



NOTICE OF PUBLIC MEETING

CENTRAL ALBANY REVITALIZATION AREA ADVISORY BOARD
City Hall Council Chambers
Wednesday, March 17, 2010
5:15 p.m.

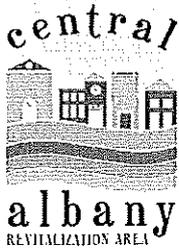
AGENDA

1. CALL TO ORDER (Chair Cordell Post)
2. ROLL CALL
3. APPROVAL OF MINUTES
➤ February 17, 2010. [Pages 1-7]
Action: _____
4. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Presentation of New Small Grant Requests. [Pages 8-61] (Porsche/Applicants)
 - 1) Albany's 1st Stop Antique Mall (Mike Briggs) (\$550). [Pages 8-14]
 - 2) Smith Glass (Bryan Smith) (\$3,345). [Pages 15-24]
 - 3) Peabody's Antiques & Gifts (Gini Christie) (\$1,782). [Pages 25-32]
 - 4) Sybaris (Matt & Janel Bennett) (\$113). [Pages 33-41]
 - 5) Sybaris Building (John & Mary Boock) (\$275). [Pages 42-47]
 - 6) Bill & Connie Lanham (309, 311, & 313 First Avenue NW) (\$1,900). [Pages 48-54]
 - 7) Whitespires Berean Church - Parsonage (Harness) (\$5,000). [Pages 55-61]
 - c. Deliberation and Funding Decisions
 - 1) Albany's 1st Stop Antique Mall (Mike Briggs) (\$550). [Pages 8-14]
Action: _____
 - 2) Smith Glass (Bryan Smith) (\$3,345). [Pages 15-24]
Action: _____
 - 3) Peabody's Antiques & Gifts (Gini Christie) (\$1,782). [Pages 25-32]
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Action: _____
 - 7) Whitespires Berean Church - Parsonage (Harness) (\$5,000). [Pages 55-61]
Action: _____
 - d. Request for Extension – CADD Connection (Yamamoto). [Pages 62-63] (Porsche/Applicant)
Action: _____
 - e. Final Review of RCM Documents. [Pages 64-84] (Porsche/Delapoer/Applicant)
Action: _____
 - f. Staff updates and issues. [Verbal] (Porsche)
Action: _____

5. BUSINESS FROM THE BOARD
6. NEXT MEETING DATE: *Next regular meeting Wednesday, April 21, 2010*
Immediately following the Joint Work Session with the ARA Budget Committee
7. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, please notify the Human Resources Department in advance by calling 541-917-7500.



APPROVED: _____

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
Council Chambers, 333 Broadalbin Street SW
Wednesday, February 17, 2010

MINUTES

Advisory Board Members present: Rich Catlin, Jeff Christman, Bill Coburn, Floyd Collins, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Dick Olsen, Cordell Post, and Ralph Reid, Jr.

Advisory Board Members absent: David Anderer (excused), Loyd Henion (unexcused)

Staff present: City Manager Wes Hare, Community Development Director Greg Byrne, Public Works Director Diane Taniguchi-Dennis, Civil Engineer III Chris Cerklewski, Urban Renewal Manager Kate Porsche, and Administrative Assistant Teresa Nix

Others present: Approximately seven others in the audience

CALL TO ORDER

Chair Cordell Post called the meeting to order at 5:17 p.m.

APPROVAL OF MINUTES

January 20, 2010

MOTION: Ray Kopczynski moved to approve the January 20 minutes as presented. Dick Olsen seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Request for \$30,000 Matching Grant (Vault 244/Brown)

Urban Renewal Manager Kate Porsche drew attention to the written staff report and the request from Michael Brown for a \$30,000 matching grant to assist in construction costs associated with the expansion of his business at 240 First Avenue West. Porsche noted that CARA previously granted \$70,000 for construction costs for this business, which opened on September 15, 2009. Since that time, the business has become the unique, vibrant, upscale gathering place that had been envisioned. Staff recommends approval of the request.

Kopczynski drew attention to the following comment on the grant application: "It's not hard to get the money. It's difficult paying it back with interest along with our current debt." He questioned whether the cost of the expansion might be mitigated by increased business, and he questioned whether CARA should consider allocating this request as a forgivable loan rather than as a grant. Post noted the applicants do not own the building; this would likely impact their ability to get a security interest loan.

Floyd Collins drew attention to inaccuracies in the project costs and return calculations on page 4 of the staff report. Porsche apologized for the errors. Collins noted that the actual ratio would be about 1:3 and that George Crandall has previously recommended a rule of thumb ratio of 1:7. He asked to hear from the applicant regarding the necessity for this grant.

Michael Brown, 780 Scenic Drive NW, expressed appreciation for the previous \$70,000 grant, without which Vault 244 would not be in business. He said that he had expected the primary income from the business would be from drinks; the public demand for food from the restaurant has exceeded his expectations. The chefs are doing an excellent job, but the space was not designed for the quality and quantity of food being produced. An adjacent portion of the Cusick Bank building has become available, and he would like to expand the kitchen in order to get food items out at quicker pace. Once the Broadalbin Promenade is complete, the expanded kitchen would allow for the same menu to be offered to customers outside; the current kitchen would allow for a very limited food menu outside. The expansion would allow for deliveries and garbage takeout to occur through the alley rather than through the side doors on Broadalbin. It would also provide storage and additional seating for reservations and larger groups. Brown said that CARA's help is needed in order for the expansion to pencil out; without the grant, he would not be able to do the expansion. He noted that the historic nature of the building requires expensive construction methods. He feels that the work he has done to date speaks to the fact that he will do what he says and that he will do it right.

In response to inquiries from the Board, Brown provided the following additional information:

- The work would begin immediately upon approval of the grant and would take no longer than three months. His own construction firm would do the work utilizing local employees and subcontractors.
- The private funds for this business are from a second mortgage on his home. This is what he is referencing on the application in the comment pointed out by Kopczynski.
- The space in question was previously going to be utilized by Blush Salon as a massage room which would have required full length privacy curtains. His proposal is for an open, lighted interior which will be visible from Broadalbin Avenue.
- He would be disappointed if the Broadalbin Promenade does not get built because he feels that it will be a great thing for Downtown Albany; however, this grant would still address needs related to an overwhelmed kitchen, additional seating, storage, and keeping trucks off of Broadalbin Avenue.
- The average wait on weekends is about one hour, and potential customers have tried to get in several times without success. When there is no seating at Vault 244, he tries to direct customers to other downtown restaurants. The expansion would allow for a better customer experience.

Bessie Johnson said that she appreciates the good work that Brown has done so far and the fact that he intends to maintain the integrity of the building. She said that the project has been an asset to downtown; she is in favor of the request.

Porsche noted that Blush Salon was previously granted \$5,000, at least some of which was tied to its expansion into this space. There is a possibility that some of those funds will come back to CARA.

Collins noted that one of CARA's objectives is to attract a major anchor to bring people downtown. He noted that other downtown businesses appear to be staying open later, and he asked if Vault 244 might be serving as a smaller anchor to achieve the same objective.

Albany Downtown Association Director Oscar Hult stated that Vault 244 is an attractor and that business owners have told him that they are staying open later because of the restaurant activity. If the restaurant expands into the extra space, he said, it will result in greater frontage on the street and allow for additional tables on the sidewalk regardless of whether or not the Broadalbin Promenade goes forward.

Post commented that the Browns have done a very nice job and that the restaurant is beautiful. If this expansion does not occur, he said that the space may stay vacant for some time and that it is likely that CARA would still eventually be asked for funds to help renovate the building.

MOTION: Johnson moved to approve the \$30,000 matching grant for the Vault 244/Brown request. Bill Coburn seconded the motion, and it **passed** by a vote of 8 to 3:

Yes: Catlin, Christman, Coburn, Collins, Johnson, Konopa, Olsen, Post
No: Kirbey, Kopczynski, Reid

Final Review of Broadalbin Promenade Costs

Porsche gave a PowerPoint presentation which included a history of the Broadalbin Promenade concept first presented as part of the 1995 Central Albany Land Use and Transportation Study (CALUTS) and included as part of the Albany Square Plan. She showed before and after photos of the Cusick Bank Building, noting that the first step of upgrading the exterior space as a draw for key businesses has been a fantastic success. A desire to utilize the area for outdoor restaurant seating resulted in renewed conversations about the Broadalbin Promenade.

Porsche reviewed the timeline of discussions between April and September of 2009. The original concept was to do a one-quarter block improvement; the scope was changed to include the entire block between First and Second Avenues following a meeting between the CARA Advisory Board and the Landmarks Advisory Board (LAC), and the CARA Board approved the full block general design and directed staff to work with George Crandall to create a final design. The Promenade is listed as a specific and allowable urban renewal project. It was ranked fifth overall and first in the category of public space improvements at the recent community open house. The Lakota report states that the Broadalbin Promenade should be considered a priority project.

Porsche said that she has received inquiries from citizens asking why the City would spend money on this project when it is tightening its belt in other areas. She said that there is some confusion about urban renewal money and the fact that it is separate from the City budget. To that end, she has written an editorial that will run in tonight's newspaper explaining how urban renewal funds can and cannot be used. She said that the real question is if this project is the right project for CARA to fund at this time.

Regarding the cost estimates, Porsche noted that the original estimate for this work was \$250,000; the refined estimate as detailed in the written staff report is \$520,000. Public Works has agreed to cover \$50,000 for waterline replacement, bringing the total CARA cost to \$470,000. If the City Council would agree that the sewer line costs would be covered by the Sewer Fund, the total CARA cost would be \$395,000. Staff recommends approval of funding and discussion about the sewer line costs.

Sharon Konopa asked if it would be more cost effective on a per foot basis to do two blocks rather than one. Civil Engineer III Chris Cerklewski said that staff has not made calculations on a two-block area; however, with any type of infrastructure construction, the cost per foot will generally be less when more is done. Two blocks of improvements would not result in a doubling of the costs.

Post said that he has a hard time understanding why \$80,000 is budgeted for landscaping and irrigation of this one-block area and that he has a problem with CARA paying for sewer improvements that need to be done anyway. In response to his inquiries, Cerklewski said that the extra cost to make the four-foot curbside strip into a bioswale is about \$7,500.

In response to an inquiry from Collins, Cerklewski said that the Parks & Recreations Department has agreed to take on responsibility for maintenance of the landscaping. The proposed irrigation has a higher initial cost but would result in lower ongoing maintenance costs.

Coburn said that he initially supported the proposed one-quarter block improvements. He still thinks that there are advantages to doing a one-quarter block pilot project; he cannot say he is favor of doing the full block improvements. Jeff Christman agreed; had the one-quarter block project gone forward, he said that it would be done and available for use this spring.

Johnson asked if it will look strange to have only one block of the Promenade completed. Porsche noted that this is intended to be a pilot project; the long-term goal is to create a Promenade from the river to the Courthouse.

Kopczynski asked if CARA has the funds available to pay for this project. Porsche advised that the \$5 million line of credit is set to close on March 4. Of this, \$1.5 million is committed to RCM Homes, leaving \$3.5 million available for allocation.

Olsen questioned whether it would be better to have regular landscaping and a more traditional method of stormwater removal in order to provide additional space for seating. In discussion, Cerklewski said that the Crandall plan calls for a four-foot planter strip regardless of whether there is a bioswale. There is an expectation that the state will require cities to treat stormwater in the near future; the bioswale provides an opportunity to gain experience in that area.

Johnson said that CARA has been talking about this project for a long time; she feels it is time to go ahead.

MOTION: Johnson moved to approve the Broadalbin Promenade between First and Second Avenues as presented in the most recent proposal. Kopczynski seconded the motion.

Post asked for additional comment about the sewer improvements. Public Works Director Diane Taniguchi-Dennis stated that this would be a policy matter for the City Council. If the Council decided to pay for those improvements, her recommendation would be to utilize the Sewer Economic Development Fund.

Collins asked if sewer and water improvements would be necessary with a one-quarter block improvement. Cerklewski said that the waterline runs under the street in the area of the proposed sidewalk; replacement of the waterline would need to go forward. The sewer line is on the west side of the street; it is not proposed to be replaced but to be lined using trenchless technology.

Rich Catlin asked how much of the cost is attributable to the Crandall design. Cerklewski said that the cost for a regular sidewalk would be closer to \$250,000. Most of the additional costs are due to the extra sidewalk width. Sidewalks last about 100 years, making them a long-term investment. Ralph Reid, Jr., said that the \$250,000 cited as the cost for a standard block improvement does not include sewer and water improvements. Porsche said that is correct; a standard block with sewer and water would cost about \$375,000. The real difference in cost between a typical standard block and that proposed is about \$145,000.

Reid noted that the City of Eugene has had to rebuild its main street several times over the past years. He wants to be sure that the work done here will function properly and that it will not have to be redone five years down the road.

Olsen said that he has had a vision that Downtown Albany would provide an ideal set for someone wanting to make a period movie. He asked if the Landmarks Advisory Commission has considered the historic ambience of the proposal.

Hult said that the LAC's input at the joint meeting was to avoid bulbouts and things that would detract from historic perspective and that it was insistent on doing a full-block improvement. He hopes that, if CARA commits to this project, it does so with the intent on eventually doing the entire three-block area. Porsche noted that the LAC voted unanimously to approve the Crandall plan.

Collins said that there may be unintended consequences associated with doing a one-quarter block improvement. He asked about potential problems such as matching the grade of the existing street. Cerklewski said that no detailed analysis was done on a one-quarter block improvement; he assumes that there would have to be temporary trench patching to match the widened sidewalk and the existing sidewalk.

Konopa said that she thinks this project will be a great asset and will bring energy to the downtown. She said that this has been discussed for years and that the timing is right. CARA has the funds available and it may be a good time to get competitive bids. Many people throughout the community have expressed excitement about the Promenade. She personally would like to go forward with the entire three-block project, but she thinks that one block should be the minimum.

Catlin stated that the ADA Board is in favor of this project moving forward and that he supports the motion. He also hopes that good bids will come in given the economic climate.

Post said he will vote no; if he had assurance that the \$75,000 sewer costs would be covered by another fund, he would be in favor. Brief discussion followed and Post noted that staff has indicated that the matter of whether the sewer costs would come out of the Sewer Fund would be a Council decision.

The motion passed by a vote of 7 to 4:

Yes: Catlin, Johnson, Kirbey, Konopa, Kopczynski, Olsen, Reid
No: Christman, Coburn, Collins, Post

ADA Request for Comprehensive Market Analysis

Porsche drew attention to the written staff report. She turned the floor over to CARA Advisory Board and Albany Downtown Association member Rich Catlin.

Catlin, Chair of the ADA Economic Development Committee, drew attention to a letter in the packet signed by ADA Board President Marc Manley and himself. Catlin stated that the Committee has been considering projects that it might suggest as CARA begins to think about how to spend its next round of funding. One possible project that has been discussed is the St. Francis Hotel – whether the downtown could support a hotel and whether the St. Francis would be the best location. Discussion has also centered on what businesses would attract citizens and contribute to a strong and vital “24/7” downtown. In considering what to propose, the Committee realized that this may be a good time to think about planning out into the future. There was consensus by the group that a market analysis would help to answer a lot of questions. He said that the letter goes into more detail about what a market analysis could do, but the Committee did not have sufficient information at the time to present a cost estimate or timeframe. Subsequently, some estimates were developed; however, it is thought that the bids may come in lower than estimated. The intent is that the study would include a comprehensive analysis for the downtown area, as well as a strategic analysis for the entire CARA area.

Porsche noted that the rough estimate presented in the staff report is approximately \$150,000 – about \$50,000 for an in-depth study of the downtown area and about \$100,000 for analysis of the broader area. These numbers are based on conversations with representatives of the Main Street Program about the cost of a downtown analysis and uncertainties about costs associated with an analysis for the broader area and a possible residential needs analysis. It is hoped that bids would come in lower than estimated. Porsche proposed that, if the Board is agreeable to the concept, staff write a scope of work and put out a request for proposal (RFP) with bids to be brought back for consideration.

ADA Director Oscar Hult added that the Main Street Manager’s best guess was that the downtown analysis would be in the \$40,000 to \$50,000 range. Post said that bids could be influenced by these estimates; he suggested that it makes more sense to ask for bids without providing estimates. He further suggested that \$150,000 is a huge amount for this study. Porsche said that the RFP could be written in such a way that invites bids for the downtown area and for the full urban renewal area separately so that the Board would evaluate and decide value versus cost for both scenarios.

Collins said that he would want to include the entire district; there are important elements of the district outside of the downtown area.

Coburn said that he generally feels that the City hires too many consultants; he thinks that there is often expertise in-house to tackle issues. In this case, he said that there is expertise on City staff, the ADA, business groups, and the Chamber of Commerce. He said that this issue is not new or unique to the City of Albany; the basic concepts are generally the same for all Oregon cities. He does not think it is necessary to “reinvent the wheel” and he does not think a consultant would bring anything new or unique.

Porsche said that she has had conversations with Hult about whether some of this work could be taken on by staff or interns, as well as other creative ways to minimize costs. Regarding the St. Francis Hotel, she said that she has a dream of that again becoming a hotel, but she thinks it is necessary to first have data showing that the downtown could support a hotel.

Christman stated that, if it was economically viable to have a hotel downtown, there is an industry that would pursue that; his guess is that it is not viable at this time and that it would not make sense for CARA to buy that property. He said that \$50,000 to \$150,000 is a lot of money to pay for what is already known – that businesses like restaurants, entertainment, etc., will make the downtown more vibrant.

Catlin said that much of the benefit of a market analysis is having information available. An example cited in the letter is North Albany Village. Once a market analysis was done and the numbers hit the market, he said that the property was snapped up and a shopping center was built.

Johnson said that she can understand a hesitancy to pay for consultants, but the downtown does not have everything that is needed. There needs to be a variety of businesses that will draw people who will spend money and also people who don't have as much to spend. A consultant might help in advising what is needed to make the downtown more vibrant and busy on evenings and weekends.

Olsen said that he has questions about the viability of a parking center building, as well as some kind of grocery store within walking distance of downtown living spaces. He would like to hear from someone with the experience to give advice and answer some of these questions.

Reid said that there are a lot of residences being built in close proximity to downtown, but residents have to get in a car to get groceries, prescription drugs, or a reasonable pair of shoes. He stated that, if this process is going to go forward, he would want to hold it to the downtown core. He could support \$50,000 for an analysis for the downtown core; he could not support \$150,000 for an analysis of the entire district.

MOTION: Reid moved to authorize staff to put out an RFP for the downtown core only. Olsen seconded the motion.

Gordon Kirbey said that he thinks it is the job of the CARA Advisory Board to determine what is needed downtown; an afternoon of discussion between the Board and the ADA could accomplish what is needed. He does not see the need to spend this money for someone else to tell the Board what is needed downtown.

Konopa said a consultant may be able to determine what is missing and what can be done to go about bringing in the desired type of retail. She noted that \$20,000 was appropriated for a retail strategy early in CARA's existence, but no one was hired to take on that project. She thinks that now is the time to have an analysis done and that it is important that it include a strategy to attract the desired businesses.

The motion **passed** by a vote of 6 to 5:

Yes: Catlin, Johnson, Konopa, Olsen, Post, Reid
No: Christman, Coburn, Collins, Kirbey, Kopczynski

Porsche asked if the Board would like the RFP to be structured in such a way as to also find out what it would cost to include the entire CARA district. Brief discussion followed. Christman stated that the motion was specific to the downtown area and that is what has been authorized; Post agreed.

Staff Updates and Issues

Porsche read a thank-you note to the CARA Advisory Board from Cecelia Babcock.

Porsche advised that the Labor Temple project has been slow to progress. She has been working with City Attorney Jim Delapoe to ensure that a conservative approach is taken to moving forward with that loan until the developers complete the Labor Temple project.

Porsche advised that the Bamboo Terrace on First Avenue has closed. A new restaurant with the same owners will be opening in March to be called First Burger.

BUSINESS FROM THE BOARD

There was no further business from the Board.

NEXT MEETING DATE

The next regular meeting of the CARA Advisory Board will be held on Wednesday, March 17, 2010, at 5:15 p.m. in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Post adjourned the meeting at 7:11 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Manager



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report–Small Grant Request–Albany's 1st Stop Antique Mall

Mike Briggs–Albany's 1st Stop Antique Mall
131 Montgomery Street NE

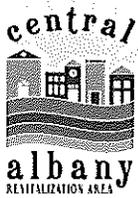
Small Grant Requested: **\$550**. Total project work = \$1,110.

Mike Briggs is coming before you to request a 50 percent grant to cover costs related to placing an awning and business signs over the front door of his business.

The project will improve the appearance of the exterior of the building and make the business more visible to the public; additionally, this project will add to the safety of those visiting the business.

KCP:ldh

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CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Yes.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	Applicant has stated that they need assistance because they cannot afford the full \$1,100 for improvements.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes, the antique store is an attractor for our east waterfront area.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	The building is a historic property. And this project will enhance the appearance.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	N/A
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes, the use is a desired land-use.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant

APPLICATION

1. APPLICANT

Name: Mike Briggs

Business Name: albanys 1st stop antique mall

Address: 131 montgomery st.
albanys, OR Zip Code: 97321

Contact Name: Mike Briggs Phone Number: 541-974-1133

Fax Number: _____ Email Address: pmbriggs@msn.com

Legal Form: Sole Proprietorship Partnership

Corporation: Profit Non-Profit TIN# _____

In which State are the incorporation and/or organization documents filed? Oregon

2. BUILDING/BUSINESS INFORMATION

Name: albanys 1st stop antique mall

Address: 131 montgomery st. Zip Code: 97321

Legal Description: _____

Property Tax Account Number: → see/call John Boock

Is the building a historic contributing resource? Yes No ?

If so, is it on the historic property-tax freeze? Yes No

3. OWNER OF PROPERTY (if not applicant)

Name in which tile is held: John Boock

Contact Name: John Boock

Address: 131 montgomery
albanys OR Zip Code: 97321

Phone Number: 541.

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

5. DESCRIPTION OF PROJECT

awning over front door

Bus. signs ^{200.00}

6. ESTIMATED COST OF PROJECT:

awning \$ 900.00 signs ^{200.00}

ESTIMATED VALUE OF PROJECTS UPON COMPLETION:

\$ 4,100.00

Basis for valuation and value upon completion: improve front entrance to keep dry for safety etc...

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Salem Awning Co. & Arts Plus Co. ^{sign}

Address: _____

Phone Number: _____ Email Address: _____

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

Improves to exterior look of and old 1950's two story brick structure,

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes No If so, amount \$ _____

FOR WHAT PROJECT: _____

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS

\$ 450 + 100 = \$550⁰⁰

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information

satisfactory to CARA is provided.) owner of Bus Mike Briggs

Is your funding for these: available today applied for unknown at this time

(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

I do NOT 1,100⁰⁰ to make improvements!

12. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?

NO where !!

ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 1,100⁰⁰

Small Grant Amount Requested:
(50% of total amount up to \$5,000) \$ 550⁰⁰

Certification

The Applicant understands and agrees to the following conditions:

- ✓ 1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
- ✓ 2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
- ✓ 3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
- ✓ 4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
- ✓ 5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
- ✓ 6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
- ✓ 7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
- ✓ 8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

Mike Briggs
Applicant's Signature

March, 1, 2010
Date

Applicant's Signature

Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Manager
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 3-1-10 By: KCP Application Complete: Yes No

If no, comments: _____

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____



Salem Tent & Awning Co. CCB#66298

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• Fax 503-363-0286 • www.salemtent.com •

Proposal #34564

Briggs, Mike
 Albany's 1st Stop Antiques
 131 Montgomery St
 Albany, Or 97321
 541-974-1133

Ship To
 Briggs, Mike
 Albany's 1st Stop Antiques
 131 Montgomery St
 Albany, Or 97321
 541-974-1133

Written By	Sale Date	Pattern	Border	Frame	Recover	Installation
Terry	11/18/2009		Hemmed	Pipe		Customer

We hereby submit specifications and estimates for:

Description	Quantity	Price	Extended Amount
Fabricate one awning with a drop and projection of 3' x 11'-10" wide. Fabric to be Sunbrella 100% acrylic and the frame to be 3/4" galvanized pipe. There would be 4 arms and braces and all hardware included. We could deliver when down that way at no charge. Permits up to owner.		\$887.00	\$887.00

We hereby Propose to furnish labor and materials- complete in accordance with the above specifications, with payment to be made as follows: 1/2 down with the balance upon completion.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed on upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident, or delays beyond our control. This proposal subject to acceptance within 30 DAYS and is void thereafter at the option of the undersigned.

Proposal By _____

Acceptance Of Proposal

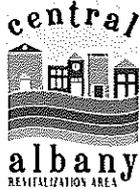
The above prices, Specifications, and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

ACCEPTED DATE: _____

SIGNATURE: _____

Estimated Completion Date: 12/18/2009

Subtotal	\$887.00
Shipping	
Total	\$887.00



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Small Grant Request – Smith Glass

Bryan Smith – Smith Glass
1313 Lyon Street N

Small Grant Requested: **\$3,345**. Total project work = \$6,690.

Bryan Smith is coming before you to request a 50 percent grant to cover costs related to repainting the exterior on the north, east, and south sides of the building.

The project will help eliminate blighting influences, especially on the north side facing Water Street. It also retains and enhances the value of the existing private investment in the area.

KCP:ldh

U:\Economic Development\CARA\CARA Advisory Board\2010\Staff Reports\03.17.10 Smith Grant Request Staff Report..doc



CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Yes.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	Applicant has stated that they need assistance because though they have recently upgraded the roof and parking lot without CARA funds, the economy is hitting them hard. They feel the building is quite visible and needs to be enhanced, but don't have the funds to complete the full cost of the work at this time.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes, the retail store is an attractor.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	Paint would enhance the look of the exterior.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	N/A
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes, the use is a desired land-use.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant APPLICATION

1. APPLICANT

Name: Smith Glass

Address: 133 N. Lyon St Albany OR Zip Code: 97321

Contact Name: Bryan Smith Phone Number: 541 926 4446

Fax Number: 541 926 8486 Email Address: bryan@smith-glass.com

Legal Form: Sole Proprietorship [] Partnership []

Corporation: Profit [x] Non-Profit []

In which State are the incorporation and/or organization documents filed? OR

2. BUILDING/BUSINESS INFORMATION

Name: SEE ABOVE

Address: SEE ABOVE Zip Code:

Legal Description: SEE ATTACHED

Property Tax Account Number: 0081782 0081774 0081808

Is the building a historic contributing resource? Yes [] No [x]

If so, is it on the historic property-tax freeze? Yes [] No [x]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Monument Land LLC

Contact Name: Jim Smith

Address: 1870 NW Thornton Lake Pl. Albany OR Zip Code: 97321

Phone Number: 541-926-5917

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

SEE ATTACHED

5. DESCRIPTION OF PROJECT

Re-painting of exterior of building on North, East, South Sides

6. ESTIMATED COST OF PROJECT:

\$ 6,690.00

ESTIMATED VALUE OF PROJECTS UPON COMPLETION:

\$ 6,690.00

Basis for valuation and value upon completion: Estimate

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Top Dawg Painting
(If applicant prepared their own estimate, objective verification may be required. If bid was used, please attach)

Address: 8345 NW Skillings, Corvallis OR 97330

Phone Number: 541-753-9365 Email Address: topdawgpainting@westoffice.net

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

Re-painting will help eliminate blighting influences, especially on North side facing water st. It also retains and enhances the value of existing private investment in the area.

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes No If so, amount \$ _____

FOR WHAT PROJECT: _____

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS

\$ 3,345.00

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information satisfactory to CARA is provided.) Internal funds

Is your funding for these: available today applied for unknown at this time

(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

Recently we have upgraded the roof and parking lot without CARA funds. However, the economy is hitting us hard. This project is visible to those especially along Water St and will help us maintain the building while enhancing the area. We simply don't have all the funds at this time.

ASSISTANCE REQUESTED

Total Estimated Project Costs:

\$ 6,690.00

Small Grant Amount Requested:
(50% of total amount up to \$5,000)

\$ 3,345.00

Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

	3/1/10
Applicant's Signature	Date
Applicant's Signature	Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Coordinator
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 3-2-10 By: KCP Application Complete: Yes No

If no, comments: attachment

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____

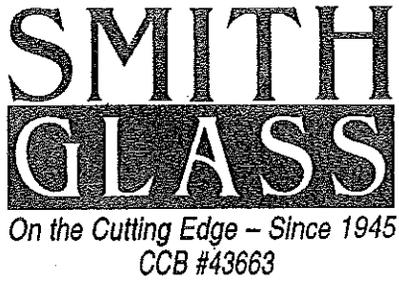
TOP DAWG PAINTING INC.

8345 N.W. Skillings
 Corvallis, Or. 97330
 (541)753-9365

Date : 2/27/2010

Proposal Submitted To			Work To Be Performed At		
Name : Smith Glass			Street : 130 N. Lyon St.		
Street : 133 N. Lyon St.			City : Corvallis	St : Or.	Zip : 97330
City : Albany	St. : Or.	Zip : 97321	Date of Plans : 2-10		
Phone # : 926-4446			Work Done For : Brian		
			Referred By :		
<p>We herby propose to furnish all the materials and perform all the labor necessary for the completion of (only top quality materials used) miller Acri-lite or Sherwin Williams Super Paint to be used. Prepare and paint exterior surfaces as follows :3 sides of building. High-pressure clean all surfaces to be painted. Treat all mildew areas with a bleach/water solution. This will kill mildew. Scrape any remaining loose paint. Tape off or cover all areas to be kept clean of paint – windows, roof, bushes etc. Apply one coat of masonry primer to all bare concrete. Apply primer to all bare wood surfaces such as window frames and wood garage door on river side. Apply one full coat. Top Quality Latex house paint (flat, velvet or satin) to all body areas of building on 3 sides.. While paint is wet it will be back brushed and/or back rolled in to surface of siding. This will push paint in to wood, filling cracks and creating a maximum bond. *Apply a full 2nd coat of paint to all 1st coated surfaces.....\$ 2375.00 extra cost Prepare and repaint all walk-thru doors alternate color if desired by owners. No painting to front of building. References gladly given upon request. All work to be performed in a professional manner, with professional results.</p>					
<p>All material is guaranteed to be as specified, and the above work to be performed in accordance with the specifications submitted for above work and completed in a substantial workman like manner for the sum of : Six thousand nine hundred and ninety dollars.....\$ 6690.00 with payments to be made as follows : Payment due 10 days after completion.</p>					
<p>*Not included in bottom line price : Sincerely , <i>Daryl Kingsmill</i></p>					
<p>PAST DUE BALANCES ARE SUBJECT TO A SERVICE CHARGE OF 1.75% PER MONTH</p>					
<p>ACCEPTANCE OR PROPOSAL</p>					
<p>The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.</p>					
Accepted _____			Accepted _____		
Date : _____			Date : _____		

133 North Lyon Street
Albany, Oregon 97321
(541) 926-4446
Fax (541) 926-8486
Statewide 1-800-464-9264
E-mail: smithalbany@proaxis.com



908 NW Ninth Street
Corvallis, Oregon 97330
(541) 753-9175
Fax (541) 753-0630
Statewide 1-800-300-9175
E-mail: smithcorvallis@proaxis.com

March 1, 2010

CARA
c/o Kate Porsche
Urban Renewal Coordinator
PO Box 490
Albany, OR 97321

This letter will certify that as a corporate officer of Smith Glass I am authorized to sign and enter into an agreement to receive the assistance requested and to order the work to be performed.

Sincerely,

A handwritten signature in black ink, appearing to read "BES" with a long, sweeping underline.

Bryan Smith
Corporate Secretary

Monument Land, LLC

1870 NW Thornton Lake Pl, Albany OR 97321

PH: (541) 926-5917

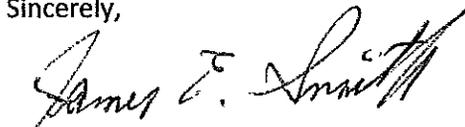
March 1, 2010

CARA
c/o Kate Porsche
Urban Renewal Coordinator
PO Box 490
Albany, OR 97321

Dear Kate:

Bryan Smith is authorized to undertake the painting work requested at Smith Glass on behalf of Monument Land LLC.

Sincerely,



James E Smith
Monument Land LLC

LEGAL DESCRIPTION

PARCEL I:

Beginning at the Southwest corner of Block 1 in the Eastern Addition to the City of Albany, Linn County, Oregon; thence in an Easterly direction on the South line of said Block a distance of 84 feet; thence Northerly parallel with the West line of said Block a distance of 220 feet; thence Westerly parallel with the South line of said block a distance of 84 feet to the West line of said Block; thence Southerly along the West line of said Block a distance of 220 feet to the place of beginning.

SAVE AND EXCEPT: Beginning on the westerly line of Block 1 Eastern Addition to the City of Albany, Linn County, Oregon, at a point 170 feet Northerly from the Southwest corner of said Block; thence Southerly along the Westerly line of said Block a distance of 170 feet to the Southwest corner; thence Easterly along the South line of said Block a distance of 20 feet; thence Northerly parallel to said Westerly line a distance of 30 feet; thence Northwesterly in a straight line to the place of beginning.

PARCEL II:

That part of Block 1 in Eastern Addition to the City of Albany, lying South of the Southern Pacific Railroad Company right of way, described as follows: Beginning at a point 8 feet South of the center of the Southern Pacific Railway Company right of way on the East line of said Block 1, Eastern Addition to the City of Albany, Linn County, Oregon; thence South 60 feet along the East line of said Block; thence West parallel with the South line of said Block to a point 50 feet West of the West line of the East one-half of said Block; thence North parallel with the East line of said Block to a point 8 feet South of the Center line of said railroad tract; thence Easterly parallel with the centerline of said railroad tract to the point of beginning.

TOGETHER WITH an easement for an alley over and across a strip of land 10 feet wide which adjoins said premises on the South and extends the full length thereof.

STATE OF OREGON
County of Linn

I hereby certify that the attached
was received and duly recorded
by me in Linn County records.

STEVE DRUCKENMILLER
Linn County Clerk

M
R
S
A
O

2004 AUG 12 A 11:18

MF 1612

By SW Deputy PAGE 579

31



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *KAP*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Small Grant Request – Peabody’s Antiques & Gifts

Gini Christie – Peabody’s Antiques & Gifts
456 Second Avenue SW

Small Grant Requested: \$1,782. Total project work = \$3,564.

Gini Christie is coming before you to request a 50 percent grant to cover costs related to replacing four cracked and leaking windows and adding a sign to the front of the business.

The project will update and enhance the building which is in the CARA core area. The business is an identifiable specialty shop and has been open for 16 years.

KCP:ldh

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CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Yes.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	Applicant has stated that specialty shops are struggling like so many things these days. They indicate that they would not be able to complete the project without CARA Assistance.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes, the retail store is an attractor.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	Project would enhance the look of this historic building.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	Repair of leaking windows will help longevity of this building.
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes, the use is a desired land-use.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant APPLICATION

1. APPLICANT

Name: Peabody's Antiques & Gifts

Address: 456 SW 2nd Avenue

Albany Zip Code: 97321

Contact Name: Gini Christre Phone Number: 541-926-3654

Fax Number: Email Address: gchristre2@gmail.com

Legal Form: Sole Proprietorship [checked] Partnership []

Corporation: Profit [] Non-Profit []

In which State are the incorporation and/or organization documents filed? Oregon

Social Security Number/Tax Identification Number:

2. BUILDING/BUSINESS INFORMATION

Name: Peabody's Antiques & Gifts

Address: 456 SW 2nd Avenue Zip Code: 97321

Legal Description: 115503 N06C 08500 & 115503 W06C 08600

Property Tax Account Number: 81410 & 81428

Is the building a historic contributing resource? Yes [checked] Blacksmith shop from 1900's No []

If so, is it on the historic property-tax freezer? Yes [] No [checked]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Dannals & Company LLC

Contact Name: Alice Ammon

Address: 456 SW 2nd Avenue

Albany Zip Code: 97321

Phone Number: 541-926-3654

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

5. DESCRIPTION OF PROJECT

- Ⓐ Replace 4 cracked & leaking windows
- Ⓑ Signage for front of shop

6. ESTIMATED COST OF PROJECT:

Ⓐ \$ 3,298⁰⁰ Ⓑ 265⁰⁰

ESTIMATED VALUE OF PROJECTS UPON COMPLETION: \$ _____

Basis for valuation and value upon completion: estimates from Davis Glass & Art Plus Signs.

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? owners of Davis Glass & Art Plus.
 (If applicant prepared their own estimate, objective verification may be required. If bid was used, please attach)

Address: Ⓐ 230 E 2nd Albany Ⓑ 1701 Geary St. SE - Albany

Phone Number: Ⓐ 541-926-1962 Email Address: _____
 Ⓑ 541-424-9055

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

The 2 projects will update and enhance our building which is in the CARA core area. We would have a readily identifiable specialty shop attractive to downtown. We have been open 16 years and hope to be open another 16.

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes No If so, amount \$ _____

FOR WHAT PROJECT: _____

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS \$ 1,781⁵⁰

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information satisfactory to CARA is provided.) CARA

Is your funding for these: available today applied for unknown at this time
(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

Specialty shops are struggling like so many things these days. We love what we do and want to continue & see Albany downtown flourish and Peabody's with it. Honestly we couldn't do the projects without you.

ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 3,563⁰⁰

Small Grant Amount Requested: \$ 1,781⁵⁰
(50% of total amount up to \$5,000)

Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

Hini Chrost
Applicant's Signature

3-1-10
Date

Applicant's Signature

Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Coordinator
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 3-2-10 By: KUP Application Complete: Yes No

If no, comments: attachments

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____

Art Plus
STIGMAS
Engraving

Owner Wendy Bernards

541 924-9055 FAX 924-6846

1701 Geary St SE
Albany, OR 97322

Signs That Bring You Business!

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DIGITAL PRINTING
PROFESSIONAL STAFF
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BANNERS
MAGNETICS
VEHICLES
BOAT LETTERING
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TRADE SHOW BOOTHS
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RETAIL DISPLAYS
WINDOW LET.
O.S.H.A.
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A FRAME SIGNS
ILLUMINATED
SANDBLASTED
SCREEN PRINTED
LABELS & STAMPS
AD SPECIALTIES
PAPER BANNERS
STRIPING
GLASS ETCHING
MIRRORS ETCHED

Quote Prepared By Wendy

Jenny,

Here is a price quote for the cut out we spoke about. Cost \$265.00ea Lettering is just for sample. Let us know if we can be of more help.

Wendy



At Art Plus Customers Come First

DAVIS GLASS INC
230 E 2ND AVE
ALBANY OR 97321
(541)926-1962 Fax:(541)926-0275
Tax# 93-0654560



- Residential
- Commercial
- Automotive

Geoff Davis
 General Manager
 davisglass@comcast.net
 230 E. 2nd • P.O. Box 563 • Albany, OR 97321
 Phone: (541) 926-1962 • Fax: (541) 926-0275 • CCB# 13180

Date:02/19/2010

Sold To:

PEABODY'S ANTIQUES
 456 2ND AVE SW
 ALBANY OR 97321

H ()327-1473 W ()926-3654

Csr:GEOFF Tech: PO REPLACEMENT WINDOWS DUE 10...

Orig Inv#:2763

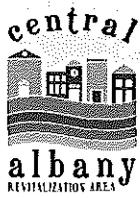
<u>Qty</u>	<u>Part / Description</u>	<u>Item Total</u>
1	WINDOWS - 35 X 36 FIXED WINDOW	335.00
1	WINDOWS - 42 X 20 FIXED WINDOW	247.00
2	WINDOWS - 58 X 70 FIXED WINDOW	1,216.00
1	WINDOW LABOR - INSTALLATION OF ABOVE (4) WINDOWS	1,500.00

Notes: MILGARD ULTRA SERIES FIBERGLASS REPLACEMENT WINDOWS. INCLUDES LOW E, ARGON GAS, DUAL PANE CLEAR GLASS, SILVER PEARL PAINT OUTSIDE WITH A WHITE INTERIOR. ALL FIBERGLASS PRODUCTS CAN BE PAINTED ANY COLOR WITHOUT VOIDING THE WARRANTY. INSTALLATION INCLUDES THE REMOVAL OF THE EXISTING WINDOWS, AND ANY NEW TRIM NECESSARY. ALL PAINT, SHEETROCK OR PLASTER REPAIR IS BY OTHERS.

PLEASE REVIEW AND CALL WITH ANY QUESTIONS
 THANK YOU!
 GEOFF DAVIS

Signature _____

<u>Tax</u>	<u>Total</u>	<u>Payments</u>	<u>Balance</u>
0.00	3,298.00	0.00	3,298.00



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Small Grant Request – Sybaris

Janel Bennett – Sybaris
442 First Avenue West

Small Grant Requested: **\$113**. Total project work = \$226.

Janel Bennett is coming before you to request a 50 percent grant to cover costs for a primary business sign.

The project will enhance the appearance of the business.

KCP:ldh

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CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Yes.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	Applicant's funds are tied up in three other downtown businesses at this time.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes, Sybaris is an attractor to or downtown core.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	The building is a historic property.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	N/A
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes, the use as a restaurant is a desired land-use.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant APPLICATION

1. APPLICANT

Name: Matt and Janel Bennett

Address: 442 1st Avenue, W.

Zip Code:

Contact Name: Janel Bennett Phone Number: (541) 928-8157

Fax Number: (541) 928-8826 Email Address: janel@sybarisbistro.com

Legal Form: Sole Proprietorship [] Partnership [] Corporation: Profit [X] Non-Profit []

In which State are the incorporation and/or organization documents filed? Oregon

2. BUILDING/BUSINESS INFORMATION

Name: Sybaris

Address: 442 1st Avenue, W Zip Code: 97321

Legal Description: Restaurant

Property Tax Account Number:

Is the building a historic contributing resource? Yes [] No [X] If so, is it on the historic property-tax freeze? Yes [] No [X]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Norm Schmidt / Mary Boock

Contact Name: Mary Boock

Address: 1010 Fianda Ln. Freeland, WA Zip Code: 98249

Phone Number: (360) 331-7952

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

5. DESCRIPTION OF PROJECT

Business primary sign

6. ESTIMATED COST OF PROJECT:

\$ 210-225

ESTIMATED VALUE OF PROJECTS UPON COMPLETION:

\$ Same

Basis for valuation and value upon completion: We had two companies do bids

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Art Plus Signs & Xtreme graphics

(If applicant prepared their own estimate, objective verification may be required. If bid was used, please attach)

Xtreme graphics - 602 35th Ave, SE Albany OR 97322
Address: Art plus - 1701 Geary St, SE Albany OR 97322

Phone Number: X- 541-401-9900
A- 541-924-9055

Email Address: ~~XXXX~~ X-meeker6646@comcast.net
A-artplussigns@AOL.com

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

It will enhance the appearance of our business

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes No ? If so, amount \$ _____

FOR WHAT PROJECT: Skip Throop received funding for Bamboo Diner, which is/was our business

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS \$ 125

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information satisfactory to CARA is provided.) personal funds

Is your funding for these: available today applied for unknown at this time

(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

Our funds are tied up in three other downtown businesses right now.

ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 225

Small Grant Amount Requested: \$ 112.50
(50% of total amount up to \$5,000)

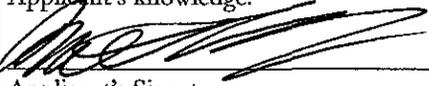
Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.


Applicant's Signature

2/27/10
Date

Janel Bennett
Applicant's Signature

02/18/10
Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Coordinator
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 2/25/10 By: KCP Application Complete: Yes No

If no, comments: attachments

Date application returned to applicant for completion: _____
Date application returned to City: _____
By: _____

New sign Price

From: artplussigns@aol.com

Sent: Tue 2/23/10 2:43 PM

To: mpbandjra@msn.com

Att. Matt,

Here is the price of a new sign similar to the one you have now. I would use Dibond and vinyl graphics.

Looks like you could use the same bracket with a new paint job. Color can be determined later.

This is the pricing for your grant application. \$210.00

Thank you Wendy

Art Plus Signs & Designs

541-924-9055

Xtreme GRAPHICS

541.401.9900

SIGNS*SCREEN PRINTING*EMBROIDERY

Sybaris

13/Feb/10

New sign panels

New sign panels **\$225**

- Digital printed Logo
- High performance cast vinyl
- UV Lamination
- 3mm diabond substraight
- Includes install

Approved by; _____ Date: _____

Deposit; _____ Check # _____ Bal; _____

Requires 50% Deposit Balance due on Delivery

602 35th Ave SE Albany, Or. 97322



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Search, add, or invite

john boock

Set status here

Options

Add Contact

Invite a friend
Give Gmail to:

Send Invite 50 left

Preview Invite

Sybaris Inbox X

New window

Print all

m: show details 12:54 PM (3 hours ago) Reply

To whom it may concern: This authorizes John Boock to make application to CARA for the small grant program - spring-2010 for facade repair on the Sybaris Restaurant building at 442 1st Ave. W in Albany, OR. The tax account number is : 0081329. Thank you, Mary Boock

Reply

Forward

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1 of 74 Older >

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Last account activity: 4 minutes ago on this computer. Details



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *KAP*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Small Grant Request – Sybaris

Mary & John Boock – Sybaris Building
442 First Avenue West

Small Grant Requested: **\$275**. Total project work = \$550.

John Boock is coming before you to request a 50 percent grant to cover costs to repair the stucco at the top northwest corner of the building which has broken away and exposed the wooden building structure.

The project will enhance the visual appearance of the building, prevent a safety hazard, and preserve the structural integrity of the building.

KCP:ldh

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CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Yes.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	Applicant has stated that they need assistance to secure funding to cover the full costs of repair.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes, Sybaris is an attractor to or downtown core.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	The building is a historic property. And this repair will preserve the exterior of the building and enhance the appearance,
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	This repair would enhance the longevity of the building.
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes, the use as a restaurant is a desired land-use.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant APPLICATION

1. APPLICANT

Name: Mary Boeck / John Boeck

Address: PO box 783

Albany, OR Zip Code: 97321

Contact Name: Mary Boeck Phone Number: 541-223-2373

Fax Number: Email Address: jaboock@gmail.com

Legal Form: Sole Proprietorship [checked] Partnership []

Corporation: Profit [] Non-Profit []

In which State are the incorporation and/or organization documents filed?

Social Security Number/Tax Identification Number:

2. BUILDING/BUSINESS INFORMATION

Name: Sybaris

Address: 442 SW 1st St Zip Code: 97321

Legal Description:

Property Tax Account Number: 0081329

If the building a historic contributing resource? Yes [checked] No []

If so, is it on the historic property-tax freeze? Yes [] No [checked]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Mary Boeck

Contact Name: old John Boeck

Address: PO Box 783 - Albany, OR

Zip Code: 97321

Phone Number: 541-223-2373

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

see attached Permission grant

5. DESCRIPTION OF PROJECT

1. The stucco skin at the ^{top} northwest corner of the building has broken away - causing parts of stucco to fall + expose wooden building structure

6. ESTIMATED COST OF PROJECT:

\$ 550.⁰⁰

ESTIMATED VALUE OF PROJECTS UPON COMPLETION:

\$ 550 + 1,000

Basis for valuation and value upon completion: Building appearance + safety + structural integrity

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Allstar Construction

(If applicant prepared their own estimate, objective verification may be required. If bid was used, please attach)

Address: Albany OR

Phone Number: 541-936-0033 Email Address: Allstarconstruction@comcast.net
cell 503-212-1827

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

- ✓ Visual improvement -
- ✓ Safety - (prevents falling stucco)
- ✓ Preserves structural integrity of the building

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes No If so, amount \$ _____

FOR WHAT PROJECT: _____

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS \$ 275

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information satisfactory to CARA is provided.) Personal funds

Is your funding for these: available today applied for unknown at this time
(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION
Secure funding to cover ^{full} costs
of repair

ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 550.⁰⁰

Small Grant Amount Requested:
(50% of total amount up to \$5,000) \$ 275
KIP

Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

<u>Mary Boock - with authorization</u>	<u>2-23-2010</u>
Applicant's Signature	Date
<u>permission of Mary Boock</u>	
Applicant's Signature	Date
<u>- attached</u>	

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Coordinator
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 2-24-10 By: KWP Application Complete: Yes No

If no, comments: _____

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Small Grant Request – Bill & Connie Lanham

Bill & Connie Lanham
2243 Front Avenue NE

Small Grant Requested: **\$1,900**. Total project work = \$3,800.

Bill and Connie Lanham are coming before you to request a 50 percent grant to cover costs to paint the exterior of the building.

The project will enhance the visual appearance of the building. This building was last painted 15 years ago and the colors are beginning to fade. Fresh paint will improve the look of the whole block.

It should be noted that the Lanhams have received CARA funding on this property in the past.

KCP:ldh

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CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Yes.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	Applicant has stated that they feel this project would complete the building, but they don't have the finances to complete this project on their own.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes, the retail store is an attractor.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	Project would enhance the look of this historic building.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	N/A
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes, the use is a desired land-use.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant

APPLICATION

1. APPLICANT

Name: Bill + Connie Lanham

Business Name: NA

Address: 2243 Front Ave NE

Albany Zip Code: 97321

Contact Name: Bill or Connie Phone Number: 541-926-3119

cell 541-619-2011

Fax Number: Email Address:

Legal Form: Sole Proprietorship [X] Partnership []

Corporation: Profit [] Non-Profit [] TIN#

In which State are the incorporation and/or organization documents filed?

2. BUILDING/BUSINESS INFORMATION

Name:

Address: 309-311-313 1st Ave NW Zip Code: 97321

X Legal Description:

Property Tax Account Number: 80776

Is the building a historic contributing resource? Yes [X] No []

If so, is it on the historic property-tax freeze? Yes [] No [X]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held:

Contact Name:

Address:

Zip Code:

Phone Number:

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

5. DESCRIPTION OF PROJECT

Paint exterior of Building

6. ESTIMATED COST OF PROJECT:

\$ 3800.

X ESTIMATED VALUE OF PROJECTS UPON COMPLETION:

\$ 3800.

X Basis for valuation and value upon completion:

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Gary Greenman
(If applicant prepared their own estimate, objective verification may be required. If bid was used, please attach)

Address: Corvallis OR

Phone Number: 541-753-2209 Email Address:

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

X This building was last painted 15 years ago. The colors are beginning to fade. We believe fresh paint will improve the looks of the whole block. The Pennys building next door is being redone and we feel new paint will be a help

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes [X]

No []

If so, amount \$ 14,000 - 5,000

FOR WHAT PROJECT: Remade up stairs
left Apt. Put roof on

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS \$ _____

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information satisfactory to CARA is provided.) ce loan

Is your funding for these: available today applied for unknown at this time
(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

We feel that this project would complete the Building. at this time we dont have the finances to do this on our own

12. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?

x we applied for a grant from The main street Program. We were turned down because I am on the downtown assoc. Board

ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 3800.

Small Grant Amount Requested: \$ 1900
(50% of total amount up to \$5,000)

Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

[Signature]
Applicant's Signature

1/28/10
Date

[Signature]
Applicant's Signature

1/28/10
Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Manager
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 2/2/10 By: KEP Application Complete: Yes No

If no, comments: attachment

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____



The Painter Too, INC.

7140 NW Oak Creek Dr. • Corvallis, OR 97330

(541) 753-2209 • FAX (541) 753-3255

Bill and Connie Lanham
PO Box 793
Albany OR. 97321

Prep and Paint

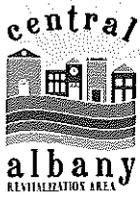
Prep the front side of residence to prepare it for paint.

Paint the front with Exterior paint.
Apply up to 3 colors.

Total Materials and Labor \$3800.00

All dry rot and mortar repair will be an extra charge. To be approved by the Lanhams

Thank you



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *KAP*
DATE: March 10, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Small Grant Request – Whitespires Berean Church

Gene Harness – Whitespires Berean Church - Parsonage
510 Fifth Avenue SW

Small Grant Requested: **\$5,000**. Total project work = \$13,276.

Gene Harness is coming before you to request a 50 percent grant to replace the roof, gutters, and fascia boards on the Whitespires Berean Church Parsonage.

The project will enhance the visual appearance of the building. The Whitespires Fellowship Church is on the corner of Fifth Street and Washington Street. The Parsonage is easily recognized as being a part of the church and is on the Historical listing. The poor condition of the roof and gutters stand out as an eyesore to the community. The repairs will add to the grace and beauty of this 1908 building.

KCP:ldh

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CARA Small Grant Program

Factors to Consider in Evaluating Projects

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Key Objectives:</i></p> <ul style="list-style-type: none"> ◆ Retain and enhance the value of existing private investment and public investment in the area. <p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.
B)	Focus Area	Is the project in the heart of downtown, on the waterfront or in another key area to CARA?	Project is near downtown.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	No.
D)	Gap	What is the "Gap" or need of the developer?	The applicant states that the project cost outmatches their available funds.
E)	Blight	Would it remedy a severely blighted building? How?	No.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	No.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	The building is a historic property.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time?	Yes, new roofing ensures better longevity of a structure.
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	n/a



Small Grant

APPLICATION

1. APPLICANT

Name: Gene Harness, Church Clerk

Business Name: Whitespines Berean Church (Parsonage)

Address: 510 5th Avenue SW (PO Box 671)

Albany, OR Zip Code: 97321

Contact Name: Gene Harness Phone Number: 541 928-0043

Fax Number: None Email Address: genejudia@comcast.net

Legal Form: Sole Proprietorship [] Partnership [] Corporation: Profit [] Non-Profit [X] TIN#

In which State are the incorporation and/or organization documents filed? Oregon

2. BUILDING/BUSINESS INFORMATION

Name: Whitespines Berean Fellowship - Parsonage

Address: 520 5th Avenue SW Zip Code: 97321

Legal Description: Church Parsonage - Currently rented as private residence.

Property Tax Account Number: 131421

Is the building a historic contributing resource? Yes [X] No []

If so, is it on the historic property-tax freeze? Yes [] No [X]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: N/A

Contact Name:

Address:

Zip Code:

Phone Number:

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

5. DESCRIPTION OF PROJECT

Remove old roofing material. Replace damaged material. Install new roofing material. Also, removed old gutters and fascia boards. Install new.

6. ESTIMATED COST OF PROJECT:

11,976.00 Roof
\$ 1,500.00 Gutters

ESTIMATED VALUE OF PROJECTS UPON COMPLETION: \$ 13,276.00

Basis for valuation and value upon completion: Estimator provided by installer company estimator.

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Sorry Egnor of Egnors roofing 541 926-0403

(If applicant prepared their own estimate, objective verification may be required. If bid was used, please attach)

Address: PO Box 124, Albany, OR 97321

Phone Number: 541 926-0403 Email Address:

8. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

Whitespines Berean Fellowship church sits at the 4-way intersection of 5th and Washington Sts, therefore is constantly seen. The Parsonage is easily recognized as being a part of this Historical Church and is on the Historical listing itself. The poor condition of the roof and gutters stand out as an eyesore to the community. The repairs will certainly add to the grace and beauty of this 1908 residence.

9. HAVE YOU, OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes No If so, amount \$ _____

FOR WHAT PROJECT: _____

10. YOUR AMOUNT OF AVAILABLE MATCHING FUNDS

\$ 5,500.

SOURCE OF MATCHING FUNDS (CARA may withhold approval of this application until information

satisfactory to CARA is provided.) Church savings account - Building fund.

Is your funding for these: available today applied for unknown at this time

(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

The project cost outmatches our available funds.

12. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?

None

ASSISTANCE REQUESTED

Total Estimated Project Costs:

\$ 13,276.00

Small Grant Amount Requested:
(50% of total amount up to \$5,000)

\$ 5000.00

Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

Gene Harness
Applicant's Signature

March 01, 10
Date

Applicant's Signature

Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Manager
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 3/2/10 By: KLP Application Complete: Yes No

If no, comments: attachment - Bra

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____

Proposal



Egner's Roofing

THE ROOF DOCTORS
Lic. #140278
P.O. Box 124
Albany, Oregon 97321
Office 926-0403



PROPOSAL SUBMITTED TO <i>Gen. Harness</i>	PHONE <i>928-0043</i>	DATE <i>Nov 13 04</i>
STREET	JOB NAME	
CITY, STATE AND ZIP CODE <i>Albany</i>	JOB LOCATION <i>520 W 5th</i>	
	<i>Albany</i>	JOB PHONE

We hereby submit specifications and estimates for:

Remove old roofing and clean up

Install 1/2 plywood where needed

*Install plumbing pipe flashings and add
air vents as needed*

Install felt and 30 yr asphalt shingles

We Propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Eleven thousand seven hundred seventy six dollars (\$ *11,776*)

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Violator of contract pays all legal fees for collection. Finance charge at 1 1/2 percent per month after 30 days.

Authorized Signature *Sonny Egner*

Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Date of Acceptance: _____

Signature _____



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *KAP*
DATE: March 11, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Yamamoto/CADD Connection Extension Request

Herb Yamamoto is coming to you to request an extension to complete the work on his building. For your reference, he has written a short explanation of why he is making this request (please see attached e-mail dated March 7, 2010).

The attached request serves as his written request, and he will be present at the meeting to answer any questions you may have.

Recommendation

Mr. Yamamoto has completed the vast majority of work on the Cameron House. His firm, CADD Connection, has been in operation since late 2009. Mr. Yamamoto has complied with CARA's process at each step of the way. The reasoning for the delay in timing is weather related, and his request for an extension seems justified to staff. Staff recommends approval of the extension through December 13, 2010.

KCP:ldh
Attachment

U:\Economic Development\CARA\CARA Advisory Board\2010\Staff Reports\03.17.10 Cadd Connection.doc

Porsche, Kate

From: Herb Yamamoto [Herb@cadd-connection.com]
Sent: Sunday, March 07, 2010 5:59 PM
To: Porsche, Kate
Subject: Cameron House /// Extension Request

Dear Kate,

I am writing to request an extension for completing renovations for an additional NINE months (beyond March 13th, 2010 as set forth in contract).

At present, about 90% of the project is complete. However, I would like more time to complete landscaping as well as exterior paint during the summer/fall. These items were not able to be completed last year due to the weather.

I would appreciate your comments.

Regards,
Herb Yamamoto
Cameron House LLC



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: March 12, 2010, for March 17, 2010, CARA Advisory Board Meeting
SUBJECT: Staff Report – Final Version of Edgewater Village Documents

Background

Edgewater Village (RCM Homes) was granted a total of \$2.4 million to assist with the reimbursement of site cleanup, waterfront path enhancement, payment of SDCs, utility installation, and railroad crossings, if needed. Nine hundred thousand dollars (\$900,000) was expended to reimburse for work related to the site cleanup (a major barrier to development of the site), which has been completed. Since 2008, when the contract was signed, we have been in communication with RCM working with them on the site plans and continuing conversations about the project.

At the October 21, 2009, CARA meeting the Advisory Board unanimously approved the restructuring of the funding for RCM Homes. The restructuring saw the \$1.5M grant funding change to a forgivable loan that would be used for the acquisition of the property. Here is a review of the funding structure:

- New forgivable loan will take out the existing first and second liens. New documents to include Forgivable Loan Contract, Trust Deed and Promissory Notes (*see attachments*), which will be personally guaranteed by Mr. Myers and Mr. Diamond (owners of Edgewater Village, LLC) and their wives.
- The forgiveness of the loan, as outlined in the contract, stipulates the following:
 - Construction on the site will be broken into phases. Each phase will make up no more than 25 percent of the total site units.
 - When construction of one phase begins, CARA agrees to subordinate only the portion of its funding proportional to the number of units being built. That is, CARA will only subordinate in phases, or small “bites”. For example, if in the first phase 20 percent of the units will be constructed, CARA will subordinate only 20 percent of the \$1.5 million, or \$300,000 to second position, so that the construction lender may take over in first position. (This is the common practice in building but will ensure that we have a security interest in the rest of the property—in this example, we still have our first trust deed for the \$1.2 million on the remaining property).
 - When the build-out of the first phase is complete and the Certificate of Occupancy (COA) is granted, CARA will forgive that portion of its loan. Then the process begins again with the next phase until the project is complete.

Other items of note:

- We have ensured that the original \$900,000 that was already expended has been tied to this new set of documents. We have secured this amount in the Trust Deed and it is tied to its own Promissory note secured by Randy Myers and his wife. This means that, if for some reason the units are not constructed CARA will be due the \$900,000 in addition to the \$1.5M.

Request

The City Attorney and I felt that given the significance of this project, both in scope and dollar amount, that it was appropriate in this circumstance to bring forward for your review all of the documents and to review the structure of the agreement prior to the execution of the agreement.

Since the Advisory Board's approval in October, there has only been one significant change to the contract, which I would like to outline for you here. In the current version of the contract, we have allowed Edgewater additional time (one year) to procure the last piece of the property related to the site (see map below). It should be noted that this change was made at staff's suggestion, not the applicant's.



Edgewater had previously been in active negotiation on this parcel. That negotiation fell apart when the owner, the BNSF Railway Company imposed conditions that simply were not feasible including:

1. Last negotiated price was around \$280,000. However, BNSF wanted a new appraisal, which Edgewater Village was in favor of getting due to the downturn in the economy; but BNSF wanted Edgewater to pay the *higher* price of the old or new appraisal.
2. RR wanted total environmental indemnification (RR Ties on site).
 - a. Any contamination or issues with the site would require that the RR would have to be indemnified, *defended*, and all attorney's fees would be paid by RCM.
3. RR wanted a 30' setback from rail lines along entire RCM properties—not just this property. (RR had originally asked for 50'.)
4. RR wanted crossing guards (superseding what ODOT Rail would require).

In the last couple of months, we've had many conversations about the site, this project, and its potential to literally shape the future of our waterfront. These conversations have taken place with staff, with the folks from Edgewater, and even with George Crandall. One option was for the project to move forward without the parcel to simply build around it. Upon further consideration, Community Development Director Greg Byrne, City Manager Wes Hare, and me, it was quickly concluded that the project would be immensely better (and possibly more successfully, both economically and visually) with the parcel than without.

The best-case scenario for development of the site is George Crandall's back-of-the-napkin drawing (see next page) that shows the parcel being procured, and then the lot-lines adjusted to create a central north-south connecting park. This north-south park would layout very well, creating more desirable properties along the park area, not to mention the public benefit of having the incredibly important visual connection, or corridor to the river.



Forgivable Loan Funding Contract



This Forgivable Loan Funding Contract (the "Contract") is made and entered into this 18th day of March 2010 by and between the Albany Revitalization Agency (ARA) and Edgewater Village, LLC, an Oregon limited liability company ("Edgewater"), Randall C. Myers and Melissa Myers, husband and wife ("Myers") and George N. Diamond and Paula Diamond, husband and wife ("Diamond"), hereinafter referred to individually and collectively as "Borrower."

WHEREAS, ARA periodically provides financial Forgivable Loans for appropriate purposes; and

WHEREAS, Edgewater has applied to ARA for a Forgivable Loan wherein Edgewater has proposed to use ARA funds for an appropriate governmental purpose; and

WHEREAS, it is the purpose of this Contract to set forth the terms under which ARA funds shall be provided to Borrower.

WHEREAS, Myers has agreed to guaranty the obligations of Edgewater under the Grant Note referred to and defined in paragraph 2 below to be executed by Edgewater in connection with this Contract.

NOW, THEREFORE, in consideration of the promises contained herein, it is agreed as follows:

1. References to "ARA" Include City of Albany "City." Forgivable Loan funds are authorized from time to time by City or by ARA. References to "ARA" include The City of Albany and the officers, agents, and employees of ARA and the City of Albany "City" and the officers agents, and employees of ARA and City.
2. Replacement of Grant Contract. This Contract replaces and supersedes the February 27, 2008, Developer Partnership Grant Funding Contract between Edgewater, Myers and ARA executed on March 7, 2008, (the "Grant Contract"). Edgewater acknowledges that the nine hundred thousand dollars (\$900,000) referred to in the Grant Contract as "clean-up funds" have been distributed to Edgewater for the purposes of completing the site clean-up. Edgewater and Myers shall execute a promissory note in favor of ARA in the principal sum of Nine Hundred Thousand Dollars (\$900,000) (the "Grant Note"). The Grant Note shall bear interest at the rate of four and eighty-five one-hundredths percent (4.85%) per annum and shall be due and payable under the same terms as the \$1,500,000 Promissory Note described in paragraph 4 below. The Grant Note shall be forgiven if Borrower strictly complies with all terms contained herein, including completion of the Project (as defined hereinafter) as outlined in the Application referred to and defined below. If the Project is not completed as described hereunder, or in the event of any failure by Borrower to strictly comply with all of its obligations hereunder, the Grant Note shall be immediately due and payable.
3. Purpose of Forgivable Loan Funding. Borrower has submitted to ARA a Forgivable Loan Application setting forth the purposes for and uses of ARA funding (the "Application"). The Application is attached hereto as *Exhibit A* and by this reference incorporated herein. The Application describes the development of the project (the "Project") as agreed to by the parties upon the real property described in attached *Exhibit B* (the "Property"). All representations made by Edgewater in the Application shall be deemed contractual obligations of Borrower, and funds provided by ARA pursuant to this Contract shall be used only for the purposes set forth in the Application, attached *Exhibit A*.
4. ARA Agreement to Fund Forgivable Loan. Subject to, and conditioned upon, Borrower's compliance with the terms of this Contract, the Promissory Note and Trust Deed referred to below, and the representations contained in the Application, ARA agrees to provide funding in an

amount not to exceed one million five-hundred thousand dollars (\$1,500,000) which shall be used to discharge the underlying prior encumbrances on the Property to First Independent Bank and to Mica, LLC, an Oregon limited liability company (the "Loan"). As a precondition to this funding, Borrower is to provide title insurance to ARA insuring that upon such payment, and the execution of the Promissory Note and Trust Deed referred to below, ARA will be in a first lien secured position on the Property, subject only to customary exceptions preapproved by ARA.

- The Loan shall be secured by a Promissory Note and First Trust Deed recorded against the Property (the "ARA Contract Note" and "Trust Deed" respectively). The ARA Contract Note shall be in the principal amount of the Loan provided by ARA set forth above. The term of the ARA Contract Note shall be seven (7) years and eight (8) months with a maturity date of October 31, 2017. The ARA Contract Note shall bear interest at the rate of four and eighty-five one hundredths percent (4.85%) per annum. The ARA Contract Note shall call for payment of principal and interest upon maturity. The ARA Contract Note shall further provide that if Borrower breaches any of their respective obligations to ARA the entire debt evidenced by the ARA Contract Note shall be accelerated and immediately due and payable in full. The ARA Contract Note shall require that interest after default be increased to eighteen percent (18%) per annum.
- ARA agrees to subordinate the lien of its Trust Deed to construction funding lender(s) in phases not to exceed twenty-five percent (25%) of the total units shown in the Application per phase and in proportion to the total indebtedness of the Note. Provided, however, in the event construction of new interior streets in Phase I to comply with ARA requirements for ingress and egress require additional construction financing, ARA agrees to increase its subordination to up to thirty-five percent (35%) of the ARA Contract Note balance, for that phase. ARA's subordination obligation shall extend to only a single subordination, until the phase of construction for which such subordination is granted has been completed and a portion of the outstanding balance due under the ARA Contract Note, equal to the amount of ARA's subordination, has been repaid or forgiven as hereinafter provided. Thereafter, ARA will continue to provide partial subordination to construction lenders, not to exceed twenty-five percent (25%) of the original indebtedness under the ARA Contract Note in phases with additional partial subordinations being granted only after a like portion of the construction has been completed and a like portion of the indebtedness repaid or forgiven.
- Any other change to the ARA Contract Note, Trust Deed or any financing instrument or any refinancing of the Property or the Project must satisfy the ARA Loan in total.
- The costs of a title search, title insurance, credit reports, and recording ARA's security interest against the Property are considered eligible for funding and shall be paid from the Loan proceeds as the first draw on the Loan so long as sufficient funds remain to satisfy the prior encumbrances provided above within the maximum funding obligation provided herein. Borrower will be responsible for reconveyance costs either through the remainder of Loan proceeds or by making a separate payment to ARA.
- Borrower authorizes any person or consumer reporting agency to complete and furnish to ARA's agents any information it may have or obtain in response to ARA's credit inquiries.
- Borrower authorizes ARA to provide information concerning each Borrower's credit relationship to credit reporting agencies or other creditors.
- The Grant Note, the ARA Contract Note, Trust Deed, and this Contract evidence the obligations of Edgewater, Myers, and Diamond to ARA respectively concerning the Property described in *Exhibit B*. A breach of any term of any of the above referenced Grant Note, ARA Contract Note, this Contract, or Trust Deed shall constitute a breach of all entitling ARA to all remedies cumulatively available in all instruments or at law.

5. Deadline for Performance by Borrower and Forgiveness of Loan. Borrower agrees to complete the development described in its Application and under the terms of its land-use approval

pursuant to the schedule set forth below. ARA agrees to forgive the principal and accrued interest under the ARA Contract Note and Trust Deed and under the Grant Note in the same phases as subordination takes place (phases not to exceed twenty-five percent (25%) of the total site units) if Certificates of Occupancy for buildings constructed in strict compliance with the Application and land-use approval have been issued on all of the units in the given phase within the following deadlines:

- 1) Final Land-use Approvals: which, for purposes of this agreement, shall require the resolution of all land-use appeals or the expiration of applicable appeal periods without the filing of a land-use appeal, October 31, 2012
- 2) Phase I: October 31, 2013 – 5 Units
- 3) Phase II: October 31, 2014 – 10 Units
- 4) Phase III: October 31, 2015 – 10 Units
- 5) Phase IV: October 31, 2016 – 10 Units
- 6) Phase V: October 31, 2017 – 15 or more Units

ARA has exclusive discretion to determine Borrower's compliance with each of these conditions and may conduct such investigations and consider such evidence as it deems applicable.

6. Acceleration of Indebtedness. If, in the exercise of reasonable discretion, ARA determines that reasonable and anticipated progress is not being made in the construction of the Project as described in the Application, ARA may, after sixty (60) days written notice and an opportunity to cure, accelerate all of Borrower's obligations under this Contract, the Grant Note, the ARA Contract Note and the Trust Deed, and may require immediate payment, in full, of all unpaid principal and interest. Borrower's obligations may similarly be accelerated in the event of the bankruptcy or insolvency of Edgewater or the occurrence of any other event which results in the termination of the Project.
7. Borrower's Obligations not dependent upon ARA or City acquisition of Real Property. Borrower has expressed the desire that City or ARA acquire real property adjoining the site of the Project currently owned by BNSF Railway Company for park purposes and, or for incorporation into the development. City and/or ARA may consider this request. The deadlines for Borrower's performance set forth in paragraph 5 above have incorporated an additional year to allow time for consideration and action on this request. Recognizing that ARA and/or City may not be willing or able to acquire the adjoining real property and recognizing Borrower's obligation to proceed with the development on the Property currently owned by Borrower without regard to the additional desired real property, Borrower agrees that none of the obligations of Borrower hereunder or under the terms of any other agreements, contracts, notes, trust deeds, shall be conditioned or dependent upon City or ARA acquisition of the adjoining property in question nor shall ARA and/or City be obligated to convey the property, if acquired, to Borrower under any particular terms.
8. Compliance with Land-Use Regulations. Borrower acknowledges that in addition to the obligation to construct the Project in strict compliance with the Application (*Exhibit A*) it must also comply with all applicable land use laws, ordinances, and regulations. Borrower's obligations pursuant to this Contract and the accompanying ARA Contract Note, Grant Note and Trust Deed shall not be excused in the event of delays or denials of necessary land use permits and approvals.
9. Funding. ARA's obligations hereunder are expressly made subject to the availability of uncommitted funds on all dates anticipated for ARA payments. If funds are not available on the anticipated date, but are expected in the future, ARA funding may be deferred until funds become available.

10. Consequences of Unauthorized Expenditure by Borrower. In the event that Borrower expends any Loan funds for a purpose outside of, or beyond that, set forth in the Application or this Contract, ARA may withhold any future Loan funding and Borrower shall be immediately obligated to repay ARA all Loan funds which have been expended for a purpose outside or beyond that set forth in the Application or this Contract. Expenditures shall be subject to inspection annually by ARA auditors.
11. Project Completion. Borrower agrees to complete the Project described in the Application, attached *Exhibit A*, within the time schedule provided therein including timely completion of each anticipated [the Application must have time and quantity specific benchmarks] construction phase for Loan funding. The Project shall be deemed complete when all permits required for use or occupancy of the structure have been issued and the Project has been completed, in a good and workmanlike manner, in conformance with the Application. If necessary, Borrower may request in writing, a six-month extension to complete the work in each phase that the ARA Advisory Board may authorize in its discretion.
12. Force Majeure. If Borrower is delayed by reason of inability to secure construction financing, weather, fire, strikes, Acts of God, or other circumstances beyond Borrower's reasonable control, Borrower shall be entitled to additional time to complete the Project equal to that lost by any or all of the above causes. No single force majeure event shall entitle Borrower to more than an additional ninety (90) days nor shall any multiple force majeure events entitle Borrower to a time extension more than one hundred eighty (180) days.
13. Inspection and Regulatory Review.
- ARA or City staff may physically inspect and review the finished Project to ensure that all elements have been satisfactorily completed. ARA shall have reasonable discretion to determine whether or not Borrower has complied with its obligations herein. ARA's reasonable determination on this matter shall be final and binding.
 - It is Borrower's responsibility to obtain all necessary regulatory reviews and approvals including land-use review, historic review, and requisite building permits. The Project must remain in compliance with all regulatory bodies and approval agencies. It will be Borrower's responsibility to resolve any regulatory issues.
14. Special Provisions. In addition to compliance with all representations made in the Application, this Loan shall further be conditioned upon Borrower's compliance with the following special conditions:
- Any deviation of work from the building improvements detailed above must be preapproved in writing by ARA staff to be eligible for reimbursement.
 - Design Review: The Project is subject to design review and approval against the ARA Design Guidelines. If the Project does not pass the design review funding is hereby revoked. Borrower hereby acknowledges receipt of the ARA design guidelines. Additionally, Borrower agrees to work with ARA and City Staff in the design of the units. Design includes site planning, exterior and interior finishes.
 - Borrower agrees to indemnify ARA from any claims, demands, damages, or expenses (including attorney fees) resulting from your actions and those of your agents and assigns undertaken with regard to this Contract or the Project.
 - Borrower will post two signs provided by ARA during the construction period of the Project at a visible, protected location agreed to with ARA staff.
 - Borrower will provide ARA with before and after photos of the work completed with your final reimbursement request.

- Borrower will coordinate an open house showcasing the improvements funded under the Project in cooperation with ARA within an agreed upon time after Project completion.
15. Attorney's Fees. Should suit or action be filed to enforce this Contract or seek damages for its breach, the prevailing party shall be entitled to an award of its reasonable attorney fees including those incurred upon appeal.
 16. Indemnification and Regulatory Compliance. Borrower shall be responsible, and shall comply with, all requirements of law including, but not limited to, compliance with all applicable federal, state, and local regulations and hereby covenants and agrees to indemnify and hold harmless ARA, from any claim, demand, or damage, resulting in any manner from the extension in Loan funds from ARA to Borrower and/or any use of ARA funds by Borrower, this Contract, Borrower's actions in connection with the Project, including its agents and assignees, and from any use of ARA funds.
 17. Assignment. The obligations of Borrower hereunder and under any accompanying loan or personal obligations of Borrower are not assignable or transferable without written consent of ARA, which may not be unreasonably withheld. Notwithstanding the above, any assignment or transfer of equity interests in Edgewater Village, LLC which results in Myers or Diamond maintaining not less than a fifty percent (50%) membership or ownership interest shall not be subject to this paragraph 17 and shall be expressly permitted hereunder.
 18. Prevailing Wages. Edgewater and its subcontractors shall comply with ORS 279C.840 requiring Edgewater and its subcontractors to pay workers on the project the prevailing rate of wage as established by the Oregon Bureau of Labor and Industries. Edgewater will be responsible for compliance and reporting under the Oregon Prevailing Wage Law and its implementing rules, ORS 279C.800 et. seq. Edgewater will hold the City and ARA harmless for all costs, fees and penalties that may be incurred, and for all reports, fines and/or litigation costs, including reasonable attorney fees, that may result from Edgewater's application of the Oregon Prevailing Wage Law to the project.
 19. Interest. In the event Borrower breaches any term of this Contract or any accompanying companion contract between Borrower and ARA for completion of the Project described in the Application, Borrower's obligation shall bear interest at twelve percent (12%) per annum.
 20. Tax Consequences. ARA makes no representations concerning the tax consequences to the recipient of any agency Forgivable Loan or the Loan. Any questions in this regard should be resolved by the recipient with his/her own tax professional.
 21. Legal Representation. This Contract was prepared by the law firm of Long, Delapoer, Healy, McCann & Noonan, P.C. in their capacity as attorneys for ARA and reviewed by Holland & Knight, LLC in their capacity as attorneys for Borrower. In light of the participation of both parties in the drafting of this instrument, the customary rule of contract construction which resolves ambiguity against the drafter shall not apply.
 22. Venue. Venue for litigation concerning this agreement shall rest exclusively with the court of the State of Oregon for Linn County.
 23. Obligations Binding on Trusts, Successors and assigns. The obligations of Borrower shall be binding upon Borrower, Borrower's successors and assigns, Borrower's estate, any trusts in which Borrower is a trustor or beneficiary, and any other entity or instrument owned or controlled by Borrower.

ARA:

Albany Revitalization Agency

By: _____

Printed Name: Wes Hare

Title: City Manager

Date: _____

**BORROWERS,
JOINTLY AND SEVERALLY:**

Edgewater Village, LLC
Federal Tax ID#20-3796271

By: _____

Printed Name: _____

Title: Managing Member

Date: _____

By: _____

Printed Name: Randall C. Myers

Date: _____

By: _____

Printed Name: Melissa Myers

Date: _____

By: _____

Printed Name: George N. Diamond

Date: _____

By: _____

Printed Name: Paula Diamond

Date: _____

Signed individually as a joint and several obligation of each.

DEED OF TRUST

GRANTOR:

EDGEWATER VILLAGE, LLC
Randall C. Myers
7050 SW Clinton Street
Tigard, Oregon 97223

BENEFICIARY:

Albany Revitalization Area (ARA)
c/o City of Albany
City Manager's Office
P.O. Box 490
Albany, OR 97321-0144

TRUSTEE:

Land America Lawyers Title Company - Albany
220 5th Ave SW
Albany, OR 97321

RETURN AFTER RECORDING TO:

Albany Revitalization Area (ARA)
c/o City of Albany
City Manager's Office
P.O. Box 490
Albany, OR 97321-0144

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST is dated 03/18/2010, among EDGEWATER VILLAGE, LLC and an Oregon limited liability company ("Edgewater"), and whose address 7050 SW Clinton Street, Tigard, Oregon 97223 ("Grantor"); Albany Revitalization Agency ("ARA"), whose address is c/o City of Albany, City Manager's Office, P.O. Box 490, Albany, OR 97321-0144 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Land America Lawyers Title Company - Albany, 220 5th Ave. SW, Albany, OR 97321 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, represented in (i) the Note dated 03/18/2010, Number FL-2010-01 in the original principal amount of \$900,000 from Grantor, Randall C. Myers and Melissa Myers, husband and wife ("Myers") to Lender (the "Grant Note"), and (ii) the Note dated 03/18/2010, Number FL-2010-02 in the original principal amount of \$1,500,000 from Grantor, Myers and George N. Diamond and Paula Diamond, husband and wife ("Diamond"), to Lender (the "ARA Contract Note"), Grantor conveys to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights-of-way, and appurtenances; all water, water rights, and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Linn County, State of Oregon:

PARCEL I:

All of Block 123, HACKLEMAN'S ADDITION, Albany, Linn County, Oregon.
EXCEPTING THEREFROM that portion dedicated to the City of Albany by Dedication Deed recorded November 19, 2001 in Volume 1235, Page 753, and being more particularly described as follows:
Beginning at a point on the Westerly line of and being North 08° 18' 00" West 273.27 feet from the Southwest corner of said Block 123; thence North 08° 18' 00" West 36.73 feet to the Northwest corner of said Block 123; thence North 71° 06' 11" East, along the North line of said Block 123, a distance of 270.63 feet to the Northeast corner of said Block 123; thence South 08° 15' 00" East, along the Easterly line of said Block 123, a distance of 34.45 feet to a point that is North 08° 15' 00" West 325.55 feet from the Southeast corner of said Block 123; thence South 76° 41' 27" West 5.43 feet; thence South 64° 09' 35" West 51.87 feet; thence South 72° 36' 08" West 36.07 feet; thence South 70° 31' 11" West 43.48 feet; thence South 08° 18' 00" East 3.10 feet; thence South 74° 34' 48" West 82.60 feet; thence South 72° 15' 19" West 51.58 feet to the point of beginning.

PARCEL II:

All of Block 124, HACKLEMAN'S ADDITION, Albany, Linn County, Oregon.
EXCEPTING THEREFROM that portion of said Block 124 lying Southerly of the following described line:
Beginning at a point on the East line of Block 124 that is 114.70 feet Northerly from the Southeast corner of said Block; running thence Westerly, parallel with the South line of said Block, 41.60 feet; thence Northerly, parallel with the East line of said Block, 6.50 feet; thence Westerly, parallel with the South line of said Block, 60.00 feet; thence Northerly, parallel with the East line of said Block, 60.00 feet; thence Westerly, parallel with the South line of said Block, 164.4 feet, more or less, to a point on the West line of said Block that is 181.30 feet North of the Southwest corner of said Block and the terminus hereof. FURTHER EXCEPTING THEREFROM that portion dedicated to the City of Albany by Dedication Deed recorded November 19, 2001 in Volume 1235, Page 753, and being more particularly described as follows: Beginning at a point on the Westerly line of and being North 08° 15' 00" West 331.07 feet from the Southwest corner of said Block 124; thence North 08° 15' 00" West 38.93 feet to the Northwest corner of said Block 124; thence North 71° 05' 46" East, along the North line of said Block 124, a distance of 270.44 feet to the Northeast corner of said Block 124; thence South 08° 15' 00" East, along the Easterly line of said Block 124, a distance of 82.15 feet to a point that is North 08° 15' 00" West 337.85 feet from the Southeast corner of said Block 124; thence North 46° 20' 02" West 20.68 feet; thence North 83° 27' 00" West 14.19 feet; thence South 82° 46' 31" West 37.84 feet; thence South 63° 55' 55" West 37.00 feet; thence South 74° 58' 27" West 103.26 feet; thence South 78° 17' 03" West 63.82 feet to the point of beginning.

PARCEL III:

All of Block 131, HACKLEMAN'S ADDITION, Albany, Linn County, Oregon.
EXCEPTING THEREFROM that portion dedicated to the City of Albany by Dedication Deed recorded November 19, 2001 in Volume 1235, Page 753, and being more particularly described as follows:
Beginning at a point on the Westerly line of and being North 08° 15' 00" West 36.52 feet from the Southwest corner of said Block 131; thence North 08° 15' 00" West 83.48 feet to the Northwest corner of said Block 131; thence North 66° 58' 59" East, along the North line of said Block 131, a distance of 274.63 feet to the Northeast corner of said Block 131; thence South 08° 12' 30" East, along the Easterly line of said Block 131, a distance of 113.86 feet to a point that is North 08° 12' 30" West 396.14 feet from the Southeast corner of said Block 131; thence North 87° 40' 19" West 61.78 feet; thence South 68° 55' 52" West 56.73 feet; thence South 69° 00' 11" West 77.43 feet; thence South 65° 40' 34" West 76.91 feet to the point of beginning.

The Real Property addresses are commonly known as 240 Hill St. NE Albany, OR 97321. The Map and Tax Lots are known as 11S03W06DA 00101, 11S03W06DA 001700, 11S03W06DC 13100, 11S03W06DC 13200, and 11S03W06DC 13300.

The Grant Note, the ARA Contract Note, this Trust Deed, and the Forgivable Loan Funding Contract evidence the obligations of Edgewater, Randall C. Myers, Melissa Myers, George N. Diamond and Paula Diamond, respectively, to ARA. This Trust Deed is given to secure those obligations and concerns the Real Property, addresses are commonly known as 240 Hill St. NE, Albany, OR 97321, the Map and Tax Lots are known as 11S03W06DA 00101, 11S03W06DA 001700, 11S03W06DC 13100, 11S03W06DC 13200, and 11S03W06DC 13300. A breach of any term of any of the above referenced notes, contracts, or trust deeds shall constitute a breach of all entitling ARA to all remedies cumulatively available in all instruments.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEED OF TRUST
(Continued)

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE GRANT NOTE AND THE ARA CONTRACT NOTE (HEREINAFTER COLLECTIVELY, THE "NOTES"), THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's, Myers' and Diamond's respective obligations under the Notes, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property. THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS DOCUMENT TO BE IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance with Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct, or permit any nuisance, nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party to right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans with Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE – CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company (LLC), transfer also includes any change in ownership of more than fifty percent (50%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Oregon law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under and surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall provide to Lender, upon request, satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

DEED OF TRUST
(Continued)

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgage clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least fifteen (15) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain ALL insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Notes from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Notes and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Notes; or (C) be treated as a balloon payment which will be due and payable at the Notes' maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES, AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees, and charges are a part of this Deed of Trust:

Current Taxes, Fees, and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Notes; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

DEED OF TRUST
(Continued)

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Notes, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. All reconveyance fees shall be paid to Lender by Grantor.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant, or condition contained in this Deed of Trust or in any of the Related Documents, or to comply with or to perform any term, obligation, covenant, or condition contained in any other agreement between Lender and Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Notes, or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation, or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender

DEED OF TRUST
(Continued)

demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law. If this Deed of Trust is foreclosed by judicial foreclosure, Lender will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for the amount of the unpaid balance of the judgment.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Notes or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least fifteen (15) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Notes' rates from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a Successor Trustee to any Trustee appointed under the Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the Office of the Recorder, County of Linn, State of Oregon. The instrument shall contain, in addition to all other matters required by State law, the names of the original Lender, Trustee, and Grantor, the book and page where this Deed of Trust is recorded, and the name and address of the Successor Trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The Successor Trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified, or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

ASSOCIATED FEES.

DEED OF TRUST
(Continued)

BORROWER IS REQUIRED TO PAY LENDER FOR ALL FEES ASSOCIATED WITH OBTAINING A ARA LOAN FROM THE LOAN PROCEEDS, WHICH INCLUDES CREDIT REPORTS, TITLE SEARCH, TITLE INSURANCE, RECORDING COSTS, AND RECONVEYANCE COSTS.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by, construed, and enforced in accordance with federal law and the laws of the State of Oregon. This Deed of Trust has been accepted by Lender in the State of Oregon.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Linn County, State of Oregon.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid, and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity, or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waive Jury. All parties to this Deed of Trust hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Oregon as to all Indebtedness secured by this Deed of Trust.

Commercial Deed of Trust. Grantor agrees with Lender that this Deed of Trust is a commercial deed of trust and that Grantor will not change the use of the Property without Lender's prior written consent.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Albany Revitalization Area (ARA), and its successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default."

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto or intended to protect human health or the environment.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the Events of Default section of this Deed of Trust.

Grantor. The word "Grantor" means EDGEWATER VILLAGE, LLC.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Notes.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration, or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported, or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials, or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum, including crude oil, and any fraction thereof, and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements, and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs, and expenses payable under the Notes or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of, and substitutions for the Notes or Related Documents and

DEED OF TRUST
(Continued)

any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means Albany Revitalization Agency (ARA), its successors and assigns.

Notes. The word "Notes" means (i) the ARA Contract Note dated 03/18/2010, in the original principal amount of \$1,500,000 from Grantor (and Borrower) to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement (the maturity date of the Note is 10/31/2017), and (ii) the Grant Note dated 03/18/2010 in the original principal amount of \$900,000 from Grantor (and Borrower) to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements, and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means Land America Lawyers Title Company - Albany, 220 5th Ave. SW; Albany, OR 97321 and any substitute or Successor Trustees.

DEED OF TRUST
(Continued)

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS AND CONDITIONS.

GRANTOR:

EDGEWATER VILLAGE, LLC

By: _____
EDGEWATER VILLAGE, LLC

By: _____
Randall C. Myers

By: _____

Title: _____

Title: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF OREGON

COUNTY OF LINN

This instrument was acknowledged before me on the _____ day of _____, 2010, by _____ as _____ of _____ and by _____ as _____ of _____ the person(s) whose name(s) are subscribed to this instrument, and acknowledged that they executed the same.

Notary Public of Oregon
My Commission Expires: _____

REQUEST FOR FULL RECONVEYANCE
(To be used only when obligations have been paid in full)

To: _____ Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Notes secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to: .

Grantor/Borrower

Date: _____

Beneficiary/Lender: _____

By: _____

9239946_v3

PROMISSORY NOTE (ARA CONTRACT NOTE)

Principal	Loan Date	Maturity	Loan No	Collateral	Office	Initials
\$1,500,000	03/18/2010	10/31/2017	FL-2010-02	Real Property	City Manager	KCP

References in the areas above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: EDGEWATER VILLAGE, LLC
 Randall C. Myers
 7050 SW Clinton Street
 Tigard, OR
 97223

Lender: Albany Revitalization Area (ARA)
 c/o City of Albany
 City Manager's Office
 P.O. Box 490
 Albany, OR 97321-0144

Principal Amount: \$1,500,000

Interest Rate: 4.85%

Date of Note: 03/18/2010

PROMISE TO PAY. EDGEWATER VILLAGE, LLC and an Oregon limited liability company ("Edgewater"), Randall C. Myers and Melissa Myers, husband and wife ("Myers") and George N. Diamond and Paula Diamond, husband and wife ("Diamond"), (individually and collectively, "Borrower") promise to pay to Albany Revitalization Area (ARA) ("Lender"), or order, in lawful money of the United States of America, the principal amount of one-million five-hundred thousand dollars (\$1,500,000), together with interest at the rate of 4.85% per annum on the unpaid principal balance from 03/18/2010, until paid in full notwithstanding the foregoing the above stated indebtedness shall be forgiven upon strict compliance with all terms of the Forgivable Loan Funding Contract (the "ARA Contract") entered into contemporaneously between the parties.

PAYMENT. If the conditions of the ARA Contract are not met, this Note and any accrued interest become immediately due and payable in full. Interest begins accruing upon the date of the Note execution and continues until the Note is paid in full or is forgiven by ARA. In the case of forgiveness of the Note as provided for in the ARA Contract, interest is also forgiven. Borrower's payment of this Note in full will become immediately due and payable if Borrower does not satisfy the terms of the ARA Contract, including all principal and interest per attached amortization schedule. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs or loan administrative fees; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full," "without recourse," or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Albany Revitalization Area (ARA), c/o City of Albany, Administrative Services Department - Finance, P.O. Box 490, Albany, OR 97321-0144.

LATE CHARGE. If payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$10.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the interest rate on this Note to 18.000% per annum. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Edgewater's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by the Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the membership interests of Edgewater, provided however, this shall not apply if either Myers or Diamond retain a fifty percent (50%) or more membership interest in Edgewater.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

PROMISSORY NOTE
(Continued)

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by, construed and enforced in accordance with federal law and the laws of the State of Oregon. This Note has been accepted by Lender in the State of Oregon.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Linn County, State of Oregon.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by a Deed of Trust on real estate located at 240 Hill St. NE Albany, OR 97321.

ASSOCIATED FEES. BORROWER IS REQUIRED TO PAY LENDER FOR ALL FEES ASSOCIATED WITH OBTAINING AN ARA LOAN FROM THE LOAN PROCEEDS, WHICH INCLUDES CREDIT REPORTS, TITLE SEARCH, TITLE INSURANCE, RECORDING COSTS, AND RECONVEYANCE COSTS.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender will not modify this loan without written notification to Borrower and with the consent of both the ARA Agency (as Lender) and the Borrower. The obligations under this Note are joint and several.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY US (LENDER) CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES AND SECURED SOLELY BY THE BORROWER'S PROPERTY MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY US TO BE ENFORCEABLE.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

EDEWATER VILLAGE, LLC

By: _____
EDEWATER VILLAGE, LLC

By: _____

By: _____
George N. Diamond

Title: Managing Member

Title: _____

By: _____
Randall C. Myers, Personally

By: _____
George N. Diamond, Personally

By: _____
Melissa Myers, Personally

By: _____
Paula Diamond, Personally

LENDER:

ALBANY REVITALIZATION AREA (ARA)

By: _____
Wes Hare, City Manager
(Authorized signer for ARA)

9239858_v3

PROMISSORY NOTE (GRANT NOTE)

Principal	Loan Date	Maturity	Loan No	Collateral	Office	Initials
\$900,000	03/18/2010	10/31/2017	FL-2010-01	Real Property	City Manager	KCP

References in the areas above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: EDGEWATER VILLAGE, LLC
Randall C. Myers
7050 SW Clinton Street
Tigard, OR
97223

Lender: Albany Revitalization Area (ARA)
c/o City of Albany
City Manager's Office
P.O. Box 490
Albany, OR 97321-0144

Principal Amount: \$900,000

Interest Rate: 4.85%

Date of Note: 03/18/2010

PROMISE TO PAY. EDGEWATER VILLAGE, LLC, an Oregon limited liability company ("Edgewater"), and Randall C. Myers and Melissa Myers, husband and wife ("Myers"), (individually and collectively "Borrower") promise to pay to Albany Revitalization Area (ARA) ("Lender"), or order, in lawful money of the United States of America, the principal amount of nine-hundred thousand dollars (\$900,000), together with interest at the rate of 4.85% per annum on the unpaid principal balance from 03/18/2010, until paid in full notwithstanding the foregoing the above stated indebtedness shall be forgiven upon strict compliance with all terms of a Forgivable Loan Funding Contract (the "ARA Contract") entered into contemporaneously between the parties.

PAYMENT. If the conditions of the ARA Contract are not met this Note and any accrued interest become immediately due and payable in full. Interest begins accruing upon the date of the Note execution and continues until the Note is paid in full or is forgiven by ARA. In the case of Note forgiveness, interest is also forgiven. Borrower's payment of the Note in full will become immediately due and payable if Borrower does not satisfy the terms in the ARA Contract, including all principal and interest per attached amortization schedule. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs or loan administrative fees; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full," "without recourse," or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Albany Revitalization Area (ARA), c/o City of Albany, Administrative Services Department - Finance, P.O. Box 490, Albany, OR 97321-0144.

LATE CHARGE. If payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$10.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the interest rate on this Note to 18.000% per annum. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Edgewater's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by the Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the membership interests of Edgewater, provided, however, this shall not apply if either Myers or Diamond retain a fifty percent (50%) or more membership interest in Edgewater.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

PROMISSORY NOTE
(Continued)

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by, construed and enforced in accordance with federal law and the laws of the State of Oregon. This Note has been accepted by Lender in the State of Oregon.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Linn County, State of Oregon.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by a Deed of Trust on real estate located at 240 Hill St. NE Albany, OR 97321.

ASSOCIATED FEES. BORROWER IS REQUIRED TO PAY LENDER FOR ALL FEES ASSOCIATED WITH OBTAINING an ARA LOAN FROM THE LOAN PROCEEDS, WHICH INCLUDES CREDIT REPORTS, TITLE SEARCH, TITLE INSURANCE, RECORDING COSTS, AND RECONVEYANCE COSTS.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender will not modify this loan without written notification to Borrower and with the consent of both the ARA Agency (as Lender) and the Borrower. The obligations under this Note are joint and several.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY US (LENDER) CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES AND SECURED SOLELY BY THE BORROWER'S PROPERTY MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY US TO BE ENFORCEABLE.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

EDGEWATER VILLAGE, LLC

By: _____
EDGEWATER VILLAGE, LLC

By: _____

Title: Managing Member

By: _____
Randall C. Myers, Personally

By: _____
Melissa Myers, Personally

LENDER:

ALBANY REVITALIZATION AREA (ARA)

By: _____
Wes Hare, City Manager
(Authorized signer for ARA)

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