specific performance. In no  
175 event shall either party be entitled to punitive or consequential damages, if any, resulting from the other party's  
176 failure to close the sale of the Property.  
177

178 **7. Closing of Sale.**  
179

180 **7.1** Buyer and Seller agree the sale of the Property shall be consummated, in Escrow,  on  
181 or before \_\_\_ or  thirty **(30)** days after the conditions set forth in Sections 2.1, 3, 4 and 5 have been satisfied  
182 or waived in writing by Buyer (the "Closing" or the "Closing Date"). The sale of the Property shall be deemed  
183 closed when the document(s) conveying title to the Property is/are delivered and recorded and the Purchase  
184 Price is disbursed to Seller.  
185

186 **7.2** At Closing, Buyer and Seller shall deposit with the Escrow Holder all documents and  
187 funds required to close the transaction in accordance with the terms of this Agreement. At Closing, Seller shall  
188 deliver a certification in a form provided by the Escrow Holder confirming whether Seller is or is not a "foreign  
189 person" as such term is defined by applicable law and regulations.  
190

191 **7.3** At Closing, Seller shall convey fee simple title to the Property to Buyer by  statutory  
192 warranty deed or  \_\_\_ (the "Deed"). At Closing, Seller shall cause the Title Company to deliver to Buyer a  
193 standard ALTA form owner's policy of title insurance (the "Title Policy") in the amount of the Purchase Price  
194 insuring fee simple title to the Property in Buyer subject only to the Permitted Exceptions and the standard  
195 preprinted exceptions contained in the Title Policy. Seller shall reasonably cooperate in the issuance to Buyer

196 of an ALTA extended form policy of title insurance. Buyer shall pay any additional expense resulting from the  
197 ALTA extended coverage and any endorsements required by Buyer.  
198

199 **7.2.1 DELIVERIES TO BUYER AT CLOSING:** The Seller shall deliver possession of the Property to Buyer at  
200 Closing. On or before the Closing Date, the Seller shall deliver to the Buyer possession of the following:  
201

- 202 (a) Keys. Keys to all entrance doors to the improvements on the Real Property and keys to all personal property  
203 located on the Property, which keys shall be properly tagged for identification.
- 204 (b) Personal Property and Bill of Sale substantially in the form as **Exhibit C**.
- 205 (c) Termination Agreements. Executed termination agreements or other evidence reasonably satisfactory to the  
206 Buyer that any service contract disapproved by the Buyer in accordance with the terms of this Agreement has  
207 been duly and validly terminated effective on or before the Closing Date.
- 208 (d) Assignment of Contracts. An Assignment of Contracts, if necessary, to be signed by Buyer and Seller at Closing  
209 substantially in the form as **Exhibit F**.

210  
211  
212 **8. Closing Costs; Prorations.** Seller shall pay the premium for the Title Policy. If Buyer elects to obtain an  
213 ALTA extended form policy of title insurance and/or any endorsements, Buyer shall pay the difference in the  
214 premium relating to such election. Seller and Buyer shall each pay one-half (1/2) of the escrow fees charged by the  
215 Escrow Holder. Any excise tax and/or transfer tax shall be paid in accordance with the local custom determined by  
216 the Title Company and applicable law. Real property taxes for the tax year of the Closing, assessments (if a  
217 Permitted Exception), personal property taxes, rents and other charges arising from existing Tenancies paid for the  
218 month of Closing, interest on assumed obligations, and utilities shall be prorated as of the Closing Date. If  
219 applicable, prepaid rents, security deposits, and other unearned refundable deposits relating to Tenancies shall  
220 be assigned and delivered to Buyer at Closing.  Seller  Buyer  N/A shall be responsible for payment of all  
221 taxes, interest, and penalties, if any, upon removal of the Property from any special assessment or program.  
222

223 **9. Possession.** Seller shall deliver exclusive possession of the Property, subject to the Tenancies (if any)  
224 existing as of the Closing Date, to Buyer  on the Closing Date or

225  
226 **10. Condition of Property/Representations and Warranties.** Seller makes the following representations and  
227 warranties:

228 **10.1** Seller is the sole owner of the Property and has authority to convey fee simple title to the  
229 Property by statutory warranty deed. Seller represents that Seller has received no written notices of violation of  
230 any laws, codes, rules, or regulations applicable to the Property ("Laws").  
231

232 **10.2** Seller has not caused or permitted the Property to be used to generate, manufacture,  
233 refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, as defined  
234 under ORS 465.200 or other applicable environmental law, except in substantial compliance with all applicable  
235 federal, state and local laws or regulations, and has not caused or permitted and has no actual knowledge of  
236 the release of any Hazardous Substances on Seller's Property. Seller further represents that to the best of its  
237 actual knowledge, (1) Seller, as the owner of the Property, has complied with all existing environmental Laws,  
238 regulations and ordinances, regarding Hazardous Substances, (2) that any Hazardous Substances that have  
239 been found on the Property have been handled in accordance with all environmental Laws and do not exceed  
240 acceptable levels, (3) neither Seller nor any part of the Property is now the subject of any environmental  
241 enforcement actions by any governmental authorities whatsoever, (4) that Seller has received no written notice  
242 of any such investigation, and (5) except as disclosed to Buyer, that no governmental agency has expended  
243 any money whatsoever in environmental clean-up activities related to or on this Property.  
244

245           10.3 Seller represents there are no suits, actions, arbitrations, judgments, legal, administrative  
246 or other proceedings, claims, liens, or inquiries pending or threatened against the Property, or any portion  
247 thereof, which could affect Seller's right or title to the Property, or any portion thereof, affect the value of the  
248 Property, or any portion thereof, or subject an owner of the Property, or any portion thereof, to liability.  
249

250           10.4 Seller represents no work on the Property has been done or will be done, or materials  
251 provided, giving rise to actual or impending mechanic's liens, private liens, or any other liens, against the  
252 Property or any portion thereof.  
253

254           10.5 Seller represents that it has not entered into, and will not enter into, any other contracts  
255 for the sale of the Property, nor do there exist nor will there be any rights of first refusal, options to purchase  
256 the Property, leases, mortgages, licenses, easements, prescriptive rights, permits, or other rights or  
257 agreement, written or oral, express or implied, which in any way affect or encumber the Property or any portion  
258 thereof.  
259

260           10.6 Seller represents that, to the best of Seller's knowledge without specific inquiry, Seller is  
261 not aware of any such violations or any concealed material defects in the Property.  
262

263           10.7 Seller has received no notice from any governmental authority that the Property is now in  
264 (i) violation of any governmental orders, regulations, statutes or ordinances dealing with the construction,  
265 operation, health, safety and/or maintenance of same; (ii) of any pending or contemplated condemnation  
266 actions with respect to the Property or any part thereof or that the Property is located within any conservation  
267 or historic district or any zone recognized as having special earthquake or flood hazards; or (iii) of any litigation,  
268 action or proceeding or any present or contemplated plan or study by any governmental authority or agency,  
269 which in any way challenges or affects or would challenge or affect the proposed use and operation of the  
270 Property or the present use, size, alignment, or location of any street, highway, sewer, or other utility facility  
271 serving or adjacent to the Property or the taxes or assessments relating thereto.  
272

273           10.8 Seller has not entered into any agreements allowing for any reduction, concession or  
274 abatement of room rates, except for normal discounting.  
275

276           10.9 To the best of Seller's knowledge, there have been no strikes or work stoppages within  
277 the past five (5) years at the Property, and there are no union or collective bargaining agreements currently in  
278 effect with any employees of the Property. Furthermore, during the Seller's ownership of the Property, there  
279 have been no work stoppages at the Property, there have been no negotiations relating to union matters at the  
280 Property, and there are no union agreements in effect at the Property.  
281

282           10.10 Seller currently holds the franchise from Choice Hotels / Quality Inn, which will be  
283 terminated, and all fees arising from such termination will be paid by Seller, prior to Closing.  
284

285           10.11 Seller is not in default under any agreement, lease, mortgage or any other document to  
286 which Seller is a party with respect to the Property.  
287

288           10.12 Seller will operate and maintain the Property in a manner consistent with Seller's  
289 practices thru Closing.  
290

291 Unless caused by Buyer, Seller shall bear all risk of loss and damage to the Property until the Property is  
292 closed pursuant to Section 7, and Buyer shall bear such risk after the Property is closed pursuant to Section 7.  
293 Except for Seller's representations set forth in this Section 10 and the attached Exhibit E, Buyer shall acquire the  
294 Property "AS IS" with all faults and Buyer shall rely on the results of its own inspection and investigation in Buyer's

295 acquisition of the Property. It shall be a condition of Buyer's Closing obligation that all of Seller's representations and  
296 warranties stated in this Agreement are materially true and correct on the Closing Date. Subject to any limitation  
297 period under applicable law, Seller's representations and warranties stated in this Agreement shall survive Closing of  
298 this Agreement.  
299

300 If Seller discovers any information or facts that would materially change the foregoing warranties and  
301 representations or the transactions contemplated by this Agreement, Seller shall immediately give written notice to  
302 Buyer of those facts and information. If any of the foregoing warranties and representations cease to be true before  
303 the close of Escrow, Seller shall be obligated to use its best efforts to remedy the problem, at its sole expense,  
304 before the close of Escrow. If the problem is not remedied before close of Escrow, Buyer may elect to either: (a)  
305 terminate this Agreement in which case Buyer shall have no obligation to purchase the Property and all Escrow  
306 payments, including the Earnest Money, shall be refunded to Buyer, or (b) defer the Closing Date for a period not to  
307 exceed ninety (90) days or until such problem has been remedied, whichever occurs first. If the problem is not  
308 remedied within that timeframe, Buyer may elect to terminate this Agreement and receive a refund of all Escrow  
309 payments, including the Earnest Money. Buyer's election in this regard shall not constitute a waiver of Buyer's rights  
310 in regard to any loss or liability suffered as a result of a representation or warranty not being true, nor shall it  
311 constitute a waiver of any other remedies provided in this Agreement or by law or equity.  
312

313 11. Operation of Property. Between the Execution Date and the Closing Date, Seller shall continue to  
314 operate, maintain and insure the Property consistent with Seller's current operating practices. After Buyer has  
315 satisfied or waived the conditions to Buyer's obligation to purchase the Property, and the Earnest Money is non-  
316 refundable, Seller may not, enter into: (a) any new leases or occupancy agreements for the Property; (b) any  
317 material amendments or modification agreements for any existing leases or occupancy agreements for the Property;  
318 or (c) any service contracts or other agreements affecting the Property that are not terminable at the Closing.  
319

320 12. Assignment. Assignment of this Agreement:  is PROHIBITED;  is PERMITTED, without consent  
321 of Seller;  is PERMITTED ONLY UPON Seller's written consent;  is PERMITTED ONLY IF the assignee is an  
322 entity owned and controlled by Buyer. **Assignment is PROHIBITED, if no box is checked.** If Seller's written  
323 consent is required for assignment, such consent may be withheld in Seller's reasonable discretion. In the event of a  
324 permitted assignment, Buyer shall remain liable for all Buyer's obligations under this Agreement.  
325

326 13. Statutory Notice. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A  
327 FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE  
328 LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR  
329 SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS  
330 DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE  
331 PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER  
332 ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS  
333 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8,  
334 OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE  
335 TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING  
336 DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED  
337 LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT  
338 OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE  
339 ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND  
340 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND  
341 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.  
342

343 14. Cautionary Notice About Liens. UNDER CERTAIN CIRCUMSTANCES, A PERSON WHO  
344 PERFORMS CONSTRUCTION-RELATED ACTIVITIES MAY CLAIM A LIEN UPON REAL PROPERTY AFTER A

345 SALE TO THE PURCHASER FOR A TRANSACTION OR ACTIVITY THAT OCCURRED BEFORE THE SALE. A  
346 VALID CLAIM MAY BE ASSERTED AGAINST THE PROPERTY THAT YOU ARE PURCHASING EVEN IF THE  
347 CIRCUMSTANCES THAT GIVE RISE TO THAT CLAIM HAPPENED BEFORE YOUR PURCHASE OF THE  
348 PROPERTY. THIS INCLUDES, BUT IS NOT LIMITED TO, CIRCUMSTANCES WHERE THE OWNER OF THE  
349 PROPERTY CONTRACTED WITH A PERSON OR BUSINESS TO PROVIDE LABOR, MATERIAL, EQUIPMENT  
350 OR SERVICES TO THE PROPERTY AND HAS NOT PAID THE PERSONS OR BUSINESS IN FULL.

351  
352 15. Brokerage Agreement. For purposes of Section 15 of this Agreement, the Agency Acknowledgement  
353 on page 1 this Agreement is incorporated into this Agreement as if fully set forth herein. Seller agrees to pay a  
354 commission to Selling Firm, SVN Bluestone in the total amount computed in accordance with the listing agreement  
355 between Seller and Selling Firm, and a flat commission of One Hundred Thousand Dollars (\$100,000.00) to Colliers  
356 International. Seller shall cause the Escrow Holder to deliver to Selling Firm and Buying Firm the real estate  
357 commission on the Closing Date or upon Seller's breach of this Agreement, whichever occurs first.

358  
359 16. Notices. Unless otherwise specified, any notice required or permitted in, or related to this Agreement  
360 must be in writing and signed by the party to be bound. Any notice will be deemed delivered: (a) when personally  
361 delivered; (b) when delivered by facsimile or electronic mail transmission (in either case, with confirmation of  
362 delivery); (c) on the day following delivery of the notice by reputable overnight courier; or (d) on the day following  
363 delivery of the notice by mailing by certified or registered U.S. mail, postage prepaid, return receipt requested; and in  
364 any case shall be sent by the applicable party to the address of the other party shown at the beginning of this  
365 Agreement, unless that day is a Saturday, Sunday, or federal or Oregon State legal holiday, in which event such  
366 notice will be deemed delivered on the next following business day.

367  
368 17. Miscellaneous. Time is of the essence of this Agreement. If the deadline under this Agreement for  
369 delivery of a notice or performance of any obligation is a Saturday, Sunday, or federal or Oregon State legal holiday,  
370 such deadline will be deemed extended to the next following business day. The facsimile and/or electronic mail  
371 transmission of any signed document including this Agreement in accordance with Section 16 shall be the same as  
372 delivery of an original. At the request of either party, the party delivering a document by facsimile and/or electronic  
373 mail will confirm such transmission by signing and delivering to the other party a duplicate original document. This  
374 Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall  
375 constitute one and the same Agreement. This Agreement contains the entire agreement and understanding of the  
376 parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous  
377 agreements between them. Without limiting the provisions of Section 12 of this Agreement, this Agreement shall be  
378 binding upon and shall inure to the benefit of Buyer and Seller and their respective successors and assigns. Solely  
379 with respect to Section 15, Selling Firm and Buying Firm are third party beneficiaries of this Agreement. The person  
380 signing this Agreement on behalf of Buyer and the person signing this Agreement on behalf of Seller each  
381 represents, covenants and warrants that such person has full right and authority to enter into this Agreement and to  
382 bind the party for whom such person signs this Agreement to its terms and provisions. Neither this Agreement nor a  
383 memorandum hereof shall be recorded unless the parties otherwise agree in writing.

384  
385 18. Governing Law. This Agreement is made and executed under, and in all respects shall be governed  
386 and construed by, the laws of the State of Oregon. Any claim, action, or suit that arises out of or relates to the  
387 performance of this Agreement shall be brought and conducted solely and exclusively within the Circuit Court for  
388 Clackamas County, for the State of Oregon. Provided, however, that if any such claim, action, or suit may be  
389 brought in a federal forum, it shall be brought and conducted solely and exclusively within the United States District  
390 Court for the District of Oregon. In no event shall this section be construed as a waiver by Buyer of any form of  
391 defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh  
392 Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.  
393 All parties, by execution of this Agreement, hereby consents to the in person jurisdiction of the courts referenced in  
394 this section.

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19. Leases. Intentionally Omitted.

20. Personal Property. This sale includes the personal property located on and used in connection with the Property and owned by Seller which Seller shall itemize in a schedule delivered per Paragraph 4, to include but, not be limited, to internet and Wi-Fi routers and modems, security systems, cameras and recorders, card lock programming systems, common area furnishings, unit furnishings, bedding, linens, laundry and cleaning equipment, microwaves, refrigerators, etc. All other personal property not itemized on the inventory shall be removed from the Property on or before Closing. Seller shall convey all Personal Property to Buyer by executing and delivering to Buyer at Closing through Escrow (as defined below), a Bill of Sale substantially in the form of Exhibit C attached hereto (the "Bill of Sale"). A list of such Personal Property shall be attached to the Bill of Sale as Schedule 1.

21. Residential Lead-Based Paint Disclosure. IF THE PROPERTY CONSISTS OF RESIDENTIAL HOUSING BUILT PRIOR TO 1978, BUYER AND SELLER MUST COMPLETE THE LEAD-BASED PAINT DISCLOSURE ADDENDUM ATTACHED HERETO AS EXHIBIT D.

22. Addenda; Exhibits. The following named addenda and exhibits are attached to this Agreement and incorporated within this Agreement:

- Exhibit A – Legal Description of Property [REQUIRED]
- Exhibit B – Seller Documents
- Exhibit C – Bill of Sale
- Exhibit D – Lead Paint Disclosure Addendum (if applicable)
- Exhibit E – Smoke Alarm and Carbon Monoxide Addendum
- Exhibit F – Assignment and Assumption of Contracts, Warranties, and Rights
- Exhibit G – Oregon Agency Disclosure
- Exhibit H – Additional Covenants

23. Time for Acceptance. If Seller does not return to Buyer a signed and dated version of this Agreement on or before 5:00 PM Pacific Time on **December 12, 2022**, then the Earnest Money shall be promptly refunded to Buyer and thereafter, neither party shall have any further right or obligation hereunder.

24. OFAC Certification. The Federal Government, Executive Order 13224, requires that business persons of the United States not do business with any individual or entity on a list of "Specially Designated nationals and Blocked Persons" - that is, individuals and entities identified as terrorists or other types of criminals. Buyer hereinafter certifies that:

24.1 It is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, specially designated national and/or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and

24.2 It has not executed this Agreement, directly or indirectly on behalf of, or instigating or facilitating this Agreement, directly or indirectly on behalf of, any such person, group, entity, or nation.

Subject to the limits of applicable law, Buyer hereby agrees to defend, indemnify, and hold harmless Seller from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing OFAC certification. This certification by Buyer and agreement to indemnify, hold harmless, and defend Seller shall survive Closing or any termination of this Agreement.

444 25. Debt Limitation. This Agreement is expressly subject to the debt limitation of Oregon counties set forth  
445 in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any  
446 provisions herein which would conflict with law are deemed inoperative to that extent  
447

448 26. Risk of Loss, Condemnation. Seller shall bear the risk of all loss or damage to the Property from all  
449 causes, until the Property is closed pursuant to Section 7. If, before the Property is closed pursuant to Section 7, all  
450 or part of the Property is damaged by fire or by any other cause of any nature or if all or any portion of the Property  
451 is taken by condemnation, or if any such condemnation is threatened, Seller shall give Buyer written notice of such  
452 event. Buyer may terminate this Agreement by giving written notice to Seller within fifteen (15) days following receipt  
453 by Buyer of written notice from Seller of such casualty or condemnation and the Earnest Money will be returned to  
454 Buyer.  
455

456 27. No Attorney Fees. In the event any arbitration, action or proceeding, including any bankruptcy  
457 proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys'  
458 fees and expenses.  
459

460 CONSULT YOUR ATTORNEY. THIS DOCUMENT HAS BEEN PREPARED FOR SUBMISSION TO YOUR  
461 ATTORNEY FOR REVIEW AND APPROVAL PRIOR TO SIGNING. NO REPRESENTATION OR  
462 RECOMMENDATION IS MADE BY THE COMMERCIAL ASSOCIATION OF BROKERS OREGON/SW  
463 WASHINGTON OR BY THE REAL ESTATE AGENTS INVOLVED WITH THIS DOCUMENT AS TO THE LEGAL  
464 SUFFICIENCY OR TAX CONSEQUENCES OF THIS DOCUMENT.  
465

466 THIS FORM SHOULD NOT BE MODIFIED WITHOUT SHOWING SUCH MODIFICATIONS BY REDLINING,  
467 INSERTION MARKS, OR ADDENDA.  
468

469 Buyer: **CLACKAMAS COUNTY**

470  
471 By: \_\_\_\_\_

472 Name:

473 Title:

474

475 Date: \_\_\_\_\_

476

477 Seller Acceptance. By execution of this Agreement, Seller agrees to sell the Property on the terms and conditions in  
478 this Agreement.  
479

480 Seller: **YKC HOSPITALITY, LLC**

481

482

483 By: \_\_\_\_\_

484 Name:

485 Its: Manager

486 Date: \_\_\_\_\_

487

488

EXHIBIT A  
LEGAL DESCRIPTION OF PROPERTY

1150 Fiddlers Acres Pt Sec & pt Lt 2

489

EXHIBIT B  
SELLER DOCUMENTS

- 490
- 491         Operating Statements for the last 2 full years, and year to date performance. P&L and Hotel Statistics preferred.
- 492         Occupancy (OCC) info for last 2 full years and year to date performance. STR Monthly is preferred.
- 493         Average Daily Rate (ADR) info for last 2 full years and year to date performance. STR Monthly is preferred.
- 494         Quality Assurance reports for last twenty-four (24) months.
- 495         Brand related Property Improvement Plan required by Buyer to retain the franchise.
- 496         Employee Records - a list of the current employees, with the names crossed out until the expiration of the  
497            Inspection Period and the Buyer has elected to proceed to closing, with their date of initial employment, current  
498            compensation, vacation pay, sick days and any and all other relevant information concerning the employment of  
499            individuals involved in the current operation of the franchised hotel.
- 500
- 501         Copies of any notes, security or financing agreements, mortgages, trust deeds or other encumbrances which will  
502            remain of record after closing.
- 503         Current tax assessment statements and copies of the most recent tax bills.
- 504         As-built mechanical, electrical, and structural plans and specifications for each building (if available).
- 505         An ALTA survey of the Property (if available).
- 506         Soils report (if available).
- 507         Environmental/Hazardous Materials reports and studies (if available).
- 508         A site plan and parking plan of the Property (if available).
- 509         Service contracts and other contracts affecting the Property, including supply, maintenance, service, and property  
510            management, including correspondence related thereto and correspondence, if any, with governmental agencies  
511            concerning the Property.
- 512         Occupancy permits (if available).
- 513         Project brochure and other marketing material currently in use.
- 514         Third-party warranties and guarantees affecting the Property, if any.
- 515         An inventory of personal property.
- 516         Utility bills for preceding 12 months.
- 517         Inspection Reports: safety, health, fire and any other inspection reports received during the last 3 years.
- 518         Licenses and permits.
- 519         Any pending litigation.
- 520         Other: Any work completed by a contractor on the property within 75 days prior to the Effective Date; TBD and  
521            most recent fire inspection report; Any mechanical or maintenance schedule since January 2018 to current date;  
522            Correspondence from or to any governmental or regulatory agency regarding the Property within the last 5 years;  
523            Any unrecorded or recorded Easements to remain at the property after closing.

EXHIBIT C  
BILL OF SALE

**YKC Hospitality, LLC** an **Oregon Domestic limited liability company** ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby bargain, transfer, convey and deliver to **Clackamas County**, a political subdivision of the State of Oregon ("Buyer"), its successors and/or assigns:

All of the personal property owned by Seller (collectively, "Personal Property") located in or on the real property located at **9717 SE Sunnyside Road** in the **City of Clackamas**, County of **Clackamas**, State of **Oregon**, which Personal Property is more particularly described on Schedule 1 attached hereto and incorporated herein by reference.

Seller hereby covenants with Buyer that said Personal Property is free and clear of and from all encumbrances, security interests, liens, mortgages and claims whatsoever and that Seller is the owner of and has the right to sell same. Seller, on behalf of itself and its successors, does hereby warrant and agree to defend the title in and to said Personal Property unto Buyer, its successors or assigns against the lawful claims and demands of all persons claiming by or through Seller.

IT IS UNDERSTOOD AND AGREED THAT BUYER HAS EXAMINED THE PERSONAL PROPERTY HEREIN SOLD AND THAT THIS SALE IS MADE "AS IS, WHERE IS" AND SELLER DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OTHER THAN THE WARRANTY OF TITLE SET FORTH ABOVE, AS TO THE PERSONAL PROPERTY INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Buyer and Seller agree that this Bill of Sale shall be effective upon the delivery thereof by Seller to Buyer.

IN WITNESS WHEREOF, the parties have caused this Bill of Sale to be executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**SELLER: YKC HOSPITALITY, LLC**

\_\_\_\_\_

**BUYER: CLACKAMAS COUNTY**

\_\_\_\_\_

51  
52  
53

**SCHEDULE 1**  
**TO BILL OF SALE**  
(List of Personal Property)

1 EXHIBIT D  
2 LEAD-BASED PAINT DISCLOSURE ADDENDUM  
3 (TO BE COMPLETED IF THE PROPERTY CONSISTS OF RESIDENTIAL HOUSING BUILT PRIOR TO 1978)  
4

5 Seller and Buyer are parties to that certain Commercial Association of Brokers Oregon / SW Washington Purchase  
6 and Sale Agreement and Receipt for Earnest Money (Oregon Commercial Form) dated \_\_\_\_ \_\_\_\_, 20\_\_\_\_ (the  
7 "Purchase Agreement") for the sale of the Property described therein. Capitalized terms used in this addendum  
8 without definition shall have the meanings given them in the Purchase Agreement. Except as expressly modified by  
9 this addendum and any other addendum to the Purchase Agreement executed by Buyer and Seller, the Purchase  
10 Agreement is unmodified. This addendum and the Purchase Agreement may not be modified except in a writing  
11 signed by both Seller and Buyer.

12 LEAD WARNING STATEMENT

13 EVERY PURCHASER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY ON WHICH A RESIDENTIAL  
14 DWELLING WAS BUILT PRIOR TO 1978 IS NOTIFIED THAT SUCH PROPERTY MAY PRESENT EXPOSURE TO  
15 LEAD FROM LEAD-BASED PAINT THAT MAY PLACE YOUNG CHILDREN AT RISK OF DEVELOPING LEAD  
16 POISONING. LEAD POISONING IN YOUNG CHILDREN MAY PRODUCE PERMANENT NEUROLOGICAL  
17 DAMAGE, INCLUDING LEARNING DISABILITIES, REDUCED INTELLIGENCE QUOTIENT, BEHAVIORAL  
18 PROBLEMS AND IMPAIRED MEMORY. LEAD POISONING ALSO POSES A PARTICULAR RISK TO PREGNANT  
19 WOMEN. THE SELLER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY IS REQUIRED TO PROVIDE  
20 THE BUYER WITH ANY INFORMATION ON LEAD-BASED PAINT HAZARDS FROM RISK ASSESSMENTS OR  
21 INSPECTIONS IN THE SELLER'S POSSESSION AND NOTIFY THE BUYER OF ANY KNOWN LEAD-BASED  
22 PAINT HAZARDS. A RISK ASSESSMENT OR INSPECTION FOR POSSIBLE LEAD-BASED PAINT HAZARDS IS  
23 RECOMMENDED PRIOR TO PURCHASE.  
24

25 AGENT'S ACKNOWLEDGMENT

26 Seller Agent has informed Seller of Seller's obligations under 42 U.S.C. 4852(d) and Agent is aware of  
27 his/her responsibility to ensure compliance.  
28

29 SELLER'S DISCLOSURE

30 **.1 Presence of lead-based paint and/or lead-based paint hazards (check one below):**

31  Seller has knowledge of lead-based paint and/or lead-based paint hazards in the housing (explain).  
32 \_\_\_\_\_  
33 \_\_\_\_\_  
34 \_\_\_\_\_  
35

36  Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.  
37

38 **.2 Records and reports available to Seller (check one below):**

39  Seller has provided Buyer with all available records and reports relating to lead-based paint and/or lead-based  
40 paint hazards in the housing (list documents below):  
41 \_\_\_\_\_  
42 \_\_\_\_\_  
43 \_\_\_\_\_  
44

45  Seller has no reports or records relating to lead-based paint and/or lead-based paint hazards in the housing.  
46  
47

48 The following parties have reviewed the information above and certify, to the best of their knowledge, that the  
49 information they provided is true and accurate. A photocopy of this completed LEAD-BASED PAINT DISCLOSURE  
50 ADDENDUM, together with a copy of any documents listed in Section 2 of Seller's Disclosure above, may be treated  
51 as an original.

Seller Agent \_\_\_\_\_ Date \_\_\_\_\_ ← Seller \_\_\_\_\_ Date \_\_\_\_\_ ←  
Selling Firm \_\_\_\_\_ Seller \_\_\_\_\_ Date \_\_\_\_\_ ←

52  
53 BEFORE BUYER IS OBLIGATED TO PURCHASE THIS PROPERTY UNDER ANY PURCHASE AND SALE  
54 AGREEMENT, BUYER'S AND SELLER'S SIGNATURES ARE REQUIRED ON THE FORM BELOW.

55  
56 BUYER'S ACKNOWLEDGMENT

57 .1 **Buyer has received copies of all information listed above in Section 2 of Seller's Disclosure of**  
58 **this form.**

59  
60 .2 **Buyer has received the pamphlet "Protect Your Family from Lead in Your Home."**

61  
62 .3 **Buyer has (check one below):**

63  Elected a ten (10) day opportunity (or mutually agreed upon period) to conduct a  risk assessment or   
64 inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards, providing Buyer the  
65 right to rescind the Purchase Agreement by written notice to Seller no later than the end of such agreed upon 10 day  
66 period if Buyer is not satisfied in Buyer's sole discretion with the results of such risk assessments or inspection, as  
67 applicable. Buyer and Seller hereby agree the ten (10) day period described in the preceding sentence shall begin  
68 and end \_\_\_\_\_. Buyer's failure to provide written notice of Buyer's election to rescind the Purchase Agreement to  
69 Seller on or before \_\_\_\_\_, 20\_\_ shall be deemed a waiver of Buyer's right to rescind as provided in this addendum.  
70 If Buyer timely elects to rescind the Purchase Agreement as provided herein, the Earnest Money shall be returned to  
71 Buyer, together with any interest thereon.

72  Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or  
73 lead-based paint hazards.

Buyer \_\_\_\_\_ Date \_\_\_\_\_ ←  
Buyer \_\_\_\_\_ Date \_\_\_\_\_ ←

74  
75 CERTIFICATION OF ACCURACY  
76

77 This section must be signed by Buyer before Seller signs lines below. The following parties have reviewed  
78 the information and certify, to the best of their knowledge, that the information they provided herein is true and  
79 accurate.

Buyer \_\_\_\_\_ Date \_\_\_\_\_ ← Seller \_\_\_\_\_ Date \_\_\_\_\_ ←  
Buyer \_\_\_\_\_ Date \_\_\_\_\_ ← Seller \_\_\_\_\_ Date \_\_\_\_\_ ←  
Buyer Agent \_\_\_\_\_ Date \_\_\_\_\_ ← Seller Agent \_\_\_\_\_ Date \_\_\_\_\_ ←  
Buying Firm \_\_\_\_\_ Seller Firm \_\_\_\_\_

80  
LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE

1 EXHIBIT E  
2 **SMOKE ALARM AND CARBON MONOXIDE DETECTOR**  
3 **SMOKE DETECTOR STATEMENT OF**  
4 **COMPLIANCE**

5 As required by Oregon State building code and  
6 rules of the State Fire Marshal

7 **PROPERTY ADDRESS: 9717 SE Sunnyside Road Clackamas, OR 97017**  
8

9  
10 **1. SMOKE DETECTOR REQUIREMENTS:** The Oregon Office of State Fire Marshal requires that:

11  
12 **A person may not convey fee title to any real property that includes a dwelling unit or lodging**  
13 **house, or transfer possession of any dwelling unit or lodging house pursuant to a land sale**  
14 **contract, unless there is installed in the dwelling unit or lodging house a smoke detector or the**  
15 **required number of approved smoke alarms, installed in accordance with the state building code**  
16 **and rules of the State Fire Marshal. (ORS 479.260)**

17  
18 Smoke alarms and smoke detectors in dwelling units shall be installed in each sleeping room as per the  
19 applicable requirements of the State Building Code at the time of construction and in the corridor or area  
20 giving access to sleeping areas according to the manufacturer's instructions.

21  
22 Where sleeping areas are located on an upper level, the smoke alarm or smoke detector shall be  
23 installed in an accessible location as close as practical to the center of the ceiling directly over the  
24 stairway. Where sleeping areas are widely separated (i.e., on different levels or opposite ends of the  
25 dwelling unit) and/or where a single smoke alarm or smoke detector will not adequately service all  
26 sleeping areas, a smoke alarm or smoke detector shall be installed adjacent to each sleeping area. (ORS  
27 837-045-0050)

28  
29 **2. CARBON MONOXIDE REQUIREMENTS:** The 2009 Oregon Legislature passed HB 3450, the  
30 Lofgren and Zander Memorial Act, requiring the installation of carbon monoxide alarms in specific  
31 residential applications with a carbon monoxide source. **Carbon monoxide alarms** shall be located in  
32 each bedroom or within 15 feet outside of each bedroom door. Bedrooms on separate floor levels in a  
33 structure consisting of two or more stories shall have separate carbon monoxide alarms serving each  
34 story.

35  
36 **3. CERTIFICATION:** Seller hereby certifies that the Property, as of the close of escrow, will  
37 comply with state code 837-045-0050 by having operable smoke detector(s) and carbon monoxide  
38 detector(s) installed in accordance with all regulations and applicable local requirements.  
39

40  
41 Seller \_\_\_\_\_ Date \_\_\_\_\_  
42 (Signature) (Print Name)

43  
44 The undersigned hereby acknowledges receipt of a copy  
45 of this document.

46  
47 Buyer \_\_\_\_\_ Date \_\_\_\_\_  
48 (Signature) (Print Name)

53 EXHIBIT F  
54 ASSIGNMENT AND ASSUMPTION OF  
55 CONTRACTS, WARRANTIES AND RIGHTS  
56

57 This Assignment (the "Assignment and Assumption of Contracts, Warrants and Rights") is dated as of the \_\_\_\_\_ day of  
58 \_\_\_\_\_, 20\_\_\_\_ and is made by and between YKC Hospitality, LLC ("Assignor") and Clackamas County ("Assignee"), with  
59 reference to the following:  
60

61 Assignor and Assignee have entered into that certain Purchase and Sale Agreement effective as of \_\_\_\_\_, 20\_\_\_\_  
62 (the "Purchase Agreement"), pursuant to which Assignor is selling to Assignee, simultaneously with the delivery of this  
63 Assignment, that certain real property (the "Property") located at 9717 SE Sunnyside Road, in the City of Clackamas, County of  
64 Clackamas, State of Oregon, together with associated personal property.  
65

66 **FOR GOOD AND VALUABLE CONSIDERATION**, the receipt of which is hereby acknowledged, Assignor hereby assigns and  
67 transfers to Assignee all of its rights, title and interest in and under:  
68

- 69 1. All assignable warranties and guaranties (including without limitation those set forth in Schedule 1 attached hereto) made by  
70 or received from any third party with respect to any building, building component, structure, fixture, machinery, equipment,  
71 or material situated on, contained in any building or other improvements situated on, or comprising a part of any building or  
72 other improvement situated on, the Property;  
73
- 74 2. All of the service contracts listed in Schedule 2 attached hereto; and  
75
- 76 3. All contract rights and other rights and property interest now or hereafter owned by Assignor and related exclusively to the  
77 Property or any improvements or personal property located thereon, including without limitation, the right to use any trade  
78 name now used in connection with the Property and any governmental permits or licenses (including without limitation  
79 certificates of occupancy), agreements, utility contracts, plans and specifications, tenant records, or other rights, documents,  
80 records, or materials relating to the ownership, use, maintenance, or operation of the Property.  
81

82 **ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:**  
83

- 84 1. **Assignment:** Assignor warrants and covenants that the warranties and guarantees described in Schedule 1 and the  
85 service contracts described in Schedule 2 are unmodified except as shown in the Schedules and are assigned and  
86 transferred by Assignor free and clear of any liens, encumbrances, and third-party interests or claims and that Assignor has  
87 all lawful right and authority to make this Assignment. [This Assignment does not assign any property management contract  
88 to which Assignor is a party.] Assignor shall remain responsible to pay all amounts due under or in respect of the service  
89 contracts and other rights and interests assigned and transferred hereunder accruing prior to closing of the transaction  
90 contemplated in the Purchase Agreement and to pay any transfer fees.  
91
- 92 2. **Assumption:** Assignee hereby accepts the foregoing assignment and hereby assumes all of the duties, obligations and  
93 responsibilities of the owner under the service contracts listed in Schedule 2 accruing after the closing of the transaction  
94 contemplated in the Purchase Agreement. With respect to all other contract rights and other rights and property interests  
95 assigned herein, Assignee accepts assignment thereof subject to the responsibility to pay all amounts due under or in  
96 respect thereof accruing after the closing of the transaction contemplated in the Purchase Agreement.  
97
- 98 3. **Indemnity:** Assignor hereby agrees to defend, indemnify and hold Assignee harmless from and against any and all claims,  
99 costs, liabilities, damages and expenses (including related attorneys' fees arising under or in connection with any of the  
100 assigned service contracts or other rights and property interests accruing before the closing of the transaction contemplated  
101 in the Purchase Agreement. Assignee hereby agrees to defend, indemnify and hold Assignor harmless from and against  
102 any and all claims, costs, liabilities, damages and expenses (including related attorneys fees) arising under or in connection  
103 with any of the assigned service contracts or other rights and property interests accruing after the closing of the transaction  
104 contemplated in the Purchase Agreement.  
105

- 106 4. **Reserved.**  
107

108 5. **Binding Effect:** This Assignment shall be binding on and inure to the benefit of the parties hereto and their successors in  
109 interest and assigns.  
110

111 **IN WITNESS WHEREOF**, Assignor and Assignee have executed this Assignment the day and year first above written.  
112

113 **ASSIGNOR:** \_\_\_\_\_

114  
115 By: \_\_\_\_\_

116 Its: \_\_\_\_\_  
117

118 **ASSIGNEE:** \_\_\_\_\_

119  
120 By: \_\_\_\_\_

121 Its: \_\_\_\_\_  
122

123 STATE OF Oregon )  
124 ) ss.  
125 County of Clackamas )  
126

127 The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_.  
128

129 \_\_\_\_\_  
130 Notary Public for \_\_\_\_\_  
131 My Commission Expires: \_\_\_\_\_  
132

133 STATE OF Oregon )  
134 ) ss.  
135 County of Clackamas )  
136

137 The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_.  
138

139 \_\_\_\_\_  
140 Notary Public for \_\_\_\_\_  
141 My Commission Expires: \_\_\_\_\_  
142

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145 **SCHEDULE 2**  
146 **TO ASSIGNMENT OF CONTRACTS, WARRANTIES AND RIGHTS**  
147 **(Warranties and Guaranties)**  
148

149  
150 **SCHEDULE 3**  
151 **TO ASSIGNMENT OF CONTRACTS, WARRANTIES AND RIGHTS**  
152 **(Service Contracts)**  
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160 EXHIBIT G  
161 OREGON AGENCY DISCLOSURE

162 INITIAL AGENCY DISCLOSURE PAMPHLET (OAR 863-015-215)  
164

165 (1) An agent shall provide a copy of the Initial Agency Disclosure Pamphlet provided for in section (4) of this rule at first contact  
166 with each represented party to a real property transaction, including but not limited to contacts in- person, by telephone, over the  
167 Internet or World Wide Web, or by electronic mail, electronic bulletin board or a similar electronic method.

168 (2) An agent need not provide a copy of the Initial Agency Disclosure Pamphlet to a party who has, or may be reasonably  
169 assumed to have, already received a copy of the pamphlet from another agent.

170 (3) "First contact with a represented party" means contact with a person who is represented by a real estate licensee or can  
171 reasonably be assumed from the circumstances to be represented or seeking representation.

172 (4) The Initial Agency Disclosure Pamphlet shall be printed in substantially the following form:  
173

174 OREGON REAL ESTATE AGENCY DISCLOSURE PAMPHLET (OAR 863-015-215(4))  
175

176 *This pamphlet describes agency relationships and the duties and responsibilities of real estate licensees in Oregon. This*  
177 *pamphlet is informational only and neither the pamphlet nor its delivery to you may be construed to be evidence of intent to*  
178 *create an agency relationship.*  
179

180 REAL ESTATE AGENCY RELATIONSHIPS  
181

182 An "agency" relationship is a voluntary legal relationship in which a real estate licensee (the "agent") agrees to act on behalf of a  
183 Buyer or a Seller (the "Client") in a real estate transaction. Oregon law provides for three types of agency relationships between  
184 real estate agents and their clients:

185 **Seller's Agent** - Represents the Seller only;

186 **Buyer's Agent** - Represents the Buyer only;

187 **Disclosed Limited Agent** - Represents both the Buyer and Seller, or multiple Buyers who want to purchase the same property. This can be  
188 done only with the written permission of both clients.

189 *The actual agency relationships between the Seller, Buyer and their agents in a real estate transaction must be acknowledged at*  
190 *the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real*  
191 *estate agent.*  
192

193 DUTIES AND RESPONSIBILITIES OF AN AGENT WHO REPRESENTS

194 ONLY THE SELLER OR ONLY THE BUYER

195 Under a written listing agreement to sell property, an agent represents only the Seller unless the Seller agrees in writing to allow  
196 the agent to also represent the Buyer. An agent who agrees to represent a Buyer acts only as the Buyer's agent unless the Buyer  
197 agrees in writing to allow the agent to also represent the Seller. An agent who represents only the Seller or only the Buyer owes  
198 the following affirmative duties to their client, other parties and their agents involved in a real estate transaction:  
199

- 200
- 201 1. To exercise reasonable care and diligence;
  - 202 2. To deal honestly and in good faith;
  - 203 3. To present all written offers, notices and other communications in a timely manner whether or not the Seller's property  
204 is subject to a contract for sale or the Buyer is already a party to a contract to purchase;
  - 205 4. To disclose material facts known by the agent and not apparent or readily ascertainable to a party;
  - 206 5. To account in a timely manner for money and property received from or on behalf of the client;
  - 207 6. To be loyal to their client by not taking action that is adverse or detrimental to the client's interest in a transaction;
  - 208 7. To disclose in a timely manner to the client any conflict of interest, existing or contemplated;
  - 209 8. To advise the client to seek expert advice on matters related to the transactions that are beyond the agent's expertise;
  - 210 9. To maintain confidential information from or about the client except under subpoena or court order, even after  
211 termination of the agency relationship; and
  - 212 10. When representing a Seller, to make a continuous, good faith effort to find a Buyer for the property, except that a  
213 Seller's agent is not required to seek additional offers to purchase the property while the property is subject to a

214 contract for sale. When representing a Buyer, to make a continuous, good faith effort to find property for the Buyer,  
215 except that a Buyer's agent is not required to seek additional properties for the Buyer while the Buyer is subject to a  
216 contract for purchase or to show properties for which there is no written agreement to pay compensation to the Buyer's  
217 agent.  
218

219 None of these affirmative duties of an agent may be waived, except #10, which can only be waived by written agreement  
220 between client and agent.  
221

222 Under Oregon law, a Seller's agent may show properties owned by another Seller to a prospective Buyer and may list competing  
223 properties for sale without breaching any affirmative duty to the Seller. Similarly, a Buyer's agent may show properties in which  
224 the Buyer is interested to other prospective Buyers without breaching any affirmative duty to the Buyer.  
225

226 Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.  
227

228 **DUTIES AND RESPONSIBILITIES OF AN AGENT WHO REPRESENTS**  
229 **MORE THAN ONE CLIENT IN A TRANSACTION**  
230

231 One agent may represent both the Seller and the Buyer in the same transaction, or multiple Buyers who want to purchase the  
232 same property only under a written "Disclosed Limited Agency" agreement, signed by the Seller, Buyer(s) and their agent.  
233

234 When different agents associated with the same real estate firm establish agency relationships with different parties to the same  
235 transaction, only the principal broker (the broker who supervises the other agents) will act as a Disclosed Limited Agent for both  
236 the Buyer and Seller. The other agents continue to represent only the party with whom the agent already has an established  
237 agency relationship unless all parties agree otherwise in writing. The supervising principal broker and the agents representing  
238 either the Seller or the Buyer have the following duties to their clients:  
239

- 240 1. To disclose a conflict of interest in writing to all parties;
- 241 2. To take no action that is adverse or detrimental to either party's interest in the transaction; and
- 242 3. To obey the lawful instruction of both parties.  
243

244 An agent acting under a Disclosed Limited Agency agreement has the same duties to the client as when representing only a  
245 Seller or only a Buyer, except that the agent may not, without written permission, disclose any of the following:  
246

- 247 1. That the Seller will accept a lower price or less favorable terms than the listing price or terms;
- 248 2. That the Buyer will pay a greater price or more favorable terms than the offering price or terms; or
- 249 3. In transactions involving one-to-four residential units only, information regarding the real property transaction including,  
250 but not limited to, price, terms, financial qualifications or motivation to buy or sell.  
251

252 No matter whom they represent, an agent *must* disclose information the agent knows or should know that failure to disclose  
253 would constitute fraudulent misrepresentation. Unless agreed to in writing, an agent acting under a Disclosed Limited Agency  
254 agreement has no duty to investigate matters that are outside the scope of the agent's expertise.  
255

256 *You are encouraged to discuss the above information with the agent delivering this pamphlet to you. If you intend for that agent,*  
257 *or any other Oregon real estate agent, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited Agent, you*  
258 *should have a specific discussion with him/her about the nature and scope of the agency relationship. Whether you are a Buyer*  
259 *or Seller, you cannot make a licensee your agent without their knowledge and consent, and an agent cannot make you their*  
260 *client without your knowledge and consent.*  
261

262 *Stat. Auth:* ORS 696.385, 696.820 and 183.335  
263 *Stat. Implemented:* ORS 696.805, 696.810, 696.815  
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EXHIBIT H  
**ADDITIONAL TERMS AND CONDITIONS**

1. During the Feasibility Contingency Period, Buyer and Seller agree to negotiate in good faith the specific language to create an addendum providing Seller the ability to utilize an IRS Section 1033 Exchange in similar form to the following: Buyer does have the power of eminent domain to acquire the Property. In the event an agreement cannot be reached regarding the voluntary sale of the Property, Buyer may exercise its power of eminent domain.
2. All tours and inspections must be scheduled no less than 72 hours in advance through the Broker and with the consent of the Seller.
3. Seller shall provide to Buyer satisfactory evidence that Seller has cancelled all reservations, advance bookings, prepaid occupancies, or other contracts or rights of any kind for any occupancy or possession on or before the Closing Date.
4. Seller to provide franchise termination paperwork to Buyer on or before Closing.
5. Seller, at Seller's cost, shall remove Choice Hotel signage from the building on or before Closing.
6. Seller, at Seller's cost, shall evict any long-term guests on or before Closing.
7. The Property will be delivered vacant at closing and free of any encumbrances related to brand, management, or future reservations post-closing. Seller shall be solely responsible for terminating all reservations post-closing and terminating any on-line listings by brand or 3rd-party re-sellers. Seller hereby agrees to indemnify, defend, and hold harmless Buyer from any and all claims in connection with termination of brand, franchise, reservations, or other obligations arising from, or related to, Seller's acts or omissions with respect to the Property. This indemnity shall survive closing.

Buyer Initials: \_\_\_\_\_

Seller Initials: \_\_\_\_\_