

5/11/50  
May 10, 1950

Memo to all Hotel Stockholders & Subscribers

Because of dissatisfaction with the choice of the name "Fort Simcoe" for our new Hotel we mailed each of you sometime ago a request to return a self-addressed post card to us with your choice of a new name. No name received a majority of the votes but those receiving the most votes were first Chinook, second Simcoe. We are enclosing another self-addressed post card on which we would appreciate your designating your individual choice of these two names. Your Board of Directors will change the name of the hotel from "Fort Simcoe" to either Chinook or Simcoe whichever of the two receives the most votes. Please mail us this card immediately. Only those cards received during the coming week will be counted.

You will be interested in knowing of the latest developments in respect to the hotel which can be summarized briefly as follows:

1. In cooperation with the Pacific Power & Light Company we are at present drilling a well in the basement of the hotel building to supply the Power Company's heating plant and our own air conditioning system with an adequate supply of water.
2. Due to the anticipated recent advances in carpet prices we sometime ago contracted for all the carpet the hotel will need at a cost of over \$53,000 which represented a considerable saving over the price we would have to pay today.
3. Because of the length of time it takes to get delivery on elevators we have already contracted for those we will need at a cost of over \$73,000 and these will be delivered to us in plenty of time for operation when the hotel is completed.



4. We have contracted with the Vance Properties, Inc. of Seattle for hotel management consultation service for operation of the hotel when it is completed, in addition to consultation during the planning and construction stage. For this service we will be paying them a monthly service fee, plus 25% of the net profits of the Yakima Community Hotel, Inc., after all the Corporation's expenses each year have been paid including the payment of interest on the Corporation's indebtedness, federal income tax, and after setting aside 4% per annum interest on the outstanding stock of the Corporation. In other words, until 4% has been earned on your investment the cost of this management service will be nominal. Also we have provided for this service being cancellable by either party on 60 days notice at any time either party becomes dissatisfied with this arrangement.
5. We have contracted with the Pacific Power and Light Company for steam heat for the hotel on a profitable basis to us and have leased them a part of our basement for the installation of their steam plant supplying many other buildings and hotels in downtown Yakima. This contract not only gives us a rental income on basement space that could not be rented otherwise but reduces considerably the investment we would otherwise have to make in our own heating facilities.
6. We have signed leases with several tenants who will be occupying store and office space in the new hotel when completed. These leases have all been at what we consider very satisfactory rental figures.
7. Specifications on certain basement work that must be done in advance of general construction of the hotel are going out this week to interested contractors for bidding. Specifications for bids on the completion of the hotel will be available this month to interested contractors.
8. On April 1st when most of the hotel stock subscriptions became finally due and payable we found our collections in very good shape even though the farmers and business men of this area have not prospered as well during the past few months as was anticipated at the time these subscriptions were

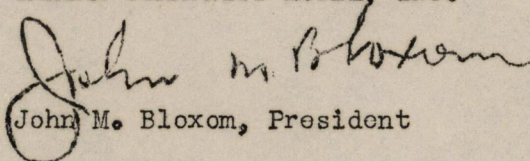


made. There are some delinquent subscriptions which we are in the process of collecting now but the percentage of such delinquencies is much less than was anticipated by the Hockenbury people who planned the hotel campaign last summer.

We know from the above you will realize that progress is being definitely made on the completion of the hotel. There are literally thousands of problems connected with putting a modern, labor saving, hotel operation into a building that was constructed 20 years ago. Problems which we would not have had if we were building a new building from the ground up. This has caused months of delay in getting under way but the enormous saving we made in buying the hotel building, as against completely new construction, justified the extra time it has taken to plan this hotel. It is going to be a beautiful, modern, one of which we all can be proud, not only for our own use but to our friends. The Officers, the Executive Committee, and the Building Committee of the Hotel Corporation have given and are still giving an enormous amount of time each week to this operation at no cost to the stock holders and at a tremendous sacrifice to their own personal business in some instances. However they all feel the time being taken and effort being exerted will be more than justified by the results when the project is finished.

Yours very truly,

YAKIMA COMMUNITY HOTEL, INC.

  
John M. Bloxom, President