



**URBAN RENEWAL COMMISSION
Adaptive Reuse/Building
Rehab Program**

City of Oregon City
625 Center Street
P.O. Box 3040
Oregon City, Oregon 97045
Phone 503.657.0891
Fax 503.657.7892
www.orcity.org

APPLICANT INFORMATION

APPLICANT NAME: Alex Jansen	APPLICANT E-MAIL: ajansen@jansenconstructioncompany.com
APPLICANT ADDRESS: 418 Beaver Creek Rd. #104; Oregon City, OR.	APPLICANT PHONE: (503) 607-1700
NAME of PROPERTY OWNER (if different): Five J's, LLC	
PROPERTY OWNER'S MAILING ADDRESS: 418 Beaver Creek Rd. #104	PROPERTY OWNER'S PHONE: (503) 607-1700
PROPERTY OWNER'S CITY, STATE, ZIP: Oregon City, OR. 97045	PROPERTY OWNER'S FAX: (503) 607-1701

SITE INFORMATION

SITE ADDRESS: 722 Main Street	BUILDING TAX LOT & MAP NUMBER (if known):
CITY, STATE, ZIP: Oregon City, OR. 97045	OWNER OCCUPIED OR LEASED? 50/50
EXISTING SQUARE FEET 6,000	GRANT REQUEST AMOUNT: \$ 75,000.00
CURRENT USE OF BUILDING AND TENANT NAMES: Vacant	
Is the building on the local historic register or within historic overlay district? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
If yes, has the building plan been reviewed and approved by the Historic Review Committee? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	

PROJECT NARRATIVE

BRIEF DESCRIPTION OF PROPOSED PROJECT (250 – 300 words. Use separate paper if needed.) BRIEF DESCRIPTION OF PROPOSED PROJECT (250 – 300 words. Use separate paper if needed.) A MORE DETAILED DESCRIPTION WILL HELP URBAN RENEWAL COMMISSIONERS BETTER UNDERSTAND THE PROPOSED PROJECT:

Information to include in narrative and supporting documents include: project cost/budget, photos of existing use, stamped architectural renderings/drawings, documentation of ownership and project funding, property appraisal, financial pro-forma documenting loan to value ratio, competitive bids from three service providers.

PROJECT FINANCIALS AND SCHEDULE

AMOUNT AND SOURCE OF MATCHING FUNDS (i.e., savings account, line of credit, etc.): \$1,602,238 Owners cash equity + Wells Fargo Loan	
PRIVATE TO PUBLIC MATCH AS RATIO: <u>21</u> / <u>1</u> \$1,602,238 / \$75,000	AUTHORIZATION FOR CREDIT CHECK See attached
ANTICIPATED START DATE OF CONSTRUCTION: July 2013	ANTICIPATED FINISH DATE OF CONSTRUCTION: December 2013

DESIGN CREDENTIALS

APPLICANT'S ARCHITECT: Lever Architecture	E-MAIL: scott@leverarc.com
MAILING ADDRESS: 720 NW Davis Street	PHONE: (503) 265-1527
CITY, STATE, ZIP: Portland, OR. 97029	FAX:
ARCHITECT CERTIFICATION NUMBER (applicant's architect fees are eligible as a grant expense if architect is Oregon certified):	


The applicant understands that the proposed improvements must be evaluated and approved by the Oregon City Urban Renewal Commission or designee. Certain changes or modifications may be required by the Urban Renewal Commission prior to final approval.

The applicant understands that a match/grant information sign must be posted 30 days prior to, during, and 30 days after the improvement's construction phase.

CERTIFICATION OF APPLICANT

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 a matching grant and is true and complete to the best of the applicant's knowledge and belief.

If the applicant is not the owner of the property to be rehabilitated, or if the applicant is an organization rather than an individual, the applicant certifies that he/she has the authority to sign and enter into an agreement to perform the rehabilitation work on the property. Evidence of this authority is attached.

APPLICANT'S SIGNATURE: 	CO-APPLICANT'S SIGNATURE (if applicable)
DATE: 4/4/13	DATE:



722 MAIN STREET
ADAPTIVE REUSE / BUILDING REHAB PROGRAM
June 4, 2013

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Introduction

Jansen Construction Company has chosen to move its office to downtown Oregon City, and are in the process of purchasing a building at the corner of 8th and Main Street. After restoration and renovation, the second floor of the two story building will become their new office. The ground floor will be leased to retail or restaurant tenants. This application for the Adaptive Reuse/Building Rehab Program is for the interior improvements only.

*Please see section 1.2 for a complete description of improvements.

Project Value

Attracting dynamic tenants is key to the future development of Oregon City's historic downtown area. Bringing in high quality companies ensures the area's growth and continuing vitality. The success and reputation of Jansen Construction Company support this endeavor. Additionally, by making the required basic structural improvements to the building and main level we will be able to attract retail or restaurant users to downtown Oregon City.

Having Jansen Construction Company relocate its office to downtown Oregon City will positively impact downtown on many levels. First, the company's renovation of the building greatly increases the aesthetics of the surrounding area. With the vision of the building and the help of our nationally recognized architecture team, the building will become a staple of the downtown core. With the level of investment being poured into the project, the surrounding value of properties should increase.

The company's relocation will also provide an economic boost to the downtown district and surrounding areas. With new retail or restaurant space on the ground floor, the area will benefit from the increased activity these tenants will provide. Jansen Construction Company employs 5-10 full time employees who will work in the second floor office. Future retail and/or restaurant use will additionally benefit employment in the downtown core.

* Please see section 2.20 for Proforma and Appraisal Summary demonstrating increase the in property value.

Description of Improvements

Overview

Because of the existing condition of the building and the associated costs to improve, we will be completing the improvements using a phased approach in cooperation with the Urban Renewal Commission. A description of the phases is as follows:

Phase 1: Storefront improvement at Main Street. Structural improvements and infrastructure installation at the Main level. Complete tenant improvements at the second floor level. Current pending adaptive reuse and storefront grants will assist with this work.

Phase 2: Storefront improvement at Eight Street. We will submit a storefront grant application for the next budget cycle with the hope we can complete these improvements concurrently with the Phase 1 improvements.

Phase 3: Tenant improvement(s) for the main street level. We will submit for an adaptive reuse grant when more information as to the proposed tenancies is available and if appropriate.

Description of Phase 1 Improvements

Main Level

- Remove bow truss to make more of the space usable. Replace with a more secure structural steel beam. This will require new steel posts to be installed through the basement level with new concrete footings.
- Remove the step in the floor to eliminate the bow in the floor and improve the usability of the space.
- Complete 1-hour fire separation requirements along south property line to improve code requirements.
- Add two (2) heat pump split systems to service the space.
- Add fire rated duct shaft to the roof for possible future kitchen duct hood.
- Redo entire building electrical service. Remove meters from upstairs as no longer allowed by PGE. Upgrade service from 200amp to 600amp 3-phase to maximize the build out options and allow for a potential future restaurant use.
- Reframe entry way along main street and complete storefront improvement (see storefront grant improvement application).
- Add rear door to the parking lot and new garbage enclosure area to improve work flow and accessibility for future tenants.
- When complete the space will be an unfinished basic shell with infrastructure ready to accommodate a retail or restaurant use.

Description of Improvements

Second Level

- Completely gut the interior space and strip down to the base studs and masonry everywhere.

Complete tenant improvement for and office use to be occupied by Jansen Construction Company.

- The stairs leading to the space from Main Street will be reconstructed to have hardwood treads. The ceiling of the stairwell will need to be re-framed to allow for proper head height clearances.
- The rear entrance / exit to the space will be relocated away from the south property line.
- Historical beams and wood trusses will be left exposed throughout, will be soda blasted to reinvigorate the surfaces and then either painted or clear sealed.
- New Insulation on all exterior walls and rigid foam roof deck insulation will be installed to improve energy efficiency.
- With the assistance of the storefront grant improvement monies we will refurbish the existing second floor windows. New insulated, Low-e glazing, weather stripping and hardware will be installed.
- New light gauge metal stud and drywall partition walls will be installed.
- Glass wall systems will be installed in all office walls and the conference room to add a modern accent and to allow light to transfer through the space.
- Doors will be tall solid core wood stained doors.
- Common areas throughout the space will have reclaimed hardwood flooring.
- Offices will have a carpet squares flooring.
- Two new rooftop units will have to be installed for the HVAC system.
- A new electrical service will be installed.
- Two new ada compliant bathrooms will be installed.

Building Exterior

- See storefront application for proposed exterior façade improvements.
- The rooftop will received a new 60mil membrane roof over rigid insulation.
- All new wood trims around windows. New siding and trims to match historical profiles.
- New cornices at roof line.
- A new metal staircase will be installed egressing from the space to the parking lot.

Site Improvements

- Landscaping will be added along 8th Street.
- A new CMU garbage enclosure and mechanical equipment enclosure will be added.
- A new brick paver patio will be installed.
- The parking lot will be re-stripped.
- A new fire service will be run into the building to accommodate sprinklering requirements in the basement as well as possible future needs for main level users.
- A new electrical service will be bored underneath 8th street. This will eliminate the overhead lines crossing the street and hanging off the building.

Original Building

Commercial Club Building

In September 1913, the *Enterprise* reported that the Mount Hood Brewing Company was building "the finest building in the city" at the corner of 8th and Main Streets and would be leasing the second floor to the Commercial Club. The upper floor plans included reading rooms, a library, parlors, committee rooms and a billiard room. The Commercial Club celebrated the opening of its new quarters in April 1914 with a banquet and entertainment by the Commercial Club Orchestra and the Commercial Club Quartette. In approximately 1919 the Commercial Club, later renamed the Chamber of Commerce, moved from this building. The building has remained in use with retail space on the first floor and offices on the second floor.

The building was constructed of buff brick with plate glass windows on the first floor for retail spaces. It is characterized by large expanses of windows along the front (north) and side (west) elevations of the second floor. The windows - separated by the structural posts covered with brick veneer, which serve as pilasters-include a central fixed pane flanked by a casement window on each side, topped by a tripartite transom.



Existing Conditions

From 8th Street, the lack of windows, due to infill CMU block, disengage the building from the surrounding city activity. While the original building felt light and transparent, due to the extensive plate glass on the first floor, subsequent alterations made the first floor primarily solid. Looking inside, the raw, unfinished building interior feels abandoned and forgotten.



Existing Conditions

Currently, the first floor is not being used and requires extensive renovations to bring the space back to life. The floors, ceiling, and walls are all unfinished, and CMU walls now infill the original windows, making a once-bright space dark and unwelcoming.



Existing Conditions



Building Design

The restored exterior and bright new interiors will bring activity and energy to Main and 8th Streets. Retail or restaurant tenants will be able to open up to the 8th street farmers market, further enhancing the experience of this important downtown weekly event.

The second floor of the building will be office space, designed with an emphasis on openness through the use of glass partition walls. This will enhance the building's transparency from the street and create a light filled space. The existing roof trusses will be exposed, highlighting the unique character of the historic building.

By upgrading the unfinished first floor, the project increases the current usable square footage to a higher standard. The usable square footage will be further increased by renovating one half of the basement. Currently, the basement is not usable due to flooding issues during heavy rains and lack of adequate lighting. By making the space permanently dry and properly illuminated, the usable square footage will be increased by 1,400 square feet.



Team Experience

Jansen Construction Company

Jansen Construction Company specializes in the construction of hospitality, medical, commercial, and industrial projects. Based in Oregon City with projects throughout the west coast, Jansen Construction Company values keeping projects on budget and on schedule while emphasizing high quality construction.



LEVER Architecture

LEVER Architecture is a design firm based in Portland, Oregon. Founded in 2009 by Thomas Robinson, LEVER builds on Thomas' 20 years of work designing significant projects in the United States and abroad.

LEVER is currently working many corporate and institutional projects in Oregon, California, and the New York area. Current projects include several of creative office renovation and interiors projects for a large entertainment company in Los Angeles, gallery renovations at the Princeton University Art Museum, and a 55,000 square foot art-student housing project in downtown Portland.

The *LA Business Journal* recently recognized LEVER with a 2011 award for the Best Tenant Improvement Project in Los Angeles for the Creative Studio Project in Glendale, California. The project also received a 2011 AIA Honor Award and has been held up as a model of creative office space within the client's office portfolio.



Miscellaneous Criteria

Sustainability

While not currently seeking LEED certification, the project will be implementing numerous sustainable practices that will meet LEED certification standards. Using high-efficiency windows, lighting and HVAC systems will result in drastic energy use savings. Low-VOC paints and finishes will be employed, and reclaimed or recycled materials will be used whenever possible.

Land Use Approval

The project has received approval of a Minor Site Plan and Design Review. (File # SP 12-11) In order to make the project more enticing to retail or restaurant tenants, small modifications to the review are proposed. These include steel canopies at the ground floor and a second entrance on 8th Street. The team has and will continue to work with the planning department on these changes, and will comply with any conditions of approval as determined by the revised design review.

HRB Approval

HRB Approval is not required.

Certificate of Insurance

If selected, a Certificate of Insurance identifying the Urban Renewal Commission as additionally insured will be provided.

Competitive Bidding

Three competitive bids have been provided.

Appraisal

An appraisal will be completed once the final construction documents have been approved.

April 22, 2013



City of Oregon City
Urban Renewal Commission
625 Center Street
Oregon City OR 97045

Grant Review Committee;

2013 Board

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Over the last five years the City of Oregon City Urban Renewal Agency's grant programs have encouraged and supported transformative improvements in the downtown marketplace. As a partner with the private sector, the URC has worked with property owners to improve both the inside and outside of key buildings in Oregon City's 169-year old downtown -- a downtown that had been previously subject to disinvestment and blight.

We are beginning to see sustainable changes in the downtown marketplace. New businesses continue to open and properties that were derelict and underutilized are being put back into productive use. Alex Jansen's plans for 722 Main Street are a stellar example of this approach to restoring value to downtown by ensuring property and our built form is tenable and attractive.

The proposal to improve the 722/724 building (sometimes recognized by its historic name as the "Commercial Club") through internal and external upgrades will build upon the previous four years of public and private reinvestment in one of our key corners at 8th and Main.

The current dilapidated state of this property does a disservice to the progress we've made working together to transform downtown Oregon City. Under the guiding hand of Alex Jansen that will change. Improvements (internally and externally) to this site will restore a key downtown property. Changes to the site will increase the tenability of this building creating space for the introduction of more commercial activity in a part of our downtown that is thriving due to similar investments by other property owners and entrepreneurs who decide to locate here.

Please give his application for matching funds your full consideration.

See You Downtown,

Lloyd Purdy MPA/MLA
Director, MSOC Inc.
Cell: 503.522.1564
downtownpurdy@gmail.com
816 Main Street
Oregon City, OR 97045

The nonprofit Main Street Oregon City is a volunteer led organization that works with downtown property owners, business owners and downtown stakeholders to make Oregon City a better place to work, live and visit.



BnK Construction, Inc.

45 82nd Drive, Suite 53B
 Gladstone, OR 97027
 PH: 503-557-0866
 FX: 503-557-1085
 OR Lic #0107555
 WA Lic #BNKCOI055NP

BUDGET PROPOSAL

Tuesday, April 16, 2013

Alex Jansen
 Jansen Construction Company
 418 Beaver Creek Road, #104
 Oregon City, OR 97045

RE: 722 Main Street Building

This proposal is based on the drawings by LEVER ARCHITECTURE dated 3/08/13.

JOB TITLE	
DESCRIPTION:	
Construction documents:	By Owner
Building permit allowance:	By Owner
Bond: Public improvement bond will be required by the property owner.	By Owner
Testing: Special testing per plan.	\$3,990
Temporaries: Security fencing/walls. Street closure fees, parking & other misc.	\$8,800
Final clean up: Exterior, interior, dumpster & dump fees.	\$7,350
Demolition: Remove - interior furring walls, CMU walls in basement, boiler & associated equipment, exterior infills, windows, first floor raised section, exterior stairs & landing, canopies, exterior brick facing from columns, stair & ramp to basement.	\$41,730
Private site work: Demo, saw cut, & asphalt removal. Excavate parking area curbs, construction entrance, storm, trash enclosure, bio swale, retaining wall, CMU footing, paver prep and storage tank (\$2730 allowance). Placement of retaining wall, trash enclosure, CMU footing, fence post concrete, striping & wheel stops.	\$72,372
Public site work: Excavate 480sf of sidewalk, 70' of curb and add 15' of fire line. Add: Curb, curb & gutter, sidewalk saw cutting, flagging & signage, asphalt patch and infill stairs. Relocate fire hydrant.	\$25,261
Gravel & paving: 3" 3/4" minus base w/ 2.5" of Level 2 asphalt, seal matching edges.	\$14,893
Lift gate: (2) Liftmaster BG 770 Barrier Gate Operators w/ Master/Slave wiring (4) pave over loops w/ loop detectors, (1) Door King 1812 telephone entry system w/ pedestal and associated conduit.	\$9,340
Landscaping: (5) zone, auto timer, (1) 1' backflow, (5) 1" valves, 125' 1.5" PVC, 125' 1" PVC, 400' 3/4" PVC, (64) 1806SAM, valve boxes/misc fittings and steel pedestal sprinkler timer. Plantings - (see plant list). 1.5 units of medium fir barkdust - 3" cover. 2 units of blended topsoil (2"-3" coverage). Paver patio -	\$21,550

(1000) 6"x9" Roman Dominion w/ associated sand and gravel base.	
Masonry: North wall; 3 brick panels 16"Wx20'H fill in top 16' of mortar joints w/ brown mortar to match existing, clean brick. East wall; 3 brick panels 16"Wx20'H fill in top 16' of mortar joints w/ brown mortar to match existing, clean brick. SE corner; misc. repair holes around electrical panel. Interior south & east walls; fill in misc. holes in mortar joints. CMU trash enclosure per plan.	\$18,019
Rough carpentry: Provide & install new floor joist system @ main level, (1) new stair set to basement (2x12 treads, 3/4" ply risers), new 2x12 treads to 2nd floor, pony walls in basement to bear 1st floor joists, new entry floor joists w/ new beam and plywood sheathing.	\$97,368
Steel: New steel beam for 2nd floor w/ (2) steel columns to support. Stainless steel cable fencing w/ posts per plan. Metal guardrail on top of retaining wall per plan. Exterior stairs w/ rail per plan. Steel balcony @ top of ext. stairs w/ pan decking and grating. All steel primed unless noted.	
Finish carpentry: Install (7) domed skylites. Build (2) new mech. screens. Install (4) restroom packs. Install (16) doors, frames & hardware. Install new Cornice on (3) sides of building. Install (15) new window units w/ exterior trim to match existing.	\$39,992
Architectural woodwork: Custom mahogany cornice crown per plan. First floor; paint grade base & column trim (2 columns). Second floor; Reception desk painted die wll, P-LAM transaction top, work surface, & 4-drawer pedestals. Painted cabinets in break room & office 208 w/ P-LAM counters. Paint grade door casing. Reclaimed wood wall panels, soffit trim & counters.	\$59,910
Insulation; 12' columns w/ 1" rigid insulation @ sides & 2.5" rigid on face, interior side only. R-19 sound insulation @ interior 2x6 walls. R-11 @ 2x4 interior walls. Exterior walls w/ R-21 batt insulation. Restroom ceilings w/ R-11 batt. Overhangs w/ R-30 batt.	\$4,698
Roofing: Tear off existing roof & haul-off. Install 2 layers 3.1 polyisocyanurate insulation. Install 1 layer 1/2" primed dens decking w/ screw & plates. Fully adhere 1 layer .060 mil TPO single ply membrane roofing over this roof area. Install short built-up walls @ low parapet location to properly install roofing membrane. Install new pipe boots & curb flashings. Install new 24 gauge prepainted cap metal and tapered edge. Counterflash HVAC units. Supply new TPO roof scupper. Install new prepainted leaderbox & downspout.	\$29,846
Joint sealant: Caulking of exterior brick to all brick expansion joints.	\$1,200
Doors, frames & hardware: Supply (1) 6/0x8/0 pair of hollow metal doors. Supply (1) 6/0x7/0 pair of hollow metal doors. Supply all interior wood doors, frames, casing and hardware per plan (paint grade wood).	\$38,430
Glazing: Supply Dynamic architectural wood windows per plan. Supply (7) domed skylights per plan. Supply interior tempered sidelights and reights per plan. Supply & install (3) exterior aluminum doors w/ panic hardware.	\$169,718
Stucco: Apply 3-coat stucco system @ new walls below storefronts.	\$2,450
Wall framing & drywall: Install steel stud interior wall framing per plan. Install drywall @ all walls including hardlid @ restrooms & room soffits. Repair drywall @ stairwell. Install drywall @ perimeter walls & above/below windows.	\$51,923
Floor Covering: First floor scope; Provide & install wood flooring throughout.	\$84,485

Retail 100, Hall 101, Stair to 2nd floor. Wood flooring based on using reclaimed maple flooring. Sand, infill & finish using waterbased polyurathane - 3 coats.	
Second floor; Provide & install wood flooring throughout except as noted. Men's & women's rest rooms to have ceramic floor tile. Electrical room to have Forbo Marmoleum linoleum w/ heat welded seams. (4) office & conference room to have Interface cushioned back carpet tile.	
Painting: First floor walls single color. Stair walls single color. Second floor walls single color. Includes ceilings, soffits, wood base & columns. Paint all doors & frames. Paint railing. Clear finish on reclaimed wood panels.	\$40,915
Exterior; Wash existing walls. Paint cornice, coping, brick, sills, soffit, new steel stair system and existing wood siding.	
Toilet accessories: Supply & install (4) paper towel dispensers, (4) soap dispensers (6) various grab bars, (4) t.p. dispensers, (4) 18"x36" mirrors & (2) sanitary napkin dispensers.	\$761
Bike rack: Provide/install (1) Timberform Cyclops #2174 galvanized steel bike rack	\$325
Fire protection: Provide & install piping & sprinkler heads to basement of 722 Main Street. System will meet all current codes & requirements. Includes fire extinguisher cabinets per code.	\$10,900
Plumbing: Includes (4) ADA water closets, (4) wall hung lavs, (1) 20 gallon water heater, (4) floor drains (1) breakroom sink/faucet and (1) 1-1/2" water service from meter into basement.	\$16,400
Appliances: (1) ADA dishwasher (allowance).	\$625
HVAC: Furnish & install (2) 4-ton gas/electric package units on new curbs. (2) 4-ton split system heat pumps on roof. OSA shaft to basement. (2) Air Handlers w/ electric reheat in basement. (5) exhaust fans to exterior including basement exhaust. Support existing gas line. Ducting & air distribution of second floor per plans including (12) supply diffusers & (9) return grills. Thermostats, drains & commissioning. Mechanical permit & drawings.	\$40,900
Electrical: Lighting; per plan incl. (16) switches & (8) 3-way switches. Relocate panel for first floor. Add (31) duplex receptacles, (7) GFCI receptacles, (2) dedicated duplex receptacles (copiers). Connect to (1) dishwasher, (1) water heater, (2) AHU w.10kw heat, (2) 4-ton HVAC RTU, (2) 4-ton split units & (5) EF connections. (12) rings & strings (low voltage by others). (8) egress fixtures.	\$55,934
Fire alarm: Modification of existing fire alarm system as necessary to accommodate the tenant improvement per code requirements.	\$8,500
Contingency:	\$48,929
General conditions:	\$68,501
Profit & overhead:	\$111,809
Total:	\$1,207,824

Alternates:	
1. Abatement.	By Owner
2. North half of first floor & second floor subfloor repair/replace.	TBD



F & F Structures, Inc.
1300 John Adams Street, Suite 100
Oregon City, Oregon 97045
Office: 503-657-7010
Fax: 503-650-1970

April 4, 2013

Mr. Alex Jansen
Janeen Construction Co.
418 Beaver Creek Road, #104
Oregon City, Oregon 97045

Re: Proposal 722 Main Street

Mr. Jansen:

Thank you for the opportunity to furnish for your consideration the following proposal to refurbish the 722 Main Street building in Oregon City, Oregon.

The contract total is based on plans and specifications furnished to us by Lever Architects dated 3/8/13 which includes information from Sisul Engineering and supplemental specifications for landscape improvements.

We have included for your review an AIA-based breakdown by Division categories as well as a list of allowances and exclusions. We trust that this information will become the basis for a formal contract mutually acceptable to both parties.

If we can be of further assistance, please do not hesitate to call on us.

Sincerely,

A handwritten signature in black ink that reads 'Mark E. Foley'.

Mark E. Foley
President
MEF:jsl

722 Main Street
Division Cost Breakdown

Division 1 – General Requirements	\$ 167,311.
Division 2 – Sitework	116,388.
Division 3 – Concrete	75,802.
Division 4 – Masonary	24,910.
Division 5 – Metals	62,646.
Division 6 – Wood & Plastic	132,341.
Division 7 – Thermal & Moisture	50,562.
Division 8 – Doors & Windows	155,502.
Division 9 – Finishes	117,975.
Division 10 – Specialties	3,816.
Division 11 – Equipment	19,610.
Division 15 – Mechanical	60,783.
Division 16 – Electrical	<u>107,060.</u>
 Project Total	 \$1,094,706.

Allowances:

Tuckpointing	\$8,100.
Toilet Accessories	\$1,800.
Appliances	\$2,100.
Draperies	\$10,250.
File Cabinets	\$6,000.

Options:

Add first floor/floor insulation	+ \$2,200.
New maple flooring	+ \$3,200.

Exclusions:

- Additional governmental requirements
- SDC Fees
- Improvements to easement owner's property
- PGE fees
- New electrical service and equipment
- Environmental clean-up



Item		Exterior Façade Breakout - Main Street	Exterior Façade Breakout - 8th Street	Activity Totals	Division Totals	Notes
01	General Conditions				\$67,755.00	Permits not included
	General conditions	\$3,542.00	\$10,008.00	\$67,755.00		
02	Demolition				\$69,475.00	
	Demolition	\$4,862.00	\$13,738.00	\$69,475.00		
02	Earthwork				\$48,941.00	
	Excavation and grading			\$19,012.00		
	Paving and Surfacing			\$3,316.00		
	Curbs			\$2,330.00		
	Pavement Markings			\$1,081.00		
	Piped Utilities			\$11,550.00		
	Bike Rack			\$390.00		
	Landscaping			\$11,262.00		
03	Concrete				\$25,910.00	
	Exterior footings and retaining walls			\$16,530.00		
	Concrete stem walls	\$2,452.00	\$6,928.00	\$9,380.00		
04	Masonry				\$17,441.00	
	Touch up existing masonry	\$1,405.00	\$3,970.00	\$12,675.00		
	Unit masonry	\$168.00	\$476.00	\$4,766.00		
05	Metals				\$28,318.00	
	Structural Metal and Metal fabrications			\$28,318.00		
06	Wood & Plastic				\$33,824.00	
	Rough Carpentry	\$1,255.00	\$3,545.00	\$33,824.00		
07	Thermal & Moisture Protection				\$50,240.00	
	Basement waterproofing			\$292.00		
	Thermal Insulation			\$4,635.00		
	Stucco	\$1,712.00	\$4,838.00	\$6,550.00		
	Roofing / Flashing / Coping metals	\$2,552.00	\$7,211.00	\$38,763.00		
08	Doors and Windows				\$98,167.83	
	Doors / Frames / Hardware	\$6,600.00	\$2,200.00	\$14,240.00		
	Glass and Glazing			\$7,150.00		
	Skylites			\$3,399.00		
	Windows / Glazing	\$19,071.83	\$54,307.00	\$73,378.83		
09	Finishes				\$136,093.00	
	Drywall			\$51,880.00		
	Tile			\$960.00		
	Wood strip flooring			\$28,149.00		
	Resilient sheet flooring			\$580.00		
	Carpet			\$3,924.00		
	Painting / Soda blasting	\$2,732.00	\$7,718.00	\$50,600.00		
10	Specialties				\$2,651.00	
	Bath Accessories			\$865.00		
	Fire Extinguishers and Cabinets			\$1,786.00		
11	Equipment				\$1,700.00	
	Parking gates			\$0.00		
	Residential appliances			\$1,700.00		
12	Furnishings				\$29,206.00	
	Wood casework			\$14,366.00		
	Shades			\$7,040.00		
	File cabinets			\$7,800.00		
15	Mechanical				\$84,404.78	
	HVAC			\$64,950.78		
	Fire Protection			\$9,471.00		
	Plumbing			\$9,983.00		
26	Electrical				\$61,613.00	
	Electrical			\$61,613.00		
Subtotal:		\$46,351.83	\$114,939.00		\$755,739.61	
Continuancv:		\$4,729.13	\$13,362.40		\$80,282.00	

Schedule of Values
 722 Main Street Building
 Oregon City, OR. 97045



Insurances:			
General Liability	\$327.17	\$924.42	\$4,675.03
Auto liability			Included
Builder's Risk	\$241.52	\$682.41	\$3,451.10
Bonding			Not Included
General Contractor OH&P:	\$2,726.37	\$7,703.49	\$38,955.26
TOTAL:	\$54,376.00	\$137,611.74	\$883,103.00



SBA Lending

*Wells Fargo SBA Lending
877 W. Main St. 3rd Floor
Boise, ID 83702*

March 25, 2013
Revised 6/03/13

Five J's, LLC
Alexander & Gina Jansen
418 Beaver Creek Rd. Suite 104
Oregon City, OR 97045

Dear Mr. & Mrs. Jansen,

This letter is to confirm that Wells Fargo Bank, National Association (also referred to as "Wells Fargo SBA Lending" and the "Bank"), subject to all the terms and conditions contained herein, has agreed to make available to Five J's, LLC ("Borrower") the following described credit accommodations (collectively, the "Loans"), so long as there has been no material adverse change in Borrower's financial condition as determined by the Bank.

Eligible Passive Company (EPC): Five J's, LLC
Operating Company (OC): Jansen Construction Company

Loan Amount: \$621,800 Construction Loan converting to a Bank Fixed Rate SBA 504 Real Estate Loan ("Loan #1").

\$621,200 Construction Loan to be taken out by a SBA 504 Loan ("Loan #2").

Purpose: Loan #1 - to assist with the purchase and construction of real estate located at 722 Main St. Oregon City, OR.

Loan #2 - to assist with the construction and to provide bridge financing for real estate located at 722 Main St. Oregon City, OR 97045.

Interest Rate: Loan #1 - During the first 9 months and Loan #2 - variable rate based on the Wells Fargo Bank, N.A. Prime Rate plus a spread of 2.0%. Based on the current Prime Rate and the spread, the current interest rate would be 5.25%. The actual interest rate will be determined at the closing of the Loans.

Loan #1 - Converts to a Fixed rate of 4.50% for 5 years. The initial interest rate will be based on a 3.47% spread in excess of the then current average yield on United States Government Treasury Securities with constant maturity of 5 years, as most recently published prior to the closing date in Federal Reserve Statistical Release H.15 (519) (the "Treasury Index"). Rate is indicative as of 6/03/13 and is subject to change on a daily basis.

Note: The percentage over the Treasury Constant Maturity Index as set forth above for each option is valid for 60 days from the date hereof. If the loan does not close within such 60 day period, Wells Fargo SBA Lending reserves the right to adjust such percentage.

Repayment: Loan #1 - Interest payable monthly for the first 9 months. Principal and interest then shall be amortized over 240 months. If the loan were to close today, the monthly payments would be approximately \$3,955.

Loan #2 - Interest payable monthly with principal due at maturity of Loan #2 to be repaid from the proceeds of the SBA 504 debenture ("SBA 504 Loan")

Maturity Date: Loan #1 - 249 months from the date the Loan documents are signed.

Loan #2 - 9 months from the date the Loan documents are signed.

Note: The maturity date for Loan #2 can be extended up to an additional six months from the original note date. The Bank will consider loan extensions beyond 6 months if deemed necessary, but the Borrower will be responsible for payment of any related fees including, extensions fees, appraisal fees, and title/recording fees.

Prepayment Fees: Loan #1 is subject to a yield maintenance fee on the full amount of the Loan during the fixed rate period. There will be no prepayment fee if Borrower prepays the loan on the 5 year anniversary date. In addition to the yield maintenance fee required hereunder, Borrower shall pay to Bank a prepayment fee equal to five percent (5%) of the note amount prepaid during the first two years of the term of the Loan.

Loan #2 is subject to a Bank prepayment fee equal to two percent (2%) of the note amount if the loan is paid off, in full or in part, by a lender other than the applicable CDC as a part of the SBA 504 loan program.

Loan Fees: Loan #1 - \$0

Loan #2 - \$12,885

Project Cost Analysis And Monitoring Fee:

Based off of preliminary costs provided to bank, the total estimated fees are \$8,500. A project cost analysis deposit fee of \$1,200 must be received with the executed commitment letter.

Other Fees:

Borrower to pay all Bank's out of pocket expenses associated with the Construction Loans, including but not limited to review of environmental and appraisal reports, legal fees, construction monitoring fees, title insurance, escrow charges, recording fees, etc. The Bank will require funds from the borrower before incurring any costs.

Sources and Uses:

The **estimated** sources and uses of the funds used for the Project would be as follows:

SOURCES AND USES OF FUNDS:				
	WFSBA	CDC	Borrower	Total Financing Pkg
Purchase Real Estate	\$ 370,390	\$ -	\$ 329,610	\$ 700,000
Tenant Improvements	\$ 251,410	\$ 551,411	\$ -	\$ 802,821
Construction Soft Costs	\$ -	\$ -	\$ 46,250	\$ 46,250
Construction Contingency	\$ -	\$ 48,404	\$ 31,878	\$ 80,282
Construction Monitoring	\$ -	\$ 8,500	\$ -	\$ 8,500
*Appraisal	\$ -	\$ -	\$ 4,500	\$ 4,500
*Environmental	\$ -	\$ -	\$ 2,000	\$ 2,000
Wells Fargo Origination Fee	\$ -	\$ 12,885	\$ -	\$ 12,885
	\$ -	\$ -	\$ -	\$ -
Total Real Estate Costs	\$ 621,800	\$ 621,200	\$ 414,238	\$ 1,657,238
Percentage	38%	37%	25%	100%

*These figures are **estimates** and final costs could be higher than what is displayed in the table above. If final figures are higher, the additional costs will be borne by the borrower.

Borrower Injection:

Prior to first disbursement, Borrower to inject at least the difference between total project costs as determined by Bank, and its agent, and the total amount of the Loans not to be less 25% of the final Bank reviewed as proposed appraised value. Based on the amount of the Loans and the estimated total project costs,

Borrower injection is currently \$414,238 plus all closing costs and fees. The source of the Borrower's injection must be clearly identified and documented. Injections from borrowed funds are subject to additional review and must be fully disclosed to avoid closing delays.

_____ **Initial(s)** Borrower acknowledges interest reserve is **not** being financed as a part of this transaction. Borrower will be responsible for payment of interest reserve.

Collateral:

Loan #1 - 1st Deed of Trust/Mortgage including Fixtures on the property located at 722 Main St. Oregon City, OR.

Loan #2 - 2nd Deed of Trust/Mortgage including Fixtures on the property located at 722 Main St. Oregon City, OR. Said lien will be released upon debenture funding.

Evidence of title and priority will be based upon an ALTA title policy acceptable to the Bank.

Assignment of Rents and Leases from EPC - under that certain lease between Five J's, LLC (Lessor) and Jansen Construction Company and Alcor, LLC (Lessees) of the **entire** real property located at 722 Main St. Oregon City, OR. Lease payments must be no more than is necessary to amortize debt plus pay expenses related to holding the property. That lease is to be subordinate to Bank's deed of trust or mortgage securing the real property. The Lease must be for an initial term at least extending to the maturity date of the Loan.

Subordination of any/all 3rd party tenant(s) leases / subleases on the property located at 722 Main St. Oregon City, OR must be made subordinate to Bank's deed of trust or mortgage securing the real property.

Loan #2 - Collateral assignment of a \$245,000 cash collateral account held at Wells Fargo Bank. Said lien will be released upon debenture funding.

Continuing Guarantees:

Unlimited Guaranty from Alexander B. Jansen
Unlimited Guaranty from Gina M. Jansen
Unlimited Guaranty from Jansen Construction Company
Unlimited Guaranty from Alcor, LLC

Appraisal:

All real estate transactions must have an appraisal completed by a Wells Fargo SBA Lending approved appraiser. The appraisal report must be addressed to Wells Fargo SBA Lending and must be received, reviewed and approved by Wells Fargo SBA Lending prior to closing. The appraiser will be asked to give an "as is" and "as proposed" value of the project real estate collateral described above. The "as is" value will represent the value of the real property in its present condition. The "as proposed" value will represent the value of the real property after the proposed improvements are completed.

Note: This appraisal cannot be over 12 months old. If loan closing is not completed within 12 months from the date of the appraisal an update will be required at borrowers cost.

Appraisal Fee:

\$4,500 - Estimated (This is a non-refundable fee).

Environmental Questionnaire:

An Environmental Questionnaire, completed and signed by the **seller**, is a requirement of approval.

Environmental Report Review:

Review of Phase I Environmental Report, and if deemed necessary by prior use of the real estate collateral a Phase II Environmental Report, on the project real estate collateral described above will be a requirement of loan approval.

Note: This Environmental Report cannot be over 6 months old. If loan closing is not completed within 6 months from the date of the report an update will be required at borrowers cost.

Fee Authorization:

Please initial here _____ if you would like us to deduct the project costs analysis deposit fee from your Wells Fargo checking account #_____. Otherwise, please enclose a check for said fees (\$1,200) made payable to Wells Fargo Bank.

***Borrower has provided a check in the amount of \$4,500 to be used toward the appraisal fee. The Phase I has already been completed.*

Automated Clearing House (ACH) Debit:

Your estimated loan payments of \$3,955 will be transferred monthly from your Wells Fargo Business Banking checking account #_____, unless you provide us with other instructions.

Loan to Value:

Final amount of the Loans not to exceed 90% of the Bank determined value of all collateral.

Occupancy:

At least 51% of the property being financed must be occupied by the Borrower. The SBA requires, that the Eligible Passive Company (EPC) must lease 100% of the property to the Operating Company (OC) but the OC may then sublease up to 49% of the Property, subject to additional SBA term restrictions.

If the Borrower is an Eligible Passive Company (EPC), it must lease 100% of the rentable property to the Operating Company (OC). The OC must occupy 51% of the rentable property but then may sublease up to 49% of the rentable property. The EPC will not use Loan proceeds to improve or renovate any of the rentable property leased to third parties.

Lease Agreement:

Borrower to provide an executed lease for the business facility for at least the term of the loan including any renewals (**249 months**). Copy of signed lease is required at closing. Since the borrower is an Eligible Passive Company (EPC) the SBA requires that the lease payment from the Operating Company (OC) not be higher than the loan payment plus maintenance, insurance and property taxes. Copy of leases between Operating Company and all related and unrelated tenants are required prior to closing. The SBA requires an Assignment of Leases and Rents and that it must be subordinated to the Bank and the SBA.

Flood Insurance:

If the collateral for this loan is or will be located in an area designated by the Director of the Federal Emergency Management Agency as a Special Flood hazard area Zone, a Flood Insurance Policy, in a form and substance satisfactory to the Bank, will be required prior to disbursement of the loan and at Borrower's cost.

Insurance During Construction:

Borrower and contractor to provide General Liability Insurance policies each in a minimum amount of \$2,000,000.

Borrower or Contractor to provide Builder's Risk Coverage for the replacement cost of real property (as completed).

Contractor to provide evidence of Workman's Compensation Insurance.

Insurance Upon Completion of Construction:	Borrower to provide Bank Hazard Insurance Policy in the amount of the replacement cost of the Collateral listed above with a Mortgagee, Loss Payable, and Lender's Loss Payable Endorsement (438BFU/satisfactory to the Bank) prior to final disbursement of the loan.
Payment & Performance Bond:	Bank must approve contractor based upon the information provided and detailed in the checklist to be provided by your Bank Construction Loan Manager. If the contractor is not satisfactory, Borrower may choose to use another contractor or the Bank may require Borrower to furnish Bank with satisfactory evidence that contractor has obtained a 100% Payment and Performance Bond naming Borrower and Bank as dual obligee. Bonds to be from a surety company licensed to operate and possessing at least a B+ rating from "Best". Bonds to be written on Bank standard forms and to be recorded at County Recorders Office.
Disbursements:	<p>Loan proceeds used for land / building purchase will be disbursed by the Bank directly to the title company for the benefit of the seller.</p> <p>Prior to disbursement of construction funds, borrower must have spent not less than the amount indicated as Equity Injection in this letter. A construction disbursement control company is to be engaged by Wells Fargo SBA Lending to monitor the construction process. Loan proceeds for construction will be disbursed by Bank to borrower/contractors/vendors, as designated by borrower, based on submitted invoices. A maximum of <u>1</u> disbursement per month will be allowed during the construction period. Additional instructions on how to request disbursements will be provided at the time of loan closing.</p>
Retention:	The Bank retains 10% of all disbursement requests for construction loans until the project is complete.
Project Completion:	<p>Completion is evidenced by the following:</p> <ol style="list-style-type: none"> 1) A substantial completion certificate has been issued by the Architect. 2) A certification from the appraiser that construction was completed according to plan and specifications. 3) Final inspection has been performed by Bank or its agent, which reflects project completion of 100%. 4) Permanent Certificate of Occupancy has been issued and a copy has been provided to the Bank. 5) Notice of Completion has been recorded within 10 days of project completion and a copy has been provided to the Bank, where applicable. 6) A lien free title policy endorsement has been received from the Title Company or expiration of relevant lien periods provided no stop notices, liens, or unpaid claims are on file.
Change Order:	Change orders must be approved by Bank and its agent prior to commencement of their construction.
Financial Reporting:	<p>Quarterly business statements until Bridge loan is paid in full</p> <p>Annual business statements and tax returns Annual personal statements and tax returns</p>
Tax Return Verification:	<p>Borrower to sign and date the IRS Form 4506, Request for Copy or Transcript of Tax Form. This form authorizes Bank to verify Borrower's tax returns (IRS 1040 for sole proprietorships, 1120 or 1120s for corporations, or 1065 for partnerships) with those filed with the IRS.</p> <p>If there is a discrepancy between reported income on copies of tax returns submitted to Bank with the loan application and amount reported to IRS, or if there is no record of a return filed with IRS, Bank may share borrower's financial</p>

information with any government agency. Government agencies which may receive borrower financial information may include, but not be limited to the Small Business Administration (SBA), Internal Revenue Service (IRS), and/or other offices of the Department of Justice. By signing this commitment letter, borrower acknowledges and consents to the above.

Sharing of Financial Information:

Borrower's signature below authorizes Bank to share Borrower's financial information, condition, and performance with other creditors, including the Small Business Administration and its agents. In addition, Borrower is aware that the Bank shares information about the Borrower with Bank affiliates. If the Borrower is an individual the Borrower may opt out of such information sharing with Bank Affiliates and other outside companies in accordance with the procedures set forth in the Wells Fargo Privacy Policy for Business Individuals that will be provided to you with your closing documents. Should you require a copy of this Privacy Policy before your loan closes, please make your request in writing and you will be provided with a brochure that explains the policy and provides directions for opting out of information sharing.

Power of Attorney For UCC filings:

Borrower appoints Bank its true attorney in fact to (i) prepare, execute, file, record, or deliver financing statements, continuation statements, termination statements, statements of assignment, applications for registration, or like papers to perfect, preserve, or release Bank's interests in the Collateral; (ii) cause any Collateral to be transferred to Bank's name or the name of Bank's nominee; and (iii) do all things - and execute all documents in the name of Borrower or otherwise as Bank deems necessary, proper, or convenient in order to preserve, perfect, or enforce its rights in the Collateral.

No Material Adverse Change:

This Commitment is made in reliance on the continuation of the present management, ownership and financial condition and status of the Borrower and guarantor(s) and other facts and circumstances known by the Lender as of the date hereof. Accordingly, should any actual or threatened adverse change, financial or otherwise, affect the Borrower, any guarantor, or any collateral pledged as security, Lender shall have the right to modify the terms of this Commitment, or withdraw its Commitment, in which case it shall have no further obligation to Borrower to make any loan, or otherwise. The determination of adverse change shall be made in the sole and absolute discretion of Lender. Additionally, if Borrower or any guarantor is considered to be in default by Lender or any of Lender's affiliates under any agreement or other obligation now or hereafter in effect, Lender shall be under no obligation to extend any credit to Borrower.

Prior to commencement of any construction or any disbursement, Wells Fargo SBA Lending must have received and/or approved the following items:

1. Receipt of fully executed SBA 504 Authorization, Appraisal clearance letter & Environmental clearance letter from CDC.
2. Clearance of any environmental issues on the real estate pledged as collateral.
3. Signed and completed loan documents acceptable to the Bank and 504 CDC.
4. Determination by Bank that all conditions listed in SBA 504 Authorization can be fulfilled by Borrower.
5. Completion of all items on the **Loan Closing Checklist** to be provided by your Wells Fargo Loan Closing Officer.
6. Automatic debit of monthly loan payments for Loan #1 from a Wells Fargo Bank business checking account in the name of the borrower.
7. Evidence of Business License.

8. Interim Financial Statement, Business Debt Schedule, WIP and A/R & A/P for Jansen Construction Company dated within 90 days of closing. Financial statements in file will expire on 6/30/13.
9. Copy of FYE 2012 Business Tax Return stamped "received" by the IRS which is consistent with previously provided year end interim financial statement. **OR** Copy of canceled check used to pay 2012 federal income tax or copy of refund check (or evidence of deposit via bank statement) from IRS which corresponds to tax return or copy of confirmation of electronic filing (if return filed electronically). AND Letter from CPA or bookkeeper who prepared 2012 tax return stating no changes have been made to tax return between time prepared & time filed with the IRS. Letter must reference taxable income of business entity.
10. If the 2012 business tax returns for Jansen Construction Company and Alex and Gina Jansen are currently on extension, borrower to provide a copy of the extensions signed by the appropriate person(s) and a copy of the cancelled check used to pay the expected tax liability paid to the IRS at the time of the extension. If no taxes were due no further documentation is required.
11. Executed EPC/OC lease for the business facility for a term of 249 months.
12. Executed purchase agreement for real estate acquisition.
13. Copy of third party tenant leases for property located at 722 Main St. Oregon City, OR.
14. Completion of all items on the **Construction Closing Checklist** to be provided by your Wells Fargo Construction Loan Manager.
15. Construction Loan Agreement between Bank and Borrower.
16. Acceptable construction project review.
17. Completion of contractor qualification of Jansen Construction Company.
18. Construction Monitoring Services to be provided by Wells Fargo Bank, N.A. or its representatives
19. Executed Indemnity Agreement. Escrow to handle.
20. Construction funds cannot be used to remodel or convert third party tenant rental space.
21. Borrower to provide an additional \$245,000 cash collateral to bring loan to 90% until the SBA debenture.
22. Bank's commitment to extend credit under this agreement is further subject to execution of a Guaranty in form and substance acceptable to Bank. Acceptability of such guarantors shall be in Bank's sole discretion, and may consider any factor, including but not limited to credit delinquencies, collection accounts, foreclosures, bankruptcies, lawsuits, judgments and liens.
23. Borrower to provide a current 2013 interim financial statement for Alcor, LLC.
24. Concurrent signing of CDC/SBA debenture loan documents.

Borrower shall obtain a SBA 504 Loan in a principal amount which, together with Loan #1 and funds provided by the Borrower, is sufficient to satisfy and discharge collateral for Loan #2, and all expenses, fees and other costs required to effect the purchase and construction of the property.

The SBA 504 Loan funds will be provided by a Certified Development Company through proceeds received from certain debentures issued by a Certified Development Company, the repayment of which debentures are guaranteed by the U.S. Small Business Administration.

The term of the SBA 504 Loan shall be determined by a Certified Development Company. The SBA 504 Loan may be secured by a junior position on the property and improvements which shall be subordinate in priority to the (deed of trust/mortgage) and security interest securing Loan #1.

The funds provided by Bank for this real estate purchase and construction are not available to the borrower at terms and rates equal to those set forth herein without SBA's participation. With standard Bank loan products, Bank would not be able to fund the entire project loan.

This credit accommodation is made available subject to the terms, conditions and provisions of comprehensive loan documents to be executed by Borrower all in form and substance satisfactory to Wells Fargo Bank. These documents must be executed within 2 months from date that this letter is signed and accepted by the Borrower.

Bank reserves the right to terminate this commitment at any time prior to Bank's receipt of acceptance by the Borrower. This commitment is personal to the Borrower and may not be transferred or assigned without prior written consent of the Bank. Your acknowledgment of this letter shall constitute acceptance of the foregoing terms and conditions.

Unless accepted or terminated, this commitment will expire in 7 days.

The bank reserves the right to "pre-close" your loan by signing documents up to three business days prior to funding.

Statutory disclosure to Oregon Residents: Under Oregon law, most agreements, promises and commitments made by a lender after October 3, 1989, concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by the lender to be enforceable.

Changes to the borrower or any terms of this commitment must be approved in writing by the Bank and may result in delays in closing and/or funding of your loan.

Sincerely,



Kate Strauch, VP
WFSBA Loan Officer



Silvia Hernandez
WFSBA Construction Loan Officer

Accepted By: Five J's, LLC

Alexander B. Jansen, Member

Gina M. Jansen, Member

Date:

Date:

Guarantor Acknowledgment:

Alexander B. Jansen, Individual

Gina M. Jansen, Individual

Date:

Date:

Jansen Construction Company
Alexander B. Jansen, President

Date:

Jansen Construction Company
Gina M. Jansen, Secretary

Date:

Alcor, LLC
Alexander B. Jansen, Managing Member

Date:

If the terms of this offer are less favorable than your original request and you choose not to accept this offer, this letter will serve to provide notices required by law. To obtain a written statement of the specific reason for the change in terms, please contact Wells Fargo SBA Lending, 877 W MAIN ST, BOISE, ID 83702 within 60 days from the date of this letter. We will send you a written statement of reasons for the change within 30 days of receiving your request for the statement

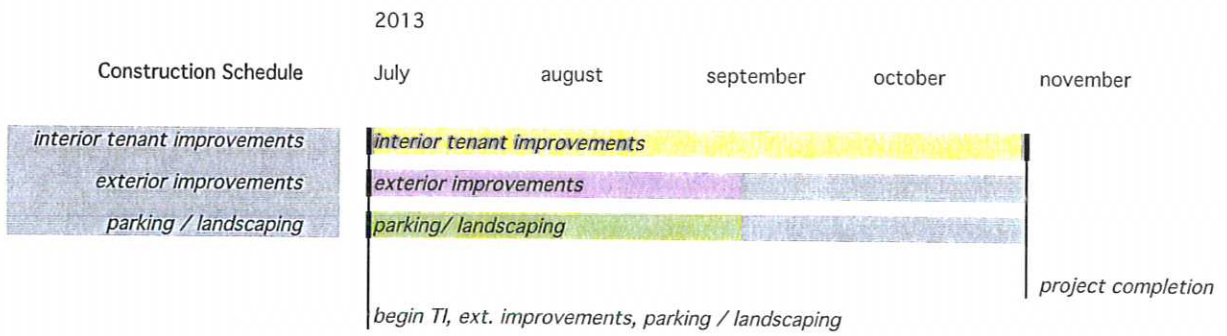
NOTICE: The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter in a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any rights under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this credit is the Bureau of Consumer Financial Protection, 1700 G Street NW, Washington, DC 20006. Wells Fargo SBA Lending is a division of Wells Fargo Bank N.A.

Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below. Under the Fair Credit Reporting Act, you have a right to know the information contained in your credit file at the consumer reporting agency. The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you.

Experian
701 Experian Parkway
P.O. Box 2002
Allen, TX 75013
1-888-EXPERIAN (1-888-397-3742)

You have a right to obtain, within 60 days, a free copy of your credit report from the named reporting agency and from any other credit reporting agency which maintains files on consumers on national basis. You also have the right under California Civil Code Section 1785.16 to dispute the accuracy or completeness of any information in the credit report furnished.

Construction Schedule



Authorization to Perform Credit Check

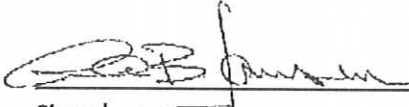
Five J's, LLC hereby consents to and authorizes Urban Renewal Commission's investigation into the credit worthiness of Five J's, LLC. Such consent and authorization is given with respect to any and all persons who may conduct an investigation of Five J's, LLC worthiness on behalf of the Urban Renewal Commission, including independent contractors and credit agencies retained by Urban Renewal Commission for such purpose.

Five J's, LLC grants such consent and authorization to Urban Renewal Commission for the period commencing as of the date of this application and terminating at the date set for the termination of the proposed grant. Commercial Club, LLC acknowledges that Urban Renewal Commission may conduct a credit investigation of Five J's, LLC at any time from the date hereof to the ending date.

For Company

Five J's, LLC
418 Beaver Creek Rd. #104
Oregon City, OR. 97045

State of Incorporation: Oregon
EIN: 46-2119993


Signed _____

Alex Jansen
Managing Member

722 Main Street
Building Proforma and Appraisal

The following Building Proforma and Executive Summary from the Appraisal demonstrate that value will be added to the building. A summary of the Appraisal is as follows:

Date of Valuation: April 23, 2013

As Is Market Value:	\$ 710,000.00
Hypothetical Value Upon Completion:	\$1,130,000.00
Hypothetical Value Upon Stabilization:	\$1,320,000.00

GENERAL INFORMATION

Property Name	The Commercial Club Building
Address	722 Main Street
City	Oregon City
State	Oregon
Zip Code	97045
County	Clackamas
Number Of Parcels	2
Assessor Parcels	00572455 (TL 6000), 00872473 (TL 6100)
Census Tract Number	224.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	0.24	10,417
Excess	0.00	0
Surplus	0.00	0
Total	0.24	10,417
Topography	Generally Level at street grade	
Shape	Rectangular	
Access	Average/Good	
Exposure	Average	
Current Zoning	Mixed Use Downtown (MUD)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Moderate Risk	

IMPROVEMENT INFORMATION - AT RENOVATION COMPLETION

Net Rentable Area SF (NRA)	5,783 SF
Gross Building Area SF (GBA)	6,088 SF
Total Number Of Stories	2
Year Built	1914
Year Renovated	2013
Quality	Good
Condition	Good
Site Coverage Ratio	29.5%
Parking Type	Surface
Number of Parking Spaces	13
Parking Ratio (Spaces/1,000 SF NRA)	2.2/1,000 SF NRA

HIGHEST & BEST USE

As Vacant	A Mixed-Use Commercial Development With Retail And Office Uses
As Proposed	A Commercial Development With Retail On The Ground Level And Offices On The Second Floor

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 Months or Less
Marketing Period	12 Months or Less

TENANCY INFORMATION

Tenancy	Multi-Tenant Partially Owner-Occupied
Occupancy	52.2%
Occupied SF	3,019 SF
Vacant SF	2,764 SF

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE	HYPOTHETICAL VALUE UPON COMPLETION	HYPOTHETICAL VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	LEASED FEE	LEASED FEE
DATE OF VALUE	APRIL 23, 2013	APRIL 23, 2013	APRIL 23, 2013

INCOME CAPITALIZATION APPROACH

Direct Capitalization	-	\$1,240,000	\$1,430,000
Direct Capitalization \$/SF (NRA)	-	\$214/SF	\$247/SF
NOI Proforma	-	\$110,960	\$110,960
NOI \$/SF (NRA)	-	\$19.19/SF	\$19.19/SF
Capitalization Rate	-	7.75%	7.75%
INCOME CONCLUSION	-	\$1,240,000	\$1,430,000
Income Conclusion \$/SF (NRA)	-	\$214/SF	\$247/SF

SALES COMPARISON APPROACH

SALES CONCLUSION	\$710,000	\$1,020,000	\$1,210,000
Sales Conclusion \$/SF	\$123/SF	\$176/SF	\$210/SF

FINAL VALUE CONCLUSION

FINAL VALUE	\$710,000	\$1,130,000	\$1,320,000
\$/SF (NRA)	\$123/SF	\$195/SF	\$228/SF
Implied Capitalization Rate		9.82%	8.41%

BUILDING PROFORMA

Rev June 3, 2013

BUILDING: Commercial Club Building
 ADDRESS: 722 Main Street
 Oregon City

Project Costs:			\$1,677,238.00
Purchase land and building		\$700,000.00	
Construct Improvements		\$883,103.00	
Low bid	\$802,821.00		
Contingency	\$80,282.00		
Construction Soft Costs		\$94,135.00	
Architecture / Engineering	\$34,250.00		
Permits / Fees	\$12,000.00		
Bank Fees	\$27,885.00		
Interest During Construction	\$20,000.00		

Sources of Funds:			
Cash Equity			\$359,238.00
Grants			\$75,000.00
Loan			\$1,243,000.00
Total Sources			\$1,677,238.00

Projected Income:	Rate	Sf / Space	Annual Gross	Occ	Annual Net	Monthly Net
2nd floor Office	\$21.00	3,000	\$63,000.00	100.00%	\$63,000.00	\$5,250.00
1st floor Restaurant / Retail	\$15.00	3,000	\$45,000.00	100.00%	\$45,000.00	\$3,750.00
Total Income:					\$108,000.00	\$9,000.00

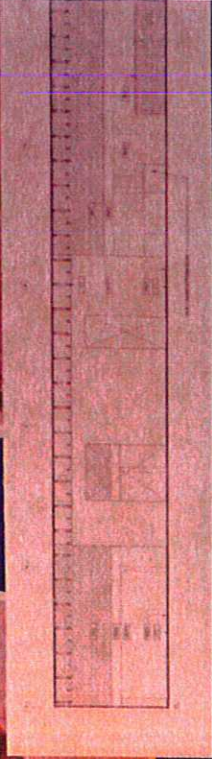
Expenses						
Debt Service - Loan #1					(\$47,205.77)	(\$3,933.81)
PV		\$621,800.00				
Rate		4.50%				
Term		240				
Debt Service - Loan #2					(\$47,160.22)	(\$3,930.02)
PV		\$621,200.00				
Rate		4.50%				
Term		240				
Property taxes						
Value	0.00%	\$1,320,000.00			\$0.00	\$0.00
Maintenance	0.50%	\$1,320,000.00			(\$6,600.00)	(\$550.00)
Accounting					(\$1,000.00)	(\$83.33)
Total Expenses:					(\$101,965.98)	(\$8,497.17)

Net Operating Income:					\$6,034.02	\$502.83
ROE:					1.68%	

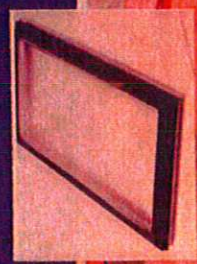
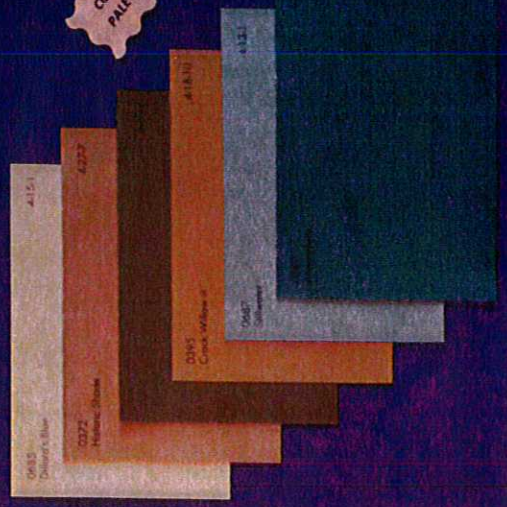


REFINISH EXISTING STRUCTURAL WOOD TIMBERS TO ACCENT HISTORICAL NATURE OF BUILDING

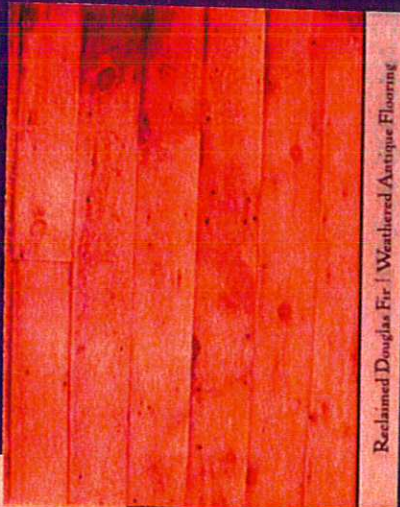
SODA BLAST AND TUCK POINT EXISTING BRICK



COLOR PALETTE



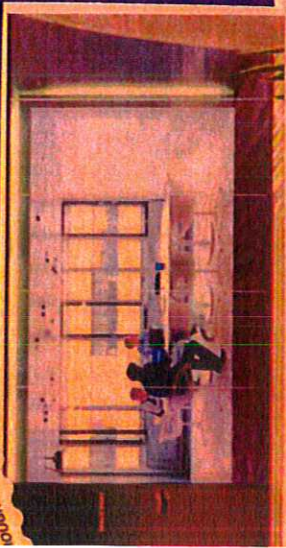
NEW SKYLITES IN EXISTING FRAMED OPENINGS ADD NATURAL LIGHT



Reclaimed Douglas Fir | Weathered Antique Flooring



STEM ADDS CONTRAST AND NATURAL LIGHT THROUGH THE SPACE



CARPET SQUARES

