

February 16, 2023

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners  
 Clackamas County

**Approval of First Addendum to the 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. Addendum value is \$205,090, total agreement value is increased to \$15,205,090. Funding is through a combination of local and State sources, including the State’s Project Turnkey 2.0 program. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	Purchase & Sale Agreement – 12/08/2022 Briefed at Issues – 2/14/2023		
<b>Performance Clackamas</b>	1. Ensuring safe, healthy and secure communities by accessing resources for critical housing infrastructure.		
<b>Counsel Review</b>	Yes	<b>Procurement Review</b>	N/A
<b>Contact Person</b>	Adam Brown	<b>Contact Phone</b>	971-421-0133

**EXECUTIVE SUMMARY:** Health, Housing & Human Services is seeking Board approval to proceed with a First Addendum to the Purchase & Sale Agreement with YKC Hospitality, LLC. for the real property and improvements generally known as the Quality Inn, located at 9717 SE Sunnyside Road, Clackamas, OR 97015. The First Addendum resolves a number of remaining terms and allows the county to proceed to closing on the sale of the property.

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.

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In September of 2022, following its submission of a Project Turnkey 2.0 application in July, Clackamas County was notified by the Oregon Community Foundation, which is administering this program on behalf of the State, that its application was approved to move on to Phase 2 of the process. Phase 2 encompasses property identification and subsequent due diligence, including acquisition cost negotiations, appraisal, environmental & physical inspection reports, and other pre-acquisition due diligence necessary to ensure suitability and quality of property.

In September and October of 2022, the county conducted extensive public outreach and engagement on Project Turnkey 2.0. This includes a dedicated phone line, press releases, presentations to business groups and other stakeholders, door knocking with fliers, emails to residents, and public meetings. This initial public comment period was held from September 20 – October 31, 2022. The county received hundreds of responses during that time and more than 70% of commenters indicated support for acquiring a hotel through Project Turnkey 2.0.

On December 8, 2022, the Board of County Commissioners approved a \$15.0 million Purchase & Sale Agreement (PSA) and entered into due diligence on the property. Since that time, county staff have continued community engagement activities, carried out due diligence on the site in partnership with the Oregon Community Foundation, and developed preliminary site management and program design plans.

A new period of community engagement and public comment was opened from December 8, 2022, through January 31, 2023. Again, the county received hundreds of responses from the community. In total, 55% of respondents were strongly in favor of the county's Project Turnkey 2.0 efforts, while an additional 18% of commenters would be in favor with certain conditions, namely, the provision of robust wrap around services. Therefore, with those robust services included in the county's proposed transitional housing program plan, it is supported by 73% of commenters. Additionally, the county has received a large number of letters of support, including from North Clackamas Schools, Kaiser Permanente, Providence Health & Services, the City of Milwaukie, the faith community, community-based service providers, and elected leaders.

Along with this broad support, the county has also heard concerns. Many were about existing community safety and livability issues and a fear that these would be made worse by the proposed transitional housing program. This includes worries that increased drug use, behavioral health issues, crime, and camping associated with the site would lead to a decrease in public safety, neighborhood livability, and prosperity for nearby businesses. The county understands these concerns and has stated its commitment to addressing them through ongoing engagement with surrounding businesses, robust on-site services and site management, including security, and by continuing the partnership between Health, Housing & Human Services, the District Attorney's Office, the Sheriff's Office, and other community partners that has been successful in addressing similar concerns related to the county's current hotel-based transitional housing programs.

On February 1, 2023, the Board held a Policy Session on the preliminary site management and program design plans. Staff outlined plans for site management, including how the physical asset will be managed, how the site will be kept safe and secure, and a commitment to remaining engaged and responsive to the surrounding community. Staff also outlined the transitional housing program design, including how services will be delivered, how participants will be assessed and access the program, and the robust array of supportive services that will be provided to program participants. The Board approved this preliminary site management and program design plan.

The week of February 6, 2023, staff and the Oregon Community Foundation completed due diligence. There were no findings in the Title, Zoning, Phase 1 Environmental, or ALTA Survey to impede acquisition. The property's Appraisal value is \$15.0 million. The Physical Inspection indicates that the property is in good condition, with no immediate significant repair items and only a small number of long-term asset preservation items to plan for. The First Addendum to the PSA addresses the immediate and long-term issues identified in the Physical Inspection Report. Specifically, it sets terms for:

- Seller Expense Repairs:
  - Repair or replace wind damaged composition roofing.
  - Replace electrical cover plate at light pole.
  - Repair or replace out of date fire extinguishers and missing glass on the hallway fire extinguisher cases.
  - Repair or replace rear stairs where they are structurally compromised and constitute a trip fall hazard.
- Buyer Expense Repairs:
  - Replace oldest water heater (est. \$9,000).
  - Decommission swimming pool (est. \$42,500).
  - Acquire and store onsite ten (10) PTAC heat pump units (est. \$8,090).
  - Resurface asphalt parking areas and complete restriping (est. \$135,000).
  - Remove and replace smoke detectors with combination smoke and CO2 detectors (est. \$10,500).

The county has submitted a request to the Oregon Department of Housing & Community Services (OHCS) for funding on top of its anticipated Project Turnkey 2.0 acquisition award to fully cover the Buyer Expense Repairs. OHCS was allocated \$2.5 million to support hotel/motel sites acquired in Project Turnkey 2.0. Specifically, these one-time funds are available to support shelter facility operations, shelter operations maintenance, and rehabilitation, renovation, and/or conversion. Awardees are eligible for up to \$250,000 each and spending must occur by June 30, 2023. The county expects to receive these funds to fully cover the Buyer Expense Repairs.

With the completion of due diligence and approval of the preliminary site management and program design plans, Phase 2 is now complete. The Oregon Community Foundation has approved a Project Turnkey Award to the county of \$8.0 million. The county will fund remaining acquisition costs, including Buyer Expense Repairs, with a combination of funds from the Metro Affordable Housing Bond, Metro Supportive Housing Services Measure, State of Oregon HB 5202 Behavioral Health Housing, and/or State of Oregon Housing & Community Services.

**RECOMMENDATION:** Staff recommend Board approval of the First Addendum.

Respectfully submitted,

Rodney A. Cook  
Director

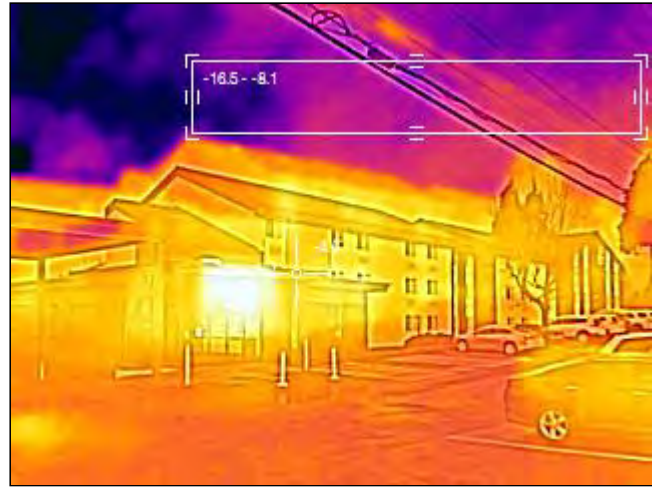


# Inspection Report

## Oregon Community Foundation

**Property Address:**  
Quality Inn  
9717 SE Sunnyside Rd.  
Clackamas OR





**Propertyexam corp.**

**Scott Harris OR;OCHI 1180, WA; 864  
13297 Deer Meadows Rd.  
Oregon City, OR 97045  
(503)679-7184  
scott@propertyexam.com**

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<b>Date:</b> 12/28/2022	<b>Time:</b>	<b>Report ID:</b> 20221228a
<b>Property:</b> Quality Inn 9717 SE Sunnyside Rd. Clackamas OR	<b>Customer:</b> Oregon Community Foundation	<b>Real Estate Professional:</b>

### Service Description

This is a Property Condition Report "PCR" using the ASTM E2018 as a standard guideline to describe the condition of building or buildings for the property inspected. This process involves observation of the property by a person or entity. It can include interviews of sources, and reviews of available documentation for the purpose of developing an opinion and preparing a PCR of a commercial real estate's current physical condition. At the option of the user, a PCA may include a higher level of inquiry and due diligence than the baseline scope described within this guide or, at the user's option, it may include a lower level of inquiry or due diligence than the baseline scope described in this guide. If there are such deviations from this guide's scope it should be disclosed here on this page. A PCR is a written report, prepared in accordance with the recommendations contained in this guide, that outlines the consultant's observations, opinions as to the subject property's condition, and opinions of probable costs to remedy any material physical deficiencies observed.

In defining good commercial and customary practice for conducting a baseline PCA, the goal is to identify and communicate physical deficiencies to a user. The term physical deficiencies means the presence of conspicuous defects or material deferred maintenance of a subject property's material systems, components, or equipment as observed during the field observer's walk-through survey. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not present material physical deficiencies of the subject property. A walk-through survey, conducted during the field observer's site visit of the subject property, that consists of nonintrusive visual observations, survey of readily accessible, easily visible components and systems of the subject property. Concealed physical deficiencies are excluded. It is the intent of this guide that such a survey should not be considered technically exhaustive. It excludes the operation of equipment by the field observer and is to be conducted without the aid of special protective clothing, exploratory probing, removal of materials, testing, or the use of equipment, such as scaffolding, metering/testing equipment, or devices of any kind, etc. It is literally the field observer's visual observations while walking through the subject property.

This report will include short-term cost estimates, opinions of probable costs to remedy physical deficiencies, such as deferred maintenance, that may not warrant immediate attention, but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventive maintenance. Such opinions of probable costs may include costs for testing, exploratory probing, and further analysis should this be deemed warranted by the consultant. The performance of such additional services are beyond this guide. Generally, the time frame for such repairs is within one to two years.

The purpose of the PCA is to observe and report, to the extent feasible pursuant to the processes prescribed herein, on the physical condition of the subject property.

**Deviations from the Guide:** None

**Recommendations:** It is recommended that the user of this report review both summaries and the entire report. The complete report may include additional information of concern.

### **Comment Key or Definitions**

The following definitions of comment descriptions represent this inspection report. All comments by the inspector should be considered before purchasing this home. Any recommendations by the inspector to repair or replace suggests a second opinion or further inspection by a qualified contractor. All costs associated with further inspection fees and repair or replacement of item, component or unit should be considered before you purchase the property.

**Inspected (IN)** = I visually observed the item, component or unit and if no other comments were made then it appeared to be functioning as intended allowing for normal wear and tear.

**Not Inspected (NI)** = I did not inspect this item, component or unit and made no representations of whether or not it was functioning as intended and will state a reason for not inspecting.

**Not Present (NP)** = This item, component or unit is not in this home or building.

**Repair or Replace (RR)** = The item, component or unit is not functioning as intended, or needs further inspection by a qualified contractor. Items, components or units that can be repaired to satisfactory condition may not need replacement.

**Standards of Practice:**  
ASTM 2018

**Type of building:**  
Hotel

**Approximate age of building:**  
Over 35 Years

**Temperature:**  
Below 65

**Weather:**  
Cloudy

**Ground/Soil surface condition:**  
Damp

**Rain in last 3 days:**  
Yes

**Radon Test:**  
No

**I. Roofing, Roof Structure, Chimneys, and Attic**

The building inspector shall observe: Roof covering; Roof drainage systems; Flashings; Skylights, chimneys, and roof penetrations; and Signs of leaks or abnormal condensation on building components. The building inspector shall: Describe the type of roof covering materials; and Report the methods used to observe the roofing. The building inspector is not required to: Walk on the roofing; or Observe attached accessories including but not limited to solar systems, antennae, and lightning arrestors.

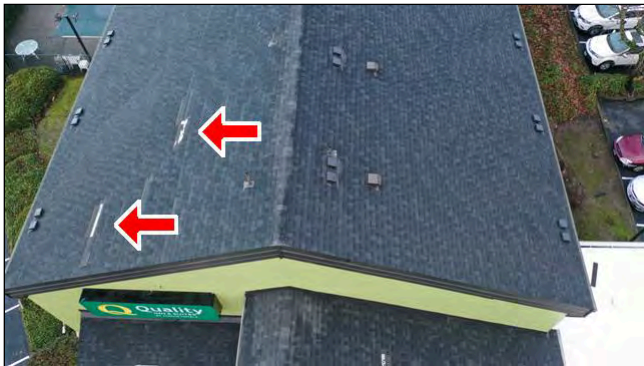
**Styles & Materials**

<p><b>Viewed roof covering from:</b> Aerial Drone</p>	<p><b>Roof-Type:</b> Gable</p>	<p><b>Roof Covering:</b> 3-Tab fiberglass Architectural</p>
<p><b>Chimney (exterior):</b> N/A</p>	<p><b>Sky Light(s):</b> None</p>	<p><b>Roof Ventilation:</b> Passive</p>
<p><b>Method used to observe attic:</b> From entry</p>	<p><b>Roof Structure:</b> Engineered wood trusses</p>	<p><b>Ceiling Structure:</b> 4" or better</p>
<p><b>Attic info:</b> Scuttle hole</p>	<p><b>Attic Insulation:</b> Blown Fiberglass</p>	

**Items**

**A. ROOF COVERINGS**

Inspected, Repair or Replace



A. Item 1(Picture)



A. Item 2(Picture)



A. Item 3(Picture)



A. Item 4(Picture)



A. Item 5(Picture)



A. Item 6(Picture)



A. Item 7(Picture)



A. Item 8(Picture)



A. Item 9(Picture)



A. Item 10(Picture)

There are some wind damaged sections of roof that need repair right away. Overall the roof should have substantial remaining service life.

#### **B. ROOF FLASHINGS**

Inspected

#### **C. SKYLIGHTS, CHIMNEYS AND ROOF PENETRATIONS**

Inspected

#### **D. ROOF VENTILATION**

Inspected

#### **E. ROOF DRAINAGE SYSTEMS**

Inspected

#### **F. ROOF STRUCTURE AND ATTIC (report leak signs or condensation)**

Inspected

#### **G. FIREWALL SEPARATION BETWEEN UNITS IN ATTIC**

Inspected

#### **H. ATTIC INSULATION**

Inspected

#### **I. VENTILATION FANS Attic ducting**

Inspected

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The roof of the building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Roof coverings and skylights can appear to be leak proof during inspection and weather conditions. Our inspection makes an attempt to find a leak but sometimes cannot. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



**II. Exterior, building**

The building inspector shall observe: Wall cladding, flashings, and trim; Entryway doors and a representative number of windows; Garage door operators; Decks, balconies, stoops, steps, areaways, porches and applicable railings; Eaves, soffits, and fascias; and Vegetation, grading, drainage, driveways, patios, walkways, and retaining walls with respect to their effect on the condition of the building. The building inspector shall: Describe wall cladding materials; Operate all entryway doors and a representative number of windows; Operate garage doors manually or by using permanently installed controls for any garage door operator; Report whether or not any garage door operator will automatically reverse or stop when meeting reasonable resistance during closing; and Probe exterior wood components where deterioration is suspected. The building inspector is not required to observe: Storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories; Fences; Presence of safety glazing in doors and windows; Garage door operator remote control transmitters; Geological conditions; Soil conditions; Recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities); Detached buildings or structures; or Presence or condition of buried fuel storage tanks. The building inspector is not required to: Move personal items, panels, furniture, equipment, plant life, soil, snow, ice or debris that obstructs access or visibility.

**Styles & Materials**

**Siding Style:**

- Lap
- Brick

**Siding Material:**

- Cement-Fiber
- Brick veneer
- Metal

**Exterior Entry Doors:**

- Steel

**Appurtenance:**

- Sidewalk

**Driveway:**

- Asphalt

**Items**

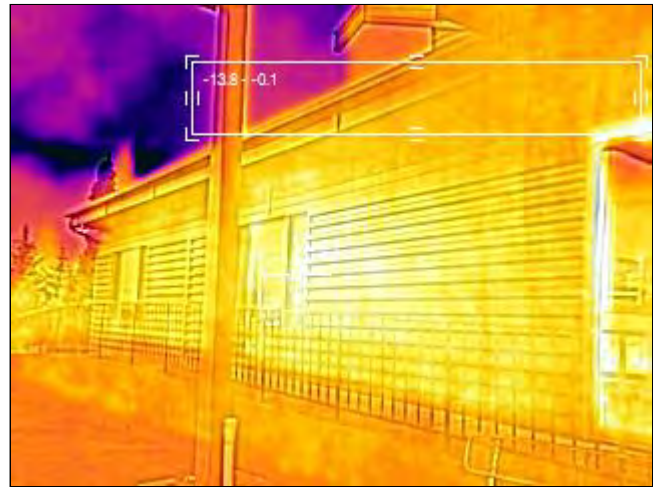
**A. WALL CLADDING FLASHING AND TRIM**

Inspected

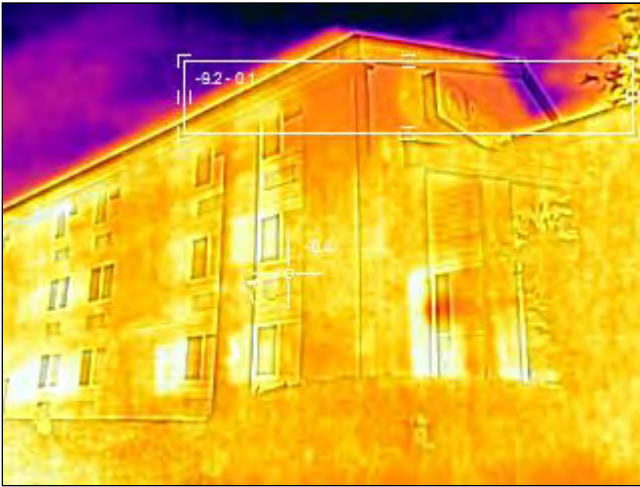
(1) Overall in good condition.



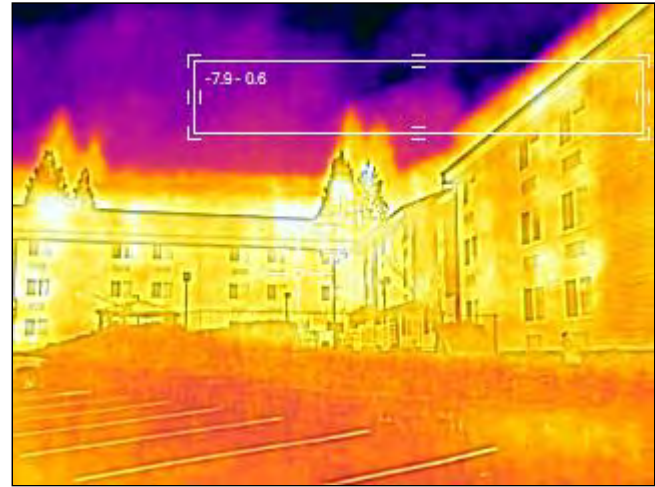
A. Item 1(Picture)



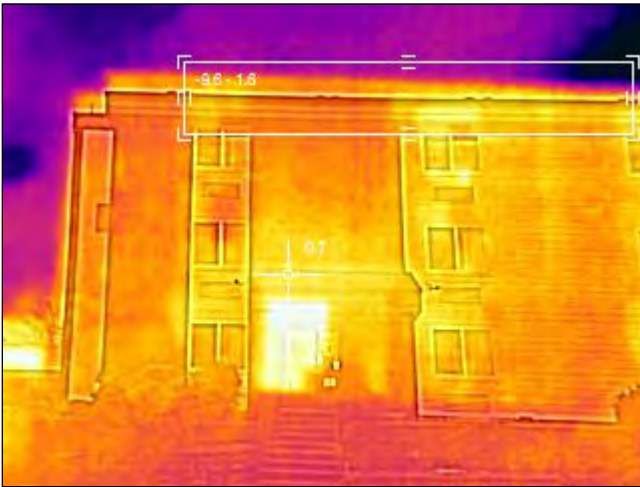
A. Item 2(Picture)



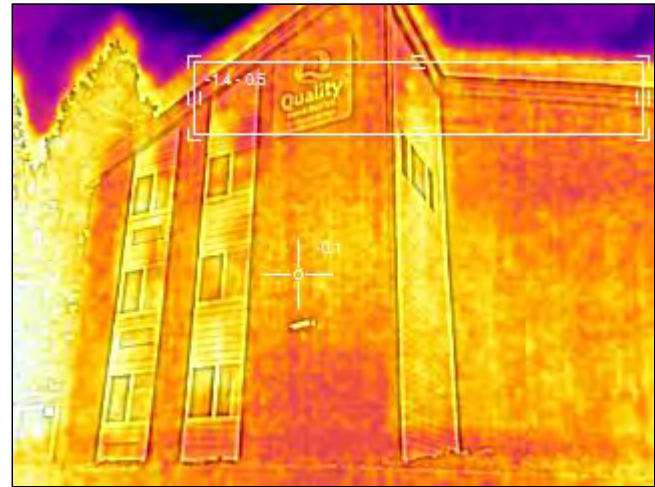
A. Item 3(Picture)



A. Item 4(Picture)



A. Item 5(Picture)



A. Item 6(Picture)

(2) Complete Building envelope Thermal Imaging Scan for Moisture Intrusion Issues.

A thorough Thermal Imaging moisture scan was conducted and analyzed of the structure. All exterior walls, were scanned from the interior. The entire roof envelope was scanned analyzed. All suspect areas were also checked with an electronic, non destructive moisture meter. In all of the tested areas, there was no evidence of moisture intrusion found at the time of the inspection except where otherwise noted.

**B. DOORS (Exterior)**

Inspected

**C. Door Lock System**

Inspected

Modern fob key lock system

**D. WINDOWS**

Inspected

**E. DECKS, BALCONIES, STOOPS, STEPS, AREAWAYS, PORCHES, PATIO/ COVER AND APPLICABLE RAILINGS**

Inspected, Repair or Replace



E. Item 1(Picture)

E. Item 2(Picture)

At front, right side entrance, concrete damaged, can be a trip hazard, recommend demolishing and repouring affected area.

**F. VEGETATION, GRADING, DRAINAGE, PATIO FLOOR, AND RETAINING WALLS, FENCING (With respect to their effect on the condition of the building)**

Inspected, Repair or Replace



F. Item 1(Picture)

Area drains due for regular cleanout service.

**G. EAVES, SOFFITS AND FASCIAS**

Inspected

**H. Flatwork**

Inspected, Repair or Replace



F. Item 2(Picture)



H. Item 1(Picture)



H. Item 2(Picture)

Rear stairs structurally compromised need to be demolished and repoured.

**I. Driveway & Parking**

Repair or Replace



I. Item 1(Picture)



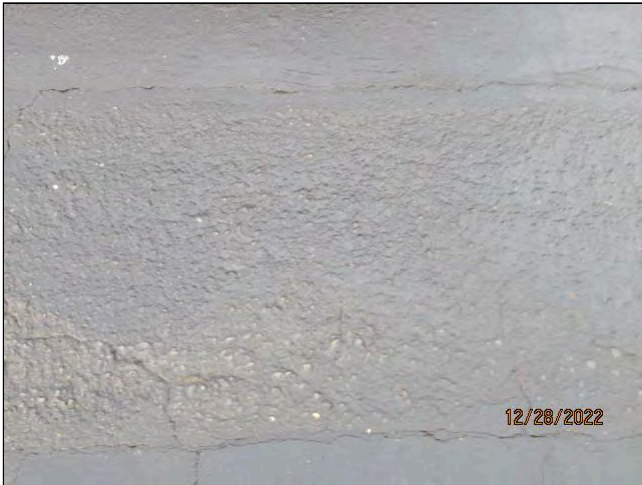
I. Item 2(Picture)



I. Item 3(Picture)



I. Item 4(Picture)



I. Item 5(Picture)



I. Item 6(Picture)



I. Item 7(Picture)



I. Item 8(Picture)



I. Item 9(Picture)



I. Item 10(Picture)



I. Item 11(Picture)

I. Item 12(Picture)

(1) Parking lot overdue for patching and Seal Service. Note there are extensive areas of alligator cracking and a lot of the asphalt is quite worn. The better choice will be to plan to repave the parking in a few years. The asphalt parking well past due for regular seal service. There is significant deterioration and alligator cracking. Our best recommendation is to resurface the asphalt. We normally recommend asphalt surfaces be seal serviced about every five years in this climate. Neglect will result in " alligator cracking and deterioration. Ultimately the surface will need to be resurfaced with a 2" overlay of new asphalt. The difference in cost is about \$0.25/SF for seal service and \$3.00 SF for an overlay. There is about 45,000 SF of Asphalt.

(2) short term patch & seal service.

(3) overlay, resurface of asphalt.



I. Item 13(Picture)

I. Item 14(Picture)

(4) Electrical cover plate missing on light pole.

**J. Signage**

Inspected



J. Item 1(Picture)

J. Item 2(Picture)

Good condition, can be repurposed with new plexiglass sign inserts.

**K. additional item**

Inspected

Portico is in excellent condition.

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The exterior of the building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



### III. Structural Components

The building Inspector shall observe structural components including foundations, floors, walls, columns or piers, ceilings and roof. The building inspector shall describe the type of Foundation, floor structure, wall structure, columns or piers, ceiling structure, roof structure. The building inspector shall: Probe structural components where deterioration is suspected; Enter under floor crawl spaces, basements, and attic spaces except when access is obstructed, when entry could damage the property, or when dangerous or adverse situations are suspected; Report the methods used to observe under floor crawl spaces and attics; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The building inspector is not required to: Enter any area or perform any procedure that may damage the property or its components or be dangerous to or adversely effect the health of the building inspector or other persons.

#### Styles & Materials

Foundation:	Method used to observe Crawlspace:	Floor Structure:
Poured concrete	No crawlspace	Slab
Wall Structure:		
2 X 6 Wood		

#### Items

##### A. FOUNDATIONS, BASEMENTS AND CRAWLSPACES (Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.)

Inspected

##### B. WALLS (Structural)

Inspected

##### C. COLUMNS OR PIERS

Inspected

##### D. FLOORS (Structural)

Inspected

##### E. CEILINGS (structural)

Inspected

The structure of the building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

## IV. Plumbing System for Building

The building inspector shall observe: Interior water supply and distribution system, including: piping materials, supports, and insulation; fixtures and faucets; functional flow; leaks; and cross connections; Interior drain, waste, and vent system, including: traps; drain, waste, and vent piping; piping supports and pipe insulation; leaks; and functional drainage; Hot water systems including: water heating equipment; normal operating controls; automatic safety controls; and chimneys, flues, and vents; Fuel storage and distribution systems including: interior fuel storage equipment, supply piping, venting, and supports; leaks; and Sump pumps. The building inspector shall describe: Water supply and distribution piping materials; Drain, waste, and vent piping materials; Water heating equipment; and Location of main water supply shutoff device. The building inspector shall operate all plumbing fixtures, including their faucets and all exterior faucets attached to the house, except where the flow end of the faucet is connected to an appliance. The building inspector is not required to: State the effectiveness of anti-siphon devices; Determine whether water supply and waste disposal systems are public or private; Operate automatic safety controls; Operate any valve except water closet flush valves, fixture faucets, and hose faucets; Observe: Water conditioning systems; Fire and lawn sprinkler systems; On-site water supply quantity and quality; On-site waste disposal systems; Foundation irrigation systems; Spas, except as to functional flow and functional drainage; Swimming pools; Solar water heating equipment; or Observe the system for proper sizing, design, or use of proper materials.

### Styles & Materials

**Water Source:**

Public

**Water Filters:**

None

**Plumbing Water Supply (into building):**

Copper

**Plumbing Water Distribution (inside building):**

Copper

**Plumbing Waste:**

ABS

**Water Heater Power Source:**

Gas (quick recovery)

**Water Heater Manufacturer:**
A.O. SMITH  
AMERICAN
**Water Heater Location:**

Utility Room

### Items

**A. PLUMBING DRAIN, WASTE AND VENT SYSTEMS**

Inspected

**B. PLUMBING WATER SUPPLY AND DISTRIBUTION SYSTEMS AND FIXTURES**

Inspected

**C. HOT WATER SYSTEMS, CONTROLS, CHIMNEYS, FLUES AND VENTS**

Inspected, Repair or Replace

There are four commercial grade natural gas 100 gallon water heaters. Three of them are not correctly seismically secured and this should be corrected. One of the units is an older model by AO Smith, manufactured in 2003. This unit is well beyond it's expected useful service life and you should therefore budget for replacement.

**D. FUEL STORAGE AND DISTRIBUTION SYSTEMS (Interior fuel storage, piping, venting, supports, leaks)**

Inspected

The plumbing in the building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Washing machine drain line for example cannot be checked for leaks or the ability to handle the volume during drain cycle. Older homes with galvanized supply lines or cast iron drain lines can be obstructed and barely working during an inspection but then fails under heavy use. If the water is turned off or not used for periods of time (like a vacant building waiting for closing) rust or deposits within the pipes can further clog the piping system. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

## V. Electrical System for Building

The building inspector shall observe: Service entrance conductors; Service equipment, grounding equipment, main over current device, and main and distribution panels; Amperage and voltage ratings of the service; Branch circuit conductors, their over current devices, and the compatibility of their ampacities and voltages; The operation of a representative number of installed ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls; The polarity and grounding of all receptacles within six feet of interior plumbing fixtures, and all receptacles in the garage or carport, and on the exterior of inspected structures; The operation of ground fault circuit interrupters; and Smoke detectors. The building inspector shall describe: Service amperage and voltage; Service entry conductor materials; Service type as being overhead or underground; and Location of main and distribution panels. The building inspector shall report any observed aluminum branch circuit wiring. The building inspector shall report on presence or absence of smoke detectors, and operate their test function, if accessible, except when detectors are part of a central system. The building inspector is not required to: Insert any tool, probe, or testing device inside the panels; Test or operate any over current device except ground fault circuit interrupters; Dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels; or Observe: Low voltage systems; Security system devices, heat detectors, or carbon monoxide detectors; Telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; or Built-in vacuum equipment.

### Styles & Materials

#### Electrical Service Conductors:

Below ground

#### Panel capacity:

Adequate

Extra Info : 1600 Amps

#### Panel Type:

Circuit breakers

#### Electric Panel Manufacturer:

WESTINGHOUSE

#### Branch wire 15 and 20 AMP:

Copper

#### Wiring Methods:

Romex

Conduit

Not Visible

### Items

#### A. SERVICE ENTRANCE CONDUCTORS

Inspected

#### B. SERVICE AND GROUNDING EQUIPMENT, MAIN OVERCURRENT DEVICE, MAIN AND DISTRIBUTION PANELS

Inspected

#### C. BRANCH CIRCUIT CONDUCTORS, OVERCURRENT DEVICES AND COMPATIBILITY OF THEIR AMPERAGE AND VOLTAGE

Inspected

#### D. CONNECTED DEVICES AND FIXTURES (Observed from a representative number operation of ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls)

Inspected

#### E. POLARITY AND GROUNDING OF RECEPTACLES WITHIN 6 FEET OF INTERIOR PLUMBING FIXTURES, AND ALL RECEPTACLES IN GARAGE, CARPORT, EXTERIOR WALLS OF INSPECTED STRUCTURE

Inspected

#### F. LOCATION OF MAIN AND DISTRIBUTION PANELS

Inspected

Electrical utility room

#### G. SMOKE DETECTORS

Repair or Replace

Most units are well beyond expected useful service life recommend they be replaced with dual purpose carbon monoxide and smoke detectors.

#### H. CARBON MONOXIDE DETECTORS

Not Present, Repair or Replace

No carbon monoxide detectors noted. There should be one in every room. We recommend the older smoke detectors to be replaced with dual purpose units.

The electrical system of the building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Outlets were not removed and the inspection was only visual. Any outlet not accessible (behind the refrigerator for example) was not inspected or accessible. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VI. Building Mechanical**

**Items**

**A. Elevator**  
Inspected

**Periodic Hydraulic Elevator Checklist**  
 Department of Consumer & Business Services  
 Building Codes Division  
 1535 Edgewater St. NW, Salem, OR  
 Mailing address: P.O. Box 14470, Salem, OR 97310-0404  
 503-373-1298 • Fax: 503-378-4101  
 oregon.gov/cbs

Maintenance company: Centric  
 Site name: CLAYTON  
 Current year: 2022  
 Equipment ID: EXH 2693

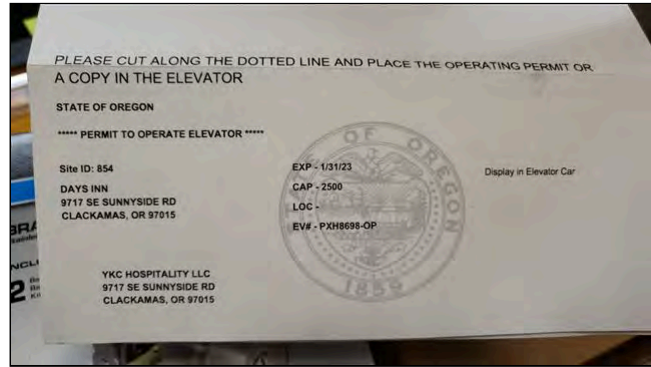
**8.1.1.1 INSPECTION AND TEST REQUIREMENTS**  
 The minimum inspection and test shall include the following:

N/A	07/1-08/31	09/1-10/31	Description
			<b>8.1.1.1.1 INSPECTIONS MADE FROM INSIDE THE CAR</b>
			181 Door reopening device (Item 2.7)
			182 Stop switches (Item 1.2)
			183 Operating control device (Item 1.3)
			184 Car floor and landing exit (Item 1.4)
			185 Car lighting (Item 1.5)
			186 Car emergency alarm (Item 1.6)
			187 Car door jams (Item 1.7)
			188 Door closing force (Item 1.8)
			189 Power opening of doors or gates (Item 1.9)
			190 Power opening of doors or gates (Item 1.10)
			191 Car floor panels and glass car doors (Item 1.11)
			192 Car enclosure (Item 1.12)
			193 Emergency exit (Item 1.13)
			194 Ventilation (Item 1.14)
			195 Signs and operating device symbols (Item 1.15)
			196 Rated load, platform area, and safety zone (Item 1.16)
			197 Standby power operation (Item 1.17)
			198 Reversible opening of car or hoistway doors (Item 1.18)
			199 Car ride (Item 1.19)
			200 Door monitoring system (Item 2.28.6)
			201 Stopping accuracy (Item 2.28.11)
			202 Machinery accessible space (8.1.1.2)
			(a)(1) Working areas in the car (2.7 and 2.7.1)
			(1) means to prevent unanticipated movement (2.7.1.1)
			(a)(2) Unrestrained car movement device (2.29.2.34)
			(a)(3) Operating instructions for unrestrained car movement device (8.6.10.6)
			(a)(4) Operating instructions for egress and rescue procedures (8.6.10.7)
			(a) Equipment access panel electrical device (2.30.1 and 2.30.2.35)

**8.1.1.1.2 INSPECTIONS MADE IN MACHINE ROOMSPACE**

N/A	07/1-08/31	09/1-10/31	Description
			199 Equipment approval to operate (Item 2.1)
			200 Means of access (Item 2.1)
			201 Inspection (Item 2.1)
			202 Means necessary for tests (2.7.7)
			203 Inspection and test panel (2.7.7)
			204 Lighting and maintenance (Item 2.5)
			205 Enclosure of machine components, control cabinet spaces (Item 2.4)
			206 Obstructions (Item 2.5)
			207 Ventilation and heating (Item 2.5)
			208 Fire extinguisher (Item 2.7)
			209 Trip safety and studs (Item 2.8)
			210 Guarding of equipment (Item 2.9)
			211 Numbering of elevator machines and associated hardware (Item 2.10)
			212 Maintenance path and maintenance clearance (2.7.1)
			213 Stop switch (2.2.1 and 2.26.1)
			214 Disconnecting means and control (Item 2.12)
			215 Controller wiring, fuses, grounding, etc. (Item 2.12)
			216 Hydraulic power unit (Items 2.30 and 2.42.1.2)
			217 Relief valve (Item 2.31)
			218 Control valve (Item 2.32)
			219 Tanks (Item 2.33)
			220 Flexible hydraulic hoses and fitting assemblies (Item 2.34)
			221 Supply line and shut-off valve (Item 2.35)
			222 Hydraulic cylinders and torques fluid loss record (8.6.11) (Item 2.36)
			223 Pressure button (Item 2.37)
			224 Recalling operation (8.6.12.2.1)
			225 Car-to-car jams (8.6.13) (Item 2.42)
			226 General overramp switch, and seal (Item 2.13)
			227 Hoist diagrams (8.6.14)

Minimum maintenance test standards ASME A17.1-2010 Section 8.11  
 Call 503-373-1298 for information  
 Page 1 of 4



A. Item 2(Picture)

A. Item 1(Picture)

Elevator maintenance within date for testing and certification. New solid state starter circuit. Elevator permit within date not posted in elevator as required.

**B. Ventilation**

Inspected

**C. Building HVAC**

Inspected, Repair or Replace

- (1) Office and common space areas served by newer mini split units
- (2) The rooms are served by individual Ptac heat pump units. Typically in hotel service these units last about 10 years. Many have been replaced, this is a typical, ongoing maintenance item with any facility of this type. You can probably expect to replace about 1/2 of the existing units over the next 5 years.



C. Item 1(Picture)

(3) Hallways are served by older electric wall heaters overall acceptable.

**VII(1) . 106**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials**

<b>Ceiling Materials:</b>	<b>Wall Material:</b>	<b>Floor Covering(s):</b>
Drywall	Drywall	Carpet
Ceiling Tile	Tile	Tile
<b>Interior Doors:</b>	<b>Window Types:</b>	<b>Heat/Cooling Type:</b>
Hollow core	Thermal/Insulated	Ptac
<b>Energy Source:</b>	<b>Ductwork:</b>	<b>Types of Fireplaces:</b>
Electric	N/A	None
<b>Bath Exhaust Fans:</b>		
Fan only		

**Items****A.1. CEILINGS**

Inspected

**B.1. WALLS**

Inspected

**C.1. FLOORS**

Inspected

**D.1. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.1. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.1. Furniture**

Inspected

**G.1. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.1. Bathroom**

Inspected

**I.1. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.1. OUTLETS AND WALL SWITCHES**

Inspected

**K.1. Appliances (microwave, refrigerator etc.)**

Inspected

**L.1. HEATING/COOLING EQUIPMENT**

Inspected

**M.1. SMOKE DETECTORS**

Inspected, Repair or Replace



M.1. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detectors

#### **N.1. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(2) . 108**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.2. CEILINGS**

Inspected

**B.2. WALLS**

Inspected

**C.2. FLOORS**

Inspected

**D.2. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.2. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.2. Furniture**

Inspected

**G.2. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.2. Bathroom**

Inspected

**I.2. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.2. OUTLETS AND WALL SWITCHES**

Inspected

**K.2. Appliances (microwave, refrigerator etc.)**

Inspected

**L.2. HEATING/COOLING EQUIPMENT**

Inspected

**M.2. SMOKE DETECTORS**

Inspected

**N.2. CARBON MONOXIDE DETECTORS**



**Not Present**

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(3) . 115**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall  
Tile

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.3. CEILINGS**

Inspected

**B.3. WALLS**

Inspected, Repair or Replace



B.3. Item 1(Picture)

Chipping paint on tile in shower

**C.3. FLOORS**

Inspected, Repair or Replace



C.3. Item 1(Picture)

Stains on carpet chipping paint on floor tile in shower



C.3. Item 2(Picture)

**D.3. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.3. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.3. Furniture**

Inspected

**G.3. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.3. Bathroom**

Inspected

**I.3. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.3. OUTLETS AND WALL SWITCHES**

Inspected

**K.3. Appliances (microwave, refrigerator etc.)**

Inspected

**L.3. HEATING/COOLING EQUIPMENT**

Inspected

**M.3. SMOKE DETECTORS**

Inspected, Repair or Replace



M.3. Item 1(Picture)

Smoke detector out of date recommend replaced with dual purpose carbon monoxide smoke detector

**N.3. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(4) . 123**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.4. CEILINGS**

Inspected

**B.4. WALLS**

Inspected

**C.4. FLOORS**

Inspected

**D.4. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.4. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.4. Furniture**

Inspected

**G.4. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.4. Bathroom**

Inspected

**I.4. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.4. OUTLETS AND WALL SWITCHES**

Inspected

**K.4. Appliances (microwave, refrigerator etc.)**

Inspected

**L.4. HEATING/COOLING EQUIPMENT**

Inspected

**M.4. SMOKE DETECTORS**

Inspected

**N.4. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(5) . 127**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.5. CEILINGS**

Inspected

**B.5. WALLS**

Inspected

**C.5. FLOORS**

Inspected

**D.5. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.5. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.5. Furniture**

Inspected

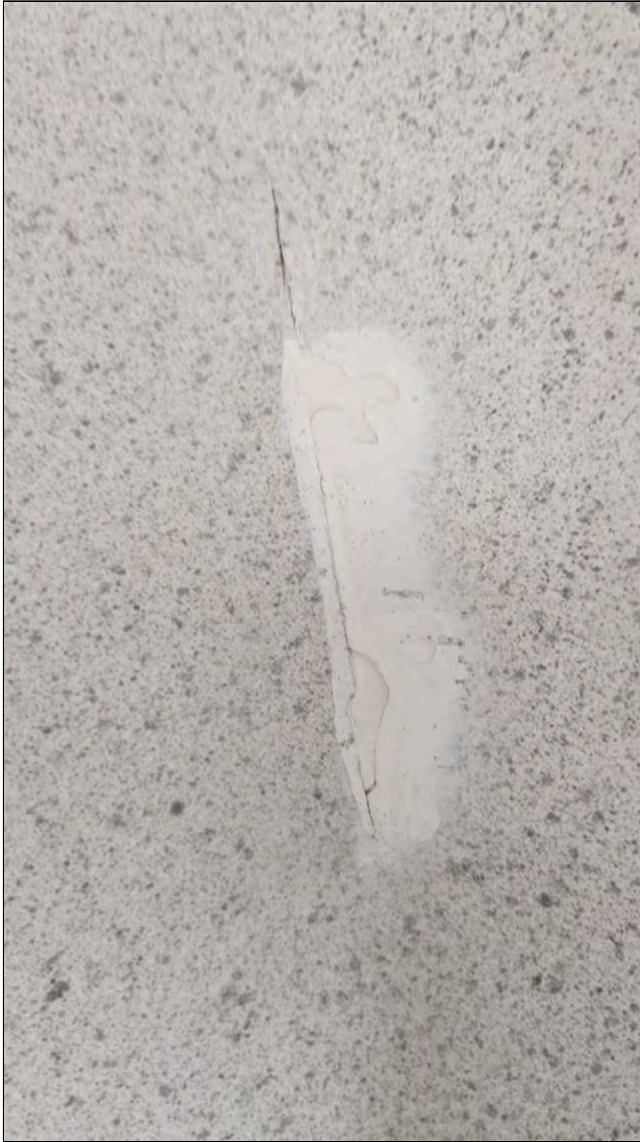
**G.5. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.5. Bathroom**

Inspected, Repair or Replace





H.5. Item 1(Picture)

Broken tub base

**I.5. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.5. OUTLETS AND WALL SWITCHES**

Inspected

**K.5. Appliances (microwave, refrigerator etc.)**

Inspected

**L.5. HEATING/COOLING EQUIPMENT**

Inspected

**M.5. SMOKE DETECTORS**

Inspected

**N.5. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(6) . 133**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.6. CEILINGS**

Inspected

**B.6. WALLS**

Inspected

**C.6. FLOORS**

Inspected

**D.6. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.6. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.6. Furniture**

Inspected

**G.6. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.6. Bathroom**

Inspected

**I.6. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.6. OUTLETS AND WALL SWITCHES**

Inspected

**K.6. Appliances (microwave, refrigerator etc.)**

Inspected

**L.6. HEATING/COOLING EQUIPMENT**

Inspected

**M.6. SMOKE DETECTORS**

Inspected

**N.6. CARBON MONOXIDE DETECTORS**

**Not Present**

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(7) . 138**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Laminated T&G  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.7. CEILINGS**

Inspected

**B.7. WALLS**

Inspected

**C.7. FLOORS**

Inspected

**D.7. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.7. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.7. Furniture**

Inspected

**G.7. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.7. Bathroom**

Inspected, Repair or Replace



H.7. Item 1(Picture)

Damage to tub base recommend professional repair or replacement

**I.7. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.7. OUTLETS AND WALL SWITCHES**

Inspected

**K.7. Appliances (microwave, refrigerator etc.)**

Inspected

**L.7. HEATING/COOLING EQUIPMENT**

Inspected

**M.7. SMOKE DETECTORS**

Inspected, Repair or Replace



M.7. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.7. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(8) . 141**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.8. CEILINGS**

Inspected

**B.8. WALLS**

Inspected

**C.8. FLOORS**

Inspected

**D.8. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.8. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.8. Furniture**

Inspected

**G.8. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.8. Bathroom**

Inspected

**I.8. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.8. OUTLETS AND WALL SWITCHES**

Inspected

**K.8. Appliances (microwave, refrigerator etc.)**

Inspected

**L.8. HEATING/COOLING EQUIPMENT**

Inspected

**M.8. SMOKE DETECTORS**

Inspected

**N.8. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



**VII(9) . 144**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Laminated T&G  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.9. CEILINGS**

Inspected

**B.9. WALLS**

Inspected

**C.9. FLOORS**

Inspected

**D.9. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.9. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.9. Furniture**

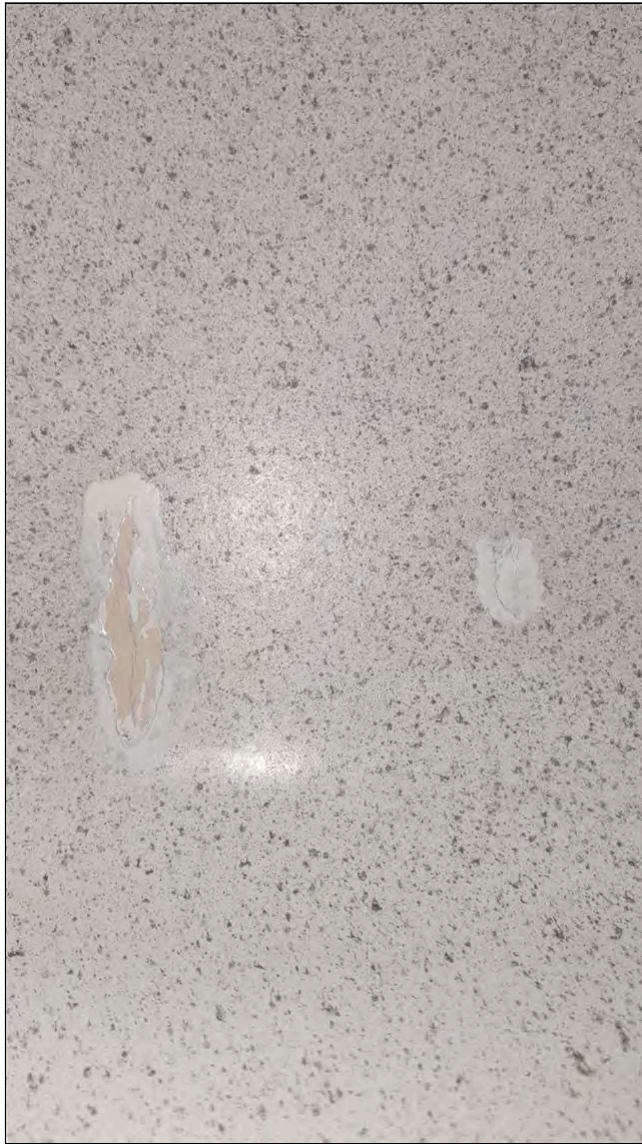
Inspected

**G.9. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

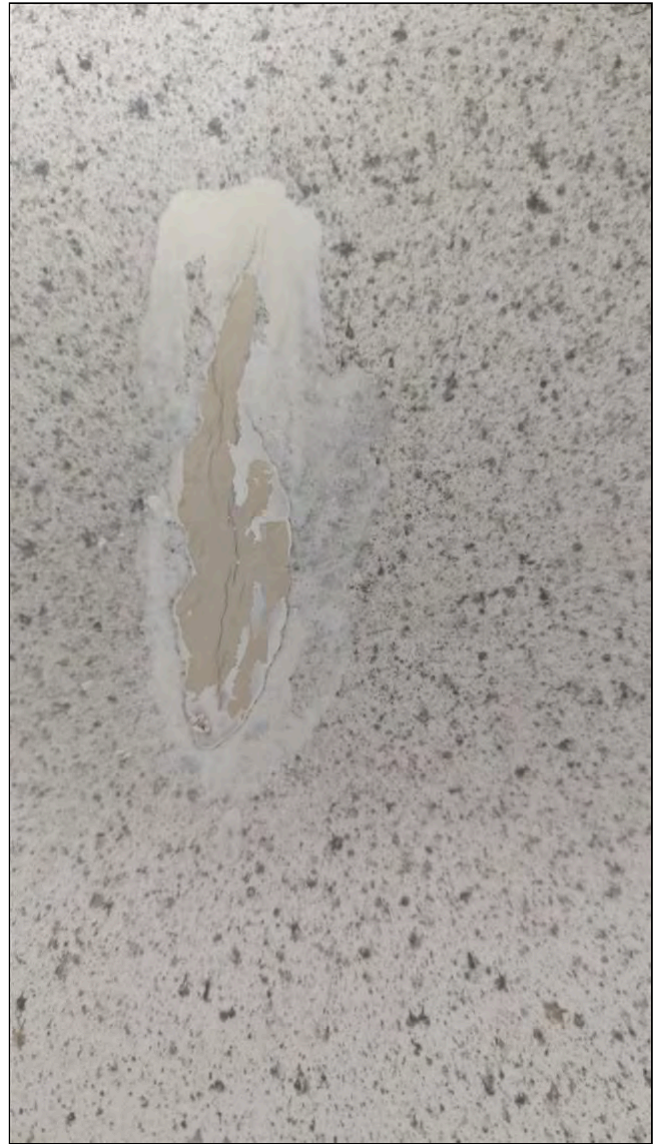
Inspected

**H.9. Bathroom**

Inspected, Repair or Replace



H.9. Item 1(Picture)



H.9. Item 2(Picture)

Tub base damaged recommend professional repair or replacement

**I.9. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.9. OUTLETS AND WALL SWITCHES**

Inspected

**K.9. Appliances (microwave, refrigerator etc.)**

Inspected

**L.9. HEATING/COOLING EQUIPMENT**

Inspected

**M.9. SMOKE DETECTORS**

Inspected, Repair or Replace



M.9. Item 1(Picture)

Smoke detector out of date recommended replace with dual purpose carbon monoxide smoke detector

**N.9. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(10) . 147**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.10. CEILINGS**

Inspected

**B.10. WALLS**

Inspected

**C.10. FLOORS**

Inspected

**D.10. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.10. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.10. Furniture**

Inspected

**G.10. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.10. Bathroom**

Inspected

**I.10. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.10. OUTLETS AND WALL SWITCHES**

Inspected

**K.10. Appliances (microwave, refrigerator etc.)**

Inspected

**L.10. HEATING/COOLING EQUIPMENT**

Inspected

**M.10. SMOKE DETECTORS**

Inspected, Repair or Replace



M.10. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.10. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(11) . 201**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.11. CEILINGS**

Inspected

**B.11. WALLS**

Inspected

**C.11. FLOORS**

Inspected

**D.11. DOORS (REPRESENTATIVE NUMBER)**

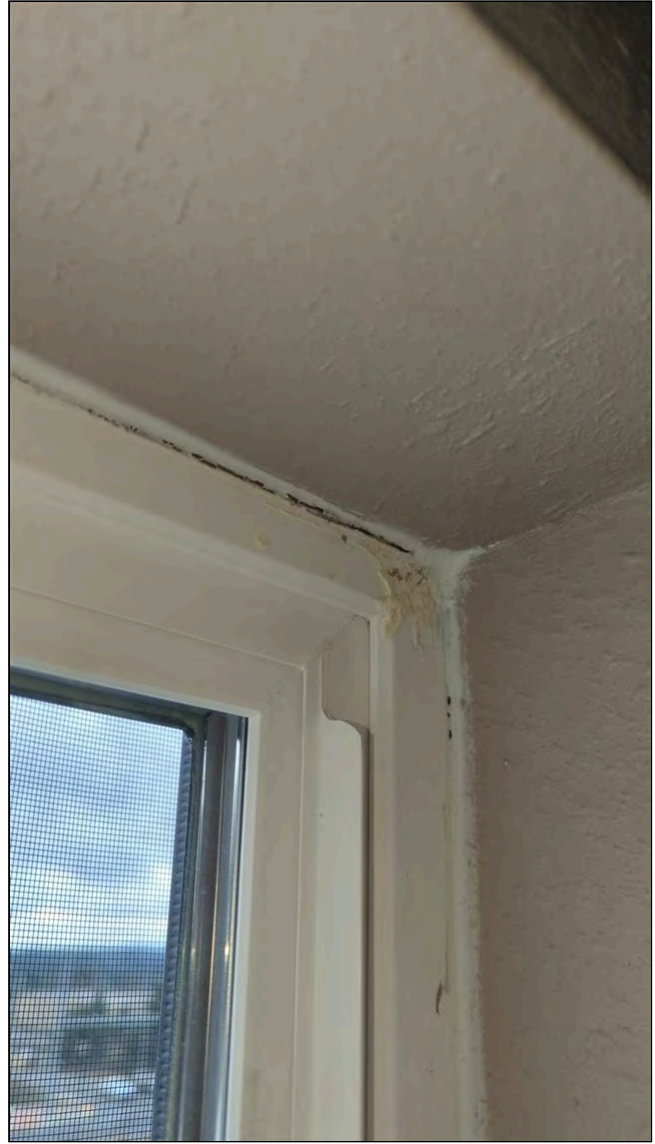
Inspected

**E.11. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected, Repair or Replace



E.11. Item 1(Picture)



E.11. Item 2(Picture)



E.11. Item 3(Picture)



E.11. Item 4(Picture)





E.11. Item 5(Picture)

Caulking seal around windows needs repaired

**F.11. Furniture**

Inspected

**G.11. COUNTERTOPS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.11. Bathroom**

Inspected

**I.11. VENTING SYSTEMS IN THIS UNIT**

Inspected

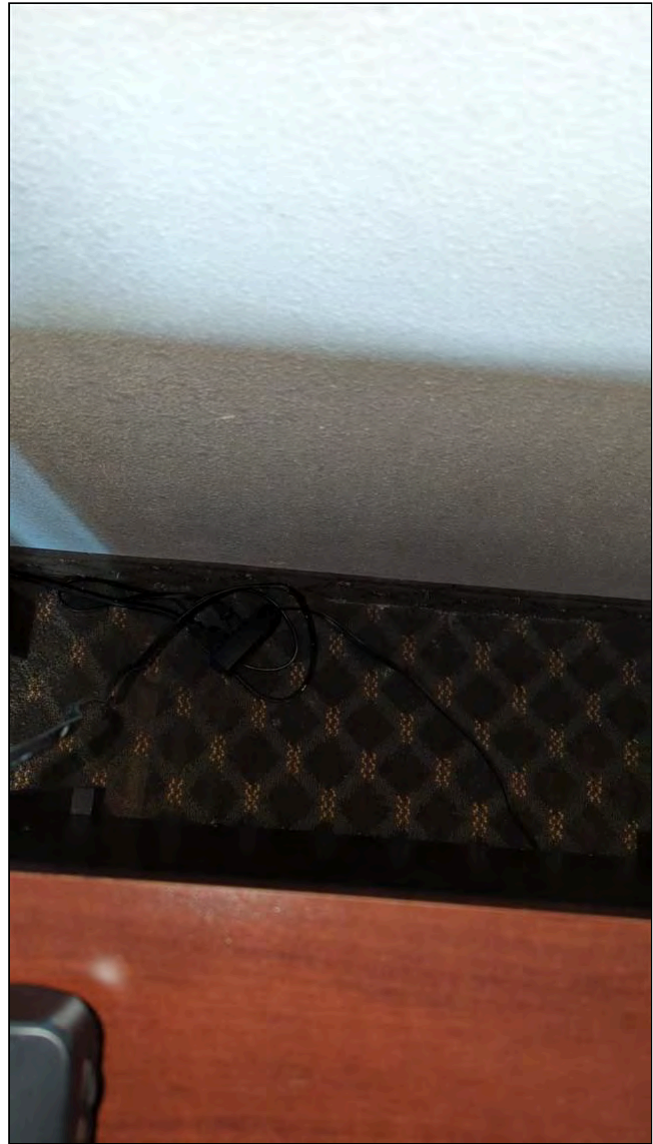
**J.11. OUTLETS AND WALL SWITCHES**

Inspected, Repair or Replace



J.11. Item 1(Picture)

Irregular electrical setup for room recommend replace with a more permanent solution



J.11. Item 2(Picture)

**K.11. Appliances (microwave, refrigerator etc.)**

Inspected

**L.11. HEATING/COOLING EQUIPMENT**

Inspected

**M.11. SMOKE DETECTORS**

Inspected, Repair or Replace



M.11. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.11. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(12) . 203**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.12. CEILINGS**

Inspected, Repair or Replace



A.12. Item 1(Picture)  
Cracking damage in ceiling

**B.12. WALLS**

Inspected

**C.12. FLOORS**

Inspected

**D.12. DOORS (REPRESENTATIVE NUMBER)**

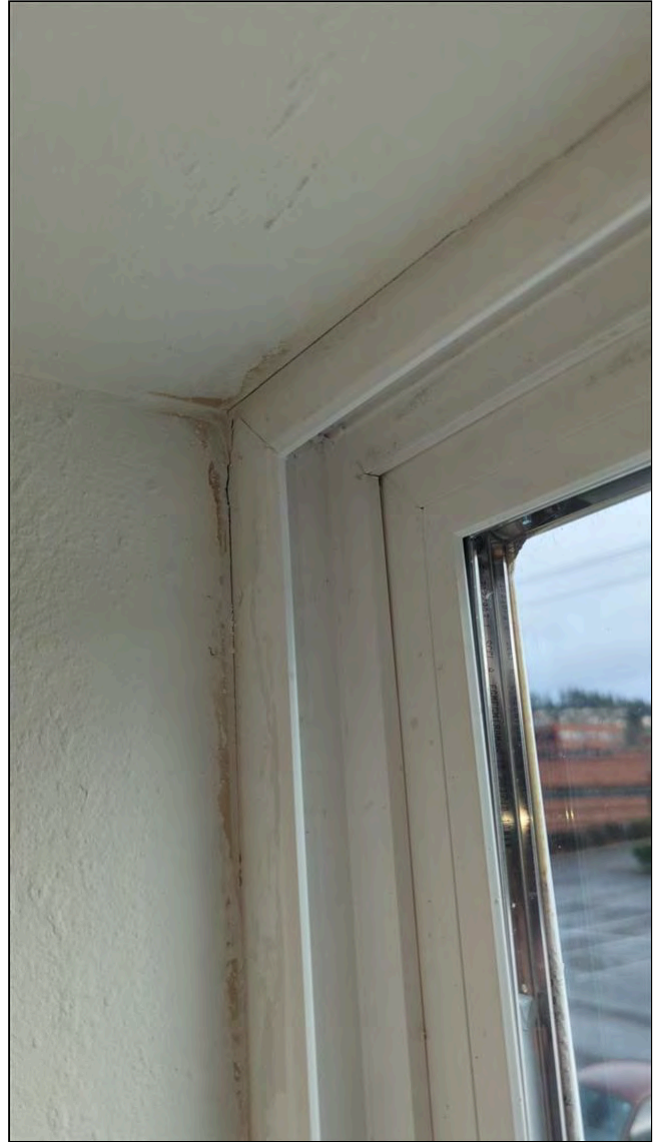
Inspected

**E.12. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected, Repair or Replace



E.12. Item 1(Picture)



E.12. Item 2(Picture)



E.12. Item 3(Picture)  
Window seal needs repair



E.12. Item 4(Picture)

**F.12. Furniture**

Inspected

**G.12. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.12. Bathroom**

Inspected, Repair or Replace



H.12. Item 1(Picture)

Broken tub base recommend professional repair or replacement

**I.12. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.12. OUTLETS AND WALL SWITCHES**

Inspected

**K.12. Appliances (microwave, refrigerator etc.)**

Inspected

**L.12. HEATING/COOLING EQUIPMENT**

Inspected

**M.12. SMOKE DETECTORS**

Inspected, Repair or Replace





M.12. Item 1(Picture)

Smoke detector not mounted properly

**N.12. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(13) . 206**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.13. CEILINGS**

Inspected

**B.13. WALLS**

Inspected

**C.13. FLOORS**

Inspected, Repair or Replace



C.13. Item 1(Picture)



C.13. Item 2(Picture)



C.13. Item 3(Picture)

Damage and staining the carpet

C.13. Item 4(Picture)

**D.13. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.13. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.13. Furniture**

Inspected

**G.13. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.13. Bathroom**

Inspected, Repair or Replace



H.13. Item 1(Picture)

Water damage to sheetrock below shower head

**I.13. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.13. OUTLETS AND WALL SWITCHES**

Inspected

**K.13. Appliances (microwave, refrigerator etc.)**

Inspected

**L.13. HEATING/COOLING EQUIPMENT**

Inspected

**M.13. SMOKE DETECTORS**

Inspected, Repair or Replace



M.13. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

**N.13. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(14) . 209**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Interior Doors:**

Hollow core

**Energy Source:**

Electric

**Bath Exhaust Fans:**

Fan only

**Wall Material:**

Drywall

**Window Types:**

Thermal/Insulated

**Ductwork:**

N/A

**Floor Covering(s):**

Carpet  
Tile

**Heat/Cooling Type:**

Ptac

**Types of Fireplaces:**

None

**Items****A.14. CEILINGS**

Inspected

**B.14. WALLS**

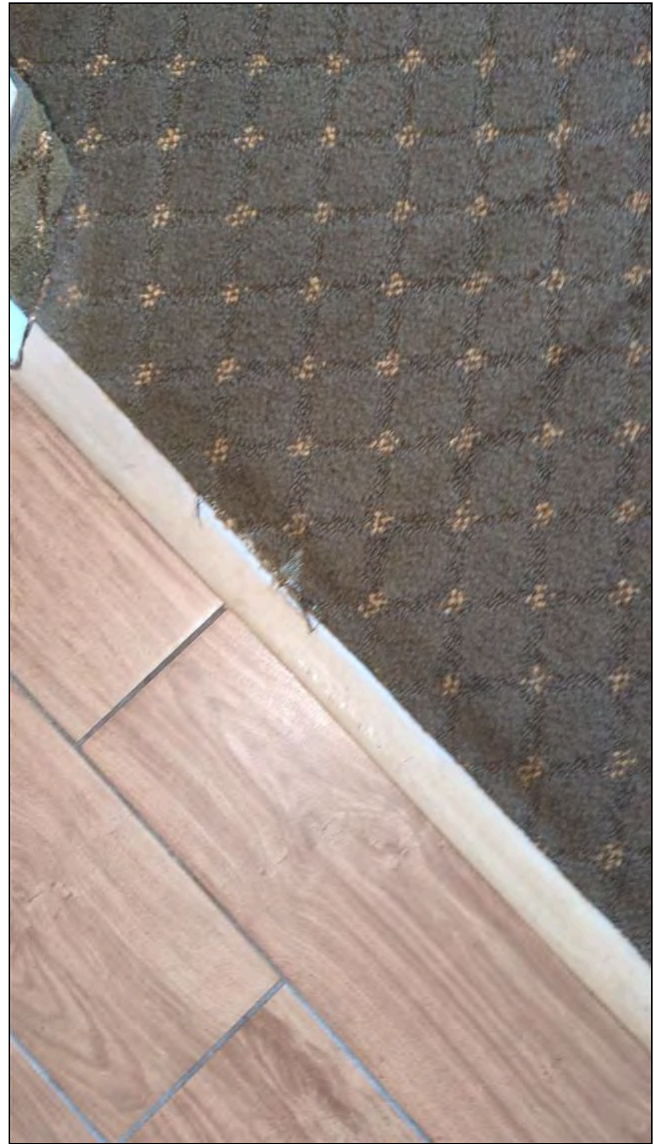
Inspected

**C.14. FLOORS**

Inspected, Repair or Replace



C.14. Item 1(Picture)



C.14. Item 2(Picture)





C.14. Item 3(Picture)

Damaged carpet at transition also rolling carpet at main entrance towards bed area

**D.14. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.14. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.14. Furniture**

Inspected

**G.14. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.14. Bathroom**

Inspected, Repair or Replace



H.14. Item 1(Picture)

Water damage under shower head

**I.14. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.14. OUTLETS AND WALL SWITCHES**

Inspected

**K.14. Appliances (microwave, refrigerator etc.)**

Inspected

**L.14. HEATING/COOLING EQUIPMENT**

Inspected

**M.14. SMOKE DETECTORS**

Inspected, Repair or Replace



M.14. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.14. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(15) . 216**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials**

<b>Ceiling Materials:</b> Drywall Ceiling Tile	<b>Wall Material:</b> Drywall	<b>Floor Covering(s):</b> Carpet Tile
<b>Interior Doors:</b> Hollow core	<b>Window Types:</b> Thermal/Insulated	<b>Heat/Cooling Type:</b> Ptac
<b>Energy Source:</b> Electric	<b>Ductwork:</b> N/A	<b>Types of Fireplaces:</b> None
<b>Bath Exhaust Fans:</b> Fan only		

**Items****A.15. CEILINGS**

Inspected

**B.15. WALLS**

Inspected

**C.15. FLOORS**

Inspected

**D.15. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.15. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.15. Furniture**

Inspected

**G.15. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.15. Bathroom**

Inspected

**I.15. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.15. OUTLETS AND WALL SWITCHES**

Inspected

**K.15. Appliances (microwave, refrigerator etc.)**

Inspected

**L.15. HEATING/COOLING EQUIPMENT**

Inspected

**M.15. SMOKE DETECTORS**

Inspected, Repair or Replace



M.15. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.15. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

## VII(16) . 217

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

## Styles & Materials

---

**Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

## Items

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**A.16. CEILINGS**

Inspected

**B.16. WALLS**

Inspected

**C.16. FLOORS**

Inspected

**D.16. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.16. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.16. Furniture**

Inspected

**G.16. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.16. Bathroom**

Inspected, Repair or Replace



H.16. Item 1(Picture)

Paint damage in tub

**I.16. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.16. OUTLETS AND WALL SWITCHES**

Inspected

**K.16. Appliances (microwave, refrigerator etc.)**

Inspected

**L.16. HEATING/COOLING EQUIPMENT**

Inspected

**M.16. SMOKE DETECTORS**

Inspected, Repair or Replace



M.16. Item 1(Picture)

Smoke detector outdated recommend replace with dual purpose carbon monoxide smoke detector

#### **N.16. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.



## VII(17) . 219

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

## Styles & Materials

---

**Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

## Items

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**A.17. CEILINGS**

Inspected

**B.17. WALLS**

Inspected

**C.17. FLOORS**

Inspected

**D.17. DOORS (REPRESENTATIVE NUMBER)**

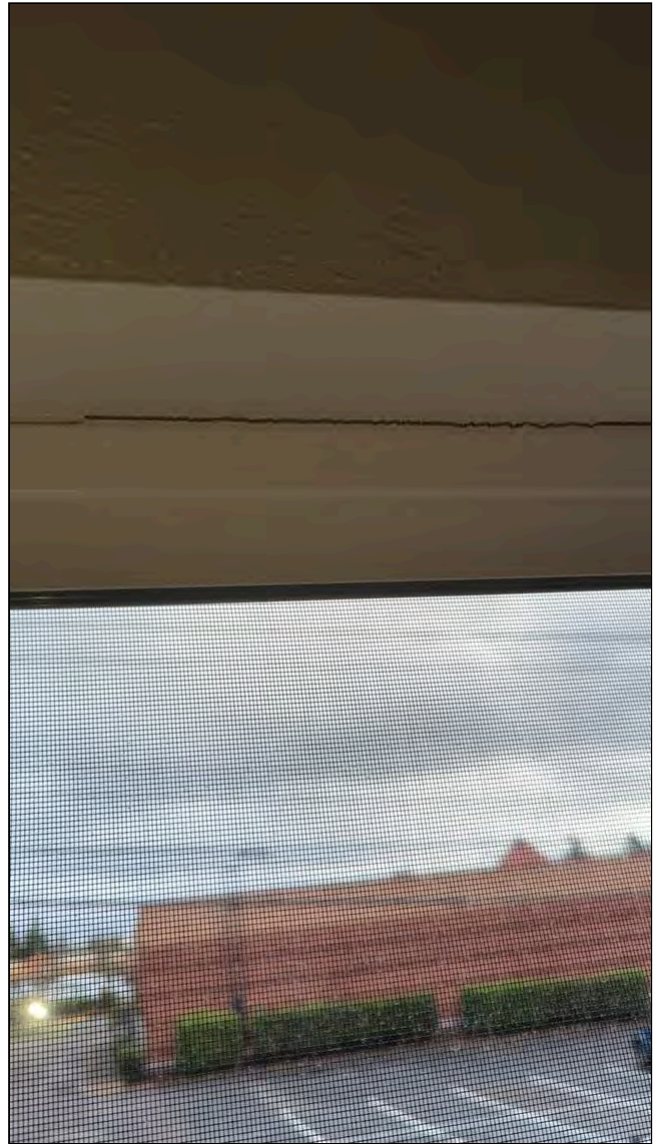
Inspected

**E.17. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected, Repair or Replace



E.17. Item 1(Picture)



E.17. Item 2(Picture)



E.17. Item 3(Picture)

Window caulking seal needs repair

**F.17. Furniture**

Inspected

**G.17. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.17. Bathroom**

Inspected, Repair or Replace



H.17. Item 1(Picture)

Damage in tub base recommend professional repair or replacement

**I.17. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.17. OUTLETS AND WALL SWITCHES**

Inspected

**K.17. Appliances (microwave, refrigerator etc.)**

Inspected

**L.17. HEATING/COOLING EQUIPMENT**

Inspected

**M.17. SMOKE DETECTORS**

Inspected, Repair or Replace



M.17. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.17. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(18) . 223**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Interior Doors:**

Hollow core

**Energy Source:**

Electric

**Bath Exhaust Fans:**

Fan only

**Wall Material:**

Drywall

**Window Types:**

Thermal/Insulated

**Ductwork:**

N/A

**Floor Covering(s):**

Carpet  
Tile

**Heat/Cooling Type:**

Ptac

**Types of Fireplaces:**

None

**Items****A.18. CEILINGS**

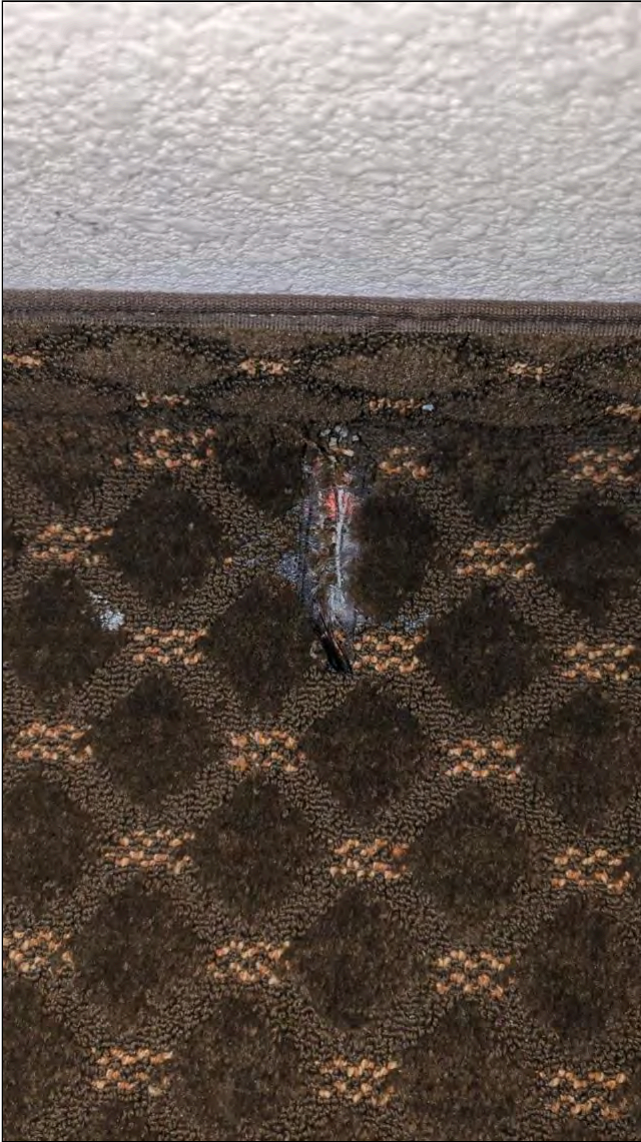
Inspected

**B.18. WALLS**

Inspected

**C.18. FLOORS**

Inspected, Repair or Replace



C.18. Item 1(Picture)

Carpet damage

**D.18. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.18. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected, Repair or Replace



E.18. Item 1(Picture)



E.18. Item 2(Picture)





E.18. Item 3(Picture)

Window caulking needs repair

**F.18. Furniture**

Inspected

**G.18. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.18. Bathroom**

Inspected

**I.18. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.18. OUTLETS AND WALL SWITCHES**

Inspected

**K.18. Appliances (microwave, refrigerator etc.)**

Inspected

**L.18. HEATING/COOLING EQUIPMENT**

Inspected

**M.18. SMOKE DETECTORS**

Inspected, Repair or Replace



M.18. Item 1(Picture)

Smoke detector outdated recommend replaced with dual purpose carbon monoxide smoke detector

**N.18. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(19) . 229**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials**

<b>Ceiling Materials:</b> Drywall Ceiling Tile	<b>Wall Material:</b> Drywall	<b>Floor Covering(s):</b> Carpet Tile
<b>Interior Doors:</b> Hollow core	<b>Window Types:</b> Thermal/Insulated	<b>Heat/Cooling Type:</b> Ptac
<b>Energy Source:</b> Electric	<b>Ductwork:</b> N/A	<b>Types of Fireplaces:</b> None
<b>Bath Exhaust Fans:</b> Fan only		

**Items****A.19. CEILINGS**

Inspected

**B.19. WALLS**

Inspected

**C.19. FLOORS**

Inspected

**D.19. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.19. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.19. Furniture**

Inspected

**G.19. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.19. Bathroom**

Inspected

**I.19. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.19. OUTLETS AND WALL SWITCHES**

Inspected

**K.19. Appliances (microwave, refrigerator etc.)**

Inspected

**L.19. HEATING/COOLING EQUIPMENT**

Inspected

**M.19. SMOKE DETECTORS**

Inspected, Repair or Replace



M.19. Item 1(Picture)

Smoke detector out of date recommender replaced with dual purpose carbon monoxide smoke detector

#### **N.19. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(20) . 235**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.20. CEILINGS**

Inspected

**B.20. WALLS**

Inspected

**C.20. FLOORS**

Inspected

**D.20. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.20. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.20. Furniture**

Inspected

**G.20. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.20. Bathroom**

Inspected

**I.20. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.20. OUTLETS AND WALL SWITCHES**

Inspected

**K.20. Appliances (microwave, refrigerator etc.)**

Inspected

**L.20. HEATING/COOLING EQUIPMENT**

Inspected

**M.20. SMOKE DETECTORS**

Inspected, Repair or Replace



M.20. Item 1(Picture)

Smoke detector out of date recommended place with dual purpose carbon monoxide smoke detector

## **N.20. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(21) . 239**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.21. CEILINGS**

Inspected

**B.21. WALLS**

Inspected

**C.21. FLOORS**

Inspected

**D.21. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.21. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.21. Furniture**

Inspected

**G.21. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

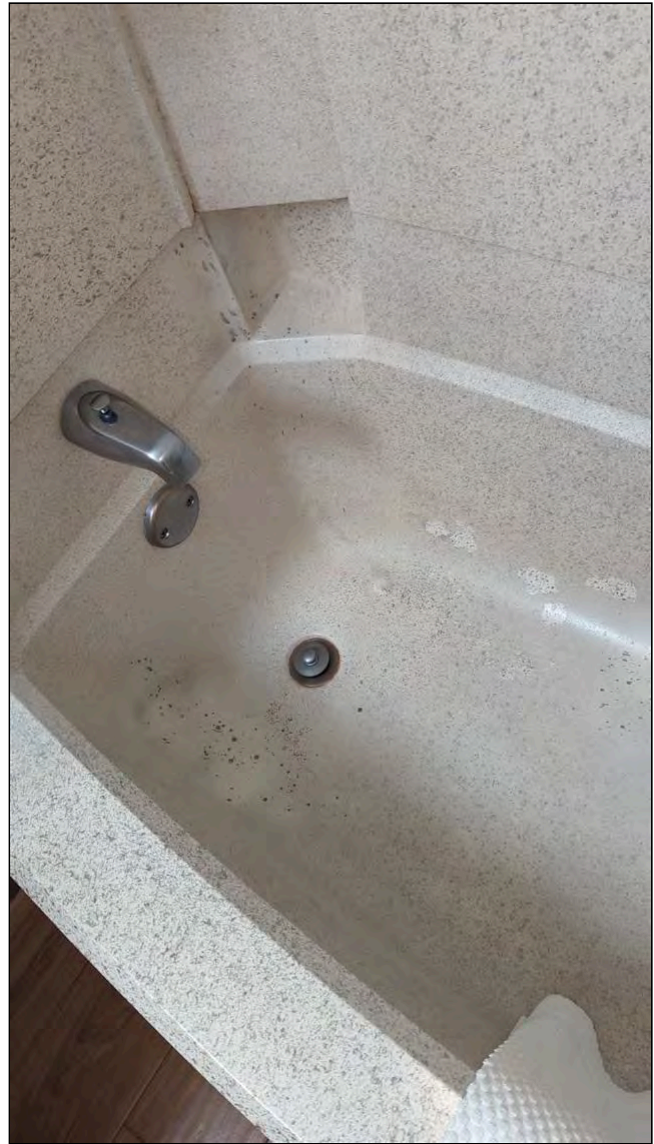
**H.21. Bathroom**

Inspected, Repair or Replace



H.21. Item 1(Picture)

Lots of discoloration in the tub base could use new paint



H.21. Item 2(Picture)

**I.21. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.21. OUTLETS AND WALL SWITCHES**

Inspected

**K.21. Appliances (microwave, refrigerator etc.)**

Inspected

**L.21. HEATING/COOLING EQUIPMENT**

Inspected

**M.21. SMOKE DETECTORS**

Inspected, Repair or Replace





M.21. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

#### **N.21. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(22) . 241**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.22. CEILINGS**

Inspected

**B.22. WALLS**

Inspected

**C.22. FLOORS**

Inspected

**D.22. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.22. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.22. Furniture**

Inspected

**G.22. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.22. Bathroom**

Inspected

**I.22. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.22. OUTLETS AND WALL SWITCHES**

Inspected

**K.22. Appliances (microwave, refrigerator etc.)**

Inspected

**L.22. HEATING/COOLING EQUIPMENT**

Inspected

**M.22. SMOKE DETECTORS**

Inspected, Repair or Replace

(2) Smoke detector out of date, recommend replace with dual purpose carbon monoxide smoke detector

**N.22. CARBON MONOXIDE DETECTORS**

Not Present

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(23) . 242**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials**

<b>Ceiling Materials:</b>	<b>Wall Material:</b>	<b>Floor Covering(s):</b>
Drywall	Drywall	Carpet
Ceiling Tile		Tile
<b>Interior Doors:</b>	<b>Window Types:</b>	<b>Heat/Cooling Type:</b>
Hollow core	Thermal/Insulated	Ptac
<b>Energy Source:</b>	<b>Ductwork:</b>	<b>Types of Fireplaces:</b>
Electric	N/A	None
<b>Bath Exhaust Fans:</b>		
Fan only		

**Items****A.23. CEILINGS**

Inspected

**B.23. WALLS**

Inspected

**C.23. FLOORS**

Inspected

**D.23. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.23. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.23. Furniture**

Inspected

**G.23. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.23. Bathroom**

Inspected

**I.23. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.23. OUTLETS AND WALL SWITCHES**

Inspected

**K.23. Appliances (microwave, refrigerator etc.)**

Inspected

**L.23. HEATING/COOLING EQUIPMENT**

Inspected

**M.23. SMOKE DETECTORS**

Inspected, Repair or Replace



M.23. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

### **N.23. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(24) . 249**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall  
Ceiling Tile

**Wall Material:**

Drywall

**Floor Covering(s):**

Laminated T&G  
Tile

**Interior Doors:**

Hollow core

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan only

**Items****A.24. CEILINGS**

Inspected

**B.24. WALLS**

Inspected

**C.24. FLOORS**

Inspected

**D.24. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.24. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected, Repair or Replace



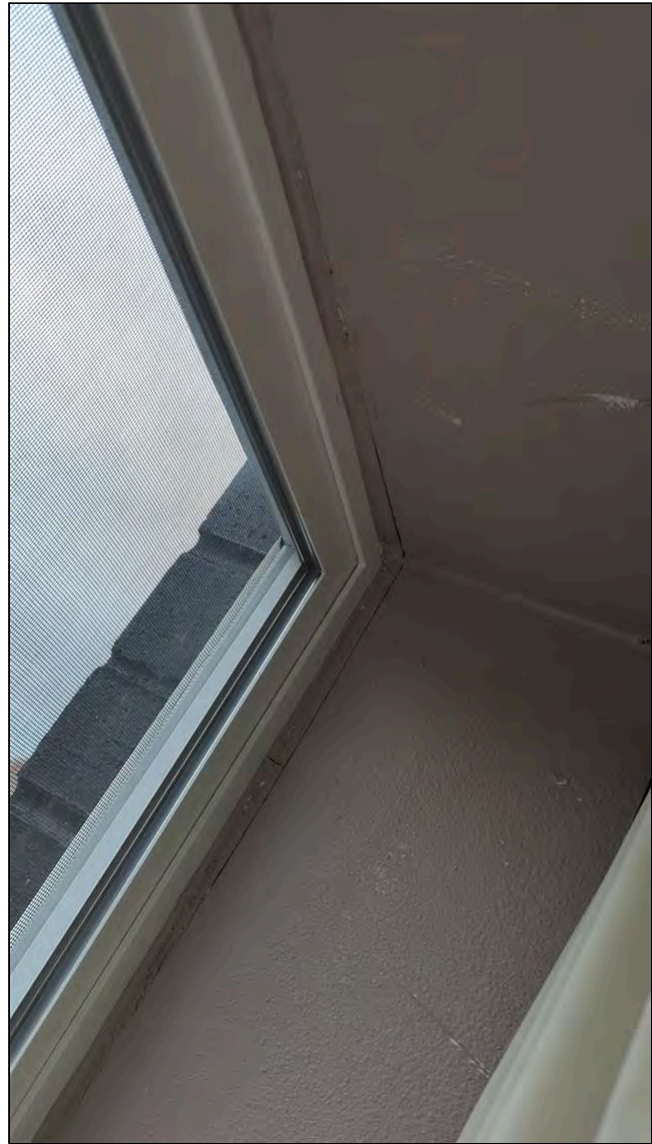
E.24. Item 1(Picture)



E.24. Item 2(Picture)



E.24. Item 3(Picture)  
Window caulking damage needs repaired



E.24. Item 4(Picture)

**F.24. Furniture**

Inspected

**G.24. COUNTERTOPS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.24. Bathroom**

Inspected

**I.24. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.24. OUTLETS AND WALL SWITCHES**

Inspected

**K.24. Appliances (microwave, refrigerator etc.)**

Inspected

**L.24. HEATING/COOLING EQUIPMENT**

Inspected

**M.24. SMOKE DETECTORS**



Inspected

**N.24. CARBON MONOXIDE DETECTORS**

Not Present

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(25) . 302**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Types of Fireplaces:**

None

**Bath Exhaust Fans:**

Fan

**Items****A.25. CEILINGS**

Inspected

**B.25. WALLS**

Inspected

**C.25. FLOORS**

Inspected

**D.25. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.25. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.25. Furniture**

Inspected

**G.25. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.25. Bathroom**

Inspected

**I.25. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.25. OUTLETS AND WALL SWITCHES**

Inspected

**K.25. Appliances (microwave, refrigerator etc.)**

Inspected

**L.25. HEATING/COOLING EQUIPMENT**

Inspected

**M.25. SMOKE DETECTORS**

Inspected

**N.25. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace  
No CO

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(26) . 305**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.26. CEILINGS**

Inspected

**B.26. WALLS**

Inspected

**C.26. FLOORS**

Inspected

**D.26. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.26. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.26. Furniture**

Inspected

**G.26. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.26. Bathroom**

Inspected

**I.26. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.26. OUTLETS AND WALL SWITCHES**

Inspected

**K.26. Appliances (microwave, refrigerator etc.)**

Inspected

**L.26. HEATING/COOLING EQUIPMENT**

Inspected

**M.26. SMOKE DETECTORS**

Inspected

**N.26. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO

**O.26. ADDITIONAL ITEM(s)**

Inspected

Kitchenette with range hood but no range or cooktop.

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**VII(27) . 308**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.27. CEILINGS**

Inspected

**B.27. WALLS**

Inspected

**C.27. FLOORS**

Inspected

**D.27. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.27. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.27. Furniture**

Inspected

**G.27. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.27. Bathroom**

Inspected

**I.27. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.27. OUTLETS AND WALL SWITCHES**

Inspected

**K.27. Appliances (microwave, refrigerator etc.)**

Inspected

**L.27. HEATING/COOLING EQUIPMENT**

Inspected

**M.27. SMOKE DETECTORS**

Repair or Replace

Unit Beyond useful service life

**N.27. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No Co

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(28) . 311**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.28. CEILINGS**

Inspected

**B.28. WALLS**

Inspected

**C.28. FLOORS**

Inspected

**D.28. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.28. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.28. Furniture**

Inspected

**G.28. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.28. Bathroom**

Inspected

**I.28. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.28. OUTLETS AND WALL SWITCHES**

Inspected

**K.28. Appliances (microwave, refrigerator etc.)**

Inspected

**L.28. HEATING/COOLING EQUIPMENT**

Inspected

**M.28. SMOKE DETECTORS**

Repair or Replace

Unit Beyond service life



**N.28. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO.

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(29) . 314**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.29. CEILINGS**

Inspected

**B.29. WALLS**

Inspected

**C.29. FLOORS**

Inspected

**D.29. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.29. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.29. Furniture**

Inspected

**G.29. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.29. Bathroom**

Inspected

**I.29. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.29. OUTLETS AND WALL SWITCHES**

Inspected

**K.29. Appliances (microwave, refrigerator etc.)**

Inspected

**L.29. HEATING/COOLING EQUIPMENT**

Inspected

**M.29. SMOKE DETECTORS**

Inspected

**N.29. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace  
No CO

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(30) . 317**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Hardwood T&amp;G

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.30. CEILING**

Inspected

**B.30. WALLS**

Inspected

**C.30. FLOORS**

Inspected

**D.30. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.30. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.30. Furniture**

Inspected

**G.30. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.30. Bathroom**

Inspected

**I.30. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.30. OUTLETS AND WALL SWITCHES**

Inspected

**K.30. Appliances (microwave, refrigerator etc.)**

Inspected

**L.30. HEATING/COOLING EQUIPMENT**

Inspected

**M.30. SMOKE DETECTORS**

Repair or Replace

Smoke detector Beyond expected useful service life

**N.30. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(31) . 321**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.31. CEILINGS**

Inspected

**B.31. WALLS**

Inspected

**C.31. FLOORS**

Inspected

**D.31. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.31. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.31. Furniture**

Inspected

**G.31. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.31. Bathroom**

Inspected

**I.31. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.31. OUTLETS AND WALL SWITCHES**

Inspected

**K.31. Appliances (microwave, refrigerator etc.)**

Inspected

**L.31. HEATING/COOLING EQUIPMENT**

Inspected

**M.31. SMOKE DETECTORS**

Repair or Replace

Smoke detector Beyond service life

**N.31. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(32) . 325**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

FRIGIDAIRE

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.32. CEILINGS**

Inspected

**B.32. WALLS**

Inspected

**C.32. FLOORS**

Inspected

**D.32. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.32. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.32. Furniture**

Repair or Replace



F.32. Item 1(Picture)

Main dresser is a little beat up and scratched

**G.32. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.32. Bathroom**

Inspected



**I.32. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.32. OUTLETS AND WALL SWITCHES**

Inspected

**K.32. Appliances (microwave, refrigerator etc.)**

Inspected

**L.32. HEATING/COOLING EQUIPMENT**

Inspected

**M.32. SMOKE DETECTORS**

Repair or Replace

Smoke detector is beyond useful service life

**N.32. CARBON MONOXIDE DETECTORS**

Repair or Replace

**O.32. ADDITIONAL ITEM(s)**

Not Present, Repair or Replace

No CO

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The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(33) . 327**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.33. CEILINGS**

Inspected

**B.33. WALLS**

Inspected

**C.33. FLOORS**

Inspected

**D.33. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.33. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.33. Furniture**

Inspected

**G.33. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.33. Bathroom**

Inspected

**I.33. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.33. OUTLETS AND WALL SWITCHES**

Inspected

**K.33. Appliances (microwave, refrigerator etc.)**

Inspected

**L.33. HEATING/COOLING EQUIPMENT**

Inspected

**M.33. SMOKE DETECTORS**

Inspected

**N.33. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace  
No CO

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(34) . 333**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.34. CEILINGS**

Inspected

**B.34. WALLS**

Inspected

**C.34. FLOORS**

Inspected

**D.34. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.34. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.34. Furniture**

Inspected

**G.34. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.34. Bathroom**

Inspected

**I.34. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.34. OUTLETS AND WALL SWITCHES**

Inspected

**K.34. Appliances (microwave, refrigerator etc.)**

Inspected

**L.34. HEATING/COOLING EQUIPMENT**

Inspected

**M.34. SMOKE DETECTORS**

Repair or Replace

Unit Beyond useful service life

**N.34. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO

---

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**VII(35) . 338**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.35. CEILINGS**

Inspected

**B.35. WALLS**

Inspected

**C.35. FLOORS**

Repair or Replace

Stain on carpet

**D.35. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.35. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.35. Furniture**

Inspected

**G.35. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.35. Bathroom**

Inspected

**I.35. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.35. OUTLETS AND WALL SWITCHES**

Inspected

**K.35. Appliances (microwave, refrigerator etc.)**

Inspected

**L.35. HEATING/COOLING EQUIPMENT**

Inspected

**M.35. SMOKE DETECTORS**

Repair or Replace

Unit Beyond useful service life

**N.35. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

**VII(36) . 343**

The building inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to building; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The building inspector shall describe: Energy source; and Heating equipment and distribution type. The building inspector shall operate the systems using normal operating controls. The building inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The building inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

**Styles & Materials****Ceiling Materials:**

Drywall

**Wall Material:**

Drywall

**Floor Covering(s):**

Carpet

Tile

**Interior Doors:**

Wood

**Window Types:**

Thermal/Insulated

**Heat/Cooling Type:**

Ptac

**Energy Source:**

Electric

**Heat System Brand:**

AMANA

**Ductwork:**

N/A

**Bath Exhaust Fans:**

Fan

**Items****A.36. CEILINGS**

Inspected

**B.36. WALLS**

Inspected

**C.36. FLOORS**

Repair or Replace





C.36. Item 1(Picture)

The carpet is loose and wrinkled this can be a trip hazard.

**D.36. DOORS (REPRESENTATIVE NUMBER)**

Inspected

**E.36. WINDOWS (REPRESENTATIVE NUMBER)**

Inspected

**F.36. Furniture**

Inspected

**G.36. COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS**

Inspected

**H.36. Bathroom**

Inspected

**I.36. VENTING SYSTEMS IN THIS UNIT**

Inspected

**J.36. OUTLETS AND WALL SWITCHES**

Inspected

**K.36. Appliances (microwave, refrigerator etc.)**

Inspected

**L.36. HEATING/COOLING EQUIPMENT**

Inspected

**M.36. SMOKE DETECTORS**

Repair or Replace

The smoke detector is beyond its expected useful service life

**N.36. CARBON MONOXIDE DETECTORS**

Not Present, Repair or Replace

No CO

---

The heating and cooling system of this building was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

VIII(1) . 303

Items

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A.1. Walk through conditions

Not Inspected

No access

VIII(2) . 304

Items

---

A.2. Walk through conditions

Inspected, Repair or Replace



A.2. Item 1(Picture)

Amateur ceiling patch. Unit has kitchenette type area it is acceptable strange there is a range hood but no range or cooktop.

VIII(3) . 306

Items

---

**A.3. Walk through conditions**

Inspected

Old smoke detector no carbon monoxide detector amateur patching on ceiling otherwise acceptable unit has kitchenette with recirc range hood no cooktop.

VIII(4) . 307

Items

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**A.4. Walk through conditions**

Inspected, Repair or Replace

Smoke detector well beyond useful service life no carbon monoxide detector. Note this is a fully ADA Compliant room with a roll-in shower.

VIII(5) . 309

Items

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**A.5. Walk through conditions**

Inspected

Overall this room is acceptable note this room has a kitchenette style counter it does not have a range hood or cooktop but there's a microwave in a fridge and a large counter space.

VIII(6) . 310

Items

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**A.6. Walk through conditions**

Inspected, Repair or Replace

Older smoke detector amateur patch on ceiling near smoke detector otherwise room is acceptable note this room has a kitchenette with a range hood no cooktop.



VIII(7) . 312

**Items**

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**A.7. Walk through conditions**

Inspected, Repair or Replace

No smoke or detector CO detectors.

VIII(8) . 313

Items

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A.8. Walk through conditions

Inspected

**VIII(9) . 315**

**Items**

---

**A.9. Walk through conditions**

Inspected, Repair or Replace

Smoke detector Beyond useful service life no CO detector

VIII(10) . 316

Items

---

**A.10. Walk through conditions**

Inspected, Repair or Replace

Smoke detector Beyond useful service life no carbon monoxide detector otherwise acceptable. Note this room is almost, fully ADA Compliant with a roll-in shower. It does need insulation on the sink drain.

VIII(11) . 318

Items

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**A.11. Walk through conditions**

Inspected, Repair or Replace

Smoke detectors Beyond useful service life, no CO. Otherwise acceptable

VIII(12) . 319

Items

---

A.12. Walk through conditions

Inspected, Repair or Replace



A.12. Item 1(Picture)

Smoke detector Beyond useful service life no CO detector, failing caulk at tub, otherwise acceptable.

VIII(13) . 323

Items

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A.13. Walk through conditions

Not Inspected

No access

VIII(14) . 329

Items

---

A.14. Walk through conditions

Inspected, Repair or Replace

Smoke detector Beyond useful service life no CO detector otherwise room is acceptable



VIII(15) . 331

Items

---

**A.15. Walk through conditions**

Inspected, Repair or Replace

Smoke detector is hanging off the wall and Beyond useful service life there is no CO detector otherwise room is acceptable

VIII(16) . 334

**Items**

---

**A.16. Walk through conditions**

Inspected, Repair or Replace

Smoke detector is beyond its useful service life and there is no CO detector otherwise the room is acceptable

VIII(17) . 335

Items

---

A.17. Walk through conditions

Inspected

Smoke detectors Beyond it's useful service life and there is no CO detector otherwise the room is acceptable

VIII(18) . 337

Items

---

**A.18. Walk through conditions**

Inspected, Repair or Replace

Smoke detector well beyond useful service life and there is no CO detector otherwise the room is acceptable.

VIII(19) . 336

**Items**

---

**A.19. Walk through conditions**

Not Inspected

No access

VIII(20) . 339

Items

---

**A.20. Walk through conditions**

Inspected, Repair or Replace

Smoke detectors Beyond useful service life and no CO detector otherwise the room is acceptable

VIII(21) . 340

Items

---

A.21. Walk through conditions

Inspected, Repair or Replace



A.21. Item 1(Picture)



A.21. Item 2(Picture)

The smoke detector is beyond its useful service life and there is no CO detector, the future is beat up, otherwise the room is acceptable.

VIII(22) . 341

**Items**

---

**A.22. Walk through conditions**

Inspected, Repair or Replace

Smoke detector is covered with cellophane from a previous paint job is non-functional and can't tell the age but there is no CO detector and otherwise the room is acceptable



VIII(23) . 342

**Items**

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**A.23. Walk through conditions**

Not Inspected

No access

VIII(24) . 344

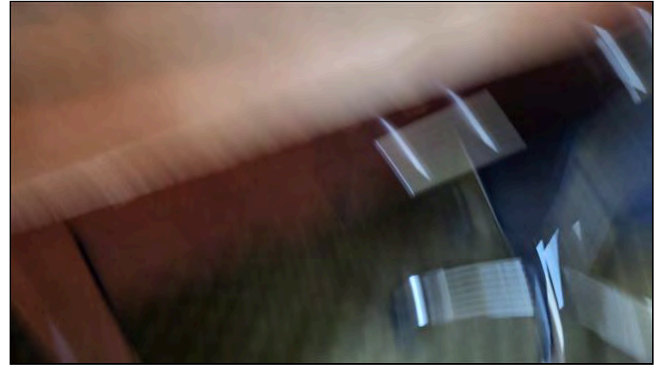
Items

A.24. Walk through conditions

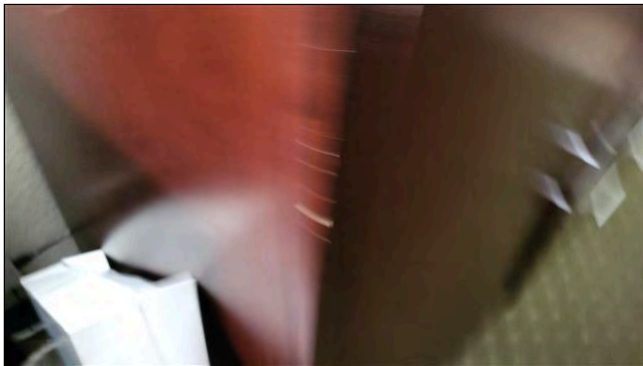
Inspected, Repair or Replace



A.24. Item 1(Picture)



A.24. Item 2(Picture)



A.24. Item 3(Picture)



A.24. Item 4(Picture)

Smoke detector is loose Beyond its useful service life and there is no CO detector otherwise the room is acceptable some of the furniture is beat up

VIII(25) . 345

**Items**

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**A.25. Walk through conditions**

Inspected, Repair or Replace

Smoke detector Beyond service life no CO detector otherwise room acceptable. Room document says Room phone is inoperable.

VIII(26) . 347

Items

A.26. Walk through conditions

Inspected, Repair or Replace



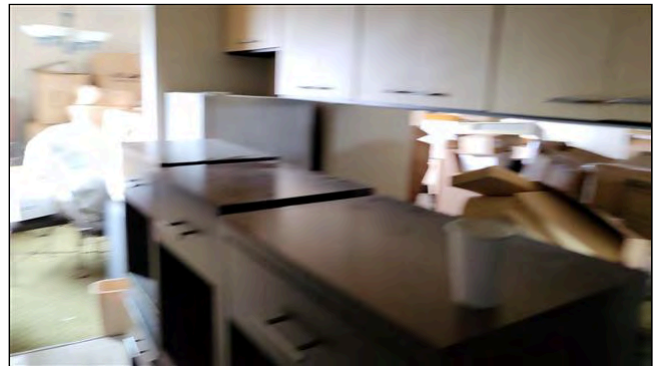
A.26. Item 1(Picture)



A.26. Item 2(Picture)



A.26. Item 3(Picture)



A.26. Item 4(Picture)



A.26. Item 5(Picture)

This is actually kind of a manager Suite that is primarily being used for storage it has a full kitchen the bathroom door needs maintenance but otherwise it seems acceptable and quite nice.



A.26. Item 6(Picture)

VIII(27) . 131

Items

---

**A.27. Walk through conditions**

Inspected, Repair or Replace

Smoke detectors Beyond it's useful service life no carbon monoxide detector Furniture is a little worn but serviceable otherwise acceptable.

VIII(28) . 135

Items

---

**A.28. Walk through conditions**

Inspected, Repair or Replace

Smoke detectors be honest expected useful service life and there's no carbon monoxide detector otherwise acceptable.

VIII(29) . 137

Items

---

A.29. Walk through conditions

Inspected, Repair or Replace



A.29. Item 1(Picture)

No carbon monoxide detector Burns in carpet on floor.



VIII(30) . 139

**Items**

---

**A.30. Walk through conditions**

Not Inspected

No access.

VIII(31) . 140

**Items**

---

**A.31. Walk through conditions**

Not Inspected

No access, occupant sick.

VIII(32) . 107

Items

A.32. Walk through conditions

Inspected, Repair or Replace



A.32. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(33) . 109

**Items**

---

A.33. Walk through conditions

Inspected

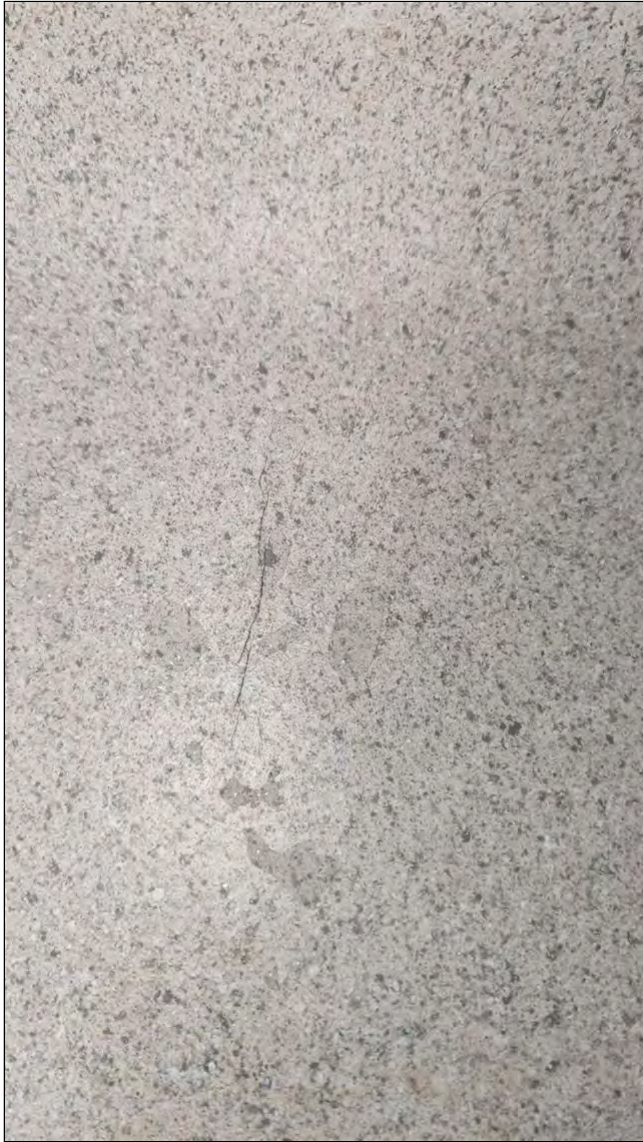
VIII(34) . 110

Items

---

A.34. Walk through conditions

Inspected, Repair or Replace



A.34. Item 1(Picture)

Possible cracking tub base recommend inspection by professional

VIII(35) . 111

Items

---

A.35. Walk through conditions

Not Inspected

No access

VIII(36) . 113

**Items**

---

**A.36. Walk through conditions**

Not Inspected

No access

VIII(37) . 117

Items

A.37. Walk through conditions

Inspected, Repair or Replace



A.37. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose smoke detector carbon monoxide



VIII(38) . 119

Items

A.38. Walk through conditions

Inspected, Repair or Replace



A.38. Item 1(Picture)



A.38. Item 2(Picture)



A.38. Item 3(Picture)  
Chipping and discolored paint and bathtub

VIII(39) . 121

Items

---

A.39. Walk through conditions

Not Inspected

No access

VIII(40) . 125

**Items**

---

A.40. Walk through conditions

Inspected

VIII(41) . 129

**Items**

---

**A.41. Walk through conditions**

Not Inspected

No access

VIII(42) . 142

**Items**

---

A.42. Walk through conditions

Inspected

VIII(43) . 143

Items

A.43. Walk through conditions

Inspected, Repair or Replace



A.43. Item 1(Picture)

Smoke detector out of date recommended place with dual purpose carbon monoxide smoke detectors

VIII(44) . 145

Items

A.44. Walk through conditions

Inspected, Repair or Replace



A.44. Item 1(Picture)



A.44. Item 2(Picture)

Toilet base severely damaged. Recommend replace smoke detector out of date. Recommend replace with dual purpose carbon monoxide smoke detector



VIII(45) . 146

Items

A.45. Walk through conditions

Inspected, Repair or Replace



A.45. Item 1(Picture)

Carpet damage at transition. Smoke detector out of date. Recommend replace with dual purpose carbon monoxide smoke detector



A.45. Item 2(Picture)

VIII(46) . 149

Items

A.46. Walk through conditions

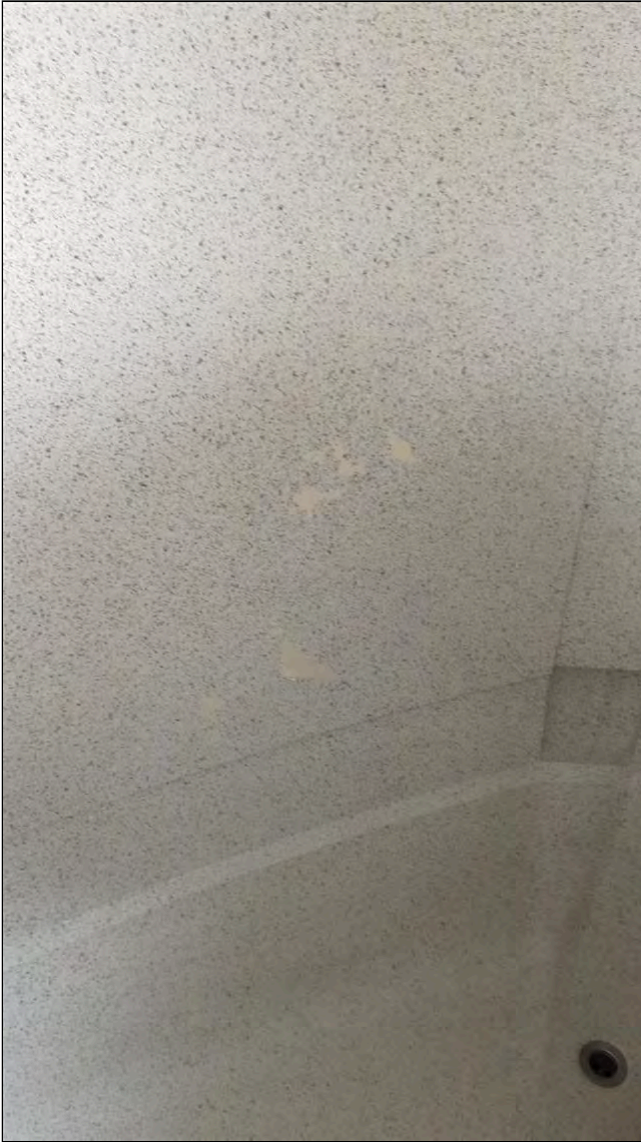
Inspected, Repair or Replace



A.46. Item 1(Picture)



A.46. Item 2(Picture)



A.46. Item 3(Picture)  
Room currently under renovation



A.46. Item 4(Picture)

VIII(47) . 202

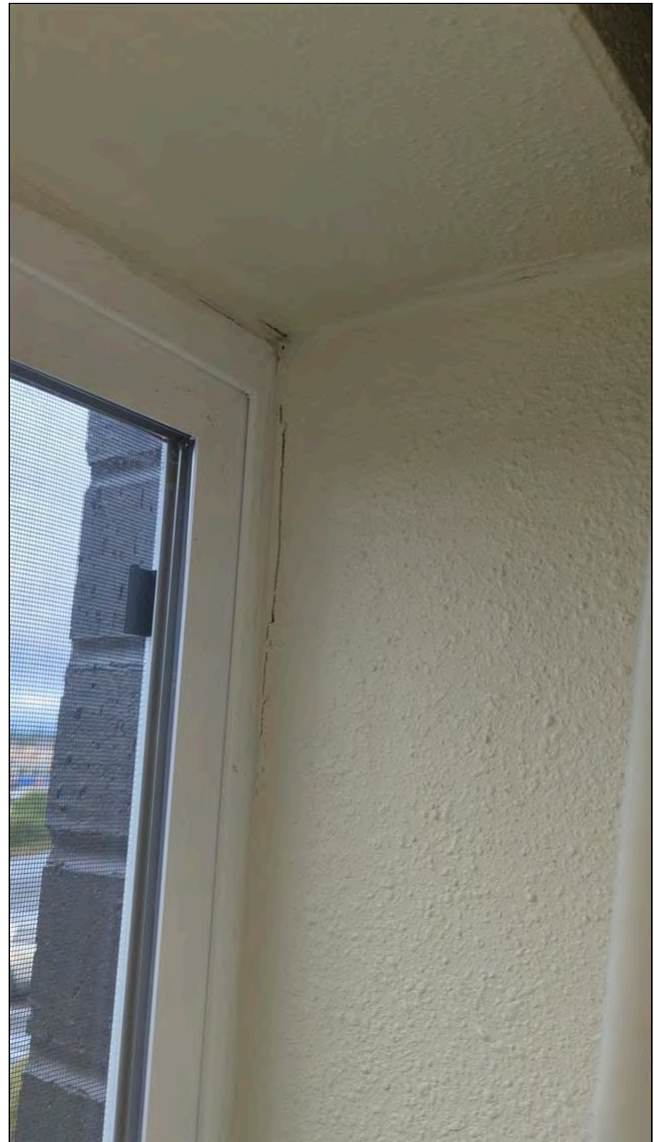
Items

A.47. Walk through conditions

Inspected, Repair or Replace



A.47. Item 1(Picture)



A.47. Item 2(Picture)



A.47. Item 3(Picture)



A.47. Item 4(Picture)



A.47. Item 5(Picture)  
Window seal needs repaired tear in carpet

VIII(48) . 204

**Items**

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A.48. Walk through conditions

Inspected

VIII(49) . 205

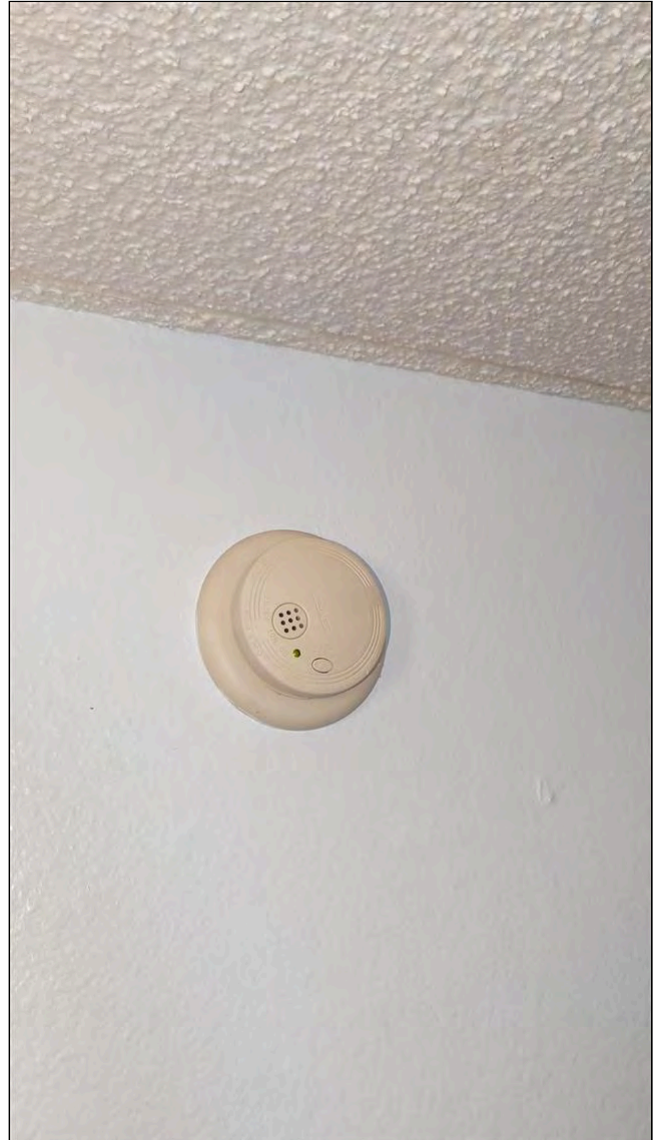
Items

A.49. Walk through conditions

Inspected, Repair or Replace



A.49. Item 1(Picture)



A.49. Item 2(Picture)





A.49. Item 3(Picture)

Vent fan in bathroom does not work smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector trim repair needed at transition on floor

VIII(50) . 207

Items

A.50. Walk through conditions

Inspected, Repair or Replace



A.50. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(51) . 208

Items

A.51. Walk through conditions

Inspected, Repair or Replace



A.51. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(52) . 210

Items

A.52. Walk through conditions

Inspected, Repair or Replace



A.52. Item 1(Picture)



A.52. Item 2(Picture)

Paint issues in tub base smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(53) . 211

Items

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A.53. Walk through conditions

Not Inspected

No access

VIII(54) . 212

Items

---

A.54. Walk through conditions

Not Inspected

No access

VIII(55) . 213

**Items**

---

A.55. Walk through conditions

Inspected

VIII(56) . 214

**Items**

---

**A.56. Walk through conditions**

Not Inspected

No access



VIII(57) . 215

Items

---

A.57. Walk through conditions

Inspected

VIII(58) . 218

Items

A.58. Walk through conditions

Inspected, Repair or Replace



A.58. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(59) . 221

Items

---

A.59. Walk through conditions

Not Inspected

No access

VIII(60) . 225

Items

A.60. Walk through conditions

Inspected, Repair or Replace



A.60. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(61) . 227

Items

---

A.61. Walk through conditions

Inspected, Repair or Replace



A.61. Item 1(Picture)

Smoke detector out of date recommended a place with dual purpose carbon monoxide smoke detector

VIII(62) . 231

Items

---

A.62. Walk through conditions

Inspected, Repair or Replace



A.62. Item 1(Picture)

Smoke detector out of date recommended place with dual purpose carbon monoxide smoke detector

VIII(63) . 233

Items

A.63. Walk through conditions

Inspected, Repair or Replace



A.63. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(64) . 234

Items

---

A.64. Walk through conditions

Inspected, Repair or Replace



A.64. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector



VIII(65) . 236

Items

---

A.65. Walk through conditions

Inspected, Repair or Replace



A.65. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(66) . 237

Items

A.66. Walk through conditions

Inspected, Repair or Replace



A.66. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector

VIII(67) . 238

Items

A.67. Walk through conditions

Inspected, Repair or Replace



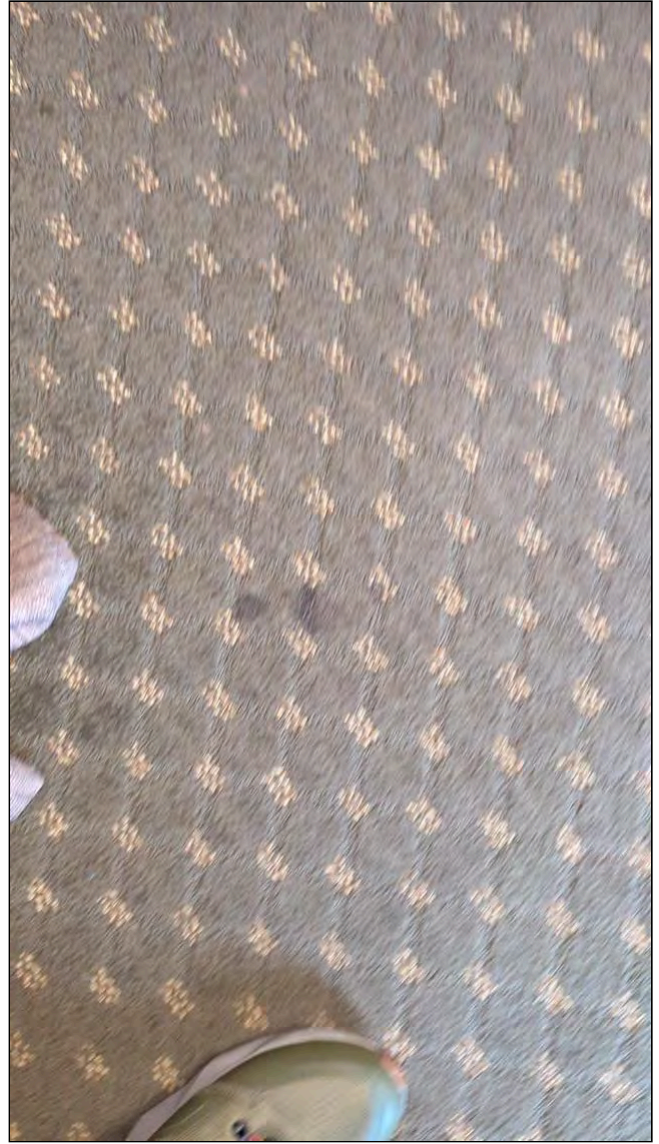
A.67. Item 1(Picture)



A.67. Item 2(Picture)



A.67. Item 3(Picture)



A.67. Item 4(Picture)



A.67. Item 5(Picture)



A.67. Item 6(Picture)



A.67. Item 7(Picture)

Sheetrock above PTAC needs resealed smoke detector out of date. Recommend replace with dual purpose. Carbon monoxide smoke detector. Lots of stains and carpet

VIII(68) . 240

**Items**

---

A.68. Walk through conditions

Inspected

VIII(69) . 243

Items

A.69. Walk through conditions

Inspected, Repair or Replace



A.69. Item 1(Picture)

Smoke detector out of date recommend replace with dual purpose carbon monoxide smoke detector



VIII(70) . 244

**Items**

---

A.70. Walk through conditions

Inspected

VIII(71) . 245

Items

A.71. Walk through conditions

Inspected, Repair or Replace



A.71. Item 1(Picture)

Smoke detector out of date recommend replaced with dual purpose carbon monoxide smoke detector

VIII(72) . 246

Items

A.72. Walk through conditions

Inspected, Repair or Replace



A.72. Item 1(Picture)



A.72. Item 2(Picture)



A.72. Item 3(Picture)

Window calling seal needs repair smoke detector out of date. Recommend replace with dual purpose carbon monoxide smoke detector



A.72. Item 4(Picture)

VIII(73) . 247

**Items**

---

**A.73. Walk through conditions**

Not Inspected

No access

**IX. Resturant**

**Items**

**A. Food Prep**

Inspected



A. Item 1(Picture)

Acceptable



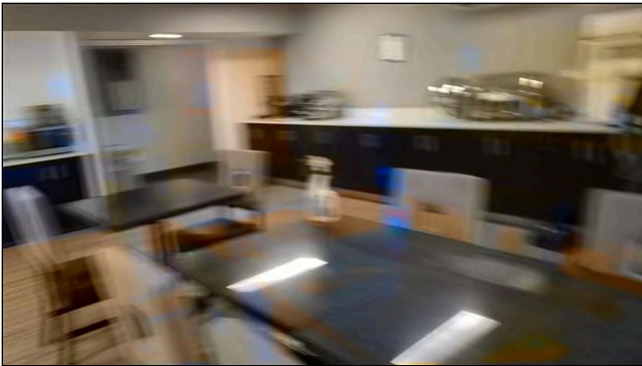
A. Item 2(Picture)

**B. Storage**

Inspected

**C. Dining**

Inspected



C. Item 1(Picture)

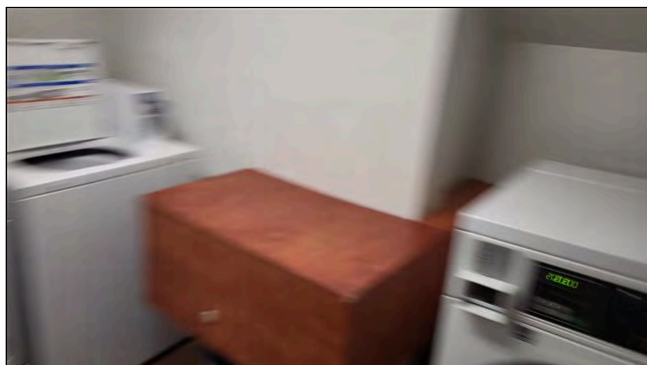
Acceptable

**X. Common Areas**

**Items**

**A. Common areas**

Inspected



A. Item 1(Picture)

(1) Guest coin operated laundry is acceptable



A. Item 2(Picture)



A. Item 3(Picture)

(2) Facility laundry is acceptable, however note the equipment is older and wearing down.



A. Item 4(Picture)



A. Item 5(Picture)

(3) Rec Center is acceptable, equipment is in good condition.

## XI. Swimming Pools, Equipment and Safety

Pools are fun, but children and adults can lose their life quickly. Over 4000 lives annually are lost with one-third under the age of 14. ***A child can drown in the time it takes to answer a phone.*** A swimming pool is 14 times more likely than a motor vehicle to be involved in the death of a child age 4 and under. An estimated 5,000 children ages 14 and under are hospitalized due to near-drownings each year; 15 percent die in the hospital and as many as 20 percent suffer severe, permanent brain damage. Of all preschoolers who drown, 70 percent are in the care of one or both parents at the time of the drowning and 75 percent are missing from sight for five minutes or less. Drowning surpasses all other causes of death to children age 14 and under in Arizona, California, Florida, Hawaii, Montana, Nevada, Oregon, Utah and Washington.

A **pool alarm** with a loud speaker system to sound outside as well as inside the building could save a life. Even if you do not have children you should be concerned. 35% of children that drowned did so in someone else's pool. For more info, do an Internet search on pool safety or visit this website: [http://www.ihf.org/foryourhealth/article\\_children.html](http://www.ihf.org/foryourhealth/article_children.html)

### Styles & Materials

---

**Style:**

In ground

**Shape:**

Rectangle

### Items

---

**A. OPERATIONAL CONDITION OF POOL**

Yes

**B. POOL LINER CONDITION**

No

Not accessible at time of inspection covered for winter months.

**C. PUMPS FOR CIRCULATION OF WATER**

Inspected

**D. PUMPS FOR VACUUM OR CLEANING**

Inspected

**E. POOL HEATERS**

Inspected

**F. CHEMICALS FOR POOL CAPABLE OF BEING STORED WITH A LOCK**

Inspected

**G. ARE THERE ANY OBSTRUCTIONS (WALLS, SHRUBS etc.) THAT WOULD PREVENT FULL VIEW OF POOL FROM building**

No

**H. IS THE POOL FENCED**

Yes

**I. DOES FENCE HAVE A SELF CLOSING LATCH AND LOCK ON DOOR**

Yes

**J. CAN FENCE BE CLIMBED BY THE USE OF PERSONAL ITEMS OR STRUCTURES AGAINST FENCE**

No

**K. DOES THE DOOR LATCH HEIGHT AND LOCATION ATTEMPT TO BE REASONABLY DIFFICULT FOR YOUNG CHILDREN TO REACH**

Yes

**L. POOL DESIGN AT WATERS EDGE SHOULD NOT INCLUDE OBVIOUS PROTRUSIONS THAT COULD INJURE SWIMMER**

Yes

**M. DOES THE SURFACE AROUND POOL ENCOURAGE DRAINAGE AWAY FROM POOL**

Yes

---

Unless so mentioned in this report, I did not test water for bacteria or quality. The pool was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.




## XII. Additional Considerations

### Items

---

#### A. Opinions of Probable Costs

Repair or Replace

 Refer to immediate and short term cost summaries.

#### B. Documents for Review

Not Present

**XIII. Recreational**

**Items**

---

**XIV. Fire Protection**

**Styles & Materials**

**Sprinkler system:**

None

**Standpipes:**

No None

**Fire Hydrant:**

Yes on property

**Fire Alarm system:**

Yes but did not test for operation

**Items**

**A. Sprinklers and Standpipes**

Not Present

**B. Alarm Systems**

Inspected

**C. Other Systems**

Inspected



C. Item 1(Picture)

Fire extinguishers within date for annual testing and certification. Most of the hallway fire extinguishers are missing glass or plexiglass front on the cases. This is a public hazard.

## XV. ADA Tier 2 Survey

### Items

---

#### A. Overview of The Americans with Disabilities Act

Inspected

The Americans with Disabilities Act is a civil rights law that was enacted in 1990 to provide persons with disabilities with accommodations and access equal to, or similar to, that available to the general public. ***Title III of the ADA requires that owners of buildings that are considered to be places of public accommodations remove those architectural barriers and communications barriers that are considered readily achievable in accordance with the resources available to building ownership to allow use of the facility by the disabled.*** The obligation to remove barriers where readily achievable is an ongoing one. The determination as to whether removal of a barrier or an implementation of a component or system is readily achievable is often a business decision, which is based on the resources available to the owner or tenants, and contingent upon the timing of implementation as well. Determination of whether barrier removal is readily achievable is on a case-by-case basis; the United States Department of Justice did not provide numerical formulas or thresholds of any kind to determine whether an action is readily achievable.

#### **Overview of the Americans with Disabilities Act Accessibility Guidelines (ADAAG)**

As required by the ADA, the U.S. Architectural and Transportation Barriers Compliance Board promulgated the Americans with Disabilities Act Accessibility Guidelines. ADAAG provides guidelines for implementation of the ADA by providing specifications for design, construction, and alteration of facilities in accordance with the ADA. These guidelines specify quantities, sizes, dimensions, spacing, and locations of various components of a facility so as to be in compliance with the ADA.

**Variable Levels of Due Diligence:** For many users, especially those acquiring or taking an equity interest in a property, a complete accessibility survey in accordance with ADAAG may be desired. For other users, however, an abbreviated accessibility survey may serve to identify most of the major costs to realize ADA compliance without assessing every accessible element and space within and without a facility, and without taking measurements and counts. Any accessibility survey should be based on ADAAG, however. There are three tiers of ADA due diligence, which may be supplemented or revised in accordance with the user's risk tolerance level for ADA deficiencies and the resulting costs to realize compliance. These tiers are: ***Tier I-Visual Accessibility Survey (a limited scope visual survey, which excludes the taking of measurements or counts); Tier II-Abbreviated Accessibility Survey (an abbreviated scope survey entailing the taking of limited measurements and counts); and Tier III-Full Accessibility Survey in compliance with ADAAG. ADAAG provides guidance only concerning federal requirements for ADA compliance.*** Some states and localities may have additional compliance requirements that will not be addressed by any of the levels of due diligence enumerated in this document. The user may desire a site-specific accessibility survey, in some instances.

**This inspection survey for ADA compliance is a Tier 2**

**XVI. Parking****Items**

---

- A. Are there sufficient accessible parking spaces with respect to the total number of reported spaces?**  
Yes
- B. Are there sufficient van-accessible parking spaces available (96" wide x 60" aisle)?**  
Yes
- C. Are accessible spaces marked with the international Symbol of Accessibility?**  
Yes
- D. Are the signs reading "Van Accessible" at van spaces?**  
Yes
- E. Is there at least one accessible route provided within the boundary of the site from public transportation stops, accessible parking spaces, passenger loading zones, if provided, and public streets and sidewalks?**  
Yes

**XVII. Ramps****Items**

---

- A. If there is a ramp from parking to accessible building entrance, does it meet slope requirements of 1:12 slope or less?**  
Yes
- B. Are ramps longer than six feet complete with railings on both sides?**  
Yes
- C. Is the width between railings at least 36 inches?**  
Yes
- D. Is there a level landing for every 30 feet horizontal length of ramp at the top and at the bottom of ramps and switchbacks?**  
Yes

**XVIII. Entrances / Exits****Items**

---

- A. Is the main accessible entrance doorway at least 32 inches wide?**  
Yes
- B. If the main entrance is inaccessible are there alternate accessible entrances?**  
No
- C. Can the alternate accessible entrance be used independently?**  
Not Applicable
- D. Is the door hardware easy to operate (lever/push type hardware no twisting required, and not higher than 48" above the floor)?**  
Yes
- E. Are main entry doors other than revolving doors available?**  
Yes
- F. If there are two main doors in series, is the minimum space between the doors 48" plus the width of any door swinging into that space?**  
Yes

**XIX. Elevators****Items**

---

- A. Do the call buttons have visual signals to indicate when a call is registered and answered?**  
Yes
- B. Is the "UP" button above the "Down button?**  
Yes
- C. Are there visual and audible signals inside cars indicating floor change?**  
Yes
- D. Are there standard raised and Braille markings on both jambs of each hoist way entrance?**  
Yes
- E. Do elevator doors have a reopening device that will stop and reopen a car door if an object or a person obstructs the door?**  
Yes
- F. Do elevator lobbies have visual and audible indicators of car arrival?**  
Yes
- G. Are elevator controls low enough to be reached from a wheelchair (48" front approach or 54" side approach)?**  
Yes
- H. Are elevator control buttons designated by Braille and by raised standard alphabet characters (mounted to the left side of button)?**  
Yes
- I. If a two way emergency communication system is provided within the elevator cab, is it usable without voice communication?**  
No, Not Applicable



**XX. Toilet Rooms****Items**

---

- A. Are common area public toilet rooms located on an accessible route?**  
Yes
- B. Are door handles either push/pull or lever types?**  
Yes
- C. Are there audible and visual fire alarm devices in the toilet rooms?**  
No, Not Applicable
- D. Are corridor access doors wheelchair accessible (at least 32" wide)?**  
Yes
- E. Are public toilet rooms large enough to accommodate a wheelchair turnaround (60" diameter)?**  
Yes
- F. In Unisex toilet rooms are there safety alarms with pull cords?**  
Not Applicable
- G. Are toilet stall doors wheelchair accessible at least 32" wide?**  
Yes
- H. Are grab bars provided in toilet stalls?**  
Yes
- I. Are sinks provided with clearance for a wheelchair to roll under (29" clearance)?**  
Yes
- J. Are sink handles operable with one hand without grasping, pinching or twisting?**  
Yes
- K. Are exposed pipes under sinks sufficiently insulated against contact?**  
Yes

## XXI. Guest Rooms

### Items

---

- A. Are there sufficient reported accessible sleeping rooms with respect to the total number of reported guestrooms?  
?
- Yes
- B. Are there sufficient reported accessible rooms with roll-in showers with respect to the total number of reported accessible guestrooms?  
?
- Yes

## Summary



Propertyexam corp.

13297 Deer Meadows Rd.  
Oregon City, OR 97045  
(503)679-7184  
scott@propertyexam.com

### Customer

Oregon Community Foundation

### Address

Quality Inn  
9717 SE Sunnyside Rd.  
Clackamas OR

The following items or discoveries indicate that these systems or components **do not function as intended** or **adversely affects the habitability of the dwelling**; or **warrants further investigation by a specialist**, or **requires subsequent observation**. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the building. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

## 🏠 General Summary

### A. Opinions of Probable Costs

#### Repair or Replace

Refer to immediate and short term cost summaries.

### Immediate

#### A. ROOF COVERINGS

##### Inspected, Repair or Replace

There are some wind damaged sections of roof that need repair right away. Overall the roof should have substantial remaining service life.

\$850 - \$1200

#### F. VEGETATION, GRADING, DRAINAGE, PATIO FLOOR, AND RETAINING WALLS, FENCING (With respect to their effect on the condition of the building)

Inspected, Repair or Replace

Area drains due for regular cleanout service.  
\$750 - \$1000

### **I. Driveway & Parking**

#### **Repair or Replace**

(1) Parking lot overdue for patching and Seal Service. Note there are extensive areas of alligator cracking and a lot of the asphalt is quite worn. The better choice will be to plan to repave the parking in a few years. The asphalt parking well past due for regular seal service. There is significant deterioration and alligator cracking. Our best recommendation is to resurface the asphalt. We normally recommend asphalt surfaces be seal serviced about every five years in this climate. Neglect will result in " alligator cracking and deterioration. Ultimately the surface will need to be resurfaced with a 2" overlay of new asphalt. The difference in cost is about \$0.25/SF for seal service and \$3.00 SF for an overlay. There is about 45,000 SF of Asphalt.

(2) short term patch & seal service.  
\$18,000 - \$25,000

(4) Electrical cover plate missing on light pole.  
\$150 - \$250

### **G. SMOKE DETECTORS**

#### **Repair or Replace**

Most units are well beyond expected useful service life recommend they be replaced with dual purpose carbon monoxide and smoke detectors.

\$7,000 - \$8,500

### **H. CARBON MONOXIDE DETECTORS**

#### **Not Present, Repair or Replace**

No carbon monoxide detectors noted. There should be one in every room. We recommend the older smoke detectors to be replaced with dual purpose units.

### **C. Other Systems**

#### **Inspected**

Fire extinguishers within date for annual testing and certification. Most of the hallway fire extinguishers are missing glass or plexiglass front on the cases. This is a public hazard.

\$850 - \$1000

## **0-5**

### **H. Flatwork**

#### **Inspected, Repair or Replace**

Rear stairs structurally compromised need to be demolished and repoured.

\$1,800 - \$2,500

### **C. HOT WATER SYSTEMS, CONTROLS, CHIMNEYS, FLUES AND VENTS**

#### **Inspected, Repair or Replace**

There are four commercial grade natural gas 100 gallon water heaters. Three of them are not correctly seismically secured and this should be corrected. One of the units is an older model by AO Smith, manufactured in 2003. This unit is well beyond it's expected useful service life and you should therefore budget for replacement.

\$12,000 - \$15,000

### **C. Building HVAC**

#### **Inspected, Repair or Replace**

(2) The rooms are served by individual Ptac heat pump units. Typically in hotel service these units last about 10 years. Many have been replaced, this is a typical, ongoing maintenance item with any facility of this type. You can probably expect to replace about 1/2 of the existing units over the next 5 years.

\$50,000 - \$60,000

## **Other**

### **I. Driveway & Parking**

#### **Repair or Replace**

(3) overlay, resurface of asphalt.

\$125,000 - \$140,000

---

building inspectors are not required to report on the following: Life expectancy of any component or system; The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not permanently installed. building inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the building inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s), secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

*Prepared Using HomeGauge <http://www.HomeGauge.com> : Licensed To Scott Harris*

**THE APPRAISAL REPORT OF**

**QUALITY INN & SUITES**

An Existing 109 Guest Room Motel

At

9717 SE Sunnyside Rd  
Clackamas, OR 97015

Prepared For

Bruce Wood/Tom Kemper  
Oregon Community Foundation  
1221 SW Yamhill St., Suite 100  
Portland, OR 97205

Appraised By

Aaron Brown & Associates, Inc.  
P.O. Box 42634  
Portland, Oregon 97242  
Phone: (503) 363-5969

E-Mail Address

[aaron@aaronbrownassociates.com](mailto:aaron@aaronbrownassociates.com)

Home Page Address

<http://www.aaronbrownassociates.com>

As Of

January 3<sup>rd</sup>, 2023



**AARON BROWN & ASSOCIATES, INC.**

P.O. Box 42634  
Portland, Oregon 97242  
503.363.5969

January 27, 2023

A.B. & Assoc. File No. 22-1151

Bruce Wood/Tom Kemper  
Oregon Community Foundation  
1221 SW Yamhill St., Suite 100  
Portland, OR 97205

RE: Appraisal of the Quality Inn & Suites, an existing 109 guestroom motel with furnishings, fixtures, and equipment at 9717 SE Sunnyside Rd, Clackamas, OR, 97015, hereafter referred to as the "property."

As requested, we have estimated the market value of the above "property." The accompanying report summarizes our research, findings, analysis, and valuation conclusions.

The value components of tangible real estate (as if vacant); stabilized operations (stabilized occupancy and in-place staffing/management i.e. going-concern), personal property (movable furnishings, fixtures, and equipment, or FF&E), are segregated in the report.

**As-Is Market Value Conclusion**

This is the as-is market value of the "property" on January 3<sup>rd</sup>, 2023:

**FIFTEEN MILLION DOLLARS**

**\$15,000,000**

<b>As-Is Market Value Allocation of the Going Concern of the "Property"</b>		
<b>Component</b>	<b>Value</b>	<b>%</b>
Tangible Real Estate	\$13,630,000	90.9%
Intangible Assets	\$450,000	3.0%
Personal Property	\$920,000	6.1%
<b>Total</b>	<b>\$15,000,000</b>	<b>100%</b>

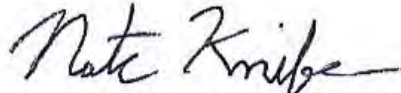
The Appraisal Report and its field data are in our files. The appraisal is in conformance with the Standards of Professional Appraisal Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP), and State Appraisal Certification.

Value estimates are contingent upon the report definitions, assumptions, limiting conditions, and certification.

Submitted By,



Aaron J. Brown, MAI, ASA  
President  
License No. C000724  
Expires: April 30, 2023



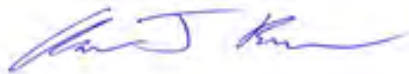
Nathan D. Knife  
Appraiser  
License No. C001315  
Expires: August 31, 2023



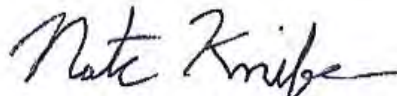
## CERTIFICATION

We, Aaron J. Brown, MAI, ASA and Nate Knife certify that except as otherwise noted in this Appraisal Report:

- \* The statements of fact contained in this report are true and correct.
- \* The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- \* We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- \* We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- \* The appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan and engagement in this assignment was not contingent upon developing or reporting predetermined results.
- \* We have performed no other prior services involving the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- \* Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- \* Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the Code of Professional Ethics and Standard of Professional Appraisal Practice of the Appraisal Institute.
- \* Nate Knife, an Oregon certified general appraiser made a personal inspection of the property that is the subject of this report on January 3, 2023. Nate Knife gathered the data, analyzed it, and wrote the report under a review and correction by Aaron J. Brown, MAI, ASA.
- \* No one other than Nate Knife and Aaron J. Brown, MAI, ASA provided significant real, personal or business property appraisal or appraisal review assistance to the persons signing this certification.
- \* This appraisal meets the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is also subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.
- \* As of the date of this report, Aaron J. Brown, MAI, ASA has completed the requirements of the continuing education program as Designated member of the Appraisal Institute, a Designated member of the American Society of Appraisals, and the State of Oregon Appraisal Board.
- \* The appraisal did not take into consideration any prohibited basis, such as race, color, religion, sex, familial status or national origin, in developing and reporting the appraisal.
- \* Neither all nor part of the contents of this report shall be disseminated to the public through the advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of this appraiser.



Aaron J. Brown, MAI, ASA  
President  
License No. C000724  
Expires: April 30, 2023



Nathan D. Knife  
Appraiser  
License No. C001315  
Expires: August 31, 2023

SUBJECT PHOTOGRAPHS



"PROPERTY" SITE PHOTOGRAPH



"PROPERTY" AERIAL PHOTOGRAPH



Building Exterior



Building Exterior



Building Exterior



Building Exterior



Building Exterior



Building Exterior



Frontage – SE Sunnyside Rd facing west



Frontage – SE Sunnyside Rd facing east



Main Entrance



Entry Doors (Interior View)



Front Desk



Breakfast Room



Lobby



Typical Interior Corridor



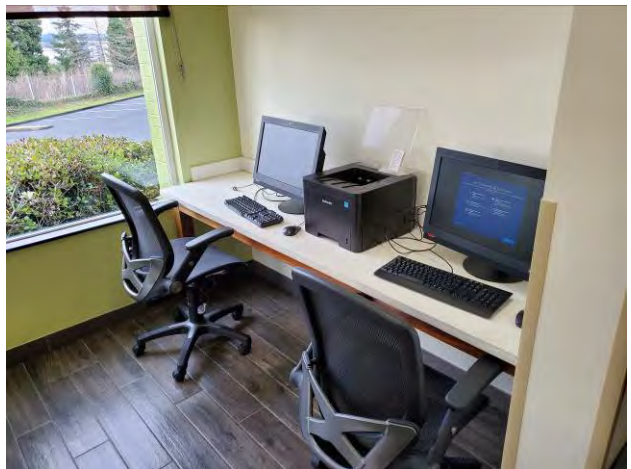
King Room



Double Queen Room



Standard Guestroom Bathroom



Business Center



Outdoor Pool (Closed)



Laundry Room



Guestroom with Kitchenette



Standard Guestroom Amenities



Fitness Room



Parking Lot

**EXECUTIVE SUMMARY**

NAME AND LOCATION: Quality Inn  
9717 SE Sunnyside Rd, Clackamas, OR, 97015

OWNER OF PUBLIC RECORD: YKC Hospitality LLC

INTERESTS APPRAISED: Fee Simple

PROPERTY TYPE: Existing 109 guestroom, limited-service motel with furnishings, fixtures, and equipment.

LAND AREA: 2.03± acres

PRIMARY IMPROVEMENTS: An average plus quality, three-story, wood framed motel with 110 guestrooms and a gross floor area of 44,048± square feet.

HIGHEST AND BEST USE: Land if vacant: Hold for development  
As improved: Existing Use

AS-IS MARKET VALUE CONCLUSION ESTIMATE (Fee Simple): \$15,000,000

APPRAISAL ANALYSIS AND INSPECTION DATE: January 3<sup>rd</sup>, 2023

**Extraordinary Assumptions**

An extraordinary assumption is defined in USPAP as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”

- None noted

**Hypothetical Conditions**

A hypothetical condition is defined in USPAP as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.”

- None noted

*Please note that "the use of these extraordinary assumptions and/or hypothetical conditions might have affected the assignment results" as per USPAP 2-2(a)xi.*



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**ADDENDA**

- A| RealQuest Report/Legal Description
- B| Purchase and Sale Agreement
- C| Historical Income & Expense Data
- D| Engagement Letter/Contract
- E| Professional Qualifications
- F| Appraiser License

## INTRODUCTION

### Overview of The “Property”

The “property” is the fee simple interest in a limited-service motel operated as a Quality Inn with stabilized operation as described. The “property” consists of one building containing 44,048± square feet and 109 operating guest rooms with lobby, registration desk, business office, and meeting room as well as other support areas plus furnishings, fixtures and equipment (FF&E) and outdoor pool. Site area is 2.03± acres.

Ownership of public record is with YKC Hospitality LLC. A legal description is in the Addenda. The property is also identified by the Clackamas County Assessor’s Taxlot No. 12E33DC01400.

### “Property” Ownership and History

The 109-guestroom motel was built in 1987 including furnishings, fixtures, and equipment. It has recently switched from a Clarion franchise flag to a Quality Inn franchise.

The property is currently under a purchase-and-sale agreement (PSA), with the seller listed as YKC Hospitality LLC (current owner) and the buyer listed as Clackamas County. The agreement is dated December 12, 2022, and the price is \$15,000,000. The value conclusion is the same as the pending sales price.

### Assessed Values and Property Taxes

According to the Clackamas County Assessor’s Office, current assessed values and property taxes are:

#### ASSESSED VALUES

Land	\$2,691,392
Improvements	\$6,679,950
Total Value	\$9,371,342
<b>Taxes</b>	<b>\$83,779.40</b>

With a tax rate equivalent to 0.89 percent of total assessed value, annual taxes are \$83,779.40 (\$9,371,342 total value x 0.89 percent).

The assessor’s office typically does not change assessed value after a change of ownership. Property taxes, therefore, should only change as general assessment of other properties change.

---

### **Appraisal Purpose**

Estimate market value, in terms of cash or on financing terms equivalent to cash, of the “property” fee simple interest on January 3<sup>rd</sup>, 2023.

### **Client and Intended User of Appraisal Report and Use/Function**

The client and intended users are the Oregon Community Foundation and Clackamas County. Use or function is limited to estimating value for its financing decisions. No other client, user, use, or function is authorized.

### **Appraisal Scope**

This Appraisal Report reconciles market value on the date of analysis of the “property” as operated as a limited-service hotel, using the Sales, and Income Approaches. The Cost Approach is excluded as it does not provide a meaningful indication of value due to the difficulties of estimating accrued depreciation and intangible components to value. Its lack of market sensitivity makes it a poor indicator of value.

It is written to the Uniform Standards of Professional Appraisal Practice (USPAP). The report complies with Appraisal Institute and State Appraisal Certification requirements.

Labor force and unemployment trends by the Bureau of Labor Statistics as well as history of median home prices for the subject location were reviewed for economic trends applicable to the “property”. The most recent demographic data available was purchased from the nation’s premier source, *EnviroNics Analytics, Spotlight* (formerly *Claritas*). This was used to compare applicable “property” local and secondary market demographics to state and national figures.

The “property” was inspected. The owner/operator, and/on site staff were surveyed for physical, operational and market data. Improvement description is based on assessment records, inspection and/or plans.

Regional and local comparables including a Smith Travel Research report, (STR report) occupancy and average daily room rates, (ADR) is analyzed. Local comparable rack rates, guest type, ADR and occupancy market data are analyzed. Comparable expenses include purchased national and regional data from *Trends In The Hotel Industry*, the industry standard. Local comparables were analyzed using *STR* reports. These were compared to “property” reported experience to estimate net income.

Improved sales include a large geographic area due to limited availability for local sales data. Comparable sales data was verified by the appraiser and/or from sources as described.

Market value is estimated on the “property” physical and operational characteristics and applicable market data. The Income Capitalization Approach using a direct capitalization rate is concluded as the best value indicator.

Personal property value is estimated by a per guestroom calculation.

Scope does not include analysis of title, improvement engineering, soil, or environmental integrity or detailed operational highest and best use analysis. Flood analysis is limited to reporting FEMA Flood Zone Classification.

**Privacy Information Under the Gramm-Leach-Bliley Act of 1999**

The appraisal utilizes non-public personal information from the client and/or owner/operator or obtained by their authorization. Non-public personal information is not disclosed unless required or permitted by law. Permitted disclosures include to our staff and unrelated third parties needing the information for the appraisal. We are required by law to retain appraisal data for a specified number of years depending on the appraisal.

**Appraiser Competency**

The appraisers are experienced in the valuation of the hospitality properties and are state certified. Additional competency data is in the Professional Qualifications of the Addenda.

## ASSUMPTIONS AND LIMITING CONDITIONS

### **Assumptions:**

1. Stabilized operation (i.e. going concern) is part of the “property” and is as described with responsible ownership and competent management.
2. Building areas and construction are as described and personal property is not leased.
3. The legal description is correct, title is good and marketable and the “property” is free and clear of any or all liens or encumbrances.
4. Information, especially “property” physical and operational data provided by others is reliable.
5. Engineering is correct and there are no hidden or unapparent conditions in the soil, improvements, personal property and operation that render them more or less valuable.
6. The “property” is and will continue to be in full compliance with all applicable governmental and private zoning, use, entitlement and environmental restrictions.
7. Governmental or private licenses, certificates, consents, permits or other requirements for “property” operation are in place and can be renewed at projected expense.
8. Land and improvements are within property lines and there are no encroachments, trespasses, or hazardous material on, in or near the “property” influencing value.

### **Limiting Conditions:**

1. Tangible real estate, going concern, personal property, goodwill/ill-will business value allocations apply only for intended use.
2. No reproduction or use by others than the addressed is allowed, and then only for the stated use without written consent of Aaron Brown and Associates, Inc.
3. Aaron Brown and Associates Inc. staff are not required to provide testimony or court attendance on the “property” or appraisal without prior arrangement.
4. No part of this report is to be used by the public media.

## DEFINITIONS

### “Property”

“Property” is the appraised property as identified on page 2 (Identification of the “Property”) and subsequent report elaboration.

### Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

\* SOURCE: OCC, 12CFR, Part 34, Sub-Part C-Appraisal, 34.42 definition (g) and FDIC Final Rules, 12 CFR Part 323.2(f)

### Exposure Time/Marketing Time

For hospitality properties, an exposure time up to one year is normal with six months typical. Market value is based on an exposure time up to one year with an average of around 6 months.

Transactions handled by real estate agents typically go through a regional or national firm specializing in hospitality properties.

Distressed properties have a short exposure time if the price is at a level to ensure a “quick sale.” For non-problem facilities, exposure time is up to one year with an average of six months before sale. The “property” market value estimate is based on an exposure time of one year or less. As the market is not projected to change dramatically the marketing time is projected to be the same as the exposure time.

**Fee Simple Interest**

Absolute ownership, unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.

**Real Estate**

Tangible land and improvements of an attached permanent or quasi-permanent nature.

**Furnishings, Fixtures, and Equipment**

Tangible furnishings, fixtures, and equipment (FF&E) needed for stabilized operation as operated. FF&E is either real estate or personal property based on its level of attachment.

**Personal Property: (Moveable Furnishings, Fixtures, and Equipment)**

Tangible moveable furnishings, fixtures, and equipment (FF&E) for stabilized operation.

**Pre-opening and Working capital**

The February 2022 *HVS Hotel Development Cost Survey 2021/22* defines this component as:

- Supply inventories – linen, operating supplies, initial purchases
- Technical services fees
- Pre-opening recruiting, staffing, and training
- Operating reserves

**Going Concern**

Going–Concern Value is defined in the fifth edition of the Appraisal Institute’s *Dictionary of Real Estate Appraisal* as:

1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
2. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable.

**Business Enterprise Value AKA Business Value**

Business enterprise Value (BEV) is defined in the fifth edition of the Appraisal Institute's *Dictionary of Real Estate Appraisal* as: "The value contribution of the total intangible assets of a continuing business enterprise such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, and operating agreements."

**Goodwill**

Value increase created from higher net income than expected for the tangible assets in use due to an existing superior operation or good reputation. It is extra going-concern value.

**Illwill**

Value decrease created from lower net income (or loss) than expected for the tangible assets in use due to an existing sub-standard operation or poor reputation. Its value loss can negatively influence all assets utilized.

**Competent Management**

Owner, operator and/or management that utilizes tangible assets according to their highest and best use in a manor that generates net income in the expected range for those assets.

**Designed Market Niche**

The operator, operation, care, service package, amenities and/or income niche the "property" is designed for.

**Alternate Market Niche**

An alternate operator, operation, care, service package, amenities and/or income niche from designed niche.



## REGIONAL ANALYSIS

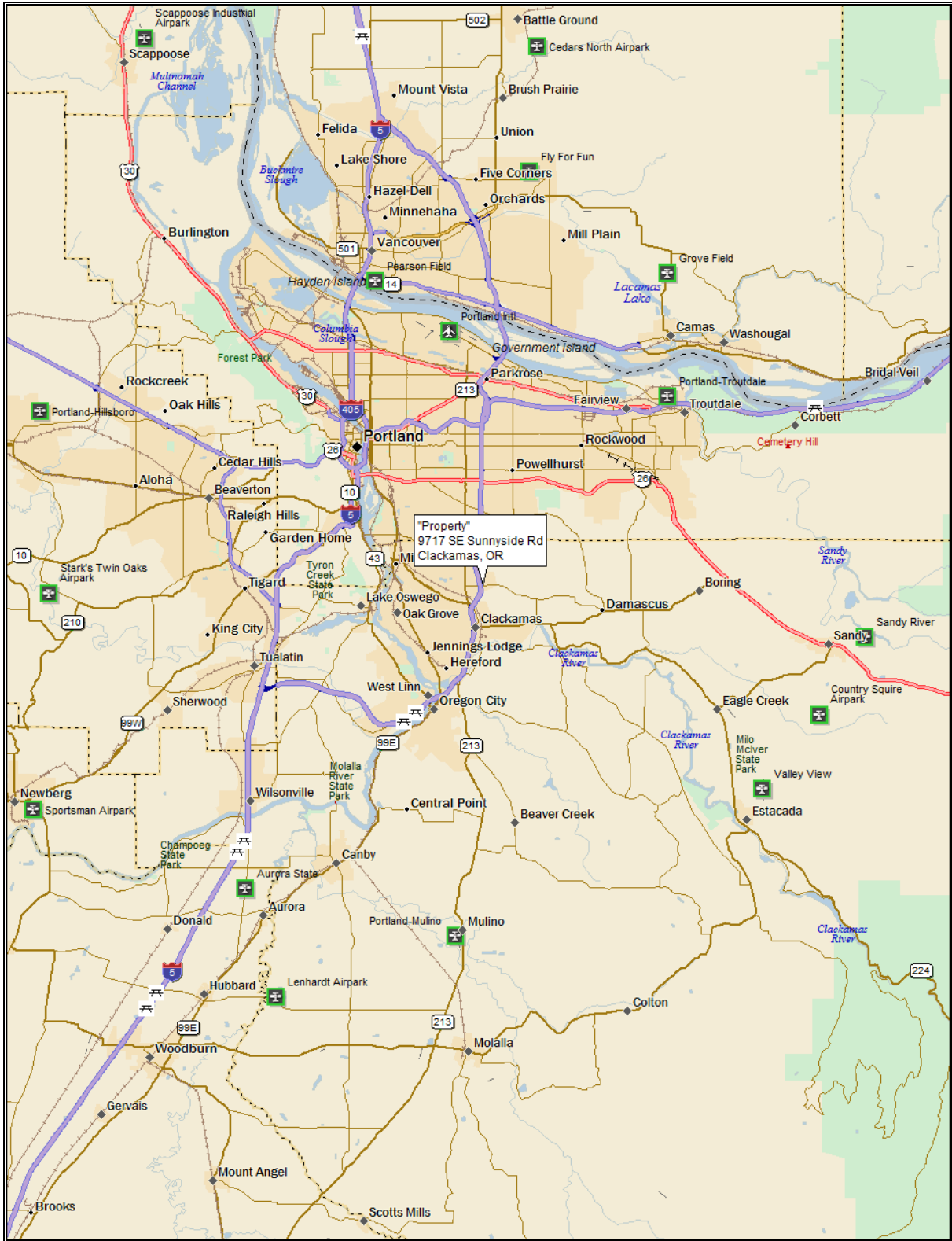
### Location

The “property” is in an unincorporated portion of Clackamas County, which is part of the Portland MSA, which is comprised of six counties. Multnomah County is to the north, Hood River and Wasco Counties are to the east, Marion County is to the south and west, and Yamhill and Washington Counties are to the west.

The nearest urban center is Portland with the downtown business district 9± miles to the northwest. The state capitol, Salem, is 40± miles to the southwest.

### Geography

The majority of land in Clackamas County is rural forestlands, with approximately one-eighth representing an urbanized area. The county encompasses 1,879± square miles, including Mt. Hood and the Mt. Hood National Forest. Major rivers include the Willamette and the Clackamas.



REGIONAL MAP

## **Climate**

Clackamas County has a moderate climate. The mean temperature is 38° Fahrenheit in the winter and 66° Fahrenheit in the summer. Annual precipitation averages 37± inches with snowfall seldom more than a few inches.

## **Transportation**

Interstate freeways servicing the region are Interstate 5 and 205. Both travel in a general north south direction, with I-205 bypassing the property on the west. Major regional arterials include Highway 99 East traveling in a north-south direction and Highways 224 and 121 traveling in an east-west direction.

The nearest major airport is Portland International 9± miles to the north of the “property.” It is serviced by national and regional carriers including Air Canada, Alaska Airlines, American, Delta, Frontier, JetBlue, Southwest, United, and Virgin.

## **Governmental Services, Taxes, And Utilities**

The governmental service center for the region is Oregon City, which is the county seat. Major institutions of higher learning include Clackamas Community College. Other major colleges and universities in the area are Portland State University, University of Portland, and Lewis and Clarke College. The regional property tax rate is roughly 1.5± percent of market value. There is not a local income tax or sales tax.

Governmental services in the cities and the county of the region are as expected.

Major utility providers include Portland General Electric for electrical service, Northwest Natural Gas for natural gas service and Century Link for telephone service. Local municipalities or private companies provide water and sewer service. Utility services are as expected for an urbanized area.

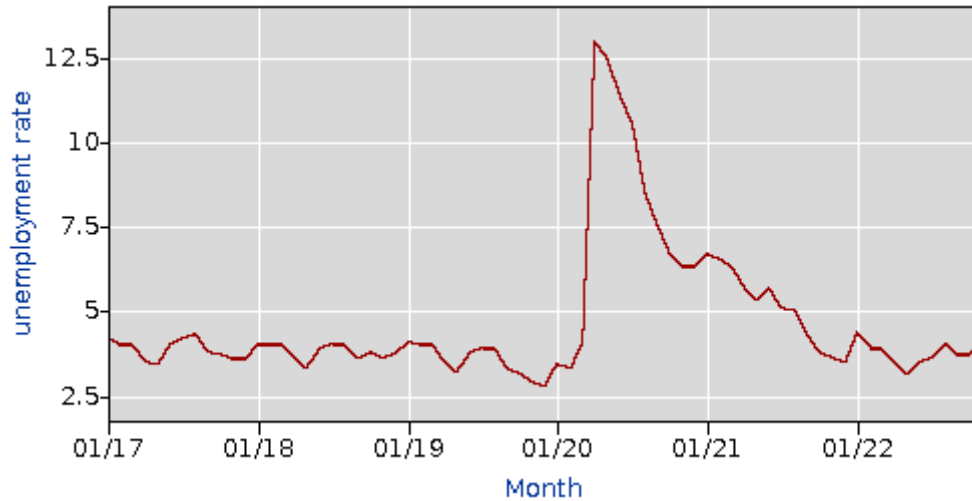
Regional malls include the Clackamas Town Center Mall, less than 1± miles to the west of the “property.”

## **Commercial Retail Center**

The commercial retail center servicing the region is Portland. It has multiple malls and shopping venues.

## **Economy**

The following charts shows the unemployment rate in the Portland MSA from 2017 through November 2022 (latest figures available):

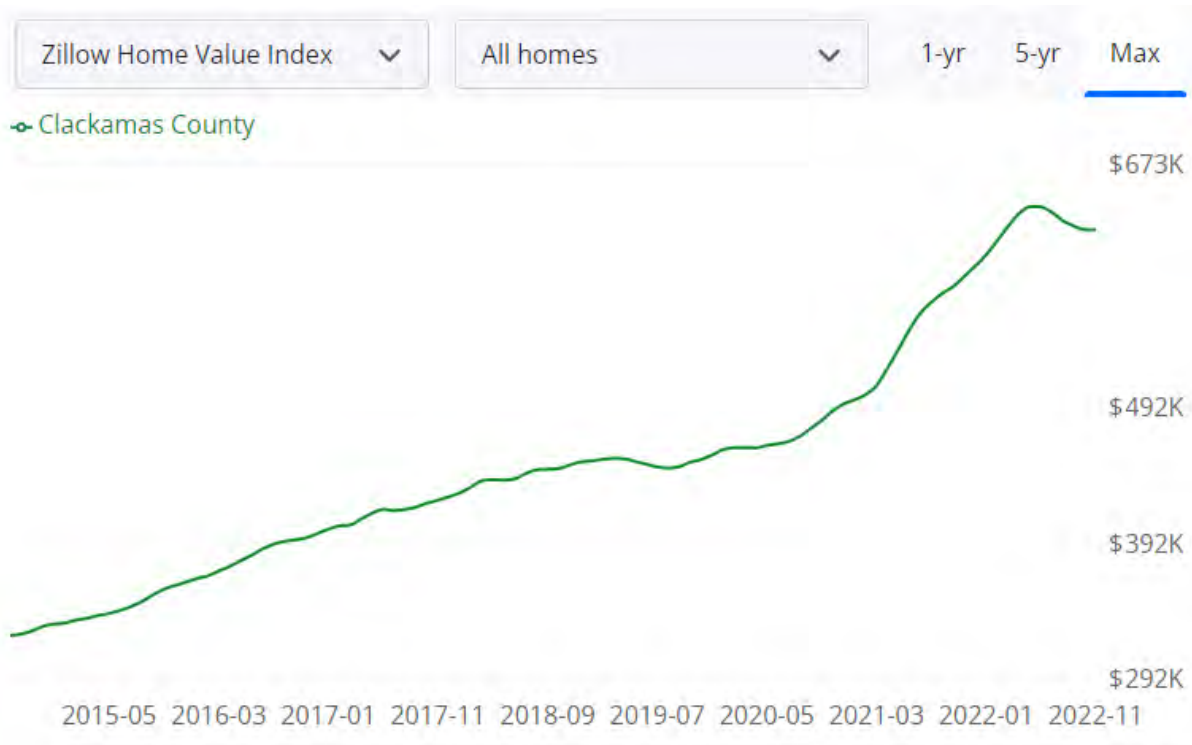


As can be seen in the graph above, unemployment spiked to record highs at the onset of the COVID-19 crisis in April of 2020, reaching a rate of 13 percent. Since then, the trend has been steadily downward, with additional spikes coinciding with further COVID variants like Delta and Omicron. As of November 2022, the unemployment rate sits at 4 percent, which is within pre-COVID historic norms.

Clackamas County is third among all 36 Oregon counties in vaccination rates, with 78 percent of the population having received at least one dose, 71.4 percent being fully vaccinated, and 44.2 percent having received their first booster.

### **Real Estate Trends**

The following chart shows the Zillow Home Value Index for Clackamas County:



The Zillow Home Index experienced a steady and steep increase before plateauing in late 2021/early 2022. As of November 30, 2022 (latest figures available), typical home values were around \$624,998 on average, a 5.9 percent increase from the previous year. Approximately 32.9 percent of sales were over list price and 45.6 percent were under list price, with a median of 17 days on the market.

### **Summary and Trends**

The “property” is in Clackamas County which is a part of the Portland MSA. The county is closely tied with Portland. The “property’s” location along I-205 in Clackamas is advantageous and attracts both business and tourist guests. The area economy is diverse and in has had a strong recovery period from the recent COVID-19 crisis. There is, however, current signs of recession partially due to rising interest rates to combat recent high inflation.

## NEIGHBORHOOD/SURROUNDING AREA ANALYSIS

### Location

The surrounding market area represents a major freeway interchange commercial district. The “property” is in the north-west section of the unincorporated area of Clackamas County on the north side of Sunnyside Road. Interstate Highway 205 (I-205) is adjacent to the west. The Portland International Airport is 9± miles to the north.

### Area Boundaries

Surrounding neighborhood boundaries are Sunnybrook Boulevard 1/3 mile to the south, SE 122<sup>nd</sup> Street 1.5 miles to the east, State Route 213 about 3/4 of a mile west, and Bob Schumbacher Road about 1/4 mile north.

### Terrain

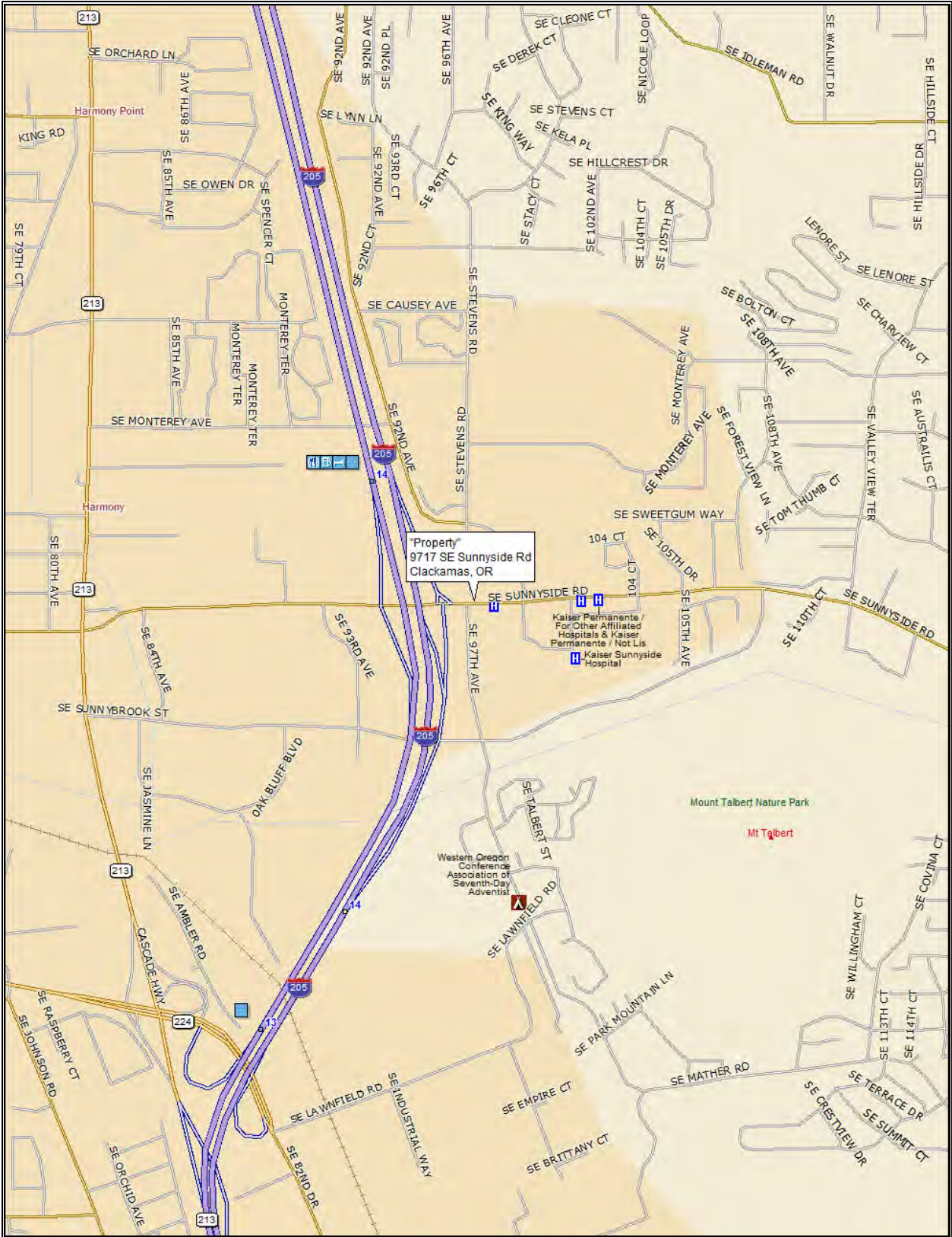
Terrain within the described area is generally level.

### Development Pattern

The predominant development pattern is commercial in character. Development dates to 1980's and 1990s and is of average to above-average quality. Most development is oriented to retail or professional office, which includes the Clackamas Towne Center Mall across I-205 to the west and Kaiser Permanente just to the east on the south side of Sunnyside Road. Uses range from banking, retail stores, professional offices, and restaurants.

### Transportation

The nearest freeway is Interstate 205, adjacent to the “property” to the west.



SURROUNDING AREA MAP

**Public Services**

All public services expected for an incorporated urban area are available. Police and fire protection is by Clackamas County.

**Hospitality Properties**

Nearby hospitality properties include the Sunnyside Inn and Suites, the Monarch Hotel and Conference Center, the Residence Inn by Marriott Portland-Clackamas, and the Courtyard by Marriott Portland Southeast/Clackamas.

**Retail**

The Clackamas Towne Center Mall is the center of local retail and includes a cinema. Other nearby retail is located along SE Sunnyside Rd and includes a variety of big box and boutique retail outlets and dining.

**Summary and Market Trends**

The surrounding area is a major freeway interchange district with a variety of commercial retail, professional office, medical, restaurant, and hospitality uses. Public, governmental, and commercial services are all within close proximity. Most development is of commercial use along SE Sunnyside Road, SE Sunnybrook Blvd, and the I-205 exit with residential development off major thoroughfares. No detrimental uses are noted. The long term outlook of the area is for stability (it has recovered from the COVID pandemic) but there are signs the greater economy is entering into a recession in the near term..



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## SITE ANALYSIS

### Overview

The site is a 2.03± acre (88,427± square feet) irregular shaped parcel of level to sloping terrain. It has improved street frontage with average access and thoroughfare exposure. The site has a territorial view. Full utility service for the area is available.

### Zoning

Zoning is RCC (Regional Central Commercial) by Clackamas County. This zoning allows a variety of commercial uses. Hospitality use is a permitted outright use. The existing improvements were granted approval by the county and represent a legal use.



**SITE PLAT**

## Utilities

Water, sewer, electric, and telephone services are to the site.

## Street Frontage



Frontage – SE Sunnyside Rd facing east



Frontage – SE Sunnyside Rd facing west

The site has about 140± lineal feet of street frontage along Sunnyside Road, which is an asphalt-paved, four-lane, two-directional, public right-of-way with a right-turn lane that leads to I-205. Street frontage is improved with concrete curbs, gutters, and sidewalks. There are metal street lamp posts. On-street parking is not available along the site’s street frontage.

There is also 40± lineal feet of frontage along Stevens Street, which dead-ends at the northeast corner of the site. At the intersection with Bob Schumbacher, just north of the site, Stevens angles southeast leading to Sunnyside Road. To the north of Bob Schumbacher it leads to residential neighborhoods.

## Access and Visibility

Vehicle access is limited to a 40± foot wide asphalt driveway from Stevens Street and a driveway leading from the “Sunnyside 205” center on the east. Visibility from Sunnyside Road and the surrounding area is good. The “property” has direct visibility from the freeway. Along the freeway there are two identification signs near the off-ramps.

### **Fire Protection**

There is a fire hydrant on the site. The nearest fire station is about 1± mile northwest of the site on Fuller Road. Another fire station is about 1± south on Industrial Way.

### **Surrounding Uses**

Surrounding uses include the “Sunnyside 205” retail and office center adjacent to the east. Further east across Stevens Street is the Sunnyside Plaza retail center. Adjacent to the north is a small one-story office building. The surrounding area to the north consists of several larger two and three-story professional office buildings. Across Sunnyside Road directly south is a service station, followed by a restaurant and the Sunnyside Inn. To the east of these buildings is the Kaiser Permanente medical campus. Adjacent to the west is I-205. On the west side of I-205 is the Clackamas Town Center Mall. Surrounding uses are not detrimental to site use. The shopping center, hospital, and restaurant uses west are beneficial.

### **Easements and Encroachments**

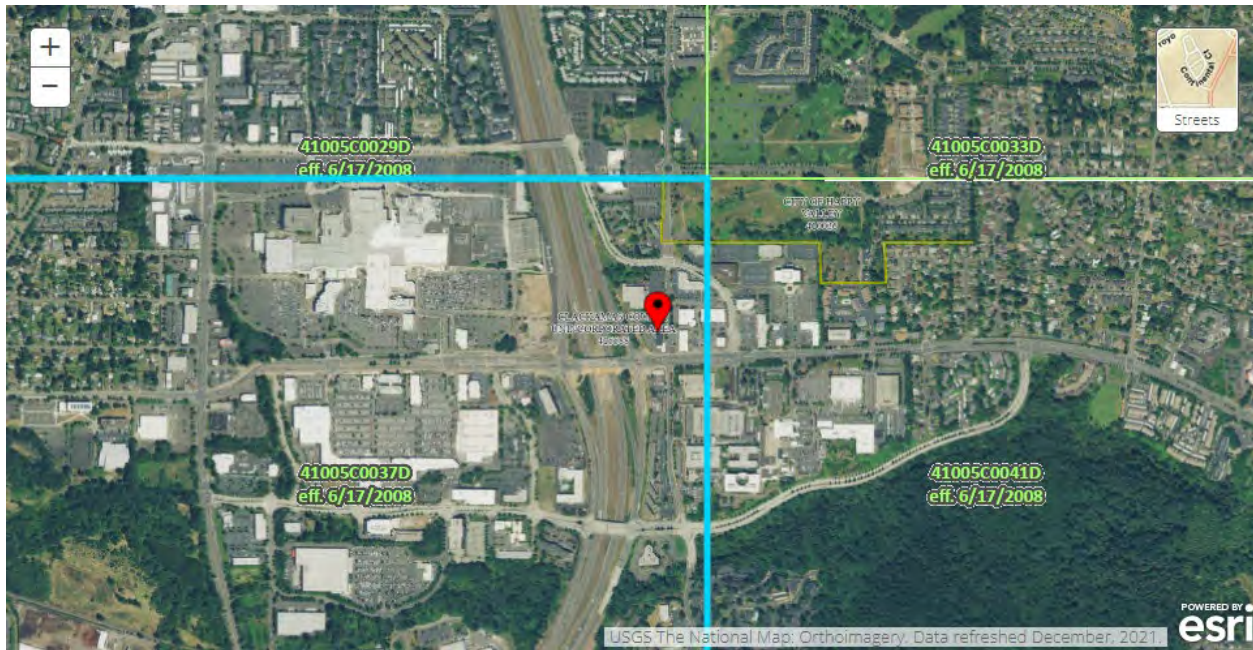
No adverse easements or encroachments encumbering or accruing to the “property” or adjoining parcels are known of. There are standard utility easements.

### **Soil Load-Bearing Characteristics**

No significant improvement settling or soil subsidence was noted on inspection and none were reported. The appraiser, however, is not qualified to determine soil load-bearing capability, which is beyond the appraisal scope.

### **Drainage and Flood Zone Classification**

No signs of inadequate drainage or flooding were noted and none were reported. The flood zone classification is Zone X, which is outside the 100 year flood zone. The FEMA Community Panel is 415588-0041D, dated June 17, 2008. The scope of flooding analysis is limited to reporting FEMA flood zone status.



<https://msc.fema.gov/portal/search#searchresultsanchor>

### **Environmental Hazards and Flora/Fauna**

No vegetation stress or environmental hazards were noted and none were reported. No natural flora and fauna of environmental significance were evident. The appraiser, however, is not qualified to determine environmental issues, which are beyond the appraisal scope.

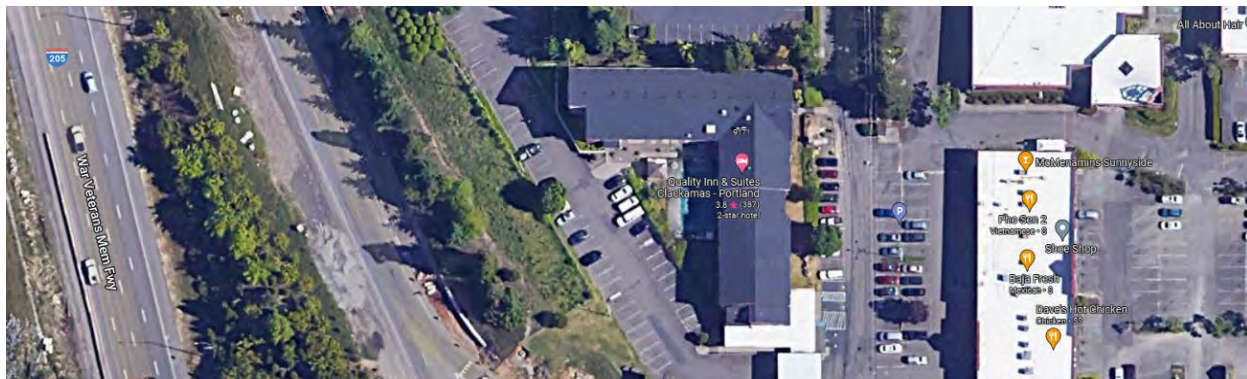
### **View**

There is no enhanced view value.

### **Surplus/Excess Land**

The site lacks surplus or excess land for existing use.

## IMPROVEMENT ANALYSIS



Aerial Overview of Improvements

### Improvement Characteristics

Gross Improved Area:	44,048
Number of Buildings:	1
Stories:	Three
Shape:	L-shaped
Guest Room Access:	Via interior double-loaded corridor in hotel improvements.

### Overview of Improvements

The “property” is an existing “L” shaped three-story wood-frame average quality limited-service motel with 109 guest rooms built in 1987. The expected economic life is 45± to 50± years. It contains a total gross floor area of 44,048 square feet.

The main entrance is on the first floor. Common areas include a lobby, front desk, administrative office, business center, continental breakfast room, pool, patio, exercise room, conference/meeting room, and guest laundry. The main entrance floor also contains guestrooms, as do the other floors. Access to guestrooms is via interior corridors.

A summary of the basic building components is presented below.

### Basic Building Components

Foundations:	Reinforced Concrete Slab
Exterior Wall Frame:	Wood-Frame
Roof Frame:	Wood-Frame
Exterior Finish:	Painted Stucco
Roof Design/Cover:	Flat with composition cover
Main Entry Doors:	Storefront, Glass
Other Exterior Doors:	Metal in Metal Frames
Interior Doors:	Composite, Solid Core
Windows:	Vinyl, Thermo-pane

## Guest Rooms/Finish

The guest room finish is summarized in the table below.

### Guest Room Finish

Interior Partitions Finish:	Taped and textured sheetrock/gypsum board
Ceiling Finish:	Taped and textured sheetrock/gypsum board
Floor Surfaces:	Vinyl tiles in main portions of guest rooms, with plank tile in bathroom areas.
Bathroom:	Bathrooms include a wall-mounted vanity with quartz countertop and backsplash, a tub with overhead shower nozzle, and a porcelain toilet. A small number of guest rooms have accessible bathrooms.

### Common Area Finish

Flooring Finish:	Vinyl Tile/VCT, Ceramic Tiles
Wall Finish:	Taped and textured sheetrock/gypsum wall board with most areas having wallpaper cover.
Ceiling Finish:	Taped and textured sheetrock/gypsum wall board.

### Mechanical Components

Fire Protection:	Hotel improvements have full fire sprinkler protection via a wet system, equipped with alarms and hard-wired ceiling-mounted smoke detectors in common areas as well as guest rooms.
HVAC:	The hotel improvements are served by ductless mini split units for corridors, while guest rooms are served by individual PTAC through the wall units.
Plumbing:	Assumed adequate and to code. Tankless water heaters provide for separate domestic and kitchen/laundry uses. Hot water is in continuous circulation.
Electrical:	Assumed adequate and to code. Electrical lights are ceiling and wall-mounted fixtures, with additional emergency back-up lighting in corridors and common areas.
Elevators:	One hydraulic, passenger-operated elevator serves the hotel improvements.

### Yard Improvements

Paving/Parking:	Asphalt paving and concrete curbing for parking spaces plus driveways and aprons as well as paved concrete for pool deck/patio.
Landscaping/Lawn:	Landscaping includes irrigated landscaping/lawn areas, with ground cover, trees, shrubs, and flower beds.

### FF&E

Common Areas:	Common areas include the necessary furnishings and equipment to provide adequate lodging services.
Laundry and Linen:	The staff laundry includes commercial washers and a gas fired commercial dryers.
Guest Rooms:	Guest rooms include all necessary furnishings such as beds, night stands, mini-fridge, flat screen televisions, and desks with chairs.

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## **CONDITIONAL AND FUNCTIONAL FEATURES**

### **Physical**

Construction on the “property” was completed in 1987 and includes recent significant renovations since 2016 totaling \$1,439,346.48 according to ownership. These renovations include room renovations, common area renovations, parking lot improvements, repainting, lobby expansion, bathroom renovations, new roofing, painting, new signage, and new plumbing. Although the property has been well maintained, as a 35-year-old motel, physical depreciation is a factor. The effective age of the improvements is estimated at 15± years.

### **Functional**

The design is average-plus for intended use. Construction materials and quality are average to above average and well suited for current use and marketing niche. Functional obsolescence does not result from either super adequacy or deficiency in construction quality or building materials. The total number of rooms and the location of the improvement on the site provided good utility of the subject site. The room mix, while catering to business guests, offers a variety of room types to accommodate leisure guests. Functional obsolescence is not a factor.

### **Economic/External**

The motel is in a retail/commercial area, which reasonably supports lodging facility use. Proximity to the interstate is advantageous. Access and visibility from Interstate 205 is average. The subject markets aggressively to the local business market and the location is adequate for this market niche. The subject’s historic occupancy levels indicate that sufficient demand exists for its lodging facility use. Economic/external obsolescence does not result in loss of value.

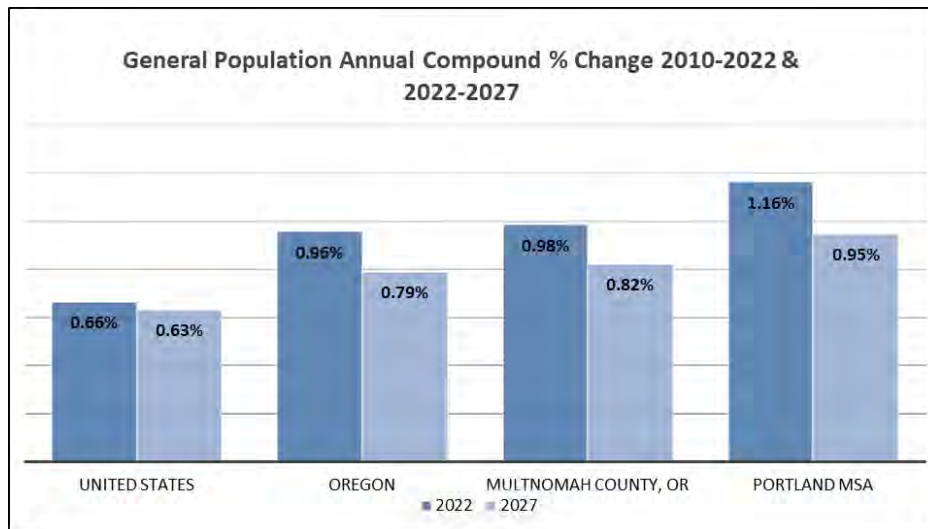


## DEMOGRAPHICS

*Environics Analytics, Spotlight* (formerly *Claritas*) Demographics are used to compare "property" primary and secondary market areas to state and national figures. The primary or local market area is represented by the Portland MSA. The secondary is Multnomah County in its entirety. General demographics determine if the market area is experiencing trends different from the state and nation.

### General Population

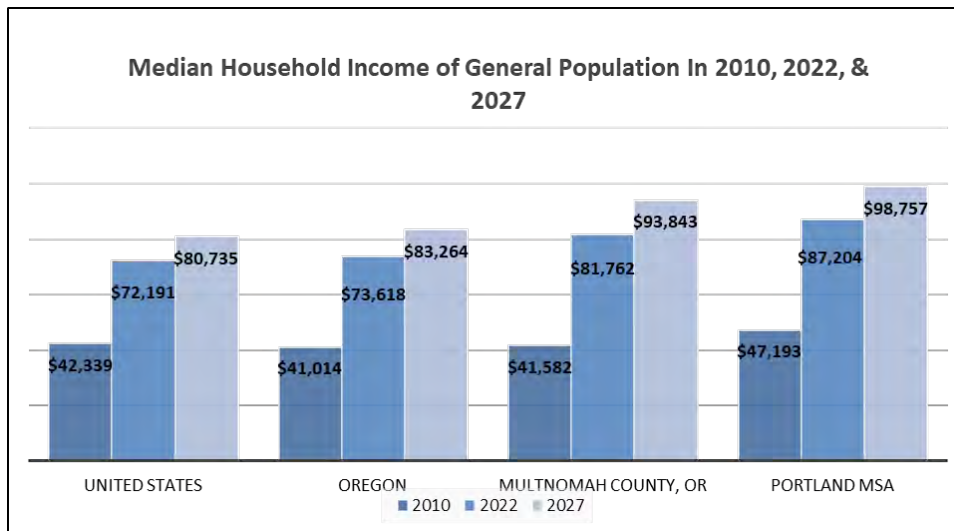
General population demographics for the four geographical regions are compared, utilizing the most recent national census data, current area statistics, and results of a projected five-year analysis. The PMA, SMA, national, and state figures are compared to determine general population trend variances. If the PMA general population is increasing more rapidly than the other geographic categories, it indicates an influx of new residents and a more robust economy. The converse indicates a trend of migration out of the area and a weak or flat economy. The following bar chart compares general population percentage changes from the most recent national census, the area's current statistics, and five-year projected data for the four geographical regions analyzed (national, state, secondary market area, and primary market area).



**Median Household Income**

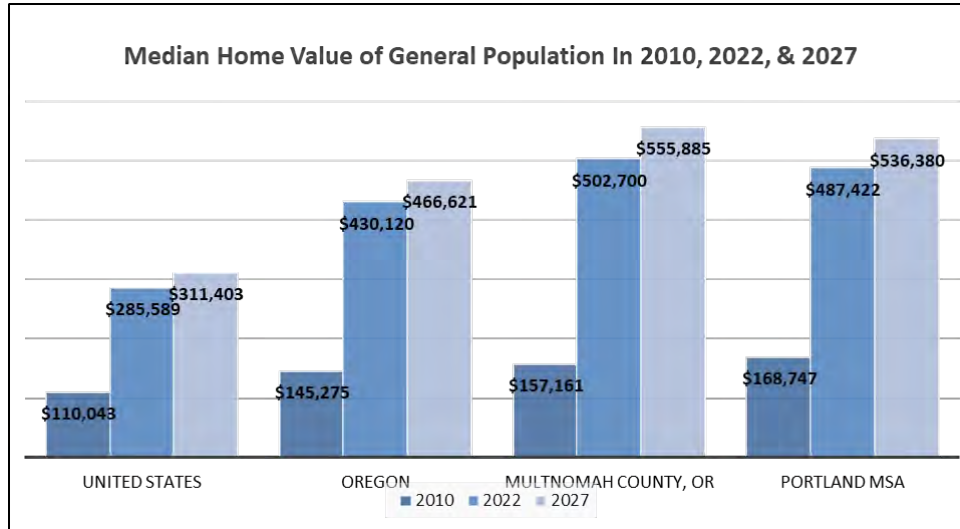
Median household income is the best measure of general purchasing power in the PMA. Differences between the PMA and other geographical areas determine relative affluence and economic trend. A PMA with a lower median household income than the national average may still be a relatively affluent area if its median household income exceeds state or secondary market area figures. The reverse is also true. A PMA with a median household income that exceeds national figures may remain comparatively poor if significantly below statewide and SMA median household incomes.

The second consideration is the median income trend over time. Inflation consistently influences median household income upward. The trend, however, for a PMA can differ from a larger geographical area such as county, or from the state or national trend. The following chart shows median household income nationally, statewide, for the SMA, and the PMA. It is based on 2000 census data, the current estimate, and 5-year projections.



**Median Home Value**

Median home value is a reliable measure of an area’s real estate market trend and economic health. As with median household income, it is important to compare the local or PMA home value with the larger SMA, statewide, and national data. An area with a lower median home value than the nation can still be in an affluent area if its median household income significantly surpasses the secondary market or state median household income. The converse is also true.



The following table provides a summary of national, state, secondary market area, and local demographic comparison as outlined.

Demographic Comparison By National, State, Secondary, and Primary Market Areas								
Demographic Group And Area Covered								
	United States		Oregon		Multnomah County, OR		Portland MSA	
	National	%/Change	State	%/Change	Secondary Area	%/Change	Primary/Local	%/Change
<b>General Population &amp; Annual Compound Percentage Change</b>								
2010 .....	308,745,538		3,831,074		735,334		2,226,009	
2022 .....	334,279,739	0.66%	4,295,247	0.96%	827,067	0.98%	2,557,385	1.16%
2027 .....	344,999,336	0.63%	4,467,697	0.79%	861,582	0.82%	2,680,725	0.95%
<b>General Population Median Household Income &amp; % Of US, State, and Secondary/Larger Market Area</b>								
2010 .....	\$42,339	100%	\$41,014	96.9%	\$41,582	101.4%	\$47,193	113.5%
2022 .....	\$72,191	100%	\$73,618	102.0%	\$81,762	111.1%	\$87,204	106.7%
2027 .....	\$80,735	100%	\$83,264	103.1%	\$93,843	112.7%	\$98,757	105.2%
<b>General Population Median Home Value &amp; % Of US, State, and Secondary/Larger Market Area</b>								
2010 .....	\$110,043	100%	\$145,275	132.0%	\$157,161	108.2%	\$168,747	107.4%
2022 .....	\$285,589	100%	\$430,120	150.6%	\$502,700	116.9%	\$487,422	97.0%
2027 .....	\$311,403	100%	\$466,621	149.8%	\$555,885	119.1%	\$536,380	96.5%

Source: Environics Analytics, Spotlight Demographics (Key Comparison By Aaron Brown & Associates, Inc.)

## MARKET ANALYSIS

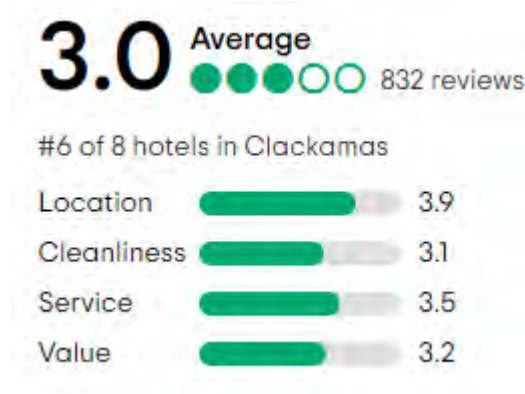
### Market Area Definition

The subject’s primary market area is the Portland MSA, of which Clackamas is a part. Geographical and political influences effectively separate this market from those of other surrounding communities.

### PRIMARY COMPETITION

The “property” represents an economy-class motel operating as a Quality Inn franchise. Amenities include free parking, free Wi-Fi, pool, free breakfast, business center, and self-serve laundry.

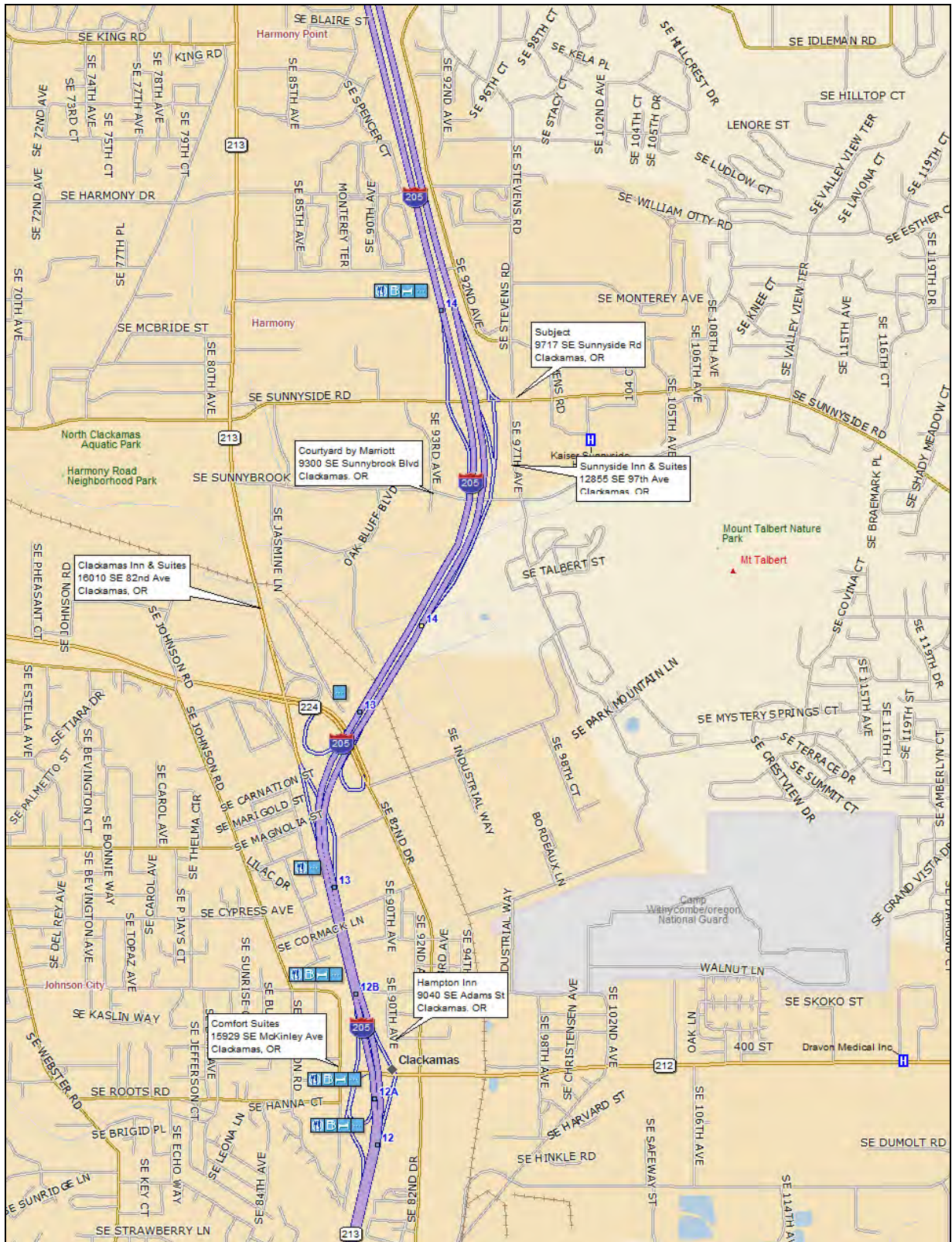
According to the Internet site Trip Advisor, the subject hotel has an average rating of 3 out of 5 with 832 reviews (note that TripAdvisor incorrectly labels the “property’s” name as Clarion Inn and Suites). The following chart summarizes customer reviews for the subject on the Trip Advisor site.



Shown on the following list are the hotels, which represent the “property’s” primary competition.

Primary Competing Guest Room Supply				
Hotel	Location	Quality/Condition	Location	Guestrooms
<b>Subject</b>	<b>9717 SE Sunnyside Ave, Clackamas, OR 97015</b>	<b>Average/Average</b>	<b>Average</b>	<b>109</b>
Sunnyside Inn & Suites	12855 SE 97th Ave, Clackamas, OR 97015	Average/Average	Similar	138
Clackamas Inn & Suites	16010 SE 82nd Dr., Clackamas, OR 97015	Average/Average	Similar	44
Comfort Suites	15929 SE McKinley Ave, Clackamas, OR 97015	Average/Average	Similar	50
Hampton Inn Portland/Clackamas	9040 SE Adams Street, Clackamas, OR 97015	Average/Average	Similar	114
Courtyard by Marriott Portland	9300 SE Sunnybrook Blvd, Clackamas, OR 97015	Average/Average	Similar	136
<b>Total</b>				<b>482</b>

Note there is a new Residence Inn at the Clackamas Town Center. As a brand new extended stay hotel with a higher tier niche, it is not considered one of the primary competitors.



COMPARABLE MAP

**HOTEL COMPARABLE NO. 1**



<b>NAME:</b>	Sunnyside Inn & Suites		
<b>LOCATION:</b>	12855 SE 97th Ave, Clackamas, OR 97015		
<b>DESCRIPTION:</b>	Two-story wood-frame average quality limited-service motel with 138 guestrooms accessible via exterior corridors.		
<b>AMENITIES:</b>	Free parking, free wifi, pool, breakfast, meeting rooms, sun terrace, laundry service, self-serve laundry		
<b>ROOM RATES:</b>	<b>Room Type</b>		<b>Rates</b>
	Single Queen		\$72
	Double Queen		\$75
	Single King		\$78
	Executive Suite		\$99
	Family Suite		\$139
<b>ADR:</b>	\$90± to \$100± Estimated based on rate schedule.		
<b>OCCUPANCY:</b>	60%± to 70%± Estimated		
<b>COMMENTS:</b>	This motel is rated 3.5/5 on TripAdvisor (out of 112 reviews).		

**HOTEL COMPARABLE NO. 2**



<b>NAME:</b>	Clackamas Inn & Suites		
<b>LOCATION:</b>	16010 SE 82nd Dr., Clackamas, OR 97015		
<b>DESCRIPTION:</b>	Three-story wood-frame average quality limited-service motel with 44 guestrooms accessible via interior corridors.		
<b>AMENITIES:</b>	Free parking, free wifi, pool, breakfast, newspaper, parking garage, hot tub, self-serve laundry		
<b>ROOM RATES:</b>	<b>Room Type</b>		<b>Rates</b>
	Double Queen		\$119
	Single King		\$119
<b>ADR:</b>	\$90± to \$100± Estimated based on rate schedule.		
<b>OCCUPANCY:</b>	60%± to 70%± Estimated		
<b>COMMENTS:</b>	This motel is rated 4/5 on TripAdvisor (out of 242 reviews).		

**HOTEL COMPARABLE NO. 3**



<b>NAME:</b>	Comfort Suites		
<b>LOCATION:</b>	15929 SE McKinley Ave, Clackamas, OR 97015		
<b>DESCRIPTION:</b>	Three-story wood-frame average quality limited-service motel with 50 guestrooms accessible via interior corridors		
<b>AMENITIES:</b>	Free parking, free wifi, pool, fitness center, breakfast, bicycle rental, hot tub, sauna, business center, self-serve laundry		
<b>ROOM RATES:</b>	<b>Room Type</b>		<b>Rates</b>
	Single King		\$126
	Double Queen		\$134
	Single King Suite		\$168
<b>ADR:</b>	\$95± to \$105± Estimated based on rate schedule.		
<b>OCCUPANCY:</b>	60%± to 70%± Estimated		
<b>COMMENTS:</b>	This motel is rated 3/5 on TripAdvisor (out of 159 reviews).		



**HOTEL COMPARABLE NO. 4**



<b>NAME:</b>	Hampton Inn Portland/Clackamas		
<b>LOCATION:</b>	9040 SE Adams Street, Clackamas, OR 97015		
<b>DESCRIPTION:</b>	Four-story wood-frame average quality limited-service motel with 114 guestrooms accessible via interior corridors.		
<b>AMENITIES:</b>	Free parking, free wifi, hot tub, fitness center, business center, breakfast, convenience store, meeting rooms, self-serve laundry		
<b>ROOM RATES:</b>	<b>Room Type</b>		<b>Rates</b>
	Single Queen		\$119
	Double Queen		\$119
	Single King		\$119
<b>ADR:</b>	\$90± to \$100± Estimated based on rate schedule.		
<b>OCCUPANCY:</b>	60%± to 70%± Estimated		
<b>COMMENTS:</b>	This motel is rated 4/5 on TripAdvisor (out of 888 reviews).		

**HOTEL COMPARABLE NO. 5**



<b>NAME:</b>	Courtyard by Marriott Portland SE/Clackamas		
<b>LOCATION:</b>	9300 SE Sunnybrook Blvd, Clackamas, OR 97015		
<b>DESCRIPTION:</b>	Four-story wood-frame average quality limited-service motel with 136 rooms accessible via interior corridors.		
<b>AMENITIES:</b>	Free parking, free wifi, fitness center, bar/lounge, business center, conference facilities, restaurant, snack bar, meeting rooms, dry cleaning, self-serve laundry		
<b>ROOM RATES:</b>	<b>Room Type</b>		<b>Rates</b>
	Double Queen		\$165
	Single King w/sofa bed		\$170
	Two-room suite		\$206
<b>ADR:</b>	\$110± to \$120± Estimated based on rate schedule.		
<b>OCCUPANCY:</b>	60%± to 70%± Estimated		
<b>COMMENTS:</b>	This motel is rated 4/5 on TripAdvisor (out of 307 reviews).		

## PROPOSED COMPETITION

The Clackamas Planning Department indicated that they did not know of any hotel or motel projects in the “property’s” economic niche. A new Residence Inn was recently completed in Clackamas Town Center. It is extended stay and a higher market niche.

## EFFECTIVE DAILY ROOM RATE

Older facilities typically achieve lower occupancy and ADRs. Mid-priced hotels with a 3-diamond rating typically have ADRs above mid-priced hotels with 2-diamond ratings. This is due to the generally superior locations and physical characteristics. The “property” is an economy tier motel. Its ADR and occupancy levels should be within the range indicated by the competing hotels in its market area. The revenue per available room rates (RevPAR = ADR x occupancy) are calculated following and indicate the relative performance of each hotel/motel.

Comparable Market Rates						
Motel/Hotel	Standard Rates	Est. ADR **	Est. Occ. **	Est. RevPAR	Discounts	# Rooms
<b>Subject *</b>	<b>\$118 to \$153</b>	<b>\$110.00</b>	<b>65%</b>	<b>\$71.50</b>	<b>5% to 25%</b>	<b>109</b>
Sunnyside Inn & Suites	\$72 to \$139	\$90 to \$100	60% to 70%	\$58.50	5% to 25%	138
Clackamas Inn & Suites	\$119 to \$119	\$90 to \$100	60% to 70%	\$65.00	5% to 25%	44
Comfort Suites	\$126 to \$168	\$95 to \$105	60% to 70%	\$70.00	5% to 25%	50
Hampton Inn Portland/Clackamas	\$119 to \$119	\$90 to \$100	60% to 70%	\$61.75	5% to 25%	114
Courtyard by Marriott Portland	\$165 to \$206	\$110 to \$120	60% to 70%	\$74.75	5% to 25%	136

\* Projected ADR & Occupancy

The above properties have a broad range in profiles with RevPAR estimated from \$61.75± to \$74.75±. Due to the “property’s” location, franchise, and amenities, representing a limited service economy motel under competent ownership/management, along with the general increase in hotel activity with the improving economy it should achieve an ADR and occupancy in the lower-middle section of the comparable range. Note the above Estimated ADR, occupancy, and RevPAR consider the 2020 low occupancy and ADR due to COVID. The projection for the “property”, however, is for the future and considers a return to a more normal market (which is likely within the next year due to the distribution of COVID vaccines).

## SUPPLY

As previously indicated there are 5 existing motels/hotels plus the subject in PMA with a total of 482± guestrooms.

The Clackamas Planning Department reported that they did not know of any new hotel or motel projects in the “property’s” economic niche planned or ongoing.

Furthermore, the ongoing COVID-19 crisis continues to cause construction delays and supply line disruptions, making all planned and proposed construction difficult to anticipate as far as reliable construction schedules.

### **DEMAND**

In estimating future demand for the “property’s” existing guest rooms, tourism characteristics are reviewed, as well as occupancies of competing hotels, regional and local room tax revenues, and industry occupancy and ADR data.

### **OCCUPANCY AND ADR**

Demand for lodging is generated as a result of primarily the business guest serving the economy to mid tier market. Guests are generated from the location near Interstate-5.

A hotel’s stabilized occupancy depends on where it fits in the market. The “property” is an average quality limited-service Quality Inn with 109 guestrooms. The Quality Inn is a national franchise and is a strong economy-tier brand. It should have a strong recovery as the hospitality industry improves from the COVID pandemic.

### **Local Occupancy and ADR Trends(Smith Travel Research)**

To determine occupancy and ADR trends, a *Smith Travel Research Report* (STR Global), was obtained from ownership and it includes occupancy and ADR trends for the property and five additional Federal Way motels. Data was compiled for 2020, 2021, and through November of 2022. Shown on the following tables:

## Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Clarion Inn & Suites Clackamas-Portland 9717 SE Sunnyside Rd Clackamas, OR 97015-9784 Phone: (503) 654-1699

STR # 22467 ChainID: OR267 MgtCo: None Owner: None

For the Month of: December 2020 Date Created: January 15, 2021 Monthly Competitive Set Data Excludes Subject Property

### December 2020

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	34.2	52.2	65.4	69.26	72.39	95.7	23.66	37.80	62.6
Year To Date	38.0	59.1	64.4	77.08	75.32	102.3	29.30	44.48	65.9
Running 3 Month	38.4	58.2	65.9	71.79	74.75	96.0	27.54	43.51	63.3
Running 12 Month	38.0	59.1	64.4	77.08	75.32	102.3	29.30	44.48	65.9

### December 2020 vs. 2019 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-16.5	-19.5	3.7	-9.8	-3.4	-6.6	-24.7	-22.3	-3.1
Year To Date	-32.9	-24.5	-11.1	-20.0	-16.2	-4.5	-46.3	-36.7	-15.2
Running 3 Month	-25.8	-20.0	-7.3	-15.2	-5.7	-10.0	-37.0	-24.5	-16.6
Running 12 Month	-32.9	-24.5	-11.1	-20.0	-16.2	-4.5	-46.3	-36.7	-15.2

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## Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Clarion Inn & Suites Clackamas-Portland 9717 SE Sunnyside Rd Clackamas, OR 97015 Phone: (503) 654-1699

STR # 22467 ChainID: OR267 MgtCo: None Owner: None

For the Month of: December 2021 Date Created: January 19, 2022 Monthly Competitive Set Data Excludes Subject Property

### December 2021

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	50.8	62.4	81.3	103.31	93.49	110.5	52.44	58.38	89.8
Year To Date	70.3	65.9	106.7	101.98	96.26	105.9	71.69	63.40	113.1
Running 3 Month	62.1	66.5	93.4	103.88	97.43	106.6	64.54	64.84	99.5
Running 12 Month	70.3	65.9	106.7	101.98	96.26	105.9	71.69	63.40	113.1

### December 2021 vs. 2020 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	48.6	51.9	-2.2	49.2	29.7	15.1	121.6	97.0	12.5
Year To Date	84.7	30.5	41.5	32.5	20.2	10.2	144.7	57.0	55.9
Running 3 Month	61.8	40.1	15.5	44.9	26.9	14.2	134.4	77.7	31.9
Running 12 Month	84.7	30.5	41.5	32.5	20.2	10.2	144.7	57.0	55.9

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## Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Quality Inn & Suites Clackamas - Portland 9717 SE Sunnyside Rd Clackamas, OR 97015 Phone: (503) 654-1699

STR # 22467 ChainID: OR267 MgtCo: None Owner: None

For the Month of: November 2022 Date Created: December 16, 2022 Monthly Competitive Set Data Excludes Subject Property

### November 2022

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	50.6	66.7	75.9	102.25	102.59	99.7	51.78	68.47	75.6
Year To Date	61.2	69.5	88.1	114.24	110.87	103.0	69.92	77.05	90.7
Running 3 Month	58.8	69.2	84.9	109.50	109.41	100.1	64.39	75.75	85.0
Running 12 Month	60.3	68.9	87.5	113.46	109.56	103.6	68.44	75.50	90.6

### November 2022 vs. 2021 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-27.5	-1.1	-26.7	0.5	5.8	-5.0	-27.1	4.7	-30.3
Year To Date	-15.1	5.0	-19.1	12.1	14.9	-2.4	-4.8	20.7	-21.1
Running 3 Month	-16.4	-1.1	-15.4	0.7	7.7	-6.5	-15.8	6.4	-20.9
Running 12 Month	-12.4	7.6	-18.6	12.9	15.1	-2.0	-1.1	23.9	-20.2

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An ADR of \$110 and an occupancy of 65% is projected. These are in line with historical performance and STR trends and are considered reasonable.

**SUMMARY**

Analyses of the regional lodging industry averages and the operating characteristics of the “property” results in a projected stabilized occupancy estimate of 65 percent and an ADR estimate at \$110.



## HIGHEST AND BEST USE ANALYSIS

Highest and best use is that which results in the greatest net return with consideration given to the “public good.”

It is a legal use complying with governmental requirements, as well as private deed restrictions and covenants; a physically practical use for site and improvement limitations; and is economically viable with capital expenditures supported by net return. Improvements not the highest and best use of the site, if vacant, have deferred maintenance and/or functional/economic obsolescence.

In theory, there is one highest and best use. Practical limitations restrict analysis to “reasonable” highest and best use that limits detail with one or more possible highest and best uses. It typically does not specify guest room mix, number or square footage, building square footage, height, room layout, common area, lot coverage, set-back, etc. It does review “reasonableness” of specifics.

Highest and best use first considers the land as-if vacant, then highest and best use for improvements as proposed or existing.

### **LAND “AS-IF VACANT”**

#### **Legal Considerations**

The site is zoned RCC, Regional Center Commercial, by the Clackamas County Planning Department. This zoning designation encourages commercial and retail development along primary thoroughfares. Motels and hotels are a permitted use. No other legal restrictions to use of the site was made known to the appraiser and none are assumed.

#### **Physical Site Restrictions**

The site is a 2.03± acre (88,427± square feet) irregular shaped parcel. It is basically level with a gentle slope from east to west. Street frontage along Sunnyside has a southerly slope with the south side setting about 5± feet above grade. There is no direct access from Sunnyside Road. Access is provided from SE Stevens which dead-ends at the northeast corner of the site and through the adjacent Sunnyside 205 center on the north east side. Full utility service for the area is available.

Physically, the site can accommodate a range of improvement types of the legally permissible uses.

### **Development Trend**

The neighborhood is a major commercial district along Interstate Highway 205, which is an alternative north-south highway that passes through the Portland Metropolitan Area. Existing development consists of a mix of commercial uses including hotels, restaurants, gas stations, small and large retail stores, and other commercial/retail uses. As the primary highway passing through the region, it is experiencing increased tourism and growth in local economy.

Hospitality properties tend to group together in small neighborhoods that serve transit, business, or destination needs. Transit locations include freeway/highway, airport related commercial uses such as service stations, mini markets, and truck stops. Business locations include centers of employment with offices, manufacturing, and distribution buildings either adjacent to or in the neighborhood. Destination neighborhoods tend to be recreational oriented such as ski or coastal area. All of these locations tend to also include restaurants and drinking establishments. The “property’s” surrounding area is highway commercial oriented. The service development trend for the neighborhood supports hospitality use.

### **Most Probable General Uses**

Based on legal, physical and development trend restrictions, the most probable use is hospitality development or other related commercial use.

### **Functional Design Specifics**

Specific location and exiting competition influence selection of market niche. Hospitality properties grouped together with a broad range of market niche are complimentary to one another. Existing competition encourages development of a facility targeting the (budget, economy, lower mid, middle, upper middle, luxury) price market.

For hospitality properties in the subject’s neighborhood modern development trend is of two- to four-story, wood frame, average/average-plus quality construction. Guestroom count and mix is 50 to 150± rooms divided between one and two-bed guest rooms plus suites if serving a higher market niche. Smaller or larger market service areas decrease or increase the guestroom count. Changes in market niche or service package influence the guestroom mix service and amenities offered. Areas of high land value will increase story height and may necessitate steel and concrete construction.

For the site’s legal, physical, and surrounding development constrains, a three to four-story, wood-frame building of average plus quality construction with 100 to 150 guest rooms targeting the mid-priced limited-service market is suggested. The building would have interior corridors, elevator service, and fire sprinkler protection.

### **Feasibility**

The Market Analysis section and the rental comparables in the Income Capitalization section support development of a mid-priced limited-service lodging property. Feasibility is also supported by favorable traffic count, room tax, revenue and demographic projections. The probable alternate use is restaurant use.

### **Conclusion**

Legal analysis, development trend reviews, and a brief design and feasibility overview indicate a hotel/motel at the site is a reasonable highest and best use but one which requires a temporary holding period prior to development due to the current weak economy. The most probable alternative highest and best use is restaurant/commercial retail use.

### **AS EXISTING**

#### **Legal Considerations**

Hotel use is permitted under zoning requirements. As a permitted commercial use, motel development is complementary with nearby development in this commercial/retail district.

#### **Physical Considerations**

The improvements were built in 1987 and include significant renovation. Physical depreciation is minimal with respect to age. Deferred maintenance is not a factor.

#### **Functional and Design Considerations**

Construction quality and materials for the improvements are appropriate for intended use and marketing niche. The general design and floor plan is functional. Layout, design, and arrangement of guestrooms are average for intended use. The lack of fire sprinkler protection and small size of some rooms is functional obsolescence but are incurable. The common areas and amenities are adequate for a lower end mid-priced limited-service hotel catering to leisure and commercial guests.

**Economic/External Considerations**

The number of occupied motel room nights in the area has grown over the last couple of years and supply of rooms has remained unchanged. Projections for the future suggest continued increased demand due to the area's growing general population and employment. Local primary comparable hotels have an average occupancy level in the 60 to 70± percent range. The "property's" historic occupancy indicates increasing demand. The site's location is adequate for hotel/motel use. Nearby development is complementary. Economic obsolescence, if a factor, is minimal and does not suggest any alternate use.

**Summary**

Hotel use is permitted, and physical depreciation is less than actual age. Design and comparable occupancy suggest sufficient demand. No detrimental uses were observed. Economic obsolescence due to the economy is a factor but is temporary. No alternative use resulting in a greater net return to the property is suggested. The existing improvements represent the most probable highest and best use.

## VALUATION PROCEDURES

The three approaches to value a hospitality property (all based on the principle of substitution) are:

### COST APPROACH

In the Cost Approach, land market value is added to direct and indirect depreciated reproduction or replacement cost of the improvements and personal property. Stabilized operation cost is then estimated. A summation of land market value and reproduction/replacement direct and indirect cost of the improvements and personal property indicates tangible value. In-place staff and stabilized operation cost indicate intangible value. This approach estimates the reproduction/replacement cost of a substitute “property” to calculate value.

### SALES COMPARISON APPROACH

The Sales Comparison Approach estimates market value by comparing the “property” to sales of other facilities based on common units of comparison. The selected units of comparison are applied against the “property’s” characteristics after adjustment for differences. This approach estimates the cost of purchasing a substitute property of similar characteristics.

### INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach capitalizes projected net income into a market value estimate. This provides an indication of value as an investment. This method measures the present worth of anticipated future benefits (net income). Net income is calculated by estimating operating revenue and deducting operation expenses. The capitalization rate selected is based on market substitution of capitalization rates for similar net income characteristics.

The Cost Approach is not applicable to the appraised “property”. The improvements were originally constructed in 1987 and include a significant renovation. Combining the difficulty of estimating physical depreciation possible, functional and economic obsolescence, and other considerations such as stabilized operation value, land value, and replacement cost new of the improvements, results in the Cost Approach rendering an unacceptably weak indication of value and this approach is not utilized. The exclusion of the Cost Approach does not result in a limited appraisal, per say. Instead, it results in the exclusion of a non-applicable approach to value.

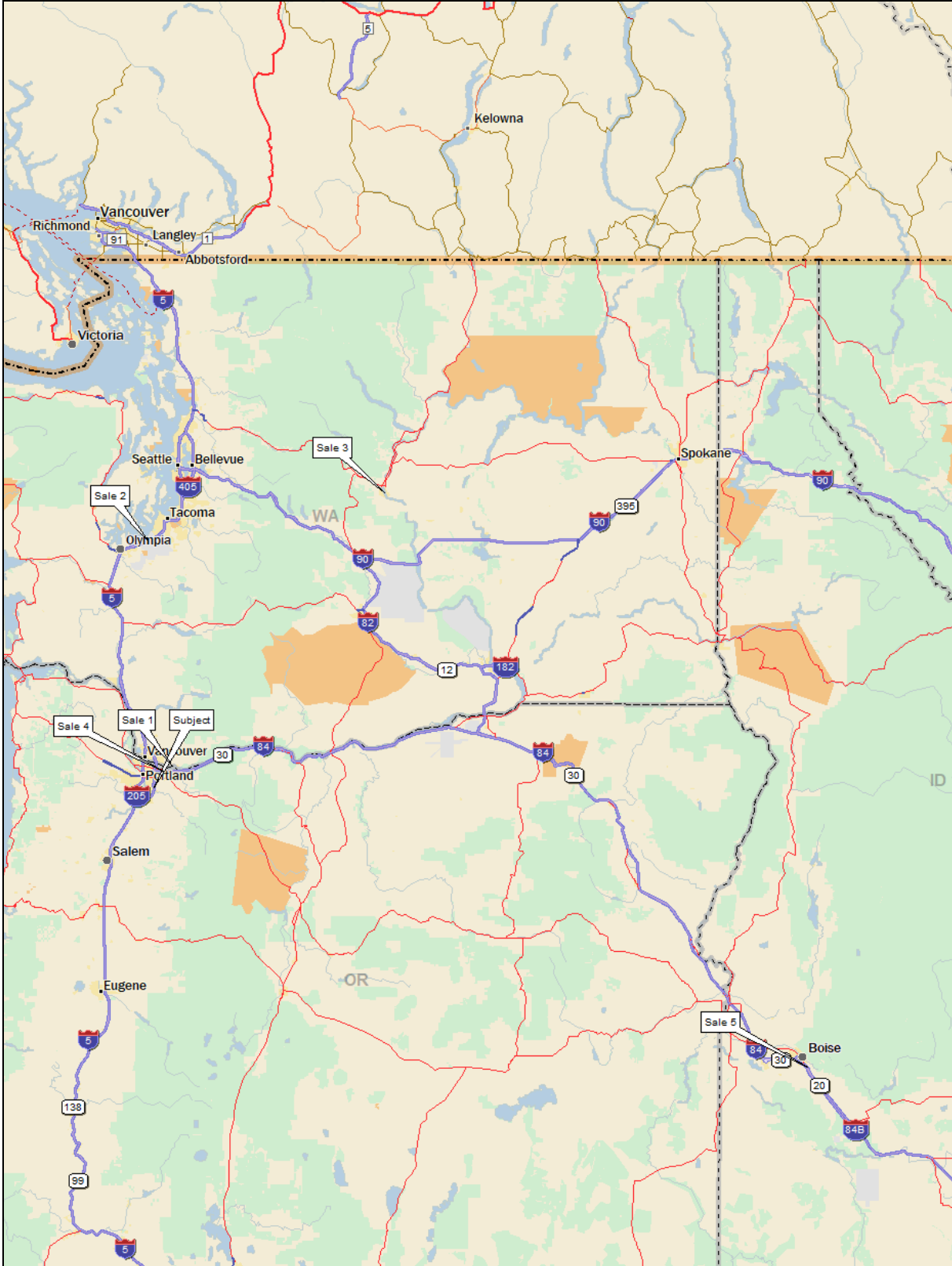
## SALES COMPARISON APPROACH

This approach uses comparable sales. The steps are:

1. Sales prices are first adjusted for property rights, financing, conditions of sale, and expenditures after immediately after sale if necessary.
2. Common units of comparison, such as price per square foot, per bed/room/unit, and/or effective gross income multiplier (EGIM) are selected to estimate value.
3. The units of comparison are adjusted to the “property” for time, physical, economic, use/zoning, and/or other characteristic differences.
4. The adjusted units of comparison are correlated into a value estimate.

This approach reflects the principle of direct substitution with buyers paying no more and sellers receiving no less for a property than the sale cost of a similar property without undue delay. It is most reliable in an active market with good substitute availability.

There are five sales used in this approach. They are summarized on the following map, chart, and individual sale descriptions. After the summary pages, the sales are related to the “property” to estimate value using price per square foot of improved gross building area; price per rentable unit or room/bed; and by using an effective gross income multiplier. Price per square foot and per rentable unit or room/bed units of comparisons utilize two separate methods. The first is by appraiser estimated characteristic differences and their influence on value. This requires the appraiser to estimate adjustments when relating the sales to the property valued. The second relies solely on net income adjustments for differences between the sale comparables and the property valued. Net income is derived from the Income Approach section. The Income approach is also utilized for effective gross income using the EGIM unit of comparison.



IMPROVED SALES LOCATION MAP

## SUMMARY OF SALES

No.	Location	Sale Price	Date	Building Square Footage	No. of Guest rooms	EGI	Sale Price per Square Foot	Sale Price per Guest room	EGIM
1	Holiday Inn Express 1805 SE 192nd Ave Camas, WA 98607	\$13,000,000	7/5/2022	44,010	82	\$2,105,000	\$295.39	\$158,537	6.18
2	Best Western Liberty Inn Dupont 1400 Wilmington Dr Dupont, WA 98327	\$11,000,000	3/30/2022	49,731	72	\$2,180,616	\$221.19	\$152,778	5.04
3	Best Western Chieftain Inn 1017 N Wenatchee Ave Wenatchee, WA 98801	\$6,200,000	9/30/2021	54,582	77	\$1,630,000	\$113.59	\$80,519	3.80
4	Best Western Surestay Inn 2261 NE 181st Ave Portland, OR 97230	\$6,650,000	5/28/2021	33,697	75	\$1,665,000	\$197.35	\$88,667	3.99
5	Best Western Northwest Lodge 6989 S Federal Way Boise, ID 83716	\$8,600,000	7/8/2021	35,682	69	\$1,615,000	\$241.02	\$124,638	5.33

EGI: Effective Gross Income  
EGIM: Effective Gross Income Multiplier



**IMPROVED SALE NUMBER 1**



**NAME:** Holiday Inn Express  
**LOCATION:** 1805 SE 192nd Ave Camas, WA 98607  
**SELLER/GRANTOR:** 192nd Station Holdings North LLC  
**BUYER/GRANTEE:** Wj T And K Inc  
**SALE DATE:** 7/5/2022  
**SALE PRICE:** \$13,000,000  
**TRANSACTION #:** 6060308  
**TERMS:** Cash to Seller

Sale Comments: Public record shows \$12,500,000, but this does not include FF&E and business value. The PSA was for \$13 million and there was a backup offer at \$13,450,000 delivered by Marcus and Millichap

**PHYSICAL CHARACTERISTICS:**

NO. OF GUEST ROOMS	82		
SF GROSS BUILDING AREA:	44,010	BUILDINGAREA/GUEST ROOM:	537
EFFECTIVE AGE:	5	YEAR BUILT:	2017

**IMPROVEMENT DESCRIPTION:**

Four story limited-service hotel that includes meeting room, fitness center, indoor heated pool, and breakfast area as amenities.

**INCOME CHARACTERISTICS**

EGI:	\$2,105,000	EXPENSE RATIO:	66.03%
NOI:	\$714,999	NOI/SF: \$16.25	NOI/GUEST ROOM: \$8,720

**SALE UNITS OF COMPARISON**

SALE PRICE/SF:	\$295.39	SALE PRICE/GUEST ROOM	\$158,537
EGI MULTIPLIER	6.18	DIRECT CAP RATE:	5.50%

COMMENTS: Occupancy projected at 55 percent with an ADR of \$127 based on improving performance after COVID pandemic. In 2019 the occupancy was around 50 percent with an ADR of around \$118. 2020 figures were depressed by the COVID pandemic and 2021 was on track for a 51.7 percent occupancy with an ADR of \$119.37.

**IMPROVED SALE NUMBER 2**



**NAME:** Best Western Liberty Inn Dupont  
**LOCATION:** 1400 Wilmington Dr Dupont, WA 98327  
**SELLER/GRANTOR:** HMS MANAGEMENT LLC  
**BUYER/GRANTEE:** HARBOR INVESTMENT INC  
**SALE DATE:** 3/30/2022  
**SALE PRICE:** \$11,000,000  
**TERMS:** Cash to Seller  
 Sale Comments: Listed for \$11,300,000, and sales price reported at \$11,000,000. the listing broker is Genesis Realty - Chong Lee Des 206-949-4989

**PHYSICAL CHARACTERISTICS:**

NO. OF GUEST ROOMS	72		
SF GROSS BUILDING AREA:	49,731	BUILDING AREA/GUEST ROOM:	691
EFFECTIVE AGE:	15	YEAR BUILT:	2005
IMPROVEMENT DESCRIPTION: Amenities include a fitness center, indoor pool and hot tub, business center, breakfast area, and outdoor space. There are 78 parking spaces. Upgraded in 2019.			

**INCOME CHARACTERISTICS**

EGI:	\$2,180,616	EXPENSE RATIO:	63.73%
NOI:	\$791,000	NOI/SF:	\$15.91
		NOI/GUEST ROOM:	\$10,986

**SALE UNITS OF COMPARISON**

SALE PRICE/SF:	\$221.19	SALE PRICE/GUEST ROOM	\$152,778
EGI MULTIPLIER	5.04	DIRECT CAP RATE:	7.19%

COMMENTS: Broker reported the ADR at \$111 and the yearly sales at \$2,180,616 with a 7 percent capitalization rate based on a \$11,300,000 asking price. All PIP items have been completed. This was only on the market a short time before an offer was accepted at \$11 million.

## IMPROVED SALE NUMBER 3



NAME: Best Western Chieftain Inn  
 LOCATION: 1017 N Wenatchee Ave Wenatchee, WA 98801  
 SELLER/GRANTOR: Limster Corp  
 BUYER/GRANTEE: NorPAC Lodging LLC  
 SALE DATE: 9/30/2021  
 SALE PRICE: \$6,200,000  
 TERMS: Cash to Seller  
 Sale Comments: Confirmed with broker Nav Narwal of Coldwell Banker Bain 360-927-6574

**PHYSICAL CHARACTERISTICS:**

NO. OF GUEST ROOMS	77		
SF GROSS BUILDING AREA:	54,582	BUILDING ROOM:	AREA/GUEST 709
EFFECTIVE AGE:	25	YEAR BUILT:	1956
IMPROVEMENT DESCRIPTION:	Older hotel with interior corridors with common area including lobby, front desk, administrative offices, business center, continental breakfast area, conference/meeting rooms, pool, and guest laundry.		

**INCOME CHARACTERISTICS**

EGI:	\$1,630,000	EXPENSE RATIO:	69.63%
NOI:	\$495,000	NOI/SF:	\$9.07
		NOI/GUEST ROOM:	\$6,429

**SALE UNITS OF COMPARISON**

SALE PRICE/SF:	\$113.59	SALE PRICE/GUEST ROOM	\$80,519
EGI MULTIPLIER	3.80	DIRECT CAP RATE:	7.98%

COMMENTS: Historically the subject had a widely fluctuating performance between 2019 and 2021 due to the COVID pandemic. The EGI, expenses, and NOI above is based on a projected occupancy of 62.5 percent with an ADR of around \$91 at time of appraisal.

**IMPROVED SALE NUMBER 4**



NAME: Best Western Surestay Inn  
 LOCATION: 2261 NE 181st Ave Portland, OR 97230  
 SELLER/GRANTOR: Northern Oregon Lodging LLC  
 BUYER/GRANTEE: Community Dev Corp of Oregon  
 SALE DATE: 5/28/2021  
 SALE PRICE: \$6,650,000  
 TRANSACTION #: 21084828  
 TERMS: Cash to Seller

Sale Comments: Purchased for conversion to transitional housing shelter

**PHYSICAL CHARACTERISTICS:**

NO. OF GUEST ROOMS	75	SITE AREA:	1.09
SF GROSS BUILDING AREA:	33,697	BUILDING AREA/GUEST ROOM:	449
EFFECTIVE AGE:	15	YEAR BUILT:	1998

IMPROVEMENT DESCRIPTION: Former Days Inn that was recently renovated. It is a four-story building with office, registration counter, lobby with TV lounge, continental breakfast room, indoor pool, fitness center, and guest laundry room

**INCOME CHARACTERISTICS**

EGI:	\$1,665,000	EXPENSE RATIO:	64.00%
NOI:	\$599,400	NOI/SF: \$17.79	NOI/GUEST ROOM: \$7,992

**SALE UNITS OF COMPARISON**

SALE PRICE/SF:	\$197.35	SALE PRICE/GUEST ROOM	\$88,667
EGI MULTIPLIER	3.99	DIRECT CAP RATE:	9.01%

COMMENTS: Financials above were based on projected EGI and expenses as the comparable never stabilized after renovation in 2019 from a Days Inn to a Best Western Sure Stay. The occupancy and ADR and expenses, however, were based off of 2018 figures (last stabilized year) with improvement considering the renovation and stronger franchise. Purchased for conversion to transitional housing.

**IMPROVED SALE NUMBER 5**



**NAME:** Best Western Northwest Lodge  
**LOCATION:** 6989 S Federal Way Boise, ID 83716  
**SELLER/GRANTOR:** Apex Hospitality LLC  
**BUYER/GRANTEE:** NW Lodge LLC  
**SALE DATE:** 7/8/2021  
**SALE PRICE:** \$8,600,000  
**TRANSACTION #:** 104620  
**TERMS:** Cash to Seller  
 Sale Comments: The listing broker was David Caldwell of West Coast Investment Realty 760-815-5504

**PHYSICAL CHARACTERISTICS:**

NO. OF GUEST ROOMS	69	SITE AREA:	1.46
SF GROSS BUILDING AREA:	35,682	BUILDING AREA/GUEST ROOM:	517
EFFECTIVE AGE:	20	YEAR BUILT:	2001

**IMPROVEMENT DESCRIPTION:** Three story limited service hotel. Includes indoor swimming pool, exercise facility, spa, and breakfast area.

**INCOME CHARACTERISTICS**

EGI:	\$1,615,000	EXPENSE RATIO:	60.06%
NOI:	\$645,000	NOI/SF:	\$18.08
		NOI/GUEST ROOM	\$9,348

**SALE UNITS OF COMPARISON**

SALE PRICE/SF:	\$241.02	SALE PRICE/GUEST ROOM	\$124,638
EGI MULTIPLIER	5.33	DIRECT CAP RATE:	7.50%

**COMMENTS:** Average occupancy at time of sale was around 85 percent with an ADR of around \$114. The broker reported a capitalization rate of around 7.5 percent. The hotel will remain a Best Western Northwest Lodge and a third-party management will take over operation.

The five Sales yield the following statistical overview:

<b>Statistical Summary</b>	<b>Sale Price/SF</b>	<b>From</b>	<b>Sale Price/Guest room</b>	<b>From</b>
Minimum	\$113.59	Sale 3	\$80,519	Sale 3
Maximum	\$295.39	Sale 1	\$158,537	Sale 1
Median	\$221.19		\$124,638	
Average	\$213.71		\$121,028	
Standard Deviation	\$66.64		\$35,764	
<b>Indicated Values</b>				
Subj Imp. Area/No. of Guest room	44,048 sf		109 guest rooms	
Indicated by Minimum	\$5,003,437	Sale 3	\$8,776,623	Sale 3
Indicated by Maximum	\$13,011,225	Sale 1	\$17,280,488	Sale 1
Indicated by Median	\$9,742,977		\$13,585,507	
Indicated by Average	\$9,413,347		\$13,192,013	

A range of \$5,003,437 to \$17,280,488 is indicated by the sales without adjustment. The low end of the range is from Sale 3 by its price per square foot. The high end of the range is from Sale 1 by price per guest room. To place the subject's value relative to the sales the time/market conditions, physical, and economic characteristics are related to the subject. Economic adjustments are made separate from time/market conditions and physical adjustments to avoid double counting. A property with a good location, for example, will probably also have superior economic characteristics. Three units of comparison: price per square foot of improvement, price per Guest room, and effective gross income multiplier (EGIM) are utilized.

## **PRICE PER SQUARE FOOT OF IMPROVEMENT METHODS**

### **Method I**

According to the *Appraisal of Real Estate* (14th ed.) typical adjustments are for property rights, financing, conditions of sale, expenditures immediately after sale, time and market conditions, physical characteristics, economic characteristics, use/zoning, and non-realty components. In this section the five comparables are adjusted to the subject for time and market conditions, location, improvement quality, effective age, improvement size, and area per guest room differences. Adjustments for property rights, financing, conditions of sale, expenditures immediately after sale, and non-realty components are made in the sales write ups. The subject and the comparables all have the same use. No use adjustments are needed.

### **Time and Market Conditions**

The sales cover a span of 1.6 years to 6.1 months from the appraisal date. The most recent Sale is 1 which sold in July 2022. The least recent Sale is 4 which sold in May 2021.

Sale 2, Sale 3, Sale 4, and Sale 5 are adjusted upward for time and market conditions.

Sale 2 (9.3 months old) and Sale 3 (1.3 years old) are adjusted upward by 3 percent. Sale 4 (1.6 years old) and Sale 5 (1.5 years old) are adjusted upward by 6 percent.

**Location**

No adjustments for location are made. However it is generally accepted that the “property” in terms of location is more similar to Camas, Dupont, Portland, and Boise than Wenatchee.

**Improvement Construction Quality**

No adjustments for improvement quality are necessary.

**Effective Age**

Effective age adjustments are needed when the sales vary significantly from the subject in effective age. The natural tendency is for newer improvements to sell at a higher price per square foot.

Sale 3 and Sale 5 are significantly older than the subject. Sale 3 (25 years old) and Sale 5 (20 years old) are adjusted upward by 5 percent. Sale 1, which is 5 years in age, is newer and considered superior. This is considered qualitatively.

**Improvement Size in Square Feet**

Size adjustments are necessary when improvement area falls in generally different size categories. The trend is for sales with less improvement area to sell at a greater amount per square foot and for sales with more improvement area to sell at a lower amount per square foot.

Sale 4 and Sale 5 have significantly more improvement area than the subject. Sale 4 (76.5% in SF to the subject) and Sale 5 (81% in SF to the subject) are adjusted upward by 5 percent.

**Area per Guest room**

There is typically an inverse relationship between sale price per square foot and improvement area per guest room. This is expected since more guest rooms per square foot usually indicates more income per square foot.

Sale 2 and Sale 3 have a significantly greater area per guest room ratio than the subject. Sale 2 (691 sf/guest room) and Sale 3 (709 sf/guest room) are adjusted upward by 5 percent.

**Summary of Adjustments for Improvement Square Footage Method**

Adjustments are summarized on the following chart:



SALES ADJUSTMENT TABLE PER SQUARE FOOT OF IMPROVEMENTS						
Sale Data	"Property"	1	2	3	4	5
Location	9717 SE Sunnyside Rd Clackamas, OR	1805 SE 192nd Ave Camas, WA	1400 Wilmington Dr Dupont, WA	1017 N Wenatchee Ave Wenatchee, WA	2261 NE 181st Ave Portland, OR	6989 S Federal Way Boise, ID
Date	January-23	July-22	March-22	September-21	May-21	July-21
Sale Price	-----	\$13,000,000	\$11,000,000	\$6,200,000	\$6,650,000	\$8,600,000
Imp. SF	44,048	44,010	49,731	54,582	33,697	35,682
\$/SF	-----	\$295.39	\$221.19	\$113.59	\$197.35	\$241.02
<b>Time/Market Conditions</b>		6 month(s)	9 month(s)	15 month(s)	20 month(s)	18 month(s)
Adjustment	N/A	N/A	3.0%	3.0%	6.0%	6.0%
\$/SF	-----	\$295.39	\$227.83	\$117.00	\$209.19	\$255.48
<b>Location</b>	-----	Similar	Similar	Similar	Similar	Similar
<b>Improvement Quality</b>	-----	Similar	Similar	Similar	Similar	Similar
<b>Effective Age</b>	10 year(s)	5 year(s)	15 year(s)	25 year(s)	15 year(s)	20 year(s)
<i>Adjustment</i>	N/A	N/A	N/A	5.0%	N/A	5.0%
<b>Size in SF vs Subject</b>		99.9%	112.9%	123.9%	76.5%	81.0%
<i>Adjustment</i>	N/A	N/A	N/A	N/A	5.0%	5.0%
<b>Area per Guest room</b>	404	537	691	709	449	517
<i>Adjustment</i>	N/A	N/A	5.0%	5.0%	N/A	N/A
<b>Adjusted \$/SF</b>		<b>\$295.39</b>	<b>\$239.22</b>	<b>\$128.70</b>	<b>\$219.65</b>	<b>\$281.03</b>
<b>Average \$/SF</b>	<b>\$232.80</b>					

Sales price per square foot after adjustment indicates a range of \$128.70 to \$295.39 per square foot with an average of \$232.80. The subject's characteristics suggest a square foot value in the upper section of the adjusted range. Sale 3, in Wenatchee, is considered inferior and has a high area per guest room. A rounded value per square foot of \$290 is estimated. Multiplied by the subject improvement area of 44,048 results in a value of \$12,773,920. Calculated:

**IMPROVEMENT SQUARE FOOT MARKET VALUE ESTIMATE METHOD I**

**\$290 x 44,048 SF = \$12,773,920**

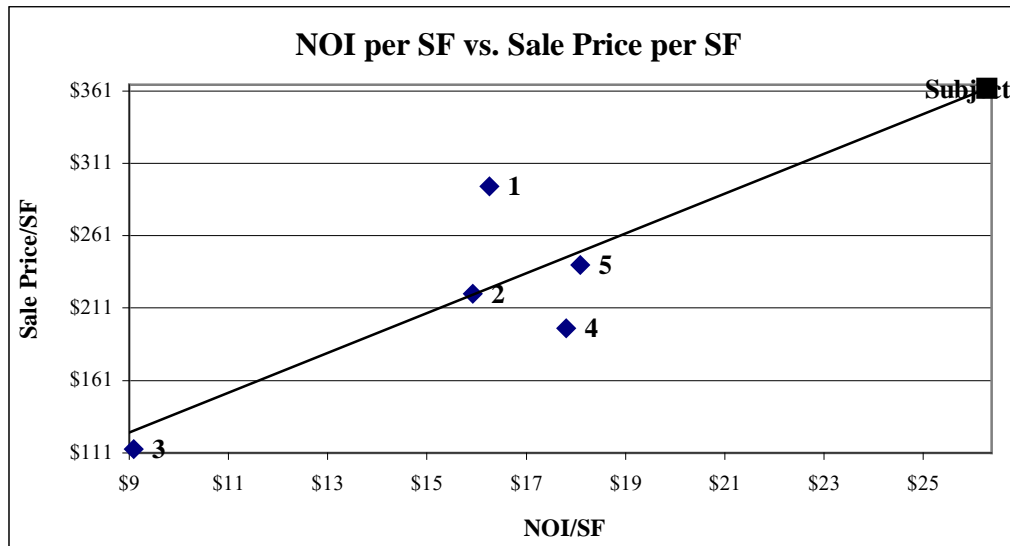
**\$12,775,000 rounded**

**Method II - Economic Adjustments Only**

Using the prior adjustments is subject to the risk of double accounting for items that are influenced by operational and income differences. Economic characteristics are analyzed based on net income difference for square foot only. Property Rights, Financing, Conditions of Sale, and Expenditures Immediately After Purchase are included in this analysis. Reserves for replacement projections are not included in net income projections as they are not included in the sales economic characteristics. The following table shows the five sales arranged from lowest to highest by their net income per square foot. Also shown in relation to the sales is the projected annual net income per square foot of the subject.

Sale No.	NOI/Sq. Ft.	Sale Price Per Sq. Ft.
Subject	\$26.28	-----
5	\$18.08	\$241.02
4	\$17.79	\$197.35
1	\$16.25	\$295.39
2	\$15.91	\$221.19
3	\$9.07	\$113.59

The Subject's NOI per Improvement SF lies above the range given by the comparables. This indicates a per Improvement Square Foot value above the Sale 5 value of \$241.02 per square foot. Linear regression indicates a value of \$362.90 with a correlation coefficient of 75.7 percent. A graph with the comparable sales and the corresponding regression line follows:



A rounded value per square foot of improvement of \$365 is projected. This yields a value of \$16,077,520. Calculated:

**IMPROVEMENT SQUARE FOOT MARKET VALUE ESTIMATE  
ADJUSTING SALES FOR ECONOMIC DIFFERENCES ONLY - METHOD II**

$$\$365 \times 44,048 \text{ SF} = \$16,077,520$$

**\$16,075,000 rounded**

**SALE PRICE PER GUEST ROOM METHODS**

Value is next estimated on a price per guest room basis. To use the sale price per guest room method adjustments are again necessary for transaction, physical, and economic differences.

**Method I**

As with per square foot the five sale comparables are adjusted towards the subject using time and market conditions, location, improvement quality, effective age, size in guest room count, and area per guest room. All other necessary adjustments (financing, conditions of sale, expenditures immediately after sale, etc.) were made in the sales write ups. Differences between the subject and the comparables in time/market conditions, location, improvement quality, and effective age remain the same whether the unit of comparison is by square foot or by guest room. The major difference between the two is size in square feet vs. size in number of guest rooms and area per guest room.

**Size in Number of Guest rooms**

Size adjustments are necessary when a property has significantly more or less guest rooms than the subject. The trend is for sales with less guest rooms to sell at a greater amount per guest room and for sales with more guest rooms to sell at a lower amount per guest room.

Sale 1, Sale 2, Sale 3, Sale 4, and Sale 5 have significantly more guest rooms than the subject. Sale 1 (75.2% in number of guest rooms to the subject), Sale 2 (66.1% in number of guest rooms to the subject), Sale 3 (70.6% in number of guest rooms to the subject), Sale 4 (68.8% in number of guest rooms to the subject), and Sale 5 (63.3% in number of guest rooms to the subject) are adjusted upward by 5 percent.

**Area per Guest room**

Unlike the relationship between area per guest room and sale price per square foot there is a more direct relationship between sale price per guest room and improvement area per guest room. On a guest room analysis, a larger improvement area per guest room usually equates to higher income per guest room.

Sale 2 and Sale 3 have a significantly higher area per ratio than the subject. Sale 2 (691 sf/guest room) and Sale 3 (709 sf/guest room) are adjusted downward by 5 percent.

**Summary of Adjustments by Guest room**

Adjustments discussed are summarized on the chart following:

SALES ADJUSTMENT TABLE PER GUEST ROOM						
Sale Data	"Property"	1	2	3	4	5
Location	9717 SE Sunnyside Rd Clackamas, OR	1805 SE 192nd Ave Camas, WA	1400 Wilmington Dr Dupont, WA	1017 N Wenatchee Ave Wenatchee, WA	2261 NE 181st Ave Portland, OR	6989 S Federal Way Boise, ID
Date	January-23	July-22	March-22	September-21	May-21	July-21
Sale Price	-----	\$13,000,000	\$11,000,000	\$6,200,000	\$6,650,000	\$8,600,000
No. of Guest rooms	109	82	72	77	75	69
\$/Guest room	-----	\$158,537	\$152,778	\$80,519	\$88,667	\$124,638
<b>Time/Market Conditions</b>		6 month(s)	9 month(s)	15 month(s)	20 month(s)	18 month(s)
Adjustment	N/A	N/A	3.0%	3.0%	6.0%	6.0%
\$/Guest room	-----	\$158,537	\$157,361	\$82,935	\$93,987	\$132,116
<b>Location</b>	-----	Similar	Similar	Similar	Similar	Similar
<b>Improvement Quality</b>	-----	Similar	Similar	Similar	Similar	Similar
<b>Effective Age</b>	10 year(s)	5 year(s)	15 year(s)	25 year(s)	15 year(s)	20 year(s)
<i>Adjustment</i>	N/A	N/A	N/A	5.0%	N/A	5.0%
<b>Size in Guest rooms vs Subject</b>		75.2%	66.1%	70.6%	68.8%	63.3%
<i>Adjustment</i>	N/A	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Area per Guest room</b>	404	537	691	709	449	517
<i>Adjustment</i>	N/A	N/A	-5.0%	-5.0%	N/A	N/A
<b>Adjusted \$/Guest room</b>		<b>\$166,463</b>	<b>\$157,361</b>	<b>\$87,082</b>	<b>\$98,686</b>	<b>\$145,328</b>
<b>Average \$/Guest room</b>	<b>\$130,984</b>					

Sales price per guest room after adjustment indicates a range of \$87,082 to \$166,463 per guest room with an average of \$130,984. The subject's characteristics suggest a per guest room value above the adjusted range. A rounded value per guest room of \$135,000 is estimated. Multiplied by the number of guest rooms of 109 results in a value of \$14,715,000. Calculated:

**MARKET VALUE ESTIMATE BY GUEST ROOM METHOD I**

$$\text{\$135,000} \times 109 \text{ guest rooms} = \text{\$14,715,000}$$

**\\$14,715,000**

**Method II Economic Adjustments Only By Guest room**

The above adjustments are subject to double accounting for items that are influenced by income and operational differences. The table below shows the relationship between net income per guest room and sale price per guest room.

Sale price per guest room is adjusted for the subject net income per guest room. An adjustment factor is used to determine the amount of adjustment. The adjustment factor is:

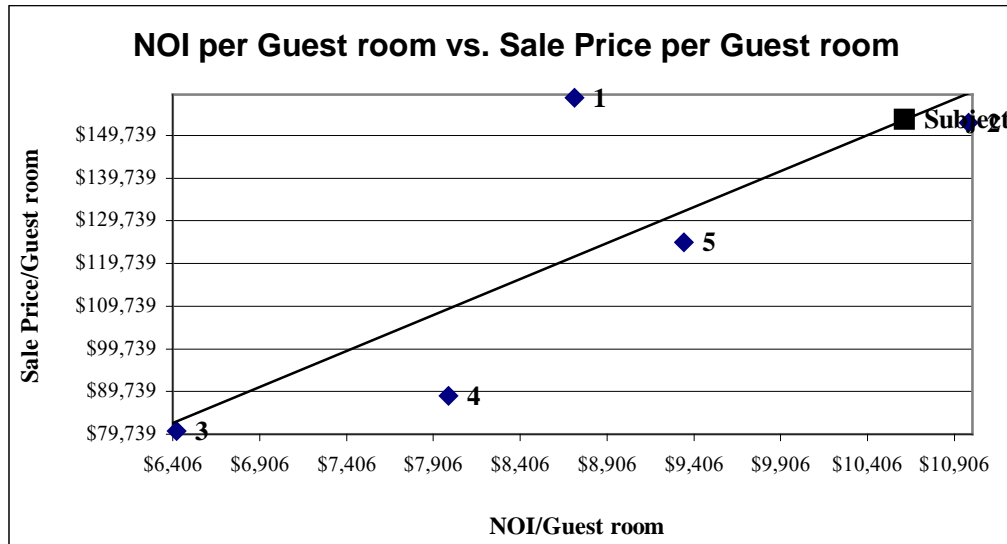
$$\text{Factor} = \text{Subject NOI per guest room} / \text{Comparable NOI per guest room}$$

This factor is multiplied by the comparable sale price per guest room to obtain the adjusted sale price per guest room. The following table shows the adjusted and unadjusted range.

Sale No.	Comparable per Guest room Net Income	Subject Net Income per Guest room	Factor	Unadjusted Sale Price per Guest room	Adjusted Sale Price per Guest room
1	\$8,720	\$10,618	1.22	\$158,537	\$193,415
2	\$10,986	\$10,618	0.97	\$152,778	\$148,195
3	\$6,429	\$10,618	1.65	\$80,519	\$132,856
4	\$7,992	\$10,618	1.33	\$88,667	\$117,927
5	\$9,348	\$10,618	1.14	\$124,638	\$142,087
				Average	\$146,896

Prior to net income adjustments, the sales indicate a price per guest room range of \$80,519 to \$158,537. After adjustment, the range narrows from \$117,927 to \$193,415

with an average of \$146,896. Regression analysis indicates a value of \$153,449 with a correlation of coefficient 79.24 percent.



A rounded value per guest room of \$150,000 is projected for this method. Multiplying this value by the number of guest rooms results in an indicated market value for the subject of \$16,350,000.

**PER GUEST ROOM MARKET VALUE ESTIMATE  
ADJUSTING SALES FOR ECONOMIC DIFFERENCES ONLY METHOD II**

$$\text{\$150,000} \times 109 \text{ guest rooms} = \text{\$16,350,000}$$

**\\$16,350,000**

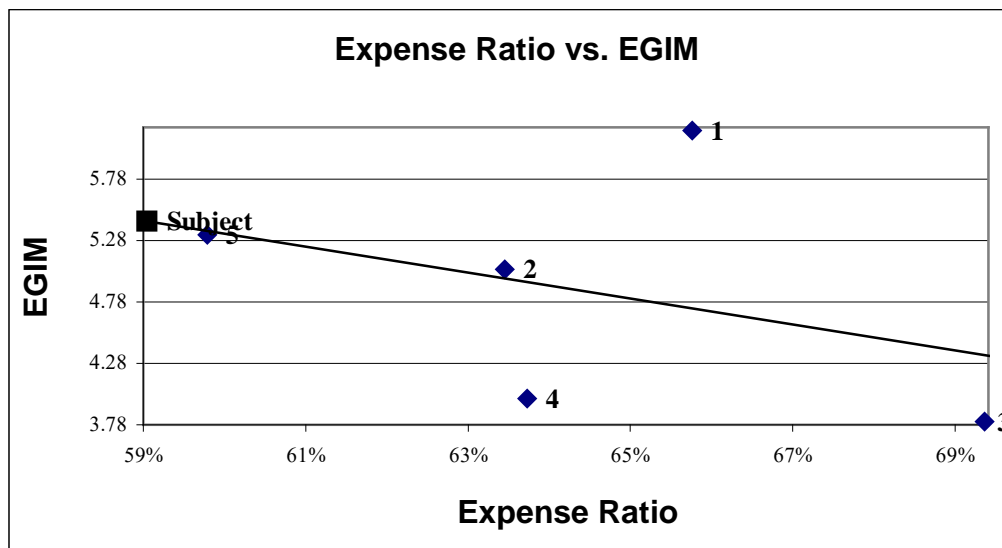
**EFFECTIVE GROSS INCOME MULTIPLIER METHOD**

Effective Gross Income Multiplier (EGIM) is calculated with the formula: EGIM = sale price divided by annual effective gross income. Annual effective gross income is for the year subsequent the sale or appraisal date. The range in annual EGIMs is 3.80 to 6.18.

There is a general inverse correlation between expense ratio and EGIM. Sales with a lower expense ratio tend to have a higher EGIM while those with a higher expense ratio have a lower EGIM. Before an EGIM is selected to value the subject, the EGIMs of the comparable sales are arrayed by difference in expense ratio to the subject arranging them in ascending order from lowest to highest. The subject's expense ratio is 59.32 percent.

Sale No.	Expense Ratio	EGIM
3	69.63%	3.80
1	66.03%	6.18
4	64.00%	3.99
2	63.73%	5.04
5	60.06%	5.33
Subject	59.32%	-----

The Subject's expense ratio lies below the range given by the comparables. This indicates a EGIM above Sale 5 EGIM of 5.33. Regression analysis suggests an EGIM of 5.44 with a correlation coefficient of 37.75 percent.



A rounded EGIM of 5.45 is projected. Applied against the subject EGI of \$2,845,000 yields a value of \$15,505,250. Calculated:

**EGIM MARKET VALUE METHOD  
ADJUSTING SALES FOR EXPENSE RATIO**

**EGI \$2,845,000 x 5.45 EGIM = \$15,505,250**

**\$15,500,000 rounded**



**SUMMARY**

The Sale comparison methods indicate the following values:

Per Square Foot	
A. Method I:	\$12,775,000
B. Economic Adjusted Only (Method II):	\$16,075,000
Per Guest room	
A. Method I:	\$14,715,000
B. Economic Adjusted Only (Method II):	\$16,350,000
EGIM EXPENSE RATIO ADJUSTED:	\$15,500,000

The five methods employed yield a range of \$12,775,000 to \$16,895,000 with an average of \$15,083,000 and a median of \$15,500,000. The appraiser estimates a rounded value in the middle of the range of \$15,250,000.

**MARKET VALUE INDICATED BY SALES COMPARISON APPROACH**

**\$15,250,000**

## INCOME CAPITALIZATION APPROACH

This approach estimates value by capitalizing net income. Net income is estimated either for extended periodic time spans (discounted cash flow) or for a single time span (direct capitalization rate). A discounted cash flow (DCF) is appropriate if net income is irregular. It is used to value shopping centers or office buildings in which tenant leases periodically roll over, creating predictable but irregular income. It is also useful to cross-check a direct capitalization rate.

A direct capitalization rate (DCR)\* valuation of a single time span's net income is appropriate when periodic net income is stabilized. This method is appropriate for hospitality properties as tenant rent roll over reflects day to day or month to month occupancy under stabilized operation.

To value the "property," stabilized annual net income is capitalized into value using a DCR. One-year's time is the most common period using this method. Next years' projected net income is capitalized into value by dividing it by the direct capitalization rate. The formula is  $\text{net income} \div \text{DCR} = \text{value}$ .

The analysis steps using this approach are:

1. Review the "property's" historic income, expenses, guest type, in place rack versus discount rates, and expected changes.
2. Survey income and expense data of other hospitality properties to determine market conditions.
3. Adjust the "property's" historic/current income and expenses to reflect market net income for the projection period.
4. Select the appropriate direct capitalization rate based on net income projected, comparable sales and other capitalization rate market data.
5. Divide projected net income into value using the capitalization rate.

\* Also commonly called overall rate or OAR.

The first step is an examination of the “property” historic and current operational experience. The “property” is operating with 109 units. Actual revenue and operating expenses during fiscal years 2020, 2021, and 2022 are shown following. For comparison purposes, revenue and operating expenses are shown in total dollar amount, per square foot of gross building area, and as a percentage of EGI. The percent difference between time periods is also shown.

<b>Quality Inn</b>								
<i>Income &amp; Expenses</i>	<b>2020</b>	<b>% EGI</b>	<b>2021</b>	<b>% EGI</b>	<b>% Change</b>	<b>2022</b>	<b>% EGI</b>	<b>% Change</b>
Guest Room	\$1,187,362	100.0%	\$2,830,645	100.0%	138.4%	\$2,679,321	100.0%	-5.3%
<b>Total Revenue</b>	<b>\$1,187,362</b>	<b>100%</b>	<b>\$2,830,645</b>	<b>100%</b>	<b>138.4%</b>	<b>\$2,679,321</b>	<b>100%</b>	<b>-5.3%</b>
<b>DEPARTMENTAL COSTS:</b>								
Rooms	\$776,740	65.4%	\$1,059,348	37.4%	36.4%	\$424,032	15.8%	-60.0%
<b>Rooms Expense</b>	<b>\$776,740</b>	<b>65.4%</b>	<b>\$1,059,348</b>	<b>37.4%</b>	<b>36.4%</b>	<b>\$614,067</b>	<b>22.9%</b>	<b>-42.0%</b>
<b>SUB TOTAL DEP. COSTS:</b>	<b>\$776,740</b>	<b>65.4%</b>	<b>\$1,059,348</b>	<b>37.4%</b>	<b>36.4%</b>	<b>\$614,067</b>	<b>22.9%</b>	<b>-42.0%</b>
<b>UNDISTRIBUTED OPER. COSTS:</b>								
Administrative General	\$0	0.0%	\$0	0.0%	N.A.	\$147,414	5.5%	N.A.
Marketing/Franchise Fees	\$2,557	0.2%	\$469	0.0%	-81.7%	\$321,777	12.0%	68509.2%
Property Operation/Maintenance	\$31,650	2.7%	\$111,988	4.0%	253.8%	\$331,460	12.4%	196.0%
Utility Costs	\$0	0.0%	\$0	0.0%	N.A.	\$122,582	4.6%	N.A.
<b>SUB TOTAL UNDIST. OPER. COSTS:</b>	<b>\$34,207</b>	<b>2.9%</b>	<b>\$112,457</b>	<b>4.0%</b>	<b>228.8%</b>	<b>\$923,233</b>	<b>34.5%</b>	<b>721.0%</b>
<b>TOTAL DIRECT</b>	<b>\$810,947</b>	<b>68.3%</b>	<b>\$1,171,805</b>	<b>41.4%</b>	<b>44.5%</b>	<b>\$1,537,300</b>	<b>57.4%</b>	<b>31.2%</b>
<b>MGNT. FEES, PROP. TAXES &amp; INS.</b>								
Management Fees	\$100,500	8.5%	\$90,000	3.2%	-10.4%	\$0	0.0%	-100.0%
Property Taxes & Other Municipal	\$65,385	5.5%	\$175,820	6.2%	168.9%	\$89,717	3.3%	-49.0%
Insurance	\$0	0.0%	\$0	0.0%	N.A.	\$41,548	1.6%	N.A.
<b>SUB TOTAL MGT., TAXES &amp; INS.</b>	<b>\$165,885</b>	<b>14.0%</b>	<b>\$265,820</b>	<b>9.4%</b>	<b>60.2%</b>	<b>\$131,265</b>	<b>4.9%</b>	<b>-50.6%</b>
<b>Total Expenses</b>	<b>\$976,832</b>	<b>82.3%</b>	<b>\$1,437,625</b>	<b>50.8%</b>	<b>47.2%</b>	<b>\$1,668,565</b>	<b>62.3%</b>	<b>16.1%</b>
<b>Net Operating Income</b>	<b>\$210,530</b>	<b>17.7%</b>	<b>\$1,393,020</b>	<b>49.2%</b>	<b>561.7%</b>	<b>\$1,010,756</b>	<b>37.7%</b>	<b>-27.4%</b>
<b>Operated Rooms</b>	<b>109</b>		<b>109</b>			<b>109</b>		
<b>Occupancy</b>	<b>38.10%</b>		<b>70.47%</b>		<b>85.0%</b>	<b>60.30%</b>		<b>-14.4%</b>
<b>Average Daily Room rate</b>	<b>\$78.33</b>		<b>\$100.96</b>		<b>28.9%</b>	<b>\$111.68</b>		<b>10.6%</b>
<b>REVPAR</b>	<b>\$29.84</b>		<b>\$71.15</b>		<b>138.4%</b>	<b>\$67.35</b>		<b>-5.3%</b>

**INCOME ANALYSIS**

The “property’s” rack rates and primary comparable motel rates, occupancies and ADRs in the area are utilized to establish a subject ADR. The ADR for the “property’s” projection period is tempered by the industry averages for hotels by location, rate and size categories. Other income is estimated based on annual industry averages.

The “property’s” common area amenities include a meeting room, exercise room, guest laundry (coin-operated), and vending machine areas. There is also a pool. Guest room amenities include TV, refrigerator, microwave, and coffee maker. Room types include non-smoking rooms, wheelchair accessible rooms, and double queen, or single king bed rooms as well as one bedroom suites. The “property” has a 3-star customer satisfaction rating by Trip Advisor.

The rates were analyzed in the Market Analysis section of this appraisal report and are summarized in the following chart.

<b>Comparable Market Rates</b>						
<b>Motel/Hotel</b>	<b>Standard Rates</b>	<b>Est. ADR **</b>	<b>Est. Occ. **</b>	<b>Est. RevPAR</b>	<b>Discounts</b>	<b># Rooms</b>
<b>Subject *</b>	<b>\$118 to \$153</b>	<b>\$110.00</b>	<b>65%</b>	<b>\$71.50</b>	<b>5% to 25%</b>	<b>109</b>
Sunnyside Inn & Suites	\$72 to \$139	\$90 to \$100	60% to 70%	\$58.50	5% to 25%	138
Clackamas Inn & Suites	\$119 to \$119	\$90 to \$100	60% to 70%	\$65.00	5% to 25%	44
Comfort Suites	\$126 to \$168	\$95 to \$105	60% to 70%	\$70.00	5% to 25%	50
Hampton Inn Portland/Clackamas	\$119 to \$119	\$90 to \$100	60% to 70%	\$61.75	5% to 25%	114
Courtyard by Marriott Portland	\$165 to \$206	\$110 to \$120	60% to 70%	\$74.75	5% to 25%	136

\* Projected ADR & Occupancy

The subject rates are within the range of the comparables and are reasonable for the market niche served.

**Occupancy & Average Daily Rate (ADR)**

Occupancy and average daily rate (ADR) was projected for the “property” hotel earlier in the Market Analysis section of this report using regional and local market trends, as well as the subject historic experience. Stabilized occupancy is projected to be 65 percent with an ADR of \$110 for the forecast period.

**Other Income Food And Beverage/Leased Restaurant**

Estimated other income for the “property” is first compared to the industry averages. For the “property” in addition to room revenue, there is telephone service and miscellaneous of income sources such as soft drinks, snacks, and coin-op laundry, machine revenue etc.

**Industry Averages**

The firm of *CBRE Hotels* segregates hotel income into four categories; room revenue, telephone, other operating departments, and rental and other income. Shown following is the table of revenue as a percentage of effective gross income (EGI).

Misc./Other Income Category (2019)	All Limited Service	Mountain and Pacific	ADR \$75 to \$115	100 to 150 Rooms	Average
Revenue Sources	% Total Rev.	% Total Rev.	% Total Rev.	% Total Rev.	% Total Rev.
Room Subtotal	97.4%	98.1%	98.4%	97.8%	97.9%
Other Operated Department	1.8%	1.2%	1.1%	1.5%	1.5%
Rentals and Other Income	0.8%	0.6%	0.5%	0.7%	0.7%
<b>Other Subtotal</b>	<b>2.6%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>2.2%</b>	<b>2.1%</b>
Total	100%	100%	100%	100%	100%

Other income (Telephone and Other Operated Departments, and Rentals and Other Income) combined for the industry ranges from 1.1 to 1.8 percent, with an average of 1.8 percent.

The “property” did not report other income or miscellaneous income, therefore there is no projections for miscellaneous income.

**EFFECTIVE GROSS INCOME PROJECTION**

The “property’s” effective gross income estimate is \$2,845,000, summarized below.

EFFECTIVE GROSS INCOME ESTIMATE SUMMARY (Based on Projected Occupancy and ADR)		
Average Daily Room Rate (ADR)	\$	110
Available Rooms		109
Potential Daily Room Revenue	\$	11,990
Total Days Annually		365
Potential Annual Room Revenue	\$	4,376,350
Projected Occupancy Level		65.0%
Estimated Annual Room Revenue	\$	<b>2,844,628</b> 100.0%
Other/Misc. Income	\$	- 0.0%
"Property" Effective Gross Income (EGI)	\$	2,844,628 100%
<b>EGI Rounded</b>	\$	<b>2,845,000</b>

The projected EGI of \$2,845,000 is 6.2 percent greater than the 2022 EGI, but only slightly higher than the 2021 revenue of \$2,830,645 and it is considered reasonable.

## EXPENSE ANALYSIS

After estimating annual effective gross income, it is necessary to subtract operating expenses to arrive at projected net operating income (NOI). For an established motel operating expense are generally estimated by examining regional motel industry averages and comparing them to the subject's historical experience.

As mentioned at the start of the Income Approach section earlier, the provided historic operating statements expenses are reallocated by the appraiser into the typical industry expense allocation categories most approximately as able. The subject financials analyzed are also after the removal of capital expenses, depreciation, and extra-ordinary expenses, as described earlier.

### Industry Averages

The real estate services firm of CBRE breaks down hotel expenses into three general categories and their sub-categories. The data is arranged in accordance with the Uniform System of Accounts for Hotels. The three main categories include: departmental costs and expenses, undistributed operating expenses, and property taxes and insurance.

The "property" is a 109-guest room limited-service economy-priced hotel operating as a Quality Inn. Actual annual revenue and operating expenses for 2020, 2021 and 2022 were provided by the client.

The appraiser allocated expenses based on industry standards and historic experience. Note that expenses for 2020 and 2021 were not allocated according to industry standards and most expenses were lumped into the Rooms category as a result. Appraiser allocations, therefore, are based mostly on 2022 experience. Given the projected occupancy and ADR as well as good overall condition of the property, the "property's" expense ratio should be in the lower end or slightly below the range.

Following this table is a chart of operating expenses for four categories of limited-service hotels. The expense ratios reflect the percentages of total revenue for the various expenses categories from *Trends in the Hotel Industry USA* published by CBRE Consulting. Note the data is from the 2020 Trends, which reflects 2019 data. This represents the industry at a stabilized level since later years have had some impact caused by the COVID pandemic (with 2022 the first year of more typical activity, but not yet available).

Selected Industry Income and Expense Ratios - 2019 CBRE Trends (Formerly PKF)					
Category	All Limited Service	Mountain and Pacific	ADR \$75 to \$115	100 to 150 Rooms	Average All 4 Categories
<b>Revenues</b>					
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Departmental Costs and Expenses</b>					
Rooms	26.2%	26.6%	28.8%	26.3%	27.0%
Other Operated Departments	<u>2.2%</u>	<u>2.1%</u>	<u>2.0%</u>	<u>1.8%</u>	<u>2.0%</u>
<b>Total Costs and Expenses</b>	<b>28.4%</b>	<b>28.7%</b>	<b>30.8%</b>	<b>28.1%</b>	<b>29.0%</b>
<b>Total Operated Departmental Income</b>	<b>71.6%</b>	<b>71.3%</b>	<b>69.2%</b>	<b>71.9%</b>	<b>71.0%</b>
<b>Undistributed Operating Expenses</b>					
Administrative and General	9.1%	9.4%	10.3%	9.0%	9.4%
Franchise Fee/Sales and Marketing	11.9%	10.6%	11.7%	12.3%	11.6%
Property Operation and Maintenance	4.6%	4.2%	5.3%	4.7%	4.7%
Utility Costs	<u>3.7%</u>	<u>3.3%</u>	<u>4.3%</u>	<u>3.9%</u>	<u>3.8%</u>
<b>Total Undistributed Expenses</b>	<b>29.3%</b>	<b>27.5%</b>	<b>31.6%</b>	<b>30.0%</b>	<b>29.6%</b>
Management Fees	3.5%	3.8%	3.7%	3.5%	3.6%
<b>Income Before Fixed Charges</b>	<b>38.81%</b>	40.1%	33.9%	38.4%	<b>37.8%</b>
<b>Fixed Charges</b>					
Property Taxes and Other Municipal	4.3%	3.1%	3.7%	4.1%	3.8%
Insurance	<u>1.1%</u>	<u>1.2%</u>	<u>1.3%</u>	<u>1.3%</u>	<u>1.2%</u>
<b>Total Fixed Charges</b>	<b>5.5%</b>	<b>4.3%</b>	<b>5.0%</b>	<b>5.4%</b>	<b>5.0%</b>
<b>Total Expenses</b>	<b>66.7%</b>	<b>64.2%</b>	<b>71.1%</b>	<b>67.0%</b>	<b>67.2%</b>
<b>Net Operating Income</b>	<b>33.3%</b>	<b>35.8%</b>	<b>28.9%</b>	<b>33.0%</b>	<b>32.8%</b>
Total/Average Guest Rooms	109	114	104	121	112
Average Occupancy	72.6%	76.0%	70.4%	71.6%	72.7%
Average ADR	\$116.31	\$125.63	\$96.84	\$110.98	\$112.44
Average RevPAR	\$84.48	\$95.45	\$68.14	\$79.46	\$81.88

## PROJECTED OPERATING EXPENSES

Operating expenses for a limited-service hotel are affected by age, quality, location, occupancy level, and average daily rate. Since certain operating expenses remain fixed, a facility with a larger number of guest rooms will tend to have a lower expense ratio. Hotels with higher occupancy levels and average daily room rates also tend to have lower total operating expenses in comparison to those with low occupancy and average daily rates. Newer good quality hotels in location with mild climate low utility or labor cost also may have lower expenses.

The industry group's average expense ratios for all four categories for 2019 (the 2020 publication was for 2019 data) ranged from 64.2 to 71.1 percent with an annual average of 67.2 percent. The average for each individual CBRE category was 66.7 percent for "All Limited-Service Hotels," 64.2 percent for "Mountain and Pacific," 71.1 percent for "ADR Under \$75 to \$115," and 67 percent for "100 to 150 Rooms."

In the preceding analysis an effective gross income of \$2,845,000 was projected for the subject stabilized operation for the forecast period.

The subject 2020 total expenses were \$976,832, which was 82.3 percent of EGI.

For 2021, expenses were \$1,437,625, which constitutes 50.8 percent of that year's EGI.

In 2022, expenses were \$1,668,565, or 62.3 percent of EGI.

Considering both industry trends and historic data, an expense ratio of 59.3± percent is projected for the "property." The "property" expense ratio below typical industry levels. Note that 2020 expenses were most likely much higher due to COVID-19, and the 2022 prices were the first year the motel was under the Quality Inn franchise flag and were higher than the previous year. Considering this, the appraiser's projections are considered reasonable.

### Expense Category Allocation

Expenses are allocated as follows. Again, note that expenses were mostly allocated to Rooms for 2020 and 2021 and do not represent a typical allocation. As such, the 2022 figures were given primary emphasis in the appraiser's projections:

- **Rooms Expense** – This was \$776,740 in 2020, \$1,059,348 in 2021, and \$614,067 in 2022. The appraiser projects an expense of \$652,600, or 22.9 percent of EGI.
- **Administrative and General** – This was not allocated in 2020 and 2021, and \$147,414 in 2022. The appraiser projects an expense of \$200,000, or 7 percent of EGI.



- **Marketing/Franchise Fees** – The “property” is relatively recently franchised as a Quality Inn. This expense was \$2,557 in 2020, \$469 in 2021, and \$321,777 in 2022 (when the franchise flag was switched from Clarion to Quality Inn). The appraiser projects an expense of \$350,000 or 12.3 percent of EGI.
- **Property Operation and Maintenance** – The “property” has been undergoing extensive renovation over the past several years and it is likely that some of the renovation costs were allocated alongside more typical maintenance and repair costs in the historical figures. This was \$31,650 in 2020, \$111,988 in 2021, and \$331,640 in 2022. The appraiser projects an expense of \$100,000, or 3.5 percent of EGI.
- **Utility Costs** – This was not allocated in 2020 or 2021, and \$122,582 in 2022. The appraiser projects an expense of \$135,000, or 4.7 percent of EGI.
- **Management Fees** – This was \$100,500 in 2020, \$90,000 in 2021, and \$0 in 2022. The appraiser projects an expense of \$100,000, or 3.5 percent of EGI, in keeping with industry averages.
- **Property Taxes and Other Municipal** – This was \$65,385 in 2020, \$175,820 in 2021, and \$89,717 in 2022. This likely includes other taxes than property taxes. The appraiser projects a figure of \$100,000, or 3.5 percent of EGI.
- **Insurance** – This was not allocated for 2020 and 2021, and \$41,548 in 2022. The appraiser projects an expense of \$50,000, or 1.8 percent of EGI.

### **Reserves For Replacements**

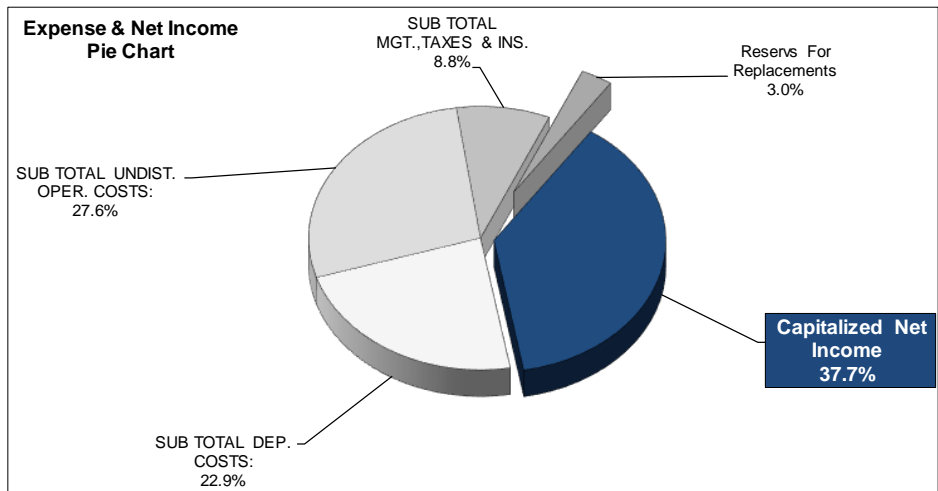
This expense category includes the cost of capital assets which must be replaced during the course of operations. Typically, reserves for replacement are reflected in the direct capitalization rates extracted from the sale properties. Franchises that serve middle to upper middle-income traveler typically are required to maintain reserves for replacement of 2 to 4 percent of EGI. For lower tier franchised hotels and un-franchised hotels, reserves for replacement can be considerably lower. In this instance, reserves for replacement are estimated at 3+ percent of EGI or \$85,000. This increases total expenses to \$1,772,600 (\$1,687,600 + \$85,000).

### **INCOME AND EXPENSE SUMMARY**

Based on the projections as outlined above, an income and expense statement was prepared for the “property.” Total operating expenses are projected \$1,687,600 or 59.3± percent excluding reserves for replacement. Including reserves for replacement of \$85,000, the expense ratio increases to 62.3± percent. An overview of “property” projected income and expenses are also shown. Shown next is the allocated projection versus historic charts on the following pages. This is followed by a pie chart showing the appraiser projected expenses.

Quality Inn											
<i>Income &amp; Expenses</i>	2020	% EGI	2021	% EGI	% EGI	2022	% EGI	% Change	Projected	% EGI	% Change
Guest Room	\$1,187,362	100.0%	\$2,830,645	100.0%	138.4%	\$2,679,321	100.0%	-5.3%	\$2,845,000	100.0%	6.2%
<b>Total Revenue</b>	<b>\$1,187,362</b>	<b>100%</b>	<b>\$2,830,645</b>	<b>100%</b>	<b>138.4%</b>	<b>\$2,679,321</b>	<b>100%</b>	<b>-5.3%</b>	<b>\$2,845,000</b>	<b>100%</b>	<b>6.2%</b>
<b>DEPARTMENTAL COSTS:</b>											
Rooms	\$776,740	65.4%	\$1,059,348	37.4%	36.4%	\$424,032	15.8%	-60.0%	\$425,000	14.9%	0.2%
<b>Rooms Expense</b>	<b>\$776,740</b>	<b>65.4%</b>	<b>\$1,059,348</b>	<b>37.4%</b>	<b>36.4%</b>	<b>\$614,067</b>	<b>22.9%</b>	<b>-42.0%</b>	<b>\$652,600</b>	<b>22.9%</b>	<b>6.3%</b>
<b>SUB TOTAL DEP. COSTS:</b>	<b>\$776,740</b>	<b>65.4%</b>	<b>\$1,059,348</b>	<b>37.4%</b>	<b>36.4%</b>	<b>\$614,067</b>	<b>22.9%</b>	<b>-42.0%</b>	<b>\$652,600</b>	<b>22.9%</b>	<b>6.3%</b>
<b>UNDISTRIBUTED OPER. COSTS:</b>											
Administrative General	\$0	0.0%	\$0	0.0%	N.A.	\$147,414	5.5%	N.A.	\$200,000	7.0%	35.7%
Marketing/Franchise Fees	\$2,557	0.2%	\$469	0.0%	-81.7%	\$321,777	12.0%	68509.2%	\$350,000	12.3%	8.8%
Property Operation/Maintenance	\$31,650	2.7%	\$111,988	4.0%	253.8%	\$331,460	12.4%	196.0%	\$100,000	3.5%	-69.8%
Utility Costs	\$0	0.0%	\$0	0.0%	N.A.	\$122,582	4.6%	N.A.	\$135,000	4.7%	10.1%
<b>SUB TOTAL UNDIST. OPER. COSTS:</b>	<b>\$34,207</b>	<b>2.9%</b>	<b>\$112,457</b>	<b>4.0%</b>	<b>228.8%</b>	<b>\$923,233</b>	<b>34.5%</b>	<b>721.0%</b>	<b>\$785,000</b>	<b>27.6%</b>	<b>-15.0%</b>
<b>TOTAL DIRECT</b>	<b>\$810,947</b>	<b>68.3%</b>	<b>\$1,171,805</b>	<b>41.4%</b>	<b>44.5%</b>	<b>\$1,537,300</b>	<b>57.4%</b>	<b>31.2%</b>	<b>\$1,437,600</b>	<b>50.5%</b>	<b>-6.5%</b>
<b>MGNT. FEES, PROP. TAXES &amp; INS.</b>											
Management Fees	\$100,500	8.5%	\$90,000	3.2%	-10.4%	\$0	0.0%	-100.0%	\$100,000	3.5%	N.A.
Property Taxes & Other Municipal	\$65,385	5.5%	\$175,820	6.2%	168.9%	\$89,717	3.3%	-49.0%	\$100,000	3.5%	11.5%
Insurance	\$0	0.0%	\$0	0.0%	N.A.	\$41,548	1.6%	N.A.	\$50,000	1.8%	20.3%
<b>SUB TOTAL MGT., TAXES &amp; INS.</b>	<b>\$165,885</b>	<b>14.0%</b>	<b>\$265,820</b>	<b>9.4%</b>	<b>60.2%</b>	<b>\$131,265</b>	<b>4.9%</b>	<b>-50.6%</b>	<b>\$250,000</b>	<b>8.8%</b>	<b>90.5%</b>
<b>Total Expenses</b>	<b>\$976,832</b>	<b>82.3%</b>	<b>\$1,437,625</b>	<b>50.8%</b>	<b>47.2%</b>	<b>\$1,668,565</b>	<b>62.3%</b>	<b>16.1%</b>	<b>\$1,687,600</b>	<b>59.3%</b>	<b>1.1%</b>
<b>Net Operating Income</b>	<b>\$210,530</b>	<b>17.7%</b>	<b>\$1,393,020</b>	<b>49.2%</b>	<b>561.7%</b>	<b>\$1,010,756</b>	<b>37.7%</b>	<b>-27.4%</b>	<b>\$1,157,400</b>	<b>40.7%</b>	<b>14.5%</b>
Reservs For Replacements									\$85,000	3.0%	N.A.
<b>Capitalized Net Income</b>									<b>\$1,072,400</b>	<b>37.7%</b>	<b>N.A.</b>
Operated Rooms	109		109			109			109		
Occupancy	38.10%		70.47%		85.0%	60.30%		-14.4%	65.0%		7.8%
Average Daily Room rate	\$78.33		\$100.96		28.9%	\$111.68		10.6%	\$110.01		-1.5%
REVPAR	\$29.84		\$71.15		138.4%	\$67.35		-5.3%	\$71.51		6.2%

Quality Inn				
Summary Statement of Appraiser's Projected Income and Expenses				
Operated Rooms				109
Building Square Footage				44,048
Occupancy				65.0%
Occupied Guest Rooms				70.9
Annual Guest Nights				25,860
Average Daily Room Rate				\$110.01
<b>Projected Income &amp; Expenses</b>	<b>\$ Per Year</b>	<b>Per Occ. Room</b>	<b>\$/SF Bldg.</b>	<b>AS %/EGI</b>
		<b>Annually</b>		
<b>Total Revenue</b>	<b>\$2,845,000</b>	<b>\$40,155</b>	<b>\$64.59</b>	<b>100%</b>
<b>Expenses</b>				
<i>DEPARTMENTAL COSTS:</i>				
<b>Rooms Expense</b>	<b>\$652,600</b>	<b>\$9,211</b>	<b>\$14.82</b>	<b>22.9%</b>
<i>Other Operated Departs</i>	\$0	\$0	\$0.00	0.0%
<b>SUB TOTAL DEP. COSTS:</b>	<b>\$652,600</b>	<b>\$9,211</b>	<b>\$14.82</b>	<b>22.9%</b>
<i>UNDISTRIBUTED OPER. COSTS:</i>				
Administrative General	\$200,000	\$2,823	\$4.54	7.0%
Marketing/Franchise Fees	\$350,000	\$4,940	\$7.95	12.3%
Property Operation/Maintenance	\$100,000	\$1,411	\$2.27	3.5%
Utility Costs	\$135,000	\$1,905	\$3.06	4.7%
<b>SUB TOTAL UNDIST. OPER. COST</b>	<b>\$785,000</b>	<b>\$11,080</b>	<b>\$17.82</b>	<b>27.6%</b>
<b>TOTAL DIRECT</b>	<b>\$1,437,600</b>	<b>\$20,291</b>	<b>\$32.64</b>	<b>50.5%</b>
<i>MGNT. FEES, PROP. TAXES &amp; INS.</i>				
Management Fees	\$100,000	\$1,411	\$2.27	3.5%
Property Taxes & Other Municipal	\$100,000	\$1,411	\$2.27	3.5%
Insurance	\$50,000	\$706	\$1.14	1.8%
<b>SUB TOTAL MGT., TAXES &amp; INS.</b>	<b>\$250,000</b>	<b>\$3,529</b>	<b>\$5.68</b>	<b>8.8%</b>
<b>Total Expenses</b>	<b>\$1,687,600</b>	<b>\$23,819</b>	<b>\$38.31</b>	<b>59.3%</b>
<b>Net Operating Income</b>	<b>\$1,157,400</b>	<b>\$16,336</b>	<b>\$26.28</b>	<b>40.7%</b>
<i>Non Operating Expense</i>				
<b>Reservs For Replacements</b>	<b>\$85,000</b>	<b>\$1,200</b>	<b>\$1.93</b>	<b>3.0%</b>
<b>Total Capitalized Expenses</b>	<b>\$1,772,600</b>	<b>\$25,019</b>	<b>\$40.24</b>	<b>62.3%</b>
<b>Capitalized Net Income</b>	<b>\$1,072,400</b>	<b>\$15,136</b>	<b>\$24.35</b>	<b>37.7%</b>



**CAPITALIZATION PROCESS**

Capitalization of future net income is done by a direct capitalization rate (DCR) or by discount and/or equity yield rates. The latter are employed when income streams are irregular. A direct capitalization rate is appropriate if net income changes are regular adjustments for inflation.

To convert “property” net income into value, a DCR is used. A DCR is the percentage ratio of sales price or value to net income. The rate is calculated from sales by dividing projected annual net income by the price. The equation is:

$$\frac{\text{PROJECTED ANNUAL NET INCOME}}{\text{SALES PRICE (VALUE)}} = \text{DIRECT CAPITALIZATION RATE (DCR)}$$

Direct capitalization rates in the Sale Comparison Approach are summarized.

SUMMARY OF DIRECT CAPITALIZATION RATES FROM SALES						
No.	Name and Location	Age	Sale Date	Net Income	Sale Price	Direct Cap Rate %
1	Holiday Inn Express Camas, WA 98607	5	7/5/2022	\$714,999	\$13,000,000	5.50%
2	Best Western Liberty Inn Dupont Dupont, WA 98327	15	3/30/2022	\$791,000	\$11,000,000	7.19%
3	Best Western Chieftain Inn Wenatchee, WA 98801	25	9/30/2021	\$495,000	\$6,200,000	7.98%
4	Best Western Surestay Inn Portland, OR 97230	15	5/28/2021	\$599,400	\$6,650,000	9.01%
5	Best Western Northwest Lodge Boise, ID 83716	20	7/8/2021	\$645,000	\$8,600,000	7.50%
Average: 7.44%						

A direct capitalization rate is influenced by:

1. Physical factors
2. Economic factors
2. Methodology of calculating net income

#### 4. Macro economic trends

Capitalization rates are determined by investment needs for “return of” and “return on”. “Return of” is recapture of the initial investment. “Return on” is risk reward.

##### **Physical Factors**

Physical factors influence “return of”. Land is a non-depreciating asset into perpetuity. Improvements have relatively long lives. Personal property has shorter life.

The greater the percentage of value land represents, the lower the capitalization rate for physical factors. The “return of” land is on re-sale. Older improvements have shorter remaining lives than new. An older building, therefore, commands a higher “return of” rate component than a new one with a longer amortization life.

Substantial personal property value requires a higher capitalization rate with its shorter life. Although land is a non-depreciating asset, it can experience appreciation. Appreciating land requires a lower capitalization rate. The converse is true for an area of decreasing land value.

In summary, new improvements with minor personal property with high value that is appreciating indicates a low “return of” capitalization rate. A property with older improvements, low and declining land value with significant personal property has a high capitalization rate.

##### **Economic Factors**

Net income is dependent on gross income, vacancy and expenses. A property with complex economics has a more variable net income. A projection that is dependent on a change in operation for a property with a complex operation requires a high capitalization rate. An example of this scenario would be projecting higher rates beyond typical inflationary increases. While these might be justified by market rents it still would require active management to achieve these higher rents. A conservative forecast with simple economics results in a low rate (an example would be projection of income that is in line with historic stabilized levels with no rent increases other than standard inflationary increases).

In summary, a more standard net income projection with simple economics reduces risk, which indicates a low capitalization rate. A projected higher net income projection involving a change in operation (for example significantly increasing rents) indicates a higher capitalization rate (to account for increased risk).

### **Method of Calculating Net Income for the Sales and “Property”**

Direct capitalization rates need to reflect the same methodology for calculating net income including time periods (trailing capitalization rates versus leading capitalization rates. Income and expenses need to be handled consistently. Reserves for replacements, if included as an expense, should be included for the sales or have the direct capitalization rate adjusted downward if the comparables do not include reserves for replacement as an expense.

### **Macro Economic Trends**

Capitalization rates are influenced by inflation and interest rate macro economic trends as well as taxes. Inflation influences the “return of” component due to the lesser value of future money. Interest rates for alternate investments influence “return on”. They also influence financing of the property and equity yield. High inflation and interest rates usually result in higher DCRs. Governmental tax action can suddenly change capitalization rates.

### **Direct Capitalization Rate Overview**

Capitalization rates account for the “return of” and “return on” capital outlay. The shorter/longer the economic life, the higher/lower the rate. The lesser/greater the investment risk, the lower/higher the rate. Risk is influenced by the method of calculating net income and the influence of economics. Macro trends influence “return of” and “return on”.

The DCR for a property is dependent upon its unique physical and economic characteristics, and the method of projecting net income. Physical characteristics are property specific. Economic characteristics include property specific items as well as subjective estimates by the appraiser. The method of estimating net income needs to be applied uniformly to the “property” and the sales.

### **CONSIDERATION IN “PROPERTY” DIRECT CAPITALIZATION RATE SELECTION**

#### **Physical Features**

The improvements reflect a newer building of typical design for date of construction with a remaining effective age in the upper segment of the expected range. Personal property represents a typical percentage of total value. Physical features suggest a direct capitalization rate in the middle segment of the expected range for this property type.

#### **Economic Characteristics**

Economic characteristics suggest a direct capitalization rate in the lower-middle segment

of the expected range for this property type. Considering economic characteristics only a rate of 7.5 percent is appropriate.

**Method of Calculating Projected Net Income**

Projected occupancy is 65 percent which is in the middle segment of the range of the comparables.

Projected expenses are in the lower segment of the range. Reserves for replacement is deducted as an annual expense which requires a reduction in capitalization rate as the sales do not include this expense in their net income calculations.

Net income projections by the appraiser are in the middle segment of the range. Net income projection suggests an average capitalization rate.

**Macro Economic Trends**

Mortgage interest rates have been increasing. Income tax legislation indicates no change in capitalization rates.

**Summation**

Physical features suggest a 7.5 percent direct capitalization rate. Economic characteristics suggest 7.5 percent. Net income projection by appraiser suggests 7.5 percent. The macro trend since the date of sales is stable. A direct capitalization rate in the middle segment of the range is estimated, or 7.5 percent. The sales indicate a range of 5.50 to 9.01 percent. The selected rate is slightly below the median this range. This is increased to 7.7 percent in consideration to increasing interest rates.

A portion of this capitalization rate is for the reserves for replacement expense (since reserves for replacement was not deducted as an expense in the sales). As reserves for replacement were allocated in our income analysis the capitalization rate must be adjusted downward. The adjusted capitalization rate is calculated as follows:

$$\frac{I_o}{R_o} = \frac{(I_o - RR)}{(R_o - R_{rr})}$$

- \* Where  $I_o$  = Operating Income (without Reserves for Replacement)
- $R_o$  = Overall Capitalization Rate
- $RR$  = Reserves for Replacement (annual)
- $R_{rr}$  = Portion of Capitalization Rate for Reserves for Replacement

By Algebra, the following equation can be used to determine the Capitalization Rate after

taking out the Reserves for Replacement components.

$$(R_o - R_{rr}) = \frac{R_o (I_o - RR)}{I_o} = \frac{0.077 (\$1,157,400 - \$85,000)}{\$1,157,000} = 0.071345 \approx 0.0715$$

Market Value Estimate Using- Income Capitalization Approach-Direct  
Capitalization Rate

<u>Projected Net Income</u>	<u>Direct Capitalization Rate</u>	<u>Value Conclusion</u>
\$1,157,400	7.15%	\$14,998,601
		\$15,000,000 Rounded



**RECONCILIATION OF VALUE APPROACHES**

Market value for the “property” at inspection, by the three approaches, is:

Sales Comparison Approach	\$15,250,000
Income Capitalization Approach	\$15,000,000

The Sales Comparison Approach reflects prices paid for similar property. As such, it is sensitive to demand and supply factors that determine overall value. For the “property,” the Sales Comparison Approach also supports the value conclusion. It has weaknesses, however, due to the many adjustments necessary in relating the comparable sales to the “property.” These adjustments include locational, physical, and income characteristic differences. Due to the many adjustments necessary, therefore, the Sales Comparison Approach provides only a rough estimate of value. In valuing the “property,” it was not given primary consideration, even though it reflects general economic trends.

The Income Capitalization Approach values property based on its future income potential. It reflects current economic conditions in the market place that affect a property such as the subject, and it is the method most commonly utilized by informed buyers and sellers of motels to determine price paid. This approach relied upon a local room rate survey that included facilities with physical characteristics similar to the subject. Other revenue sources as well as projected expenses were based, in part, upon the “property’s” locational, physical, and income characteristics as they relate to industry averages. Expenses were based on comparable properties with similar physical and operational characteristics. The individual expense category estimates were tempered by industry averages. The net income that resulted was capitalized into value based on an overall capitalization rate that was closely tethered to market evidence.

This approach, therefore, is influenced by market factors and is the method by which hotels are typically sold and purchased. Based on an inspection of the “property” and the analysis presented in this report, the fee simple market value of the “property” of the going concern as of January 3<sup>rd</sup>, 2023 is:

**FIFTEEN MILLION DOLLARS**

**\$15,000,000**

**ALLOCATION OF VALUE COMPONENTS**

Market value is segregated into the components that make up value. This includes: real estate and personal property (moveable furnishings, fixtures, and equipment). Business value is excluded. Business value is attributable to net income of the management company or franchise operating the facility. Off-site management at the appraised property was estimated as an expense. Net income attributable to the off-site management company is not part of net income projected.

Hotel personal property (FF&E) new is estimated at \$15,000 per guestroom (See following page for limited service hotels) or \$1,635,000 rounded total (\$15,000 x 109 guest rooms, rounded). FF&E costs are divided between real estate and personal property components. In this analysis, FF&E realty not part of the Marshall Valuation Service is estimated at 25 percent. The remainder, or 75 percent, is moveable or personal property. Replacement cost new for FF&E is as follows.

Real Estate	\$1,635,000 (FF&E) x 25% =	\$408,750
Personal Property	\$1,635,000 (FF&E) x 75% =	\$1,226,250

FF&E components have shorter economic lives than the building. Most moveable (personal property) FF&E has a shorter life than fixed (real estate) FF&E. The average economic life of fixed FF&E is around 20 years. Note, there is a significant portion of the movable FF&E that is to be replaced as part of the remodeling process. Considering the new furniture as part of the remodel, the overall average economic life for movable components is around 5 years. As components that have shorter economic lives than long-lived components, replacement occurs more frequently. Although much of the FF&E has been replaced over the last few years, depreciation is still a factor. An as is depreciation factor of 25± percent is estimated (or 75 percent good). This results in a rounded depreciated personal property value of 920,000 rounded (\$1,226,250 x .75, rounded) as is.

**PRE-MARKETING, STAFFING, ON-SITE MANAGEMENT AND STABILIZED OPERATION**

Pre-marketing in-place staffing, on-site administration/management, and stabilized operation cost represent the difference of the tangible assets in use versus vacant. This intangible value is tethered to the real estate and FF&E or the tangible assets. While the value can differ depending upon operation, it should fall in the expected range for the tangible assets.

Pre-Opening/Working Capital is projected referencing the *HVS US Hotel Development Cost Survey 2018/19*: <https://www.hvs.com/article/8597-us-hotel-development-cost-survey-201819>

## RECONCILIATION OF VALUE APPROACHES

	Land	Building and Site Improvements	Soft Costs	FF&E	Pre-Opening and Working Capital	Developer Fee	Total
<b>Budget/Economy Hotels</b>							
Average	\$10,535	\$59,726	\$10,694	\$10,024	\$3,604	\$5,823	\$100,404
Median	\$9,297	\$56,189	\$9,055	\$11,000	\$2,584	\$6,875	\$94,999
% of Total*	10%	66%	11%	10%	2%	2%	
<b>Limited-Service Hotels</b>							
Average	\$14,634	\$95,491	\$12,224	\$15,122	\$4,780	\$6,660	\$148,911
Median	\$10,526	\$84,586	\$9,490	\$14,737	\$3,012	\$5,338	\$127,689
% of Total*	10%	67%	8%	10%	3%	2%	
<b>Extended-Stay Hotels (Midscale)</b>							
Average	\$13,233	\$83,616	\$13,164	\$14,677	\$5,410	\$6,066	\$136,166
Median	\$10,280	\$84,064	\$11,525	\$15,163	\$3,334	\$4,598	\$128,964
% of Total*	9%	64%	10%	11%	3%	2%	
<b>Extended-Stay Hotels (Upscale)</b>							
Average	\$29,382	\$149,875	\$26,658	\$21,922	\$5,938	\$8,828	\$242,604
Median	\$19,254	\$122,278	\$17,074	\$21,226	\$4,455	\$6,859	\$191,147
% of Total*	11%	65%	11%	9%	2%	2%	
<b>Dual-Branded Hotels</b>							
Average	\$22,445	\$173,947	\$21,867	\$21,016	\$8,830	\$9,968	\$258,073
Median	\$9,562	\$127,658	\$10,784	\$16,667	\$3,009	\$7,380	\$175,061
% of Total*	8%	69%	9%	8%	3%	3%	
<b>Select-Service Hotels</b>							
Average	\$37,168	\$168,219	\$41,363	\$19,358	\$8,781	\$15,291	\$290,181
Median	\$19,867	\$123,023	\$20,323	\$19,096	\$4,833	\$9,248	\$196,391
% of Total*	13%	59%	15%	7%	3%	3%	
<b>Full-Service Hotels</b>							
Average	\$43,654	\$245,131	\$48,921	\$36,366	\$12,505	\$10,196	\$396,773
Median	\$26,389	\$200,788	\$34,653	\$31,154	\$10,336	\$10,900	\$314,220
% of Total*	9%	65%	13%	9%	3%	1%	
<b>Luxury Hotels</b>							
Average	\$113,509	\$432,756	\$98,839	\$56,459	\$32,002	\$19,868	\$753,433
Median	\$78,778	\$403,912	\$86,136	\$49,960	\$22,100	\$17,778	\$658,664
% of Total*	13%	60%	14%	8%	4%	2%	

As-Is Fee Simple Value is estimated at \$15,000,000. The following is the allocation.

<b>As-Is Market Value Allocation of the Going Concern of the "Property"</b>		
<b>Component</b>	<b>Value</b>	<b>%</b>
Tangible Real Estate	\$13,630,000	90.9%
Intangible Assets	\$450,000	3.0%
Personal Property	\$920,000	6.1%
<b>Total</b>	<b>\$15,000,000</b>	<b>100%</b>

## **ADDENDA**

**LEGAL DESCRIPTION/  
REAL QUEST**

# Property Detail Report

For Property Located At :

**9717 SE SUNNYSIDE RD, CLACKAMAS, OR 97015-9784**



## Owner Information

Owner Name: **YKC HOSPITALITY LLC**  
 Mailing Address: **9717 SE SUNNYSIDE RD, CLACKAMAS OR 97015-9784 R001**  
 Vesting Codes: **//**

## Location Information

Legal Description: **1150 FIDDLERS ACRES PT SEC&PT LT 2**  
 County: **CLACKAMAS, OR** APN: **00118385**  
 Census Tract / Block: **222.05 / 1** Alternate APN: **R-1-2E-33-D-C-01400**  
 Township-Range-Sect: **1S-2E-33** Subdivision: **FIDDLERS ACRES**  
 Legal Book/Page: Map Reference: **/ 1S-2E-33-SE-SW**  
 Legal Lot: **2** Tract #:   
 Legal Block: School District: **012**  
 Market Area: School District Name: **012**  
 Neighbor Code: **20070** Munic/Township: **COUNTY CLACKAMAS**

## Owner Transfer Information

Recording/Sale Date: **/** Deed Type:  
 Sale Price: 1st Mtg Document #:  
 Document #:

## Last Market Sale Information

Recording/Sale Date: **02/01/2016 / 01/29/2016** 1st Mtg Amount/Type: **\$6,220,000 / CONV**  
 Sale Price: **\$8,000,000** 1st Mtg Int. Rate/Type: **/**  
 Sale Type: 1st Mtg Document #: **6102**  
 Document #: **6101** 2nd Mtg Amount/Type: **\$600,000 / PRIVATE PARTY**  
 Deed Type: **WARRANTY DEED** 2nd Mtg Int. Rate/Type: **/**  
 Transfer Document #: Price Per SqFt:  
 New Construction: Multi/Split Sale:  
 Title Company: **FIRST AMERICAN TITLE**  
 Lender: **UNIBANK**  
 Seller Name: **YI LINDA**

## Prior Sale Information

Prior Rec/Sale Date: **07/03/2013 / 07/03/2013** Prior Lender:  
 Prior Sale Price: **\$8,600,000** Prior 1st Mtg Amt/Type: **/**  
 Prior Doc Number: **46623** Prior 1st Mtg Rate/Type: **/**  
 Prior Deed Type: **BARGAIN & SALE DEED**

## Property Characteristics

Year Built / Eff:	1985 /	Total Rooms/Offices		Garage Area:	
Gross Area:		Total Restrooms:		Garage Capacity:	
Building Area:		Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:		Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	
		Basement Area:		Condition:	

## Site Information

Zoning:	RCC	Acres:	2.03	County Use:	COMMERCIAL PROPERTY IMPROVED (201)
Lot Area:	88,427	Lot Width/Depth:	x	State Use:	
Land Use:	COMMERCIAL BUILDING	Res/Comm Units:	/	Water Type:	
Site Influence:				Sewer Type:	

**Tax Information**

Total Value:	\$9,371,342	Assessed Year:	2021	Property Tax:	\$83,779.40
Land Value:	\$2,691,392	Improved %:	71%	Tax Area:	012073
Improvement Value:	\$6,679,950	Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$4,625,885				



**PURCHASE  
AND  
AGREEMENT**

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

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").

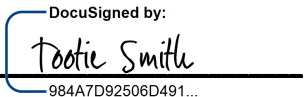
(b) Buyer Agent: **Skip Rotticci** of **Colliers International** firm (the "Buying Firm") is the agent of (check one):

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

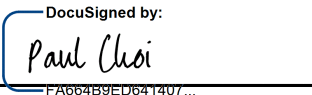
If the name of the same real estate firm appears in both Paragraphs (a) and (b) above, Buyer and Seller acknowledge that a principal broker of that real estate firm shall become the Disclosed Limited Agent for both Buyer and Seller, as more fully set forth in the Disclosed Limited Agency Agreements that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

ACKNOWLEDGED

Buyer: **Clackamas County**

(sign)  Date: 12/12/2022  
984A7D92506D491...

Seller: **YKC Hospitality, LLC**

(sign)  Date: 12/12/2022  
FA664B9ED641407...

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

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 DocuSigned by:  
471 By:           Tootie Smith            
472 Name: Tootie Smith  
473 Title: chair  
474

475 Date: 12/12/2022  
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 DocuSigned by:  
482 By:           Paul Choi            
483 Name: FA664B9ED641407...  
484 Its: Manager  
485 Date: 12/12/2022  
486  
487

488

EXHIBIT A  
LEGAL DESCRIPTION OF PROPERTY

1150 Fiddlers Acres Pt Sec & pt Lt 2

489

490

EXHIBIT B  
SELLER DOCUMENTS

- 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

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**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

\_\_\_\_\_

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





EXHIBIT D

LEAD-BASED PAINT DISCLOSURE ADDENDUM

(TO BE COMPLETED IF THE PROPERTY CONSISTS OF RESIDENTIAL HOUSING BUILT PRIOR TO 1978)

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

LEAD WARNING STATEMENT

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

AGENT'S ACKNOWLEDGMENT

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

SELLER'S DISCLOSURE

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

Seller has knowledge of lead-based paint and/or lead-based paint hazards in the housing (explain).

\_\_\_\_\_  
\_\_\_\_\_

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

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

Seller has provided Buyer with all available records and reports relating to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

\_\_\_\_\_  
\_\_\_\_\_

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

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

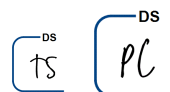


EXHIBIT E  
**SMOKE ALARM AND CARBON MONOXIDE DETECTOR**  
**SMOKE DETECTOR STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

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

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

Seller \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)



EXHIBIT F  
ASSIGNMENT AND ASSUMPTION OF  
CONTRACTS, WARRANTIES AND RIGHTS

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

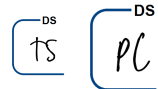
Assignor and Assignee have entered into that certain Purchase and Sale Agreement effective as of \_\_\_\_\_, 20\_\_\_\_ (the "Purchase Agreement"), pursuant to which Assignor is selling to Assignee, simultaneously with the delivery of this Assignment, that certain real property (the "Property") located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

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

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

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

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



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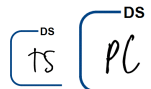
133 STATE OF Oregon )  
134 ) ss.  
135 County of Clackamas )  
136

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

139 \_\_\_\_\_  
140 Notary Public for \_\_\_\_\_  
141 My Commission Expires: \_\_\_\_\_  
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145 **SCHEDULE 2**  
146 **TO ASSIGNMENT OF CONTRACTS, WARRANTIES AND RIGHTS**  
147 **(Warranties and Guaranties)**  
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149 **SCHEDULE 3**  
150 **TO ASSIGNMENT OF CONTRACTS, WARRANTIES AND RIGHTS**  
151 **(Service Contracts)**  
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EXHIBIT G  
OREGON AGENCY DISCLOSURE

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

- (1) An agent shall provide a copy of the Initial Agency Disclosure Pamphlet provided for in section (4) of this rule at first contact with each represented party to a real property transaction, including but not limited to contacts in- person, by telephone, over the Internet or World Wide Web, or by electronic mail, electronic bulletin board or a similar electronic method.
- (2) An agent need not provide a copy of the Initial Agency Disclosure Pamphlet to a party who has, or may be reasonably assumed to have, already received a copy of the pamphlet from another agent.
- (3) "First contact with a represented party" means contact with a person who is represented by a real estate licensee or can reasonably be assumed from the circumstances to be represented or seeking representation.
- (4) The Initial Agency Disclosure Pamphlet shall be printed in substantially the following form:

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

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

REAL ESTATE AGENCY RELATIONSHIPS

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

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

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

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

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

DUTIES AND RESPONSIBILITIES OF AN AGENT WHO REPRESENTS

ONLY THE SELLER OR ONLY THE BUYER

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

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

Seller Initials: PC<sup>DS</sup>



**HISTORIC  
FINANCIALS**

# Hotel Statistics

Business Date: 12/31/2020

Property Code: OR267

Shift: 2

User: gm.or267

<u>Room Statistics</u>	<u>12/31/2020</u>	<u>PTD</u>	<u>Last Year PTD</u>	<u>YTD</u>	<u>Last YTD</u>
Total Rooms	110	3,410	3,410	40,260	40,150
Out Of Order	16	370	165	4,474	2,522
<b>Rooms Available to Sell</b>	<b>94</b>	<b>3,040</b>	<b>3,245</b>	<b>35,786</b>	<b>37,628</b>
Day Use Rooms	2	9	7	81	102
Stay Over Rooms	47	1,156	1,389	15,221	22,657
<b>Total Revenue Rooms</b>	<b>49</b>	<b>1,165</b>	<b>1,396</b>	<b>15,302</b>	<b>22,759</b>
Comp Rooms	0	3	7	39	86
<b>Total Non-Revenue Rooms</b>	<b>0</b>	<b>3</b>	<b>7</b>	<b>39</b>	<b>86</b>
<b>Total Occupied Rooms</b>	<b>49</b>	<b>1,168</b>	<b>1,403</b>	<b>15,341</b>	<b>22,845</b>

<u>Performance Statistics</u>	<u>12/31/2020</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Occ% of Total Available Rooms	52.13 %	38.42 %	43.24 %	42.87 %	60.71 %
Occ% of Total Rooms	44.55 %	34.25 %	41.14 %	38.10 %	56.90 %
STR (STAR) Occ% of Total Rooms	44.55 %	34.16 %	40.94 %	38.01 %	56.68 %
ADR Stay Over Rooms	71.18	69.80	77.13	77.49	96.75
ADR for Total Rev Rooms.	68.28	69.26	76.74	77.08	96.32
STR (STAR) ADR for Total Rev Rooms.	68.28	69.26	76.74	77.08	96.32
ADR for Total Occupied Rooms	68.28	69.08	76.36	76.89	95.95
RevPar	35.59	26.54	33.01	32.96	58.26
STR (STAR) RevPar	30.42	23.66	31.42	29.30	54.60

<u>Revenue</u>	<u>12/31/2020</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Room Rev(Non-Exempt From Tax)	2,874.96	69,417.61	91,408.95	1,029,682.79	1,880,478.98
Room Rev(Exempt From All Tax)	470.72	11,265.58	15,722.88	149,845.16	311,589.68
<b>Total Room Revenue</b>	<b>3,345.68</b>	<b>80,683.19</b>	<b>107,131.83</b>	<b>1,179,527.95</b>	<b>2,192,068.66</b>
Other Revenue	0.00	880.00	335.15	7,833.50	6,191.50
<b>Total Revenue</b>	<b>3,345.68</b>	<b>81,563.19</b>	<b>107,466.98</b>	<b>1,187,361.45</b>	<b>2,198,260.16</b>

<u>Guest Statistics</u>	<u>12/31/2020</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Number of Adults	71	1,624	2,121	22,267	33,942
Number of Children	2	78	107	935	1,776
<b>Total Number of Guests</b>	<b>73</b>	<b>1,702</b>	<b>2,228</b>	<b>23,202</b>	<b>35,718</b>

Average Adults Per Room	1.45	1.39	1.51	1.45	1.49
Average Rate Per Adult	47.12	49.68	50.51	52.97	64.58
Average Revenue Per Adult	47.12	50.22	50.67	53.32	64.77

<u>Today's Activity</u>	<u>12/31/2020</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Arrived With Reservations	29	539	688	6,635	10,949
Walk Ins	0	0	26	83	159
No Shows	2	11	18	168	287
Cancellations for Today's Arrivals	6	82	138	1,237	1,722
Checked Out Today	29	523	725	6,710	11,119

U.S. Income Tax Return for an S Corporation

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.

2019

For calendar year 2019 or tax year beginning 2019, ending 20

Header section containing: A S election effective date (01-01-2016), B Business activity code number (721110), C Check if Sch. M-3 attached, G Is the corporation electing to be an S corporation beginning with this tax year? (No), H Check if: (1) Final return, (2) Name change, (3) Address change, (4) Amended return, (5) S election termination or revocation, I Enter the number of shareholders (3), J Check if corporation: (1) Aggregated activities, (2) Grouped activities.

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for Income, Deductions, and Tax and Payments. Rows include: 1a Gross receipts or sales (2,210,740), 1b Returns and allowances, 2 Cost of goods sold, 3 Gross profit (2,210,740), 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss) (2,210,740), 7 Compensation of officers (72,000), 8 Salaries and wages (324,868), 9 Repairs and maintenance (64,529), 10 Bad debts (3,259), 11 Rents, 12 Taxes and licenses (126,709), 13 Interest (288,857), 14 Depreciation not claimed (183,666), 15 Depletion, 16 Advertising, 17 Pension, profit-sharing, etc., plans, 18 Employee benefit programs, 19 Other deductions (723,634), 20 Total deductions (1,787,522), 21 Ordinary business income (loss) (423,218), 22a Excess net passive income or LIFO recapture tax, 22b Tax from Schedule D, 22c Add lines 22a and 22b, 23a 2019 estimated tax payments and 2018 overpayment credited to 2019, 23b Tax deposited with Form 7004, 23c Credit for federal tax paid on fuels, 23d Reserved for future use, 23e Add lines 23a through 23d, 24 Estimated tax penalty, 25 Amount owed, 26 Overpayment, 27 Enter amount from line 26: Credited to 2020 estimated tax.

Sign Here: SANG H CHOI, Signature of officer, Date 8/12/2020, Title G PARTNER. Includes a box for 'May the IRS discuss this return with the preparer shown below?' with Yes/No options.

Paid Preparer Use Only: Print/Type preparer's name (HYONG J YU), Preparer's signature (HYONG J YU), Date (03-24-2020), Check if PTIN self-employed (P00015365), Firm's name (H J YU and Associates LLC -EA), Firm's EIN (93-1136563), Firm's address (811 E BURNSIDE ST STE 219, Portland OR 97214), Phone no.

# Hotel Statistics

Business Date: 12/31/2021

Property Code: OR267

Shift: 2

User: gm.or267

<u>Room Statistics</u>	<u>12/31/2021</u>	<u>PTD</u>	<u>Last Year PTD</u>	<u>YTD</u>	<u>Last YTD</u>
Total Rooms	109	3,379	3,410	39,893	40,260
Out Of Order	3	97	370	2,526	4,474
<b>Rooms Available to Sell</b>	<b>106</b>	<b>3,282</b>	<b>3,040</b>	<b>37,367</b>	<b>35,786</b>
Day Use Rooms	0	2	9	63	81
Stay Over Rooms	47	1,713	1,156	27,972	15,221
<b>Total Revenue Rooms</b>	<b>47</b>	<b>1,715</b>	<b>1,165</b>	<b>28,035</b>	<b>15,302</b>
Comp Rooms	0	11	3	76	39
<b>Total Non-Revenue Rooms</b>	<b>0</b>	<b>11</b>	<b>3</b>	<b>76</b>	<b>39</b>
<b>Total Occupied Rooms</b>	<b>47</b>	<b>1,726</b>	<b>1,168</b>	<b>28,111</b>	<b>15,341</b>
<u>Performance Statistics</u>	<u>12/31/2021</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Occ% of Total Available Rooms	44.34 %	52.59 %	38.42 %	75.23 %	42.87 %
Occ% of Total Rooms	43.12 %	51.08 %	34.25 %	70.47 %	38.10 %
STR (STAR) Occ% of Total Rooms	43.12 %	50.75 %	34.16 %	70.28 %	38.01 %
ADR Stay Over Rooms	107.88	103.44	69.80	102.24	77.49
ADR for Total Rev Rooms.	107.88	103.31	69.26	102.01	77.08
STR (STAR) ADR for Total Rev Rooms.	107.88	103.31	69.26	102.01	77.08
ADR for Total Occupied Rooms	107.88	102.66	69.08	101.73	76.89
RevPar	47.83	53.99	26.54	76.53	32.96
STR (STAR) RevPar	46.52	52.44	23.66	71.69	29.30
<u>Revenue</u>	<u>12/31/2021</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Room Rev(Non-Exempt From Tax)	4,759.79	156,229.86	69,417.61	2,478,366.47	1,029,682.79
Room Rev(Exempt From All Tax)	310.61	20,955.32	11,265.58	381,381.71	149,845.16
<b>Total Room Revenue</b>	<b>5,070.40</b>	<b>177,185.18</b>	<b>80,683.19</b>	<b>2,859,748.18</b>	<b>1,179,527.95</b>
Other Revenue	200.00	1,872.99	880.00	19,802.90	7,833.50
<b>Total Revenue</b>	<b>5,270.40</b>	<b>179,058.17</b>	<b>81,563.19</b>	<b>2,879,551.08</b>	<b>1,187,361.45</b>
<u>Guest Statistics</u>	<u>12/31/2021</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Number of Adults	66	2,417	1,624	41,360	22,267
Number of Children	0	51	78	1,267	935
<b>Total Number of Guests</b>	<b>66</b>	<b>2,468</b>	<b>1,702</b>	<b>42,627</b>	<b>23,202</b>
Average Adults Per Room	1.40	1.40	1.39	1.47	1.45
Average Rate Per Adult	76.82	73.31	49.68	69.14	52.97
Average Revenue Per Adult	79.85	74.08	50.22	69.62	53.32
<u>Today's Activity</u>	<u>12/31/2021</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Arrived With Reservations	13	484	539	8,751	6,635
Walk Ins	0	3	0	23	83
No Shows	1	24	11	287	168
Cancellations for Today's Arrivals	1	72	82	1,397	1,237
Checked Out Today	10	511	523	8,774	6,710

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.

2020

For calendar year 2020 or tax year beginning , 2020, ending , 20

Header section containing: A Selection effective date (01-01-2016), B Business activity code number (721110), C Check if Sch. M-3 attached, D Employer identification number (26-0311677), E Date incorporated (06-22-2007), F Total assets (\$6,621,150), TYPE OR PRINT, Name (YKC HOSPITALITY LLC), Number, street, and room or suite no. (9717 SE SUNNYSIDE RD), City or town, state or province, country, and ZIP or foreign postal code (Clackamas OR 97015).

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No (checked) If "Yes," attach Form 2553 if not already filed. H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation. I Enter the number of shareholders who were shareholders during any part of the tax year 3. J Check if corporation: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes.

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income section table with columns: Description, Line, Amount. Rows include: 1a Gross receipts or sales (1,187,362), 1b Returns and allowances, 1c Balance (1,187,362), 2 Cost of goods sold, 3 Gross profit (1,187,362), 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss) (1,187,362).

Deductions section table with columns: Description, Line, Amount. Rows include: 7 Compensation of officers (100,500), 8 Salaries and wages (253,936), 9 Repairs and maintenance (31,650), 10 Bad debts (2,787), 11 Rents, 12 Taxes and licenses (65,385), 13 Interest (237,944), 14 Depreciation (189,094), 15 Depletion, 16 Advertising (2,557), 17 Pension, profit-sharing, etc., plans, 18 Employee benefit programs, 19 Other deductions (522,804), 20 Total deductions (1,406,657), 21 Ordinary business income (loss) (219,295).

Tax and Payments section table with columns: Description, Line, Amount. Rows include: 22a Excess net passive income or LIFO recapture tax, 22b Tax from Schedule D, 22c Add lines 22a and 22b, 23a 2020 estimated tax payments and 2019 overpayment credited to 2020, 23b Tax deposited with Form 7004, 23c Credit for federal tax paid on fuels, 23d Reserved for future use, 23e Add lines 23a through 23d, 24 Estimated tax penalty, 25 Amount owed, 26 Overpayment, 27 Enter amount from line 26: Credited to 2021 estimated tax.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. May the IRS discuss this return with the preparer shown below? See instructions. Yes (checked) No.

SANG H CHOI Signature of officer Date G PARTNER Title

Paid Preparer Use Only section containing: Print/Type preparer's name (HYONG J YU), Preparer's signature (HYONG J YU), Date (03-13-2021), Check self-employed if PTIN (P00015365), Firm's name (H J YU and Associates LLC -EA), Firm's EIN (93-1136563), Firm's address (811 E BURNSIDE ST STE 219, Portland OR 97214), Phone no. ((503) 235-2714).

# Hotel Statistics

Business Date: 5/15/2022

Property Code: OR267

Shift: 2

User: gm.or267

<u>Room Statistics</u>	<u>5/15/2022</u>	<u>PTD</u>	<u>Last Year PTD</u>	<u>YTD</u>	<u>Last YTD</u>
Total Rooms	109	1,635	1,635	14,715	14,823
Out Of Order	19	351	84	1,764	1,534
<b>Rooms Available to Sell</b>	<b>90</b>	<b>1,284</b>	<b>1,551</b>	<b>12,951</b>	<b>13,289</b>
Day Use Rooms	0	0	0	7	36
Stay Over Rooms	61	1,020	1,362	9,151	9,854
<b>Total Revenue Rooms</b>	<b>61</b>	<b>1,020</b>	<b>1,362</b>	<b>9,158</b>	<b>9,890</b>
Comp Rooms	0	14	1	48	33
<b>Total Non-Revenue Rooms</b>	<b>0</b>	<b>14</b>	<b>1</b>	<b>48</b>	<b>33</b>
<b>Total Occupied Rooms</b>	<b>61</b>	<b>1,034</b>	<b>1,363</b>	<b>9,206</b>	<b>9,923</b>

<u>Performance Statistics</u>	<u>5/15/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Occ% of Total Available Rooms	67.78 %	80.53 %	87.88 %	71.08 %	74.67 %
Occ% of Total Rooms	55.96 %	63.24 %	83.36 %	62.56 %	66.94 %
STR (STAR) Occ% of Total Rooms	55.96 %	62.39 %	83.30 %	62.24 %	66.72 %
ADR Stay Over Rooms	112.55	113.24	87.07	104.58	79.57
ADR for Total Rev Rooms.	112.55	113.24	87.07	104.50	79.28
STR (STAR) ADR for Total Rev Rooms.	112.55	113.24	87.07	104.50	79.28
ADR for Total Occupied Rooms	112.55	111.71	87.01	103.95	79.01
RevPar	76.29	89.96	76.46	73.89	59.00
STR (STAR) RevPar	62.99	70.64	72.53	65.03	52.89

<u>Revenue</u>	<u>5/15/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Room Rev(Non-Exempt From Tax)	4,966.58	91,680.38	100,326.17	686,494.42	669,099.41
Room Rev(Exempt From All Tax)	1,899.15	23,822.98	18,262.07	270,482.00	114,935.79
<b>Total Room Revenue</b>	<b>6,865.73</b>	<b>115,503.36</b>	<b>118,588.24</b>	<b>956,976.42</b>	<b>784,035.20</b>
Other Revenue	0.00	80.00	3,722.00	7,705.20	9,171.00
<b>Total Revenue</b>	<b>6,865.73</b>	<b>115,583.36</b>	<b>122,310.24</b>	<b>964,681.62</b>	<b>793,206.20</b>

<u>Guest Statistics</u>	<u>5/15/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Number of Adults	94	1,593	2,078	13,101	14,715
Number of Children	5	96	29	1,024	509
<b>Total Number of Guests</b>	<b>99</b>	<b>1,689</b>	<b>2,107</b>	<b>14,125</b>	<b>15,224</b>

Average Adults Per Room	1.54	1.54	1.52	1.42	1.48
Average Rate Per Adult	73.04	72.51	57.07	73.05	53.28
Average Revenue Per Adult	73.04	72.56	58.86	73.63	53.90

<u>Today's Activity</u>	<u>5/15/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Arrived With Reservations	19	272	344	2,164	3,604
Walk Ins	0	0	0	7	10
No Shows	0	5	15	65	134
Cancellations for Today's Arrivals	2	26	53	272	567
Checked Out Today	52	296	354	2,157	3,575

Department of the Treasury  
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

**2021**

▶ Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

For calendar year 2021 or tax year beginning \_\_\_\_\_, 2021, ending \_\_\_\_\_, 20

<b>A</b> S election effective date	<b>TYPE</b> <b>OR</b> <b>PRINT</b>	Name <b>YKC HOSPITALITY LLC</b>	<b>D</b> Employer identification number <b>26-0311677</b>
<b>01-01-2016</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>9717 SE SUNNYSIDE RD</b>	<b>E</b> Date incorporated <b>06-22-2007</b>
<b>B</b> Business activity code number (see instructions) <b>721110</b>		City or town, state or province, country, and ZIP or foreign postal code <b>Clackamas OR 97015</b>	<b>F</b> Total assets (see instructions) <b>\$ 7,223,902</b>

**G** Is the corporation electing to be an S corporation beginning with this tax year? See instructions.  Yes  No

**H** Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return (5)  S election termination

**I** Enter the number of shareholders who were shareholders during any part of the tax year . . . . . **3**

**J** Check if corporation: (1)  Aggregated activities for section 465 at-risk purposes (2)  Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1 a</b>	Gross receipts or sales . . . . .	<b>1a</b>	<b>2,835,138</b>		
	<b>b</b>	Returns and allowances . . . . .	<b>1b</b>	<b>4,493</b>		
	<b>c</b>	Balance. Subtract line 1b from line 1a . . . . .				<b>2,830,645</b>
	<b>2</b>	Cost of goods sold (attach Form 1125-A) . . . . .				
	<b>3</b>	Gross profit. Subtract line 2 from line 1c . . . . .				<b>2,830,645</b>
	<b>4</b>	Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . .				
<b>Deductions (see instructions for limitations)</b>	<b>5</b>	Other income (loss) (see instructions - attach statement) . . . . .				
	<b>6</b>	<b>Total income (loss).</b> Add lines 3 through 5 . . . . . ▶				<b>2,830,645</b>
	<b>7</b>	Compensation of officers (see instructions - attach Form 1125-E) . . . . .				<b>90,000</b>
	<b>8</b>	Salaries and wages (less employment credits) . . . . .				<b>284,291</b>
	<b>9</b>	Repairs and maintenance . . . . .				<b>111,988</b>
	<b>10</b>	Bad debts . . . . .				
	<b>11</b>	Rents . . . . .				
	<b>12</b>	Taxes and licenses . . . . . <b>Wks Tax/Lic</b>				<b>175,820</b>
	<b>13</b>	Interest (see instructions) . . . . .				<b>282,018</b>
	<b>14</b>	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .				<b>171,440</b>
	<b>15</b>	Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . .				
	<b>16</b>	Advertising . . . . .				<b>469</b>
	<b>17</b>	Pension, profit-sharing, etc., plans . . . . .				
	<b>18</b>	Employee benefit programs . . . . .				
	<b>19</b>	Other deductions (attach statement) . . . . . <b>Statement #2</b>				<b>775,057</b>
<b>20</b>	<b>Total deductions.</b> Add lines 7 through 19 . . . . . ▶				<b>1,891,083</b>	
<b>21</b>	<b>Ordinary business income (loss).</b> Subtract line 20 from line 6 . . . . .				<b>939,562</b>	
<b>Tax and Payments</b>	<b>22 a</b>	Excess net passive income or LIFO recapture tax (see instructions) . . . . .	<b>22a</b>			
	<b>b</b>	Tax from Schedule D (Form 1120-S) . . . . .	<b>22b</b>			
	<b>c</b>	Add lines 22a and 22b (see instructions for additional taxes) . . . . .				<b>22c</b>
	<b>23 a</b>	2021 estimated tax payments and 2020 overpayment credited to 2021 . . . . .	<b>23a</b>			
	<b>b</b>	Tax deposited with Form 7004 . . . . .	<b>23b</b>			
	<b>c</b>	Credit for federal tax paid on fuels (attach Form 4136) . . . . .	<b>23c</b>			
	<b>d</b>	Add lines 23a through 23c . . . . .				<b>23d</b>
	<b>24</b>	Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . ▶ <input type="checkbox"/>				<b>24</b>
	<b>25</b>	<b>Amount owed.</b> If line 23d is smaller than the total of lines 22c and 24, enter amount owed . . . . .				<b>25</b>
	<b>26</b>	<b>Overpayment.</b> If line 23d is larger than the total of lines 22c and 24, enter amount overpaid . . . . .				<b>26</b>
<b>27</b>	Enter amount from line 26: <b>Credited to 2022 estimated tax</b> ▶ <b>Refunded</b> ▶				<b>27</b>	

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? See instructions.  Yes  No

**SANG H CHOI** \_\_\_\_\_ **G PARTNER**  
Signature of officer Date Title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>HYONG J YU</b>	Preparer's signature <b>HYONG J YU</b>	Date <b>03-08-2022</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00015365</b>	
	Firm's name ▶ <b>H J YU and Associates LLC -EA</b>	Firm's EIN ▶ <b>93-1136563</b>		Phone no. <b>(503) 235-2714</b>		
	Firm's address ▶ <b>811 E BURNSIDE ST STE 219</b>	<b>Portland OR 97214</b>				

# Income Statement

**Name**

**Time Period**

Financial Statements in U.S. Dollars

## Revenue

Room Revenue  
Other Income  
**Net Sales**

	2698012
	18691
	2679321

## Expenses

Advertising/Marketing  
Bad Debts  
Breakfast Supply  
Bank Charges  
Charitable Contributions  
Commissions  
Credit Card Exp  
Dues and Subscriptions  
Equipment  
HouseKeeping Supplies  
Franchise Fee  
Insurance  
Interest  
Legal and Professional Fees  
Licenses and Fees  
Meeting & Meal  
Repairs and Maintenance  
Postage/Shipping  
Sales & Marketing  
Supplies  
Tax-Property  
Tax-Personal Prtperty  
Telephone,Internet & TV  
Travel  
Traing Fee  
Utilities  
Vehicle Expenses  
Workers Compensation  
Wages  
**Total Expenses**

	1035
	3685
	80559
	8490
	100
	62507
	85331
	9163
	1140
	21487
	320742
	41548
	266833
	6600
	23689
	6828
	299183
	437
	90
	19204
	84376
	5340
	38896
	1314
	5372
	83686
	31137
	6278
	424032
	1939083

**Net Operating Income**

	740238
--	--------

## Other Income

Interest Income  
**Total Other Income**

	11319
	11319

**Net Income (Loss)**

	751557
--	--------



# Hotel Statistics

Business Date: 12/27/2022

Property Code: OR267

Shift: 1

User: gm.or267

<u>Room Statistics</u>	<u>12/27/2022</u>	<u>PTD</u>	<u>Last Year PTD</u>	<u>YTD</u>	<u>Last YTD</u>
Total Rooms	109	2,943	2,943	39,349	39,457
Out Of Order	17	337	90	4,020	2,519
<b>Rooms Available to Sell</b>	<b>92</b>	<b>2,606</b>	<b>2,853</b>	<b>35,329</b>	<b>36,938</b>
Day Use Rooms	0	0	2	27	63
Stay Over Rooms	40	1,207	1,514	23,464	27,773
<b>Total Revenue Rooms</b>	<b>40</b>	<b>1,207</b>	<b>1,516</b>	<b>23,491</b>	<b>27,836</b>
Comp Rooms	0	16	11	238	76
<b>Total Non-Revenue Rooms</b>	<b>0</b>	<b>16</b>	<b>11</b>	<b>238</b>	<b>76</b>
<b>Total Occupied Rooms</b>	<b>40</b>	<b>1,223</b>	<b>1,527</b>	<b>23,729</b>	<b>27,912</b>

<u>Performance Statistics</u>	<u>12/27/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Occ% of Total Available Rooms	43.48 %	46.93 %	53.52 %	67.17 %	75.56 %
Occ% of Total Rooms	36.70 %	41.56 %	51.89 %	60.30 %	70.74 %
STR (STAR) Occ% of Total Rooms	36.70 %	41.01 %	51.51 %	59.70 %	70.55 %
ADR Stay Over Rooms	97.94	100.38	102.88	113.65	102.20
ADR for Total Rev Rooms.	97.94	100.38	102.75	113.52	101.97
STR (STAR) ADR for Total Rev Rooms.	97.94	100.38	102.75	113.52	101.97
ADR for Total Occupied Rooms	97.94	99.07	102.01	112.39	101.69
RevPar	42.58	46.49	54.60	75.48	76.84
STR (STAR) RevPar	35.94	41.17	52.93	67.77	71.93

<u>Revenue</u>	<u>12/27/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Room Rev(Non-Exempt From Tax)	3,584.48	100,141.97	136,389.02	2,011,552.21	2,458,525.63
Room Rev(Exempt From All Tax)	333.27	21,019.08	19,377.66	655,242.56	379,804.05
<b>Total Room Revenue</b>	<b>3,917.75</b>	<b>121,161.05</b>	<b>155,766.68</b>	<b>2,666,794.77</b>	<b>2,838,329.68</b>
Other Revenue	0.00	959.90	922.99	19,507.76	18,852.90
<b>Total Revenue</b>	<b>3,917.75</b>	<b>122,120.95</b>	<b>156,689.67</b>	<b>2,686,302.53</b>	<b>2,857,182.58</b>

<u>Guest Statistics</u>	<u>12/27/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Number of Adults	57	1,728	2,146	34,147	41,089
Number of Children	3	67	51	2,072	1,267
<b>Total Number of Guests</b>	<b>60</b>	<b>1,795</b>	<b>2,197</b>	<b>36,219</b>	<b>42,356</b>

Average Adults Per Room	1.43	1.41	1.41	1.44	1.47
Average Rate Per Adult	68.73	70.12	72.58	78.10	69.08
Average Revenue Per Adult	68.73	70.67	73.01	78.67	69.54

<u>Today's Activity</u>	<u>12/27/2022</u>	<u>Current PTD</u>	<u>Last Year PTD</u>	<u>Current YTD</u>	<u>Last YTD</u>
Arrived With Reservations	20	570	438	7,606	8,705
Walk Ins	1	7	3	24	23
No Shows	0	21	22	227	285
Cancellations for Today's Arrivals	1	84	65	1,003	1,390
Checked Out Today	17	583	454	7,637	8,717

**ENGAGEMENT  
LETTER**

# AARON BROWN & ASSOCIATES, INC.

## CONTRACT FOR PROFESSIONAL SERVICES

AGREEMENT made on December 19, 2022 between, the Oregon Community Foundation and Clackamas County referred to collectively as "Client", and Aaron Brown and Associates, Inc., hereinafter referred to as "Company", as follows:

**I - IDENTIFICATION:** Clients hereby engages Company, and Company hereby agrees to perform valuation services described as follows: an Appraisal of the Quality Inn at 9717 SE Sunnyside Rd, Clackamas, OR

**II - PURPOSE AND USE OF APPRAISAL:** The use of the appraisals is limited to the use by the Client for internal decision making. Note consultants for the Oregon Community Foundation (OCF) are also an Intended User (Bruce Wood/Tom Kemper) other intended clients/users are the Clackamas County. No other use is authorized unless agreed previously. Company agrees to furnish Client one electronic (PDF) copy.

**III - PROFESSIONAL STANDARDS:** The appraisal will be written to meet the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Standards of Professional Appraisal Practice of the Appraisal Institute in effect as of the contract date. It is understood by the Client that the appraisal is subject to review by duly authorized committee members working within the scope of the bylaws and regulations of the Appraisal Institute.

**IV - CLIENT PROVIDED DATA:** Client agrees that data supplied to the Company for the purpose of the appraisal will be true and accurate to the best of the Client's knowledge. The Client also agrees that all data in his possession that materially impacts value will be forwarded to the Company in a timely manner.

**V - COMPENSATION AND RETAINER:** Client agrees to pay the Company for services, a flat **fee of \$4,500** which includes all appraisal-related expenses. The client agrees to pay a 50% retainer (\$2,250 at signing of this contract, with the remaining 50 percent (\$2,250) due prior to delivery. Delivery of the appraisal is three weeks from receipt of signed contract and retainer check.

**VI - COMPLETION DATE ESTIMATE:** Company agrees to use his best efforts to complete the appraisal three weeks after receipt of contract and retainer. Said completion date is an estimate and does not take into consideration pretrial or court time, as well as delays beyond the control of the Company, such as illness, lack of specific necessary data, or Acts of God.


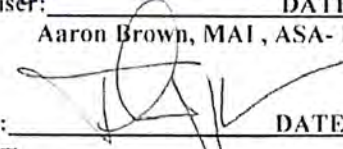
**VII - CANCELLATION:** If Client cancels the assignment, the Client will pay the Company for time at the rate of \$150.00 per hour and expenses to emailed notice of cancellation to the Company's email address shown below.

**VIII - LIABILITY:** The Company's liability regarding the above services is limited to the amount of the fee and does not extend to third parties.

**IX - COLLECTION:** Client and Company agree that simple interest of one percent (1.0%) per month with a maximum of twelve percent (12%) per annum will accrue on any balance for compensation or expense reimbursement due to Company and remaining unpaid as of the date due. Client also agrees to pay Company reasonable expenses incurred in collecting all amounts due and owing under the terms of this agreement, including court costs and reasonable attorney's fees. Terms: Due on delivery of report, with interest due if not paid within 30 days of delivery.

Approved by Client and Company the date and year first above written. **NOTE:** This proposal may be withdrawn if not accepted within 7 days.

Company  
Aaron Brown  
and Associates, Inc.  
PO Box 42634.  
  
Portland, OR 97242  
PH. (503) 363-5969  
E-mail  
Aaron@aaronbrownassociates.com

Appraiser:  DATE: 12/19/22  
Aaron Brown, MAI, ASA- President  
  
Client:  DATE: 12/19/22

Client  
Bruce Wood/Tom Kemper  
Consultant  
Oregon Community Foundation  
1221 SW Yamhill St, Suite 100  
Portland, OR 97205

## **PROFESSIONAL QUALIFICATIONS**

## **PROFESSIONAL QUALIFICATIONS**

### **AARON J. BROWN, MAI, ASA**

#### **PRESENT POSITION:**

Aaron J. Brown is an Oregon State General Real Estate Licensed Appraiser and owner of Aaron Brown and Associates, Inc. He started appraising in 1998 with James Brown and Associates. Prior to James Brown and Associates he worked as an engineer/programmer for the Army Corps of Engineers and had positions with Intel and Sequent Computer Systems (now IBM). In 2011 Aaron Brown opened his own appraisal firm of Aaron Brown and Associates, Inc. after James Brown retired.

#### **EXPERIENCE:**

Mr. Brown has performed appraisals in Oregon, Washington, California, Colorado, Wisconsin, Idaho, Indiana, Montana, Utah, Arizona, Alabama, North Dakota, Rhode Island, Tennessee, Illinois, North Carolina, and Florida. These assignments involved proposed and existing properties including independent living retirement centers, residential care facilities, assisted living centers, nursing homes, continuum of care retirement centers, Alzheimer/dementia care centers, hospitals, and hospitality (hotel/motel) properties. He has also completed more than four going concern appraisals of hotels/motels in the last 36 months and also more than four going concern appraisal of senior living properties in the last 36 months.

In addition to his appraisal background experience, Mr. Brown has experience as a programmer/engineer. He has written programs for the Army Corps of Engineers, Intel, and Sequent (now IBM).

#### **EDUCATION:**

Mr. Brown graduated from Willamette University with a Bachelor of Arts degree in Economics and History. He earned a subsequent Bachelor of Science degree from Portland State University in Computer Engineering.

Mr. Brown has successfully completed the following Appraisal Institute real estate appraisal classes: 110 – Appraisal Principles; 120 – Appraisal Procedures; 410 & 420 USPAP “Uniform Standards of Professional Appraisal Practice”; 310 – Basic Income Capitalization; 320 – General Applications; 510 – Advanced Income Capitalization; 520 – Highest and Best Use and Market Analysis; 530 – Advanced Sales Comparison and Cost Approaches; 550 – Advanced Applications; and 833 – Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets. Mr. Brown has presented a seminar on Elderly Care Appraisal for the Appraisal Institute.

#### **PROFESSIONAL ORGANIZATIONS, LICENSES, ETC.:**

Mr. Brown is a member of the Appraisal Institute and holds the designation MAI. He is an Accredited Senior Appraiser with the American Society of Appraisers and is a Certified General Real Estate Appraiser in the State of California, License AG029450; Idaho, License CGA-1381; Oregon, License No: C000724; Colorado, License No: CG.040044161 and Washington, License No. 1101057. He is also licensed in Arizona, Nevada, Texas, and Utah.

## **PROFESSIONAL QUALIFICATIONS NATE KNIFE**

### **PRESENT POSITION:**

Nate Knife is a Certified General Real Estate Licensed Appraiser employed by Aaron Brown and Associates, Inc since January 1, 2017. He started with Aaron Brown and Associates in February 2012. Prior to Aaron Brown and Associates, he was employed by Fred Meyer, working as a cashier at their Garden City location in Boise, ID, from September 2011 to January 2012. Prior to that, he worked as a news assistant and freelance journalist for the Idaho Statesman from January 2011 to August 2011.

### **EXPERIENCE:**

Mr. Knife has assisted with appraisals in numerous states across the western US. These assignments involved proposed and existing properties including independent living retirement centers, residential care facilities, assisted living centers, nursing homes, continuum of care retirement centers, Alzheimer/dementia care centers, hospitals, and hospitality (hotel/motel) properties.

### **EDUCATION:**

Mr. Knife received his Bachelor of the Arts in Journalism Studies from the University of Denver in 2010. He has also successfully completed the required hours of Appraisal Institute real estate appraisal classes and has met the minimum qualifications for the State Certification with the State of Oregon. Mr. Knife successfully passed the Certified General Appraiser Exam on November 18, 2017.

### **PROFESSIONAL ORGANIZATIONS, LICENSES, ETC.:**

Nate Knife is a Certified General Real Estate Appraiser licensed in Oregon, License No. C001315.

**APPRAISER'S  
LICENSE**



**AARON J BROWN**  
**AARON BROWN & ASSOCIATES, INC.**  
**PO BOX 42634**  
**PORTLAND, OR 97242**

**Appraiser Certification and Licensure Board**  
**State Certified General Appraiser**  
*28 hours of continuing education required*

License No.: C000724

Issue Date: May 01, 2021

Expiration Date: April 30, 2023



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**Chad Koch, Administrator**





**Appraiser Certification and Licensure Board**

**State Certified General Appraiser**

*28 hours of continuing education required*

License No.: C001315

Issue Date: September 01, 2021

Expiration Date: August 31, 2023

NATHAN D KNIFE  
AARON BROWN AND ASSOCIATES INC.  
930 SW GIBBS ST APARTMENT 6  
PORTLAND, OR 97239

Chad Koch, Administrator



# Project Turnkey 2022 Community Engagement Summary Report

November 9, 2022

Oregon state and our region are experiencing a severe shortage of housing and shelter. In an effort to provide creative solutions for this crisis, the Oregon Legislature is providing grants to acquire motels and hotels to establish housing and shelter for people experiencing homelessness, a program called Project Turnkey. This effort is one part of a much broader comprehensive strategy to increase all types of housing. Project Turnkey grants are administered through the Oregon Community Foundation.

Clackamas County applied for a Project Turnkey grant and, in September 2022, was advanced to phase II of the grant process. In this phase, the county considered several potential hotel sites. In September and October 2022, the Public and Government Affairs (PGA) department conducted community outreach and engagement around the following two sites:

- Clackamas Inn and Suites: 6010 SE 82nd Dr., Clackamas, OR, 97015
- Comfort Suites: 15929 SE McKinley Ave., Clackamas, OR, 97015

This multifaceted engagement effort included many approaches, including:

- a dedicated phone line
- a press release with coverage in the Pamplin papers
- presentations to business groups
- door knocking with a leave-behind flyer to 70 adjacent addresses
- An email to more than 11,500 county residents
- phone calls and meetings

Residents, organizations, and business owners heard the news through these various channels and also through word of mouth. As a result, the county received hundreds of comments about Project Turnkey. For a detailed summary of the engagement efforts, refer to Appendix A at the end of the report.

## Key Findings

The county received more than 400 responses. After removing duplicates and comments on matters other than Project Turnkey, the final count of relevant responses was 341 comments. These comments, organized into three categories—In Favor, Against, Undecided—indicated strong support for Turnkey Project (Table 1. Responses to Project Turnkey).

Overall, 70% of commenters indicated support for Project Turnkey without reservations across all respondent types

The county received 341 responses relevant to Project Turnkey.

- 74% residents
- 18% organizations
- 8% businesses

70% of respondents were strongly in favor of Project Turnkey.

(residents, businesses, and organizations). Of this total, 65% of residents, 44% of businesses, and 100% of organizations were strongly in favor of the project.

**Table 1. Responses to Project Turnkey**

Response	County Residents	Businesses	Organizations
In Favor	65%	44%	100%
Against*	26%	15%	--
Undecided	9%	41%	--

\*Includes responses where commenter did not oppose Project Turnkey, but opposed Comfort Suites as the selected site.

## Key Themes

Four overarching themes emerged from the comments.

### **Theme 1. Camping, street, tent and vehicle living is inhumane and should not be allowed or tolerated.**

Within this theme, commenters across all categories (in favor, against, undecided) agreed more housing must be provided with mental health, drug treatment and other services—these services, along with more housing, are an essential part of a long-term solution.

Despite agreement on the problem, deep misunderstandings exist among commenters about what transitional and supportive housing entails. The county can address these through more community engagement that highlights the treatment and services included in Project Turnkey and in supportive housing.

### **Theme 2. The magnet idea.**

The second most common theme concerned fears that the presence of shelter or homeless housing may increase crime, camping and drug use in a neighborhood, rather than decrease these problems. Many commenters requested the project be done in a neighborhood other than their own for this reason.

Clackamas County can address these concerns by looking at experiences from other jurisdictions and embedding successful practices into its Project Turnkey and supportive housing project design. This would include adequate and trained staff, 24/7 security, and continued homeless outreach and neighborhood engagement around properties.

### **Theme 3. The impact on children.**

Many people against Project Turnkey feared the presence of homeless housing may hurt neighborhood children. Many of those in favor of Project Turnkey noted that more housing is a crucial and urgent need for children and families.

Partnering with the local school district and looking at experiences from other jurisdictions will provide successful practices in addressing this concern.

### **Theme 4. Serious current challenges with camping, drug dealing, crime, and neighborhood livability.**

Finally, many residents and businesses adjacent to the sites, both those in favor of and against the project, have had serious issues with neighborhood livability in recent years. This has led some neighbors fear Project Turnkey may worsen this situation.

Law enforcement and the county have an important role to play in addressing these concerns and could consider creating a robust and effective community livability strategy.

## **Next Steps**

The county will continue to engage the community throughout the due diligence process and use the input they receive as a factor in its decision. Immediate next steps will be to:

- Post the summary report on the county's website
- Distribute a press release with a summary of the community engagement findings
- Distribute a separate report on public comments related to law enforcement to the sheriff's and district attorney's offices
- Conduct a community safety and livability meeting for businesses in the Greenhouse Square

If the county decides to move forward with securing a site for purchase, it will re-engage the community in a second, more robust community engagement effort. Clackamas County is committed to ensuring safe and thriving neighborhoods, while providing creative and sustainable solutions for the longstanding housing and shelter crisis.

# Project Turnkey 2023 Community Engagement Summary Addendum

February 5, 2023

On December 8, 2022, the Clackamas County Board of County Commissioners voted to approve a purchase and sale agreement and conduct due diligence on a Quality Inn property located at:

- 9717 SE Sunnyside Rd., Clackamas, OR 97015

A new period of community engagement and public comment was opened from December 8, 2022 through January 31, 2023. PGA, H3S and County Administration conducted community engagement through the following methods:

- Webpage with FAQ
- voicemail line
- web form for comments
- email
- flyers
- phone calls
- face-to-face meetings with stakeholders
- Three public panel presentations were hosted by the North Clackamas Chamber of Commerce, the Sunnyside & Mt Scott Community Planning Organization, and the Clackamas County Business Alliance
- County staff ensured that 56 adjacent businesses were aware of the project and had the opportunity to have their questions answered

## Key Findings

During this comment period, there were 295 unduplicated commenters. Comments were received from Clackamas County residents, interested organizations such as nonprofits, schools and churches, and small and large businesses in Clackamas County. Of these, 55% were strongly in favor of Project Turnkey at the Quality Inn site, while an additional 18% of commenters would be in favor with certain conditions, namely, the provision of robust wraparound services. In total, this means that 73% of commenters would support Clackamas County's Project Turnkey program the way it is currently proposed.

In total, 73% of commenters would support Clackamas County's Project Turnkey Program with the strong wraparound services and security measures the county has proposed.

**Table 2. Responses to Project Turnkey Quality Inn site**

Response	
In Favor	55%
Undecided	18%
Against	27%

## Key Themes

### Theme 1. The drug crisis

A major theme among all comments centered around drugs, including increasing inflows of more powerful drugs to the county, increasing addiction rates, effective treatment, and how drug availability and use can increase crime. A number of useful and innovative solutions were proposed by our knowledgeable public. Some believed that safe and healthy housing with strong wraparound services, like Turnkey will provide, is a necessary part of recovery, while stressing that many people are homeless without a co-occurring addiction. Others feared that providing housing would attract more drugs to the area.

### Theme 2. Desire to not become like downtown Portland

A second theme centered around the desire for Clackamas County to not become like downtown Portland. This includes commenters in favor of Project Turnkey who see it as a solutions-oriented measure to avoid the challenges downtown Portland is facing.

### Theme 3. Misinformation

Finally, many people who commented against Project Turnkey were reacting to social media posts that did not contain facts about the proposal. These posts fomented misconceptions about what would be involved in the transitional housing programming offered by Clackamas County's Project Turnkey site. Many commenters were not directed to the description on the county's website. As a result, many erroneously believed:

- the project would have little staffing, no rules, and no services included
- walk-ups would be accepted nightly
- people would return to camping on the street the next day rather than receiving navigation into permanent housing, with the support needed to exit homelessness for good

## Next Steps

- Accurate information about the transitional housing community will be provided to commenters via email. This will include details about the programming, security, services and treatment provided to residents.
- Commenters sent in a number of smart and innovative insights, strategies and offers to help. Policy makers are encouraged to review and consider this helpful public input in the program design phase.