

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt;">2011</div>
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input type="checkbox"/> Form 5558; <input checked="" type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan WEATHERLY INN AT TACOMA LP 401(K) PROFIT SHARING PLAN & TRUST	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/01/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>001</u>	1c Effective date of plan	<u>01/01/1998</u>		
1b Three-digit plan number (PN) ►	<u>001</u>						
1c Effective date of plan	<u>01/01/1998</u>						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) WEATHERLY INN AT TACOMA LP WEATHERLY INN 6016 N HIGHLANDS PKWY TACOMA, WA 98406	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>91-1425600</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>360-789-3046</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>623000</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>91-1425600</u>	2c Sponsor's telephone number	<u>360-789-3046</u>	2d Business code (see instructions)	<u>623000</u>
2b Employer Identification Number (EIN)	<u>91-1425600</u>						
2c Sponsor's telephone number	<u>360-789-3046</u>						
2d Business code (see instructions)	<u>623000</u>						

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/15/2012</u>	<u>ALEX BUNN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") WEATHERLY INN AT TACOMA LP 6016 N HIGHLANDS PKWY TACOMA, WA 98406	3b Administrator's EIN 91-1425600 3c Administrator's telephone number 360-789-3046
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	146
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	156
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	37
d Subtotal. Add lines 6a , 6b , and 6c	6d	193
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	193
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	165
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	4

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2T 3D 2E 2J 2K 2G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	(1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>WEATHERLY INN AT TACOMA LP 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WEATHERLY INN AT TACOMA LP</u>	D Employer Identification Number (EIN) <u>91-1425600</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PAYCHEX SECURITIES CORPORATION

16-1486352

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="font-size: 24pt; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>WEATHERLY INN AT TACOMA LP 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WEATHERLY INN AT TACOMA LP</u>	D Employer Identification Number (EIN) <u>91-1425600</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	398784	335178
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	19312	40999
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	258491	541511
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	676587	917688

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	676587	917688
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	36438	
(B) Participants	2a(1)(B)	95281	
(C) Others (including rollovers)	2a(1)(C)	154996	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		286715
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1151	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1151
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	18825	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		18825
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-19743
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		286948

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	35773	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		35773
f Corrective distributions (see instructions)	2f		9319
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	755	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		755
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		45847

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		241101
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified **(2)** ☐ Qualified **(3)** ☐ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BERNTSON PORTER & CO. PLLC

(2) EIN: 91-1308574

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		67659
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>WEATHERLY INN AT TACOMA LP 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WEATHERLY INN AT TACOMA LP</u>	D Employer Identification Number (EIN) <u>91-1425600</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>16-1470238</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

WEATHERLY INN AT TACOMA LP
401(K) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2011 AND 2010

I N D E X

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October 10, 2012

To the Trustee
Weatherly Inn at Tacoma LP 401(K) Profit Sharing Plan & Trust
Olympia, Washington

Independent Auditors' Report

We have audited the accompanying statement of net assets available for benefits of Weatherly Inn at Tacoma LP 401(K) Profit Sharing Plan & Trust as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the plan as of December 31, 2011, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year, together referred to as "supplemental information", are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We have compiled the accompanying statement of net assets available for benefits of Weatherly Inn at Tacoma LP 401(K) Profit Sharing Plan & Trust as of December 31, 2010. We have not audited or reviewed the accompanying statement of net assets available for benefits and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with accounting principles generally accepted in the United States of America.

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist plan management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Berntson Porter & Company, PLLC
Certified Public Accountants

Weatherly Inn at Tacoma LP
401(k) Profit Sharing Plan & Trust

Statement of Net Assets Available for Benefits

December 31,	2011	2010 (Compiled)
ASSETS		
Investments, at fair value		
Registered investment companies	\$ 541,511	\$ 258,491
Money market fund	335,178	398,784
Total investments	876,689	657,275
Receivables		
Notes receivable from participants	40,999	19,312
Participant contributions	5,782	-
Employer contributions	1,652	-
Total receivables	48,433	19,312
Total assets	925,122	676,587
LIABILITIES		
Excess contribution payable	1,101	-
NET ASSETS AVAILABLE FOR BENEFITS	\$ 924,021	\$ 676,587

Weatherly Inn at Tacoma LP
401(k) Profit Sharing Plan & Trust

Statement of Changes in
Net Assets Available for Benefits

Year Ended December 31,	2011
ADDITIONS TO NET ASSETS ATTRIBUTED TO	
Investment income	
Interest and dividends	\$ 18,825
Loan interest	1,151
Total investment income	19,976
Contributions	
Rollover	154,996
Participant	101,063
Employer	38,090
Total contributions	294,149
Total additions	314,125
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO	
Benefits paid to participants	32,577
Net depreciation in fair value of assets	22,939
Excess contributions	10,420
Administrative expenses	755
Total deductions	66,691
Net increase in net assets available for benefits	247,434
Net assets available for benefits at beginning of year	676,587
Net assets available for benefits at end of year	\$ 924,021

The accompanying notes are an integral part of these financial statements.

Note 1 - PLAN DESCRIPTION

The following description of the Weatherly Inn at Tacoma LP 401(K) Profit Sharing Plan & Trust (the "plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the plan's provisions.

GENERAL

The plan is a defined contribution retirement plan covering all full-time employees of Weatherly Inn at Tacoma LP, Weatherly Inn at Lake Meridian, LLC and Dove Development, LLC, a controlled group of companies (collectively referred to as "the company"). To be eligible, employees must have one year of service and be age 21 or older and not subject to a collective bargaining agreement. The plan is subject to provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

CONTRIBUTIONS

Participants may contribute a percentage of eligible annual compensation, as defined by the plan, to the extent that such deferrals do not exceed applicable Internal Revenue Code limits. Participants may also contribute amounts representing rollover distributions from other qualified plans.

The company may make matching contributions as well as discretionary profit sharing contributions. Participants enrolled in the plan are eligible for matching and discretionary profit sharing contributions. Matching contributions are limited to 50% of employee contributions with a maximum of up to 3% of the participant's compensation. There were no discretionary profit sharing contributions for the years ending December 31, 2011 and 2010.

PARTICIPANT ACCOUNTS

Each participant account is credited with the participant's contribution, the company's contribution, and the allocation of the plan earnings less any related investment expenses. Allocations of income and expenses are based on the proportion of each participant's account to the total of all participant account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING

Participants are immediately vested in their voluntary and rollover contributions plus actual earnings thereon. Vesting in the company matching and profit sharing contributions is based on years of continuous service. A participant becomes 20% vested in company matching contributions after two years of service and vests ratably thereafter until 100% vested after six years of credited service. A participant becomes fully vested in company profit sharing contributions after three years of credited service.

INVESTMENT OPTIONS

Upon enrollment in the plan, participants are able to direct their contributions, including company contributions and any related earnings, among multiple investment account options. Investment options are shares of registered investment company stocks, bonds, and money market funds held by Chase Manhattan Bank. Participants may change their investment options daily.

Contributions may be temporarily held as cash balances prior to the execution of the investment according to the participant's direction.

The plan provides for various investment fund options, which in turn invest in a combination of stocks, bonds, and other investment securities. Investment securities in general are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Statement of Net Assets Available for Benefits.

FORFEITURES

Forfeitures of nonvested company contributions will be used to pay plan administration expenses in the plan year they occur. Forfeitures of \$304 and \$191 were available to offset plan expenses at December 31, 2011 and 2010, respectively. During the year ended December 31, 2011, forfeitures of \$191 were used to pay plan expenses.

PAYMENT OF BENEFITS

On termination of service due to death, disability, or retirement, a participant or beneficiary may elect to receive either a single lump-sum distribution equal to the value of the participant's vested interest in his or her account, or an annuity to be paid in equal installments over a period of not more than the participant's assumed life expectancy at the date of distribution. Benefits are recorded when paid. Participants with a vested balance under \$5,000 must receive a distribution in a lump sum upon termination.

NOTES RECEIVABLE FROM PARTICIPANTS

Participants may borrow from their fund accounts. The amount the plan may loan to a participant is limited by rules under the Internal Revenue Code. The maximum amount a participant may borrow is equal to the lesser of \$50,000 or 50% of their vested account balance. The minimum loan amount is \$1,000. Loan terms generally range from one to five years. If used to acquire a principal residence, the plan administrator can permit a longer repayment period. The loans are secured by the balance in the participant's account, bear interest at the prime rate plus 1% and are fixed over the life of the loan. The plan requires repayment on the loan obligation through payroll deductions and the loan can be repaid at any time.

HARDSHIP WITHDRAWALS

Participants are permitted to withdraw, in a single sum, the vested portion of their account balance under certain conditions. These conditions include unreimbursed medical expenses, the purchase of the participant's principal residence, the payment of post-secondary education tuition, the payment of funeral expenses or casualty losses or to prevent eviction or foreclosure from the participant's principal residence. A participant's right to make deferrals will be suspended for six months after the receipt of a hardship withdrawal.

ADMINISTRATION OF PLAN ASSETS

Certain administrative expenses related to investment advisory and record keeping services for the plan are paid by the plan and therefore qualify as party-in-interest transactions. Certain administrative expenses for the plan are paid by the plan and totaled \$755 for the year ended

December 31, 2011. Certain administrative expenses for the plan are paid by the plan sponsor and are not included in these financial statements.

Note 2 - ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements of the plan are prepared on the accrual method of accounting.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

VALUATION OF INVESTMENTS AND INCOME RECOGNITION

The plan's investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Note 3 - FAIR VALUE MEASUREMENTS

The plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

		Fair value measurements using:		
		Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2011	Fair value			
Registered investment companies				
Fixed Income	\$ 176,933	\$ 176,933	\$ -	\$ -
Large U.S. Equity	127,969	127,969	-	-
Small/Mid U.S. Equity	93,474	93,474	-	-
Foreign	84,975	84,975	-	-
Bond	58,160	58,160	-	-
Money market fund	335,178	335,178	-	-
Total	\$ 876,689	\$ 876,689	\$ -	\$ -

December 31, 2010	Fair value	Fair value measurements using:		
		Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Registered investment companies				
Large U.S. Equity	\$ 78,056	\$ 78,056	\$ -	\$ -
Fixed Income	75,170	75,170	-	-
Foreign	59,909	59,909	-	-
Small/Mid U.S. Equity	30,845	30,845	-	-
Bond	14,511	14,511	-	-
Money market fund	398,784	398,784	-	-
Total	\$ 657,275	\$ 657,275	\$ -	\$ -

FASB ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority and Level 3 inputs have the lowest priority. The plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were used by the plan.

Level 1 Fair Value Measurements

The fair value of registered investment companies is based on quoted net asset values of the shares held by the plan at year-end. The fair value of the money market fund is equal to cost plus accrued interest based on quoted market prices.

Note 4 - INVESTMENTS

The plan's investments are held by Chase Manhattan Bank, custodian, at December 31, 2011 and 2010. The following table presents the fair values of investments. Investments that represent five percent or more of the plan's net assets are separately identified. There are no non participant-directed investments.

	2011	2010
Registered Investment Companies:		
Vanguard Inflation-Protected Secs	\$ 70,868	\$ *
Vanguard Inter-Term Treasury	59,979	*
Metropolitan West Total Return Bond	58,160	*
Other investments	352,504	258,491

Money Market Fund:

Federated Automated Cash Mgmt		335,178		398,784
Total investments	\$	876,689	\$	657,275

* Individual funds do not represent 5% or more of net assets.

During the year ended December 31, 2011, the plan's investments (including investments bought, sold and held during the year) earned interest and dividends of \$18,825 and depreciated in value by \$22,939.

Note 5 - PLAN TERMINATION

The plan sponsor has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Note 6 - TAX STATUS

The plan sponsor adopted a Prototype Non-Standardized Profit Sharing Plan with a deferral arrangement that received a favorable opinion letter from the Internal Revenue Service on March 31, 2008, which stated the plan, as then designed, was in accordance with applicable sections of the Internal Revenue Code (the code). Once qualified, the plan is required to operate in conformity with the code to maintain its qualification. The plan administrator believes the plan, including all amendments to the plan subsequent to the Internal Revenue Service opinion letter, is being operated in compliance with the applicable requirements of the code and, therefore, believes that the plan is qualified and the related trust is tax exempt.

The plan has adopted the provisions of FASB ASC 740-10, *Income Taxes*, relating to accounting for uncertain tax positions. ASC 740-10 defines a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as interest, penalties, derecognition and disclosures. The plan does not have any plan level uncertain tax positions. The plan files income tax returns in the U.S. federal jurisdiction. The plan is no longer subject to U.S. federal examinations by tax authorities for years before 2008.

Note 7 - PARTY-IN-INTEREST TRANSACTIONS

The trustee of the plan is also a participant. Transactions with these parties qualify as party-in-interest transactions.

Note 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31 to Schedule H of Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	\$ 924,021	\$ 676,587
Plus excess contribution payable	1,101	-
Less participant contribution receivable	(5,782)	-
Less employer contribution receivable	(1,652)	-
Net assets available for benefits per the Form 5500	\$ 917,688	\$ 676,587

The following is a reconciliation of contributions per the financial statements to the Schedule H Form 5500 for the year ended December 31, 2011:

Employer contributions per the financial statements	\$ 38,090
Less change in employer contribution receivable	(1,652)
Employer contributions per Form 5500	\$ 36,438
Participant contributions per the financial statements	\$ 101,063
Less change in participant contribution receivable	(5,782)
Participant contributions per Form 5500	\$ 95,281

The following is a reconciliation of excess contributions per the financial statements to Schedule H Form 5500 for the year ended December 31, 2011:

Current year excess contributions	\$ 10,420
Less excess contributions payable	(1,101)
Total excess contributions paid per Form 5500	\$ 9,319

Note 9 - SUBSEQUENT EVENTS

Subsequent to December 31, 2011, all plan investments were transferred to ADP Retirement Services, custodian. As a result of the transfer, investment options have changed.

Management has evaluated subsequent events through October 10, 2012, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**Weatherly Inn at Tacoma LP
401(k) Profit Sharing Plan & Trust**

**Schedule H, line 4(i) - Schedule of Assets
(Held at End of Year)**

Plan Name: Weatherly Inn at Tacoma LP 401(K) Profit Sharing Plan & Trust

Plan Sponsor: Weatherly Inn at Tacoma LP

Plan Number: 001

Employer Identification Number: 91-1425600

2011 Schedule H, line 4(i) - Schedule of Assets (Held at End of Year)

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrow, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	Federated Automated Cash Mgmt	Money Market	**	\$ 335,178
	Vanguard Inflation-Protected Secs	Registered Investment Co.	**	70,868
	Vanguard Interm-Term Treasury	Registered Investment Co.	**	59,979
	Metropolitan West Total Return Bond	Registered Investment Co.	**	58,160
	Fidelity Advisor New Insights	Registered Investment Co.	**	41,829
	Prudential High-Yield	Registered Investment Co.	**	38,031
	Royce Special Equity Investment	Registered Investment Co.	**	34,375
	Lord Abbott Value Opportunities	Registered Investment Co.	**	33,228
	Schwab S&P 500 Index	Registered Investment Co.	**	31,094
	Delaware Emerging Markets	Registered Investment Co.	**	29,362
	Columbia Acorn International	Registered Investment Co.	**	24,124
	Parnassus Equity Income	Registered Investment Co.	**	22,971
	Manning & Napier World Opportunities	Registered Investment Co.	**	20,930
	Yacktman Svc	Registered Investment Co.	**	19,532
	Janus Triton	Registered Investment Co.	**	18,199
	American Century Equity Income	Registered Investment Co.	**	12,544
	MFS International Value	Registered Investment Co.	**	10,559
	Vanguard Short-term Federal	Registered Investment Co.	**	8,054
	American Heritage	Registered Investment Co.	**	7,672
	Participant Loans	Maturities through 2016, interest rate 4.25% to 5.25%, secured by vested balances		40,999
	Total			<u>\$ 917,688</u>

** Cost information not required for participant-directed assets.

**Weatherly Inn at Tacoma LP
401(k) Profit Sharing Plan & Trust**

**Schedule H, line 4(i) - Schedule of Assets
(Held at End of Year)**

Plan Name: Weatherly Inn at Tacoma LP 401(K) Profit Sharing Plan & Trust

Plan Sponsor: Weatherly Inn at Tacoma LP

Plan Number: 001

Employer Identification Number: 91-1425600

2011 Schedule H, line 4(i) - Schedule of Assets (Held at End of Year)

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrow, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	Federated Automated Cash Mgmt	Money Market	**	\$ 335,178
	Vanguard Inflation-Protected Secs	Registered Investment Co.	**	70,868
	Vanguard Interm-Term Treasury	Registered Investment Co.	**	59,979
	Metropolitan West Total Return Bond	Registered Investment Co.	**	58,160
	Fidelity Advisor New Insights	Registered Investment Co.	**	41,829
	Prudential High-Yield	Registered Investment Co.	**	38,031
	Royce Special Equity Investment	Registered Investment Co.	**	34,375
	Lord Abbott Value Opportunities	Registered Investment Co.	**	33,228
	Schwab S&P 500 Index	Registered Investment Co.	**	31,094
	Delaware Emerging Markets	Registered Investment Co.	**	29,362
	Columbia Acorn International	Registered Investment Co.	**	24,124
	Parnassus Equity Income	Registered Investment Co.	**	22,971
	Manning & Napier World Opportunities	Registered Investment Co.	**	20,930
	Yacktman Svc	Registered Investment Co.	**	19,532
	Janus Triton	Registered Investment Co.	**	18,199
	American Century Equity Income	Registered Investment Co.	**	12,544
	MFS International Value	Registered Investment Co.	**	10,559
	Vanguard Short-term Federal	Registered Investment Co.	**	8,054
	American Heritage	Registered Investment Co.	**	7,672
	Participant Loans	Maturities through 2016, interest rate 4.25% to 5.25%, secured by vested balances		40,999
	Total			<u>\$ 917,688</u>

** Cost information not required for participant-directed assets.