



CITY OF LA PINE, OREGON

URBAN RENEWAL AGENCY – REGULAR MEETING

Tuesday, April 4, 2023, at 3:00 PM

Virtual Meeting on Zoom: <https://us02web.zoom.us/j/85221573629>

La Pine City Hall: 16345 Sixth Street, La Pine, Oregon 97739

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to City Hall at (541-536-1432). For deaf, hearing impaired, or speech disabled dial 541-536-1432 for TTY.

AGENDA

CALL TO ORDER

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the “Other Matters” portion of this Agenda or such time selected by the Urban Renewal Agency.

APPROVAL OF MEETING MINUTES

March 7, 2023, Regular Meeting minutes.....3.

OLD BUSINESS:

- 1. Urban Renewal Archway Project (Update)
 - a. Staff Report.....6.
 - b. Updated RFP (Final Draft).....7.

NEW BUSINESS:

- 1. Storefront Improvement Program – Application (Legend Cider Co. LLC)
 - a. Staff Report.....25.
 - b. Application.....27.
 - c. Project Narrative (Detailed written Description Requirement).....30.
 - d. Color Scheme Sample (Requirement).....31.
 - e. Architectural Rendering (Pending)
 - f. Project Estimate (Costs/Budget Requirement – Not Included)
 - g. Project Area Photo’s (Requirement).....32.
 - h. Construction Schedule for Project (Requirement – Not Included)
 - i. Land Use Approval (Incomplete)

- j. Competitive Bids (2) (Requirement).....35.
- k. Evidence of Ownership – Executed lease (Requirement).....37.
- l. Operating Agreement (Requirement).....51.
- m. Statement of Project Funding (Requirement).....66.
- n. Owner Permission Statement.....67.

OTHER MATTERS

Only Items that were previously added above in the Added Agenda Items will be discussed.

PUBLIC COMMENTS

STAFF COMMENTS

BOARD MEMBER COMMENTS

ADJOURN MEETING

Pursuant to ORS 192.640: This notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the Urban Renewal Agency to consider or discuss additional subjects. This meeting is subject to cancellation without notice. The regular meeting is open to the public and interested citizens are invited to attend.



CITY OF LA PINE, OREGON
URBAN RENEWAL AGENCY – REGULAR MEETING

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AGENDA

CALL TO ORDER

Meeting was called to order at 3:05 p.m. by Vicky Russell.

ESTABLISH QUORUM

Present

Viki Russell

Ann Gawith

Andrea Hine

Virtually Present

Scott Asla

Staff

Agency Director Geoff Wullschlager

City Planner Alexa Repko

SLED Executive Director Patricia Lucas

Administrative Assistant Amanda Metcalf

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Ann Gawith

ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the “Other Matters” portion of this Agenda or such time selected by the Urban Renewal Agency.

APPROVAL OF MEETING MINUTES

February 7, 2022, Regular Meeting minutes

Ann Gawith made a motion to approve the minutes. *Seconded by Andrea Hine.* Motion passed unanimously.

OLD BUSINESS:

1. Urban Renewal Archway Project (Update)

Mr. Wullschlager updated the Urban Renewal Agency on the archway project and presented the updated Draft RFP. The RFP schedule was the first presented amendment, the Agency briefly discussed the proposed schedule, all agreed, the Agency approved the proposed timeline.

Mr. Wullschlager directed the Agency to Pg 11 in the Agenda, Mr. Wullschlager read the Limitations on Future Work out loud. The language in this area of the agenda is due to the suggestion of two contractors, the first contractor would be for the design and building of the arch and a second contractor for the installation. The Agency discussed the use of two contractors and suggested that since this project is small and specialized, that there should only be one contractor to oversee the entire project. This one contractor would be responsible for any subcontractors that are needed to design, build, and install the arch. Mr. Wullschlager presented the rest of the amended Draft RFP.

Ms. Russell asked if a prospective contractor would need to apply to both the Agency and the City. Mr. Wullschlager clarified that an applicant would only need to apply to the City administration, then the application will be brought to the agency for review. It was discussed that the City Council would also review and approve the application. The notice of intent to award date was pushed back to June 8th, 2023, to allow the Urban Renewal Agency and City Council to review the prospective contractor.

Lastly Mr. Wullschlager informed the Agency that the Budget Committee is accepting 5 members that live within city limits.

NEW BUSINESS:

None

OTHER MATTERS

Only Items that were previously added above in the Added Agenda Items will be discussed.

PUBLIC COMMENTS

None

STAFF COMMENTS

The SLED Director briefly discussed current land use applications with the City Planner and City Manager.

BOARD MEMBER COMMENTS

The Agency thanked Mr. Wullschlager for his hard work with the Arch project.

ADJOURN MEETING

Vicki Russell adjourned the meeting at 3:56 p.m.

Pursuant to ORS 192.640: This notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the Urban Renewal Agency to consider or discuss additional subjects. This meeting is subject to cancellation without notice. The regular meeting is open to the public and interested citizens are invited to attend.

Date:

Vicki Russell, Chair

ATTEST:

Date:

Geoff Wullschlager, City Manager




CITY OF LA PINE

STAFF REPORT

Meeting Date: April 4, 2023

TO: Urban Renewal Board

FROM: Geoff Wullschlager, Executive Director 

SUBJECT: Archway RFP

- | | | | |
|--------------------------|-------------------------|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> | Resolution | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | No Action – Report Only | <input type="checkbox"/> | Public Hearing |
| <input type="checkbox"/> | Formal Motion | <input checked="" type="checkbox"/> | Other/Direction: Please see below |

Agency Board Members:

The RFP for the Archway Project has been completed and is attached for final review. The primary improvements to the RFP have been made in the following sections:

1. Exhibit A. – Statement of Work (pp. 9.-14)
2. Primary Tasks (pp. 15. – 16.)
3. Schedule and Budget: (pg. 18.)

Upon final approval, the RFP will be scheduled for solicitation on April 26, 2023, as proposed. There is no action or formal motion for the Agency Board to take at this time.



L A P I N E

O R E G O N

Request for Proposals

Design, Engineering and Construction – Huntington Arch

City Project No.23-01

Solicitation No: 23-01

Proposal Due: May 29, 2023, 2:00 PM Pacific Time

Deliver to:

City of La Pine

16345 Sixth Street, La Pine, Oregon 97739

Attention: Geoff Wullschlager - City Manager

**CITY OF LA PINE
REQUEST FOR PROPOSALS**

Introduction

The City of La Pine, Oregon intends have a city archway developed and installed reflecting local accents and design elements indicative of the community, with illumination, to span Huntington Rd. at its intersection with US. Hwy 97 (entrance to the commercial corridor). The City of La Pine is seeking the services of a company to provide technical design and engineering, fabrication, and installation of the project. The project consists of construction of a metal or composite material archway, and structural supports (2) over Huntington Rd., in the City of La Pine. Project elements in detail include the following aspects.

1. Artistic consultation/design and composition using city inspired logo and other elements reflective of the La Pine community. City designated staff will assist in the selection of these parameters through the process.
2. Architectural/Engineering and structural design meeting current UBC standards, and city zoning and county building/electrical standards.
3. Fabrication and physical construction of archway and supporting columns to be installed.
4. Installation and site construction. Coordination and project support with permitting process outside of city zoning requirements.
5. Submitting contractors may require subcontracting of certain elements of the project. Submitting contractor is expected to be the project principal, responsible for project bonding and overall project management.

Detailed information regarding the services to be provided and an area map can be found in Exhibit A – Statement of Work.

Issuing Office

The City Manager is the issuing officer for this Request for Proposal (RFP) and the point of contact for the City for all process and contract questions as well as protests.

<p>Issuing Officer:</p> <p>City of La Pine Geoff Wullschlager PO Box 2460 La Pine, Oregon 97739</p> <p>Phone: (541)536-1432</p> <p>E-mail: gwullschlager@lapineoregon.gov</p>	<p>Technical Questions:</p> <p>City of LaPine PO Box 2460 La Pine, OR 97739</p> <p>Phone: (541)536-1432</p> <p>E-mail: gwullschlager@lapineoregon.gov</p>
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Anticipated RFP Schedule

The City anticipates the following general timeline for this RFP. The anticipated schedule may be changed as needed.

Issuance of RFP documents	April 26, 2023
Mandatory Pre-submittal Meeting	May 15, 2023
Deadline for Proposal Submission	May 29, 2023
Notice of Intent to Award	June 9, 2023
Commencement of Contract	July 5, 2023

Mandatory Pre-submittal Meeting

A mandatory pre-submittal meeting will be held at City Hall Council Chambers, 16345 Sixth Street on **May 15, 2023 at 10:00 AM**. Proposals will only be accepted from attendees of this meeting.

Submission Date and Location

Each proposer must provide 6 copies of the proposal; one copy should be unbound and marked "Original". The outside of the sealed envelope or box should be marked with the Proposer name and **Huntington Arch 23-01**. The proposals must be physically received by the City by **2:00 PM on May 29, 2023**.

Submission Location

<i>If by mail:</i> City of La Pine Geoff Wullschlager, City Manager PO Box 2460 La Pine, Oregon 97739	<i>If delivered:</i> City of La Pine Geoff Wullschlager, City Manager 16345 Sixth Street, La Pine, Oregon 97739
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Telephone, facsimile, or electronically transmitted proposals will not be accepted. Proposals received after the specified date and time will not be given further consideration.

Solicitation Documents and Changes (Addenda)

All solicitation documents may be viewed or printed on line from Premier Builders Exchange at www.premierbx.com (click on Public Works Projects) or at 63052 Layton Ave. #100, Bend Oregon, 97701. Please contact Premier Builders Exchange at 541-389-0123 or admin@plansonfile.com with any technical problems viewing solicitation documents.

Any clarifications or revisions will be addressed and issued in addenda; City must receive requests for changes in writing five working days prior to the deadline for submitting proposals.

Proposers should register with Premier Builders Exchange as a document holder to receive addenda. Viewers are responsible for checking the Premier Builders Exchange web site for the issuance of any addenda prior to submitting a proposal. If the proposer does not register with the plan center, the proposer will still be held responsible for all addenda/changes to the documents and may be considered non-responsive if their proposal does not reflect those addenda/changes. For proposal results, please go on-line with the above referenced web address.

Information Available to Proposers

The following documents are available for review at the Premier Builder's Exchange website: www.plansonfile.com, (see Solicitation Documents Section) or by contacting the Issuing Officer.

- Existing Conditions Map
- Project Specifications (RFP)

Protests

Any complaints or perceived inequities related to this RFP shall be in writing and directed to the Issuing Office at the address listed in the RFP. Protests related to the solicitation shall be received no later than seven calendar days after issuance of RFP. Protests of the award must be made within seven calendar days after notification of the selected proposer. Protest procedures are set forth in Oregon Administrative Rules (OAR) 137-048-0240.

Modification / Withdrawal

Unless otherwise specified, modification of the Proposal will not be permitted; however a proposer may withdraw his or her Proposal at any time prior to the scheduled closing time for receipt of Proposals; any proposer may withdraw his or her Proposal, either personally or by written request to the Issuing Office. Withdrawal of Proposal shall not disqualify the proposer from submitting another Proposal provided the time for receipt of Proposals has not expired.

Rejection/Cancellation

The City of La Pine reserves the right to reject any or all Proposals and to cancel the RFP at any time before execution of the contract by both parties if rejection or cancellation is deemed to be in the public interest as determined by the City. In no event shall the City of La Pine have any liability for the cancellation of award.

Duration of Proposals

Proposals must remain valid for at least 60 days. Proposals must be signed by an official authorized to bind the proposer.

Public Record

All proposals submitted are the property of the City of La Pine and are public records. All documents received by the City are subject to public disclosure after the City selects a contractor. Information deemed by the proposer as exempt under Oregon's public records law should be clearly marked by the proposer as "Proprietary". Marked pages should be placed in a group separate from the remainder of the proposal. The City will make an independent determination regarding exemptions applicable to information that has been properly marked and segregated.

Incurring Costs

The City of La Pine is not liable for any cost incurred by contractors prior to issuance of a contract.

Disadvantaged Businesses

Minority, Women Owned, Emerging Small and Veteran Owned businesses are encouraged to submit a proposal. Proposers are encouraged to involve participation of small, minority, women and veteran owned business enterprises. A Directory is available from the Certification Office for Business Inclusion and Diversity (COBID) web site at: <https://www.oregon.gov/biz/programs/COBID/Pages/default.aspx>, or by telephone, 503-986-0075.

Contract

The City reserves the right to negotiate a final Contract that is in the best interest of the City.

Selection Process

The City reserves the right to select the consultant on the basis of the proposals or to conduct interviews with the highest qualified proposers following evaluation and scoring of the proposals, whichever is determined to best serve the needs of the City. The City reserves the right to seek clarifications of any or all proposals.

Proposal Evaluation Criteria and Scoring

The evaluation will be based on the technical and administrative capabilities in relation to the needs of the project/task. The criteria listed below will be used to evaluate the proposers. If interviews are conducted, there will be an additional 200 points available.

- Project Understanding and Approach Max. Points: 400 Score _____

Evaluate the consultant’s project understanding and approach to accomplish the tasks set forth in the Statement of Work. Consider methodologies proposed to accomplish the work, including the types of information or data required. Review the proposed schedule for compliance with stated milestone dates and/or suggested schedule enhancements or deviations.

- Project Team Max. Points: 200 Score _____

Evaluate the proposed team’s qualifications, experience, skills, availability and commitment to perform the work. Were proposed team members actively involved in many of the referenced projects? Consider firms senior level staff experience and how this may relate to support staff assigned to the project. Consider identified staff and the role and specialty skills consistency with the project needs. Consider if the team is appropriately sized to both effectively and efficiently meet the needs of the project

- Firm Experience and Quality of Service Max. Points: 200 Score _____

Evaluate the firms overall experience and availability to perform the work. Evaluate the firm’s recent projects experience, specifically for this type of work, technologies, level of complexity, and comparable size with the proposed project. Consider the quality of the completed projects and the quality of service the firm provided on previous projects for the City of La Pine.

- Interview Score _____

If an interview is held, the City will recalculate the entire proposal and add points for interview performance (200 points available, if held).

TOTAL SCORE _____

Proposal Contents

Proposals are to include, but not necessarily be limited to, the content listed below. The volume, or size of the proposal, should be consistent with the relative size of the project. Concise proposals without needless duplication are encouraged.

1. **Letter of transmittal.** Include an introductory letter expressing interest in the project. The letter should include name of firm, RFP contract person, email address, mailing address, telephone number, and must be signed by person authorized to bind the firm.
2. **Oregon Statutory Certifications.** Place a signed copy of Oregon Statutory (ORS) Certifications: Exhibit B, immediately behind the letter of transmittal.
3. **Project Understanding and Approach**
Provide a statement of project understanding, including project objectives, issues to be addressed and potential complications or conflicts.

Describe the proposed approach, solution concepts, and methodologies to performing the work to accomplish the project objectives and tasks listed in the statement of work. Describe how the approach will benefit the City and the implementation of this project. Using the provided project description and map as a basis of understanding, provide recommendations and solutions to improve upon or confirm that the base concept will meet the project objectives in the most effective way possible.

Include a complete project design schedule along with a discussion of scheduling considerations, including any deviations or enhancements. Project schedule shall identify duration and completion dates for all major milestones, including city review periods. Project schedule shall identify the project design critical path and expectations of City involvement and review.

4. **Project Team.** List the experience and qualifications of staff who will be working on the project. Describe the applicable skills and accomplishments of the project manager. Confirm availability and commitment of named key staff to the project. If the project manager is not local, identify any local contact and describe how project management, coordination and communications with the City will be accomplished. Do not include persons who will not be working on the project. Describe how the size and structure of the proposed team was selected to both efficiently and effectively meet the needs of the project.

Include resumes at the back of the proposal which reflect education, registrations and experience of key staff.

5. **Related Experience.** Provide project descriptions for up to three recent projects similar in nature to the proposed project, including completion dates, measures that indicate quality and successful project completion, and a client reference name and phone number. Indicate the involvement of proposed key staff on those or similar

projects. Identify project experience with the 2008 Oregon Standard Specifications for Construction. Identify experience with complete project submittals for review including plans, specifications, estimate, and schedule. Indicate the team's familiarity with the local area.

Provide any background information on the size, capability and location of the firm that may be beneficial.

6. **Appendices**
a. Resumes

Limitations:

- Sections 1-5 limited to a total of 20 pages of text, including the letter of transmittal and certification sheet. Concise proposals are appreciated.
- Section 6 limited to a total of 10 pages.
- The limitation does not apply to covers or dividers unless they are used to convey project information. Any 11 X 17 pages will be counted as two pages. A two sided page counts as two pages.
- Pages beyond these page limitations will not be evaluated.

EXHIBIT A STATEMENT OF WORK

Objectives & General Information:

The City of La Pine seeks professional services in the archway project in the following principal areas:

1. Artistic design:

The City seeks consultation in the development of design aspects implementing local accents and existing city branding into an archway concept. The selected contractor will be given artistic license to develop design copy to be reviewed by agency staff and board members. Below are archway examples and current design elements, that have been agreed upon by the La Pine Urban Renewal Agency as reflective of intended design concept and guidance.

Archways – Overall design guidance.

City of Weed, CA.



This application was selected as a model base as local elements to the Mt. Shasta town are predominantly featured, Mt. Shasta, with conifer trees representative of the Northern California community. The Board was also drawn to the substantial column bases with clean and contemporary features, lighting elements, true arch design, and color scheme reflective of the mountain town identity, granite, and forest green.

City of Troutdale, OR.



This model exhibits continuity with the desired true arch concept and provides further example of the substantive support pillars featuring enhanced design element illustrations representative of the Columbia River adjacent community (salmon), desired as an approach to be used in a La Pine focused application.

Taft District, Lincoln City, OR.



This simpler design was chosen as a model that continues to contain desired project outcomes in more modest application. The true archway concept is maintained while bringing focused attention on the metalwork and lettering in the center of the installation.

Design Elements – Color palate, material design, and detail guidance.

Cottonwood Canyon State Park – Wasco, OR



This design element was chosen to provide an example of both color palate (rust red) and potential material choice. The Cottonwood Canyon State Park entrance signage contains a metal background material that provides an earthtone element that is desired by the Urban Renewal Board, and material application that “seasons” over time and exposure.

City Color Palate – La Pine, OR

The following color selections are indicative of current City application to current city documentation and other physical applications around the community and should serve as a basis for design standards.



Rust brown and storm gray

City Branding/Logo – La Pine, OR



Natural Elements – La Pine, OR

Ponderosa Pine – Endemic to the area with close up of branch and pinecones, and full tree. These elements could be worked into silhouetted elements across the design platform as a design element/concept.



Jack Pine – Endemic to the area with close up of branch and pinecones, and full tree. This element should be secondary and complimentary to the use of Ponderosa Pine if a tree/flora design scheme is employed.



Deer and Elk Antler – As the area abounds in these species, and the community is inextricably tied to their presence, migration(s), these elements are encouraged as possible compliment to a mixed flora/fauna design.



2. Structural design:

The City desires for the design team to build structural integrity models prior to fabrication, to ensure that design and materials will meet architectural/structural load standards commensurate with state and county building code, in addition to wind loading envelope commensurate with Central Oregon region.

3. Fabrication:

The City seeks production of the archway, to include, lighting (determined during design phase) elements, the primary archway with logo, lettering, artistic accents, and two supporting columns to be installed into existing Portland cement pathway and blacktopped right of way areas.

4. Area:

The project area is designated below with approximate anticipated width of 38ft. crossing over Huntington Rd. in La Pine, OR. Further dimensional aspects to be inventoried as a portion of overall project.



Design, Engineering and Installation Services – Primary Tasks:

Task 1: Detailed Design Consultation

This task consists of the detailed design of project using City submitted elements, branding, and input to arrive at a model that meets city project goals and outcomes. Site visitation and consultation with city staff and public works team is anticipated prior to design commencement.

Task 2: Project Management Support

This task consists of:

- Attending regularly scheduled weekly project progress meetings.
- Preparing a project preconstruction schedule and providing regular monthly updates;

Task 3: Project Review and Data-Gap Analysis

Review the project-related documents provided by the City and consider additional sources of information potentially available for use in developing the project. Determine additional data that will need to be gathered through the design of the project beyond those already identified and provided in the initial contract for design.

Task 4: Preliminary Scoping and Cost Estimate Update.

Following the project review efforts from Task 3, review the existing scope and cost estimate for the project as provided by the City and provide any updates as determined necessary to provide a baseline scope and cost prior to the progression of the detailed design.

Task 5: Permitting Support

Provide support for preparing building, structural, and electrical permits needed by the City.

Task 6.: Fabrication

Design manufacturing for all previously related and described elements of the archway and support structures, including installation of wiring and electrical components, and any associated welding or other affixing of external artistic and necessary structural specifications.

Task 7: Plans, Specifications & Estimate (PS&E) packages

Prepare packages consisting of the project PS&E of quantities at the 30%, 60%, 90% and Final design levels. Drafting to follow the National CAD Standards. The estimates at the 60%, 90% and Final design levels are to include the Engineer's estimate of construction.

Task 9: Construction

Upon completion of PS&E, participate in a preconstruction conference. Provide principal construction and assume role of primary contractor or coordinate with and participate in construction handoff with principal selected subcontractor(s).

Schedule and Budget:

The total current budget for the Huntington Arch project is not to exceed \$100,000.00 for all elements of the project, including but not limited to the following phases:

1. Project planning, costing, scoping, and analysis
2. Design and development consultation including engineering
3. Fabrication
4. Permitting and regulatory oversight
5. Construction and installation

Key project schedule dates are as follows:

Commencement of Contract:	July 5, 2023
Anticipated Design Phase Completion:	August 5, 2023
Anticipated Fabrication Phase Completion:	October 5, 2023
Anticipated Construction/Installation Completion	November 5, 2023

EXHIBIT B

**Oregon Statutory (ORS) Certifications
(Must be signed and included with Proposal)**

We Hereby Certify to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. **We Certify** also that we shall comply with the Americans with Disabilities Act of 1990, as amended by the ADA Amendments Act (ADAAA) of 2008 and any subsequent amendments (42 U.S.C. § 12101, et seq.) (Pub L No. 101-336), ORS 659A, and all regulations and administrative rules established pursuant to those laws. **We Certify**, in the performance of any contract issued from any proposal related to these documents, we will in all respects adhere to the City of La Pine's policy of non-discrimination.

We Certify that we have not and shall not discriminate against a subcontractor in awarding a subcontract because the subcontractor is a minority, women or emerging small business enterprise certified under ORS 200.055 or a business enterprise that is owned or controlled by or that employs a disabled veteran, as defined in ORS 408.225.

We Certify that we, and our subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law, and shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all of their subject workers, unless such employers are exempt under the law.

We Certify that we accept all the terms and conditions contained herein, including Exhibit C; and in the event of a forthcoming contract containing these same terms and conditions, we would agree without exception. Any exception to these terms and conditions will be made a minimum of five (5) working days before the proposal deadline.

We Certify, under penalty of perjury, that the proposer has complied with the tax laws of this state or a political subdivisions of this state, including but not limited to ORS 305.620, and ORS chapters 316, 317 and 318.

We Certify that we _____ ARE _____ ARE NOT (mark one) a "Resident Bidder" as defined by ORS 279A.120. As defined in ORS 279A.120, "Resident Bidder" means a bidder that has paid unemployment taxes or income taxes in this state in the twelve calendar months immediately preceding submission of the bid, has a business address in this state, and has stated in the bid whether the bidder is a "Resident Bidder".

If not a Resident Bidder as defined in ORS 279A.120, please indicate state of residence:_____.

Contractor _____ Date _____
(Authorized Official)

Exceptions to the above Certifications. The Contractor will cross out those items they cannot certify to and then list the reasons for the exception (use additional pages if necessary):




CITY OF LA PINE

STAFF REPORT

Meeting Date: April 4, 2023

TO: Urban Renewal Board

FROM: Geoff Wullschlager, Executive Director 

SUBJECT: Storefront Improvement Program Application (Legend Cider Co. LLC)

<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	No Action – Report Only	<input type="checkbox"/>	Public Hearing
<input checked="" type="checkbox"/>	Formal Motion	<input checked="" type="checkbox"/>	Other/Direction: Please see below

Agency Board Members:

Legend Cider Co. LLC has provided Agency Staff with a Storefront Improvement Program application for consideration. Please see the assessment and inventory of application requirements below, followed by Agency action proposal form staff, with assessment instructions.

Storefront Improvement Program Application Inventory (Legend Cider Co. LLC):

The SFIP application requests specific attachments for both staff and the Agency Board consideration. These required documents and presentations are to assist in scoring an application and in assessing fitness to program requirements. Below is an inventory of what has been provided as of 03/31/23.

- Completed Application – Satisfied
- Detailed Project Description – Satisfied
- Digital Set of Plans – Not submitted
- Color Scheme Sample – Satisfied
- Architectural Rendering – Not submitted, listed as “pending”
- Project Cost Budget – Not submitted
- Photos of Proposed Project Area – Submitted
- Construction Schedule for Project – Not Submitted
- Land Use Approval – Required, and incomplete at this time
- Two Competitive Bids – Submitted*
- Evidence of Ownership – Submitted
- Operating Agreement – Submitted
- Project Funding (Match) – Submitted
- Owner Permission Statement - Submitted

Summary:

The application was submitted on 03/31/23 with a request for inclusion in the 04/04/23 URA packet. The program process reserves up to 30 days for staff review the application for completeness. At this time, staff finds the application incomplete as noted in the highlighted areas above. Applicant has stated they intend to provide further documentation of missing elements by 04/04/23 meeting.

The most prominent obstacle as noted by staff in initial assessment is the requirement for land use approval not being met at this time. All outstanding land use requirements should be completed to ensure that the proposed use, and any conditions of approval for land use are met, or intended to be met, thereby ensuring appropriate designation of URA SFIP funds to a project that can be completed.

As of current the following land use is outstanding:

1. Partition Application (Property Owner): Pending, anticipated completion within 30 days.
2. Land use Site Plan or Conditional Use Application (Applicant Lessee): This process has not been initiated at this time and can take up to 120 days for final disposition.

*A secondary complication in this application is the request for \$12,537.50 in funding. The program only funds up to 50% of a maximum project cost of \$20,000, or \$10,000.

The final application concern is the inclusion of a south facing door. The URA SFIP requires that all improvements be visible from sidewalk and or storefront street. As the application review period was less than one business day before inclusion for URA review, it cannot be assessed at the time of this report if this improvement will meet this requirement, and subsequently be a permitted project element eligible for reimbursement.

Action:


The URA Board is directed to score each requirement criteria on scale of 0 (does not meet criteria) to 5 (excellent). To award the project, the application must meet or exceed a score of 70% and meet project requisites such as the sidewalk/storefront facing standard.

As staff has not had adequate time to provide a score summary, the URA Board can make one of the following determinations:

1. Score application assessment during 04/04/23 meeting and apply any conditions of approval to final application approval as follows (if score meets or exceeds 70%):
 - a. All outstanding land use applications as required by the City of La Pine must be concluded before URA will enter into award contract.
 - b. Applicant must amend application to meet program financial limitations prior to URA entering into award contract.
 - c. Applicant must submit any and all evidence delineating sidewalk and storefront view of southside improvement to URA staff. If this element does not meet standard, applicant must amend application and associated documents, bids, project cost, and request to meet new project budget.

If this option is selected, please make a motion to conditionally approve, followed by a second, and a roll call vote.

2. Instruct applicant to complete outstanding requirements and re-submit the application for review at a following Urban Renewal Agency meeting.
3. Deny application and ask applicant to resubmit once the matters of concern as listed in the summary have been addressed.

 <p>LA PINE OREGON</p>	<h2>STOREFRONT IMPROVEMENT GRANT PROGRAM</h2> <p>URBAN RENEWAL AGENCY *Application Fee \$250.00</p>	<p>City of La Pine P.O. Box 2460 16345 Sixth Street La Pine, OR 97739 Phone: 541.536.1432 E-mail: arepko@lapineoregon.gov www.lapineoregon.gov</p>
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APPLICANT/OWNER INFORMATION

APPLICANT NAME: Legend Cider Co. LLC	E-MAIL: Adrienne@legendcider.com
BUSINESS NAME (if applicable): Adrienne & Tyler Baumann	
APPLICANT MAILING ADDRESS: 5577 Wagon Master way	PHONE: 541-840-9624
CITY, STATE, ZIP: Bend, OR 97707	FAX: N/A
CO-APPLICANT NAME (if applicable): Dave Schalker	E-MAIL: dschalker58@outlook.com
MAILING ADDRESS: 60321 Sage Stone loop	PHONE: 408-595-7431
CITY, STATE, ZIP: Bend, OR 97702	FAX: N/A
PROPERTY OWNER NAME (if applicable):	E-MAIL:
MAILING ADDRESS: see Above	PHONE:
CITY, STATE, ZIP:	FAX:

SITE INFORMATION

unit A

SITE ADDRESS: 51625 Bluewood Ave	BUILDING TAXLOT & MAP NUMBER (if known):
CITY, STATE, ZIP: La Pine, OR 97739	OWNER OCCUPIED OR LEASED? Leased
CURRENT USE OF BUILDING: Warehouse, Vacant	

GRANT REQUEST INFORMATION

GRANT REQUEST AMOUNT: \$ 12,537.50	
PRIVATE TO PUBLIC MATCH AS RATIO: 50/50	
AMOUNT AND SOURCE OF PRIVATE MATCHING FUNDS (i.e., savings account, line of credit, etc.): 12,537.50 - Landlord TI Budget (sect. 1.3 of Lease)	
AMOUNT & SOURCE OF ADDITIONAL GRANTS OR FUNDING (should not include private match): N/A	
TOTAL SOURCES OF FUNDING (excluding grant request): \$ 12,537.50	
ANTICIPATED START DATE OF CONSTRUCTION: currently underway	ANTICIPATED CONSTRUCTION COMPLETION DATE: June 1, '23

ARCHITECT INFORMATION

APPLICANT'S ARCHITECT: <i>Larry Wright</i>	E-MAIL: <i>Larry@tekneekarchitecture.com</i>
MAILING ADDRESS: <i>498 SW 6th St #103</i>	PHONE: <i>541-788-2000</i>
CITY, STATE, ZIP: <i>Redmond, OR</i>	FAX:
ARCHITECT CERTIFICATION NUMBER (applicant's architect fees are eligible for grant if architect is Oregon certified):	

PROJECT SUMMARY

IN THE SPACE BELOW PROVIDE A BRIEF DESCRIPTION OF PROPOSED PROJECT (UP TO 300 words)

A COMPREHENSIVE PROJECT PROPOSAL MUST ACCOMPANY THIS APPLICATION AND INCLUDE THE FOLLOWING. THESE DETAILS, WHICH WILL ASSIST THE URBAN RENEWAL BOARD TO BETTER UNDERSTAND THE PROPOSED PROJECT. PLEASE USE THIS LIST AS A CHECKLIST OF ALL ITEMS THAT MUST BE PART OF YOUR APPLICATION PACKAGE.




For All Funding Requests:

- A completed application.
- A detailed written description of proposed improvements for the project.
- Digital set of plans.
- Color scheme samples.
- If the grant request is less than \$5,000, the applicant must submit a rendering of the proposed project.
- If the grant request is over \$5,000, the applicant must submit official architectural and engineering renderings/drawing from a licensed architect.
- Project costs/budget (including but not limited to construction expenses, fees, permits, design costs).
- Photos of proposed project area. *see bid*
- Construction schedule for project. *ASAP*
- Land Use approval, if needed.
- Two competitive bids from a licensed and bonded trades/professional.
- Evidence of ownership of property (including but not limited to a deed of trust) or copy of lease. Lessees must have written authorization from the property owner.
- If applicant is other than an individual, evidence of authorization to enter into the grant agreement (e.g., corporate resolution, partnership agreement, bylaws, and articles of incorporation or other as approved by the Urban Renewal Agency legal counsel).* *operating agreement - LLC.*
- Applicant must provide a statement on source of project funding that includes the required private match, and other funds that may be applicable to undertake the balance of the work not funded by the Urban Renewal Agency. This could include a letter from a bank or lender, account balance statement or other approved document.
Section 1.3 of lease - Landlord Improvements

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 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: 3/30/23	DATE: 3/30/23
BUILDING OWNER'S SIGNATURE: 	
DATE: 5/29/2023	

----- DO NOT FILL IN BELOW THIS LINE-----

APPROVED WITH CONDITIONS (BELOW) DEFERRED DENIED

CONDITIONS:

The following mandatory requirements are included as conditions of approval relative to this submittal:

Additional conditions:

Committee Member: _____ DATE: _____

Committee Member: _____ DATE: _____

The meeting minutes will be attached to the application after the La Pine URA has taken action on the request.

* Application Fee of \$250.00 will be assessed at disbursement of award funds and can absorbed as a reduction of overall award. This fee, when appropriate, will be used for up to 1 (one) hour of Agency legal counsel review. Any legal costs in application review incurred by La Pine Urban Renewal Agency in excess of this expense will be born solely by applicant and assessed as a reduction of overall award.

Legend Cider Co. LLC
Adrienne & Tyler Baumann
55777 Wagon Master Way
Bend, Or 97707
541.840.9624
Adrienne@legendcider.com

Re: 51625 Bluewood Ave Unit A Storefront Improvement Grant Description of Improvements

Dear members of the board:

Our renovations of the property we are relocating our business, Legend Cider Co to are extensive and will transform the property into a space that the town and its people can be proud of. For the purposes of this grant I will only outline the exterior improvements and how they relate to the Storefront Improvement Grant Program.

As you know from visiting popular breweries and bars in Bend, glass garage doors are a very on trend design feature. With our cold weather most of the year, we will be able to let light and a feeling of being outdoors, into our tasting room space with the addition of three full glass garage doors to replace our existing industrial use roller doors.

We are seeking funding for 2x 12' tall and one 14' tall full vision glass garage doors. The most competitive bid we received is attached to this application and came to \$25,075 for all 3 door installed (for which we are seeking a grant to cover half). Two of the doors will be on the east end of the building facing Bluewood Avenue and will compliment our covered patio area. The third door will be on the south end of the building and will help flood the space with light on winter afternoons.

With these doors, fresh paint, a good clean up and some landscaping, our exterior will stun visitors and be a source of pride for locals to show off to out of town guests.

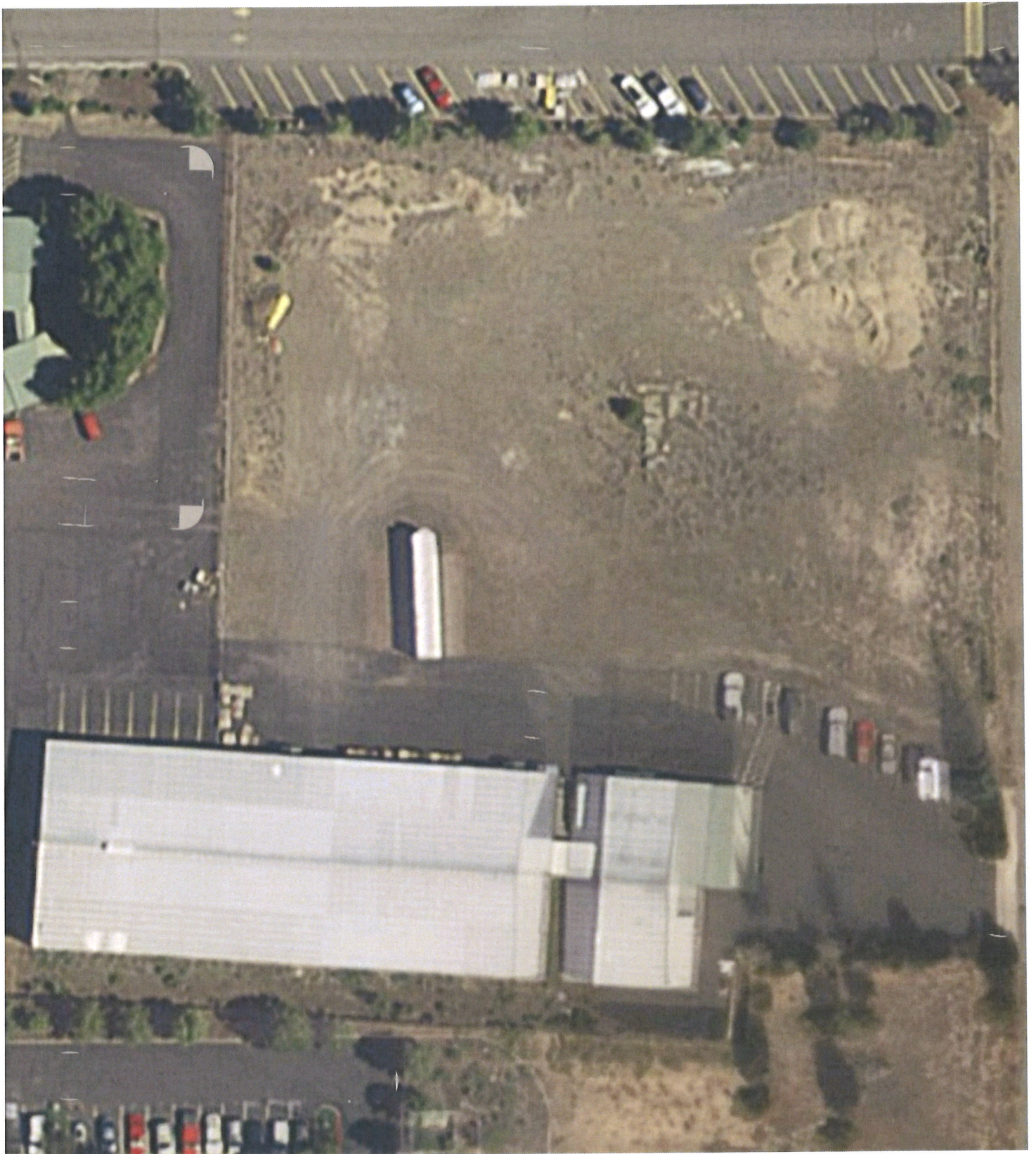
We are so grateful for the chance to receive these much needed funds and appreciate your consideration. We will continue to support our small town and lift it up in any way we can. We look forward to having you in our new and improved tasting room soon!

Adrienne and Tyler











BROKENTOP GARAGE DOORS
 Quality Garage Door Service CCB 209697
 1905 NE 2nd St Bend OR 97701

541-203-7676

BrokentopGarageDoors.com

INVOICE NO. 1183
 DATE: 3/7/2023
 TECHNICIAN: Brad
 STATUS: Quote

Customer: Legends Cider

Address: 51625 Bluewood Ave City: La Pine State: OR Zip Code: 97739

Phone: _____ Email: _____

Service Warranty

No Warranty	QTY	DESCRIPTION	Total Cost
<input type="checkbox"/> Parts	2	12'2"x14 CHI 3295=\$9,145 per door	\$18,290.00
<input type="checkbox"/> Labor	1	12'2"x12 CHI 3295=\$6,785 -clear anodized aluminum -30" high lift on 14' and 54" on 12' (18' to ceiling) -1/8" clear tempered glass in all sections -reverse continuous angle track -clip on side and top seal -solid shaft -chain hoist	
Warranty Labor			
<input type="checkbox"/> 30 Day			
<input type="checkbox"/> 90 Day			
<input type="checkbox"/> 1 Year			
Warranty Parts			
<input type="checkbox"/> 30 Day			
<input type="checkbox"/> 90 Day			
<input type="checkbox"/> 1 Year			
<input type="checkbox"/> Limited			
<input type="checkbox"/> Lifetime			
Warranty Service			
Invoice must be presented to validate warranty. No exceptions.		50% deposit to order, balance due on completion ETA approximately 4-8 weeks	

3% Fee for Credit Card Transactions

SUBTOTAL \$25,075.00

Payment: Amount: \$ \$25,075.00

DEPOSIT

DL #: _____ Check #: _____
 Visa Discover MC Cash

TECHNICIAN TIP

Card Number: _____

TOTAL DUE \$25,075.00

Exp Date: _____ Authorization Code: _____

Billing Zip Code: _____

SIGNATURE VERIFIES CUSTOMER HAS READ AND ACCEPTS THE WARRANTY POLICIES. The card issuer (Credit Institution) is authorized to pay the amount indicated as the total upon proper presentation. With issuance of Credit Card and or check I acknowledge receipt of goods and service in the amount above. All pricing on services performed on this invoice were explained to me in detail and given my approval before any work/service was performed. I agree and understand that all parts and service are non-refundable and non-returnable. All invoices will be due at completion of work. No billing or payment without pre authorized credit approval.

Signature: _____ Date: 3/7/2023

THANK YOU FOR YOUR BUSINESS!



Overhead Door Company of Central Oregon
 63056 Lower Meadow Drive, Suite 150
 Bend, OR 97701
 Phone: (541) 389-3667 | Fax: (541) 388-8855
 CCB No. 167946

Estimate

DATE	ESTIMATE NO.
3/14/2023	15144

NAME / ADDRESS

Legend Cider Company
 adrienne@legendcider.com

Job Reference	REP		
LaPine	NB		
DESCRIPTION	QTY	COST	TOTAL
SALE AND INSTALL			
12'2"x12'1" Aluminum Full View Door (clear anodized rails and stiles, 2" high lift angle mount track -36" headroom, 1/8" clear tempered glass in all sections, solid shaft, chain hoist operated)	1	11,583.00	11,583.00
Option for 1/2" insulated clear tempered glass in all sections and insulated rails and stiles	1	4,057.00	4,057.00
12'2"x14'1" Aluminum Full View Door (clear anodized rails and stiles, 2" high lift angle mount track -24" headroom, 1/8" clear tempered glass in all sections, solid shaft, chain hoist operated)	2	13,292.00	26,584.00
Option for 1/2" insulated clear tempered glass in all sections and insulated rails and stiles	2	4,757.00	9,514.00
<p>If you would like to order, please return a signed copy of this quote to our office along with a 50 percent down payment. The remaining balance will be due at the time of installation. If you have any questions, please do not hesitate to call: (541) 389-3667. Thank you ~ Nolan</p>			

*** Due to unprecedented rising costs from product manufacturers and market volatility within our supply chain, manufacturers are raising prices WITHOUT ADVANCE NOTICE. Therefore, all pricing must be verified prior to order. NO PRICING CAN BE HELD AT THIS TIME. ***

SIGNATURE _____

COMMERCIAL LEASE

DATE:

March 16, 2023

PARTIES:

LANDLORD:

DHUNTINGTON, LLC
DAVID WILLIAM SCHALKER ("Landlord")
60321 Sage Stone Loop
Bend, OR 97702

Telephone: 408-595-7431
E-mail: dschalker58@outlook.com

TENANT:

LEGEND NW CIDER COMPANY LLC ("tenant")
51625 Bluewood Avenue, Unit #A
La Pine, OR 97739

Telephone: 541-840-9624
Cell Phone: _____
E-mail: _____

GUARANTOR:

Adrienne and Tyler Baumann
55777 wagon master way
Bend, OR 97707

Telephone: _____
Phone: _____
e-mail: _____

Landlord leases to Tenant and Tenant leases from Landlord the following described property (the "premises") on the terms and conditions stated in this lease:

51625 Bluewood Avenue, Unit A, La Pine Oregon 97739

The premise is shown on Exhibit A as Unit "A" on hereinafter to be referred to as (the "Building").

Section 1. Occupancy and Improvements

1.1 Initial Term. The term of this lease shall commence upon execution (“Commencement”) and continue through May 31, 2030, unless sooner terminated as provided in this lease.

1.2 Tenant Improvements.

Construction of Tenant Improvements. Tenant desires certain improvements to the Leased premises. Tenant shall provide Landlord with a detailed plans and specifications for the improvements Tenant desires. Landlord shall have the opportunity to approve such plans and specifications prior to starting of the construction, such approval shall not be unreasonable withheld (the “Tenant Improvements”). Upon approval of the plans and specifications, Landlord and Tenant will commence construction of the Tenant Improvements Immediately, and will diligently pursue the completion of the Tenant Improvements. Tenant Improvements will be completed by a licensed, bonded and insured general contractor approved by both Tenant and Landlord. The Tenant Improvements will be completed in accordance with all the laws, ordinances, professional manner. Improvements constructed by landlord on the Premises will become the property of Landlord upon the termination of the Lease.

1.3 Landlord Improvements.

Landlord at his expense will paint the exterior where Tenants space is with colors approved by both the Landlord and Tenant. Landlord will construct a dividing wall between Unit A and Unit B of the Premises that meets local standards. Landlord will pay for addition improvement cost all totaling including above improvements up to \$45,000.00.

Section 2. Rent

2.1 Base Rent. Tenant shall pay to Landlord the following Base Rent:

- 2.1.1** First months rent shall begin 90 days after permits are approved or upon receiving Certificate or Occupancy, which ever comes first.
- 2.1.2** From June1, 2023 to May 31, 2024 the sum of Three Thousand Even Dollars (\$3,000.00) per month based on 5,000sqft @ \$0.60 per square feet.
- 2.1.3** Beginning with 2nd year June 1, 2024 and each year forward the a increase of 5% rent from the previous year as follows.
 - Year 2: \$3,150.00
 - Year 3: \$3,307.50
 - Year 4: \$3,472.88
 - Year 5: \$3,646.52
 - Year 6: \$3,828.85
 - Year 7: \$4,020.29

Rent shall be payable on the first (1st) day of each month in advance at such place as maybe designated by Landlord. After the 10th day of the month the rent shall be considered late and a 5% late charge shall be added to the payment of rent.

Section 3. Security Deposit. To secure Tenants compliance with all terms of this lease, Tenant shall pay the Landlord the sum of **\$3,000.00** upon signing this lease. The deposit shall be a debt from Landlord to Tenant, refundable within 45 days after expiration of the Lease term or other termination, subject to cleaning, damage, repairs necessitated by Tenant or which are Tenant's responsibility. Landlord shall have the right to offset against the deposit any sums owing from Tenant to Landlord and not paid when due, any damages caused by Tenant's default, the cost of curing any default by Tenant should Landlord elect to do so, and the cost of performing any repair or cleanup that is Tenant's responsibilities under this Lease. Offset against the deposit shall not be an exclusive remedy in any of the above cases or in any instance, but may be invoked by Landlord, at its option, in addition to any other remedy provided by law or this Lease for Tenant's nonperformance. Landlord shall give notice to Tenant each time an offset is claimed against the deposit, and unless the Lease is terminated, Tenant shall within 10 days after such notice is issued deposit with Landlord a sum equal to the amount of the offset plus any additional paid by Landlord to remedy any default and so that the total deposit amount, net of offset, shall remain constant throughout the lease term.

3.1 Additional Rent. Tenant shall pay as additional rent Tenants share of Operating Expenses and all costs and other charges that Tenant is required to pay to Landlord or third parties according to the terms of this Lease.

3.2 Payment of Rent. Tenant shall pay to Landlord all rent without demand, deduction or offset. All taxes, insurance cost, utility charges that Tenant is required to pay by this Lease, and any other sum that Tenant is required to pay Landlord or third parties under this Lease shall be additional rent.

Section 4 Use of the Premises

4.1 Permitted Use. The premise shall be used for business know as Legend NW Cider Company and no other purpose without the consent of Landlord, which consent shall not be withheld unreasonably.

4.2 Zoning Restrictions. Business shall meet and be as an approved use by city and local agencies.

4.3 Restrictions of Use. In connection with the use of the Premises, the Tenant shall:

(1) Conform to all applicable laws and regulations of any public authority affecting Premises and use, and correct, at Tenant's own expense, any failure of compliance created through Tenants fault or by reason of Tenant's use.

(2) Refrain from any activity that would make it impossible to insure the Premise against casualty, would increase the insurance rate, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau or its successor, allowing the Landlord to obtain reduced premium rates for long term fire insurance policies, unless Tenant pays the additional cost of the insurance.

(3) Refrain from any use that would be reasonably offensive to other tenants or owners or users, of neighboring premises or that would tend to create a nuisance or damage

the reputation of the Premises.

(4) Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises in violation of any local, state or federal law, rule or regulation. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the production and safe operation of the business specified in Section 3.1. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonable anticipated immediate needs. Tenant shall comply with all environmental laws with respect to the storage and handling of any Hazardous Substances and all practicable measures to minimize the quantity and toxicity of Hazardous substances use, handled, or stored on the Premises. Upon expiration or termination of this lease, Tenant shall remove all Hazardous Substances for the Premises. The term Environmental Law shall mean any federal, state or local statute, rule, regulation, or ordinance or any judicial order or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any substance, waste, or material defined by The Water Pollution Act, 33 USC 1251, et seq., CERCLA, 42 USC 9601, et seq., The Solid Waste Disposal Act, 42 USC 6901, all as amended.

(5) Tenant shall not display or place any sign on the Premises without the prior consent of Landlord, which consent will not be unreasonable withheld. All signs placed on the Premises by Tenant shall comply with all applicable codes.

Section 5. Repairs and Maintenance.

5.1 Landlord Obligations. Landlord shall keep and maintain the exterior of the building including exterior of the walls and roof, the bearing walls, foundation and structural members, excluding regular maintenance, and any services or utilities up to the point of entry in good repair. Landlord shall be under no obligation to make or perform any repairs, maintenance, replacements, alterations, or improvements on the Premises except as stated herein.

5.2 Tenant's Obligations. Tenant shall keep the Premises and all systems and components from the point of entry inward in first class repair, operating condition, working order, and appearance. Tenant's obligations shall include without limitations the interior wiring, plumbing, hardware and other fixtures and components. Tenant shall also keep and maintain the sidewalks of the premises and driveway clear of ice, snow, dust rubbish and garbage or other materials at Tenants expense.

5.3 Landlord's interference with Tenant. In performance of any repairs, replacements, alterations, or other work performed on or around the Premises undertaken by Landlord, Landlord shall not cause unreasonable interference with the use of the Premises by Tenant. Tenant shall not have the right to any abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities except as set forth in paragraph 9.2.

5.4 Reimbursement for Repairs Assumed. If Tenant fails or refuses to make repairs that are required by this Section 5, Landlord may make the repairs and charge the actual costs of repairs to Tenant. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the rate of 12% per annum from the date of expenditure by Landlord. Except in any emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party without notice and charge the other party for the resulting expense unless at least 10 days before work is commenced, the defaulting party is given notice in writing outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

5.5 Inspection of Premises. Landlord shall have the right to inspect the Premises at any time or times to perform or determine the need for repairs, determine Tenant's compliance with the Lease, the condition of the Premises or show the Premises to prospective tenants or buyers or for any other reasonable purpose. Such entry shall not unreasonably interfere with Tenant's use of the Premises. In addition Landlord shall have the right, at any time during the last two months of the term of this Lease, to place and maintain upon the Premises signs for leasing the Premises. Landlord shall attempt to give tenant reasonable notice of any pending inspection unless it's under emergency circumstances.

Section 6. Alterations.

6.1 Alterations Prohibited. Tenant shall make no improvements or alterations on the Premises of any kind without first obtaining Landlord's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws, rules and building codes. Landlord may require that Tenant pay the cost of alterations and repairs in advance to avoid any mechanic's or contractor's liens. Tenant shall keep the Premises free of all liens.

6.2 Alterations Required. The improvements and alterations delineated on the work sheets, if any, attached, to and made a part of this Lease shall be performed by the party designated and within the time stated in the work sheet.

6.3 Ownership and Removal of Alterations. All improvements and alterations performed on the Premises by either Landlord or Tenant shall be the property of Landlord when installed at Landlord's option. Improvements and alterations installed by Tenant shall, at Landlord's option, be removed by Tenant and the Premises restored at the termination of the Lease.

Section 7. Insurance.

7.1 Insurance Required. Landlord shall keep the Premises insured at Landlord's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage and said insurance shall not include repair or replacement of any of Tenant's property. Tenant may carry insurance insuring Tenant's property and trade fixtures on the Premises against loss, but shall not be required to insure its property. Landlord shall have no liability for any loss to Tenant's property whatsoever.

7.2 Liability Insurance. Before going into possession of the Premises, Tenant shall procure and thereafter during the term of the Lease shall continue to carry the following insurance at Tenant's cost: public liability and property damage insurance with a responsible company with limits of not less than \$500,000 for injury to one person, \$1,000,000 for injury to two or more persons, and \$500,000 for damage to Property. Such insurance shall cover all risks arising directly out of Tenant's activities on the

Premises and any condition of the Premises whether or not related to an occurrence caused or contributed to by Landlord's acts. Such insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under Section 11.2, and shall name Landlord as an additional insured. Certificates evidencing such insurance and bearing endorsements requiring 10 days' written notice to Landlord prior to any change or cancellation shall be furnished to Landlord upon request.

Section 8. Taxes; Utilities.

8.1 Payment of Utilities Charged. Tenants shall pay when due all charges for services and utilities incurred in connection with the Tenant's use, occupancy, operation, and maintenance of the Premises, including, but not limited to, any charges for fuel, water, gas electricity, sewage disposal, power, refrigeration, air conditioning, telephone, and janitorial services. If any utility services are provided by or through Landlord, charges to Tenant shall be comparable with prevailing rates for comparable services. If the charges are not separately metered or stated, Landlord shall apportion the charges on an equitable basis, and Tenant shall pay its apportioned share on demand. Landlord will pay the property taxes.

Section 9. Damage and Destruction.

9.1 Partial Damage. If the Premises are damaged, the Premises may be repaired by Landlord at Landlord's election. If repairs are undertaken, they shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Landlord and shall be performed in accordance with the provisions of Section 5.3. If Landlord elects not to repair, then this Lease shall terminate.

9.2 Rent Abatement. Rent shall be abated during the repair of any damage to the extent the Premises are untenable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant, in whole or part.

9.3 Damage Late in Term. If damage or destruction to which Section 9.2 would apply occurs within one year before the end of the then-current Lease term, Tenant may elect to terminate the Lease by written notice to Landlord given within 30 days after the date of the damage. Such termination shall have the same effect as termination by Landlord under Section 10.1(1).

Section 10. Eminent Domain.

10.1 Partial Taking. If a portion of the Premises is condemned and Section 10.2 does not apply, the Lease shall continue on the following terms:

(1) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

(2) Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition comparable as reasonably practicable to that existing at the time of the condemnation. The rent shall be reduced in proportion to the reduction in value of the Premises as an economic unit on account of the partial taking. If the parties are unable to agree on the amount of the reduction of rent, the amount shall be determined by arbitration in the manner provided in Section 18.

10.2 Total Taking. If a condemning authority takes all of the Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use that Tenant was then making of the Premises, the Lease shall terminate as of the date the title vests in the condemning authorities. Such termination shall have the same effect as a termination under Section 10.1(1). Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

Section 11. Liability and Indemnity.

11.1 Liens.

(1) Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims to work done on and for services rendered or material furnished to the Premises, and shall, keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 10% per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

(2) Tenant may withhold payment of any claims in connection with a good-faith dispute over the obligation to pay, as long as Landlord's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge of the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

note **11.2 Indemnification.** Tenant shall indemnify and defend Landlord from any claim, loss, or liability arising out of related to any activity of Tenant on the Premises, including related to the handling of Hazardous Substances, or any condition of the Premises in the possession or under the control of Tenant including any such claim, loss or liability that may be caused or contributed to in whole or part by Landlord's own negligence or acts or failure to effect any repair or maintenance required by this Lease. Landlord shall have no liability to Tenant for any injury, loss, or damage caused by third parties, or by any condition of the Premises.

Section 12. Quiet Enjoyment; Mortgage Priority.

12.1 Landlord's Warranty. Subject to the terms hereof, Landlord warrants that it has the right to lease the Premises and Landlord will defend Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the Lease term.

12.3 Estoppel Certificate. Either party will, within 20 days after notice from the other, execute and deliver to the other party a certificate stating whether or not this Lease has been modified and is in full force and effect and specifying any modifications or alleged breaches by the other party. The certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the specified time shall be conclusive upon the party from whom the certificate was requested that the Lease is in full force and effect and has not been modified except as represented in the notice requesting the certificate.

12.4 Subordination. This Lease shall be subordinate to any mortgage, trust deed or security interest in a third party now existing or hereafter granted by Landlord.

Section 13. Assignment and Subletting.

No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the property be conferred on any third person by Tenant, without the prior written consent of Landlord. This provision shall apply to all transfers by operation of law.

Section 14. Default.

The following shall be events of default:

14.1 Default in Rent. Failure of Tenant to pay any rent or other charge within 10 days after it is due.

14.2 Default in Other Covenants. Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within 20 days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, this provision shall be complied with if Tenant begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy as soon as possible.

14.3 Insolvency. Insolvency of Tenant; an assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition with 30 days after filing; attachment or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment to release of the levy of execution with 10 days shall constitute a default. If Tenant consists of two or more individuals or business entities, the events of default specified in this Section 14.3 shall apply to each individual unless within 10 days after an event of default occurs, the remaining individuals produce evidence satisfactory to Landlord that they have unconditionally acquired the interest of the one causing the default. If the Lease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of Tenant under the Lease.

14.4 Abandonment. Failure of Tenant for seven days or more to occupy the Premises for one or more of the purposes permitted under this Lease, unless the failure is excused under other provisions of this Lease.

Section 15. Remedies on Default.

15.1 Termination. In the event of a default the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by the election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of a reasonable force and without liability for damages and without having accepted a surrender.

15.2 Reletting. Following re-entry or abandonment, Landlord may relet the Premises and may

make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, but Landlord shall not be required to relet for any use or purpose other than that specified in the Lease or which Landlord may reasonably consider objectionable or injurious to the Premises. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concessions.

15.3 Damages. In the event of termination or retaking of possession following default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following amounts as damages:

(1) The loss of rental value from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured and paying out.

(2) The reasonable costs of reentry, including without limitation, the cost of any cleanup, refurbishing, removal of Tenant's property and fixtures, costs incurred under Section 15.5, or any other expense occasioned by Tenant's failure including but not limited to, any remodeling or repair costs, attorney fees, court costs, broker commissions, and advertising costs.

(3) Any excess of the value of the rent and all of Tenant's other obligations under this Lease over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the Premises are relet, and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major Oregon's banks in effect on the date of trial.

15.4 Right to Sue More than Once. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease term, and no action for damages shall bar a later action for damages subsequently accruing.

15.5 Remedies Cumulative. The forgoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord under applicable law.

Section 16. Surrender at Expiration.

16.1 Condition of Premises. Tenant has reviewed and inspected the Premises and is fully satisfied with the condition thereof. Upon expiration of the Lease term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in first-class condition and broom clean. Alterations constructed by Tenant with permission from Landlord shall not be removed or restored to the original condition unless the terms of permission for the alteration so require or Landlord so elects. Depreciation and wear from ordinary use for the purpose for which Tenant is responsible shall be completed to the latest practical date prior to such surrender. Tenant's obligations under this section shall subordinate to the provisions of Section 9 relating to destruction.

16.2 Fixtures.

(1) All fixtures placed upon the Premises during the term, other than Tenant's trade fixtures, shall at Landlord's option, become the property of the Landlord. If Landlord so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of Landlord, and shall repair any

physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant, together with interest at the rate of 12% per annum from the date of expenditure.

(2) Prior to expiration or other termination of the Lease term Tenant shall remove all furnishings, furniture, and trade fixtures that remain its property. If Tenant fails to do so, this shall be an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within 20 days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, and storage, with interest at the rate of 12% on all such expenses from the date of expenditure by Landlord.

16.3 Holdover.

(1) If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provision of this Lease except the provisions for term and renewal, or to eject Tenant from the Premises and recover damages caused by wrongful holdover. Failure of Tenant to remove fixtures, furniture, furnishings, or trade fixtures that Tenant is required to remove under this Lease shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.

(2) If a month to month tenancy results from a holdover by Tenant under this Section 16.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Landlord given not less than 10 days prior to the termination date which shall be specified in the notice. Tenant waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

Section 17. Miscellaneous.

17.1 Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

17.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable attorney fees at trial, on petition for review, and on appeal.

17.3 Notices. Any notice required or permitted under this Lease shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this Lease or to such other address as may be specified from time to time by either parties in writing.

17.4 Succession. Subject to the above-stated limitations on transfer of Tenant's interest, this Lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

17.5 Interest on Rent and Other Charges. Any rent or other payment required on Tenant by this Lease shall, if not paid within 10 days after it is due, bear interest at the rate of 12% per annum from

the due date until paid, without prejudice to any other right or remedy of Landlord. In addition, if Tenant fails to make any rent or other payment required by this Lease to be paid to Landlord within 10 days after it is due Landlord may elect to impose a late charge of 5% of the overdue payment. Tenant shall pay the late charge in addition to all other remedies available for Tenant's default, and collection of a late charge shall not waive the breach caused by the late payment.

17.6 Proration of Rent. In the event of commencement of termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination and in the event of termination of reasons other than default, all prepaid rent shall be refunded to Tenant or paid in its account.

17.7 Time of Essence. Time is of the essence for the performance of all Tenant's obligations hereunder.

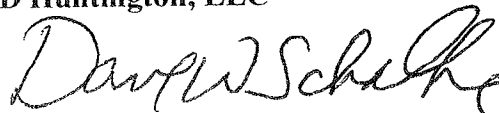
Section 18. Right of First Opportunity.

18.1 Right of First Opportunity. In the event that the Landlord decides to sell all or a portion of the property, the Landlord shall give Tenant first opportunity to Purchase by delivering written notice to the Tenant (the "Notice") of Landlord's intent to sell all or portion of the property. The Notice shall contain the price and terms at which Landlord desires to sell the Property. The Landlord's determination of price should be the fair market value of the land and improvements. Tenant shall have (15) business days from receipt of The Notice in which to inform Landlord in of its intent to purchase the Property. If the Tenant notifies the Landlord of its intent to purchase the Property, the Parties shall execute a Purchase and Sales Agreement reflecting agreed price and terms. In the event that the Tenant fails to notify the Landlord, Landlord shall be free to sell the property to any third party, provided however, that the sales price may not less than eight percent (8%) below the Notice price to Tenant. In the event the sales price is eight percent (8%) less than The Notice price, the Notice provision shall reapply and Landlord shall be required to give and Tenant shall have the opportunity to purchase the property at the new purchase price for a fifteen (15) day period.

Landlord:



D Huntington, LLC



David William Schalker, single member

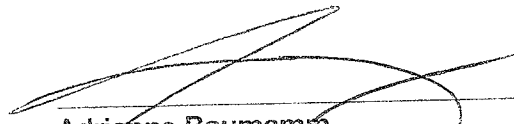
Tenant:


Legend Cider Company LLC


Adrienne Baumann

Tyler Baumann

Guarantor:


Adrienne Baumann

Tyler Baumann

.LEASE ADDENDUM 1

**51625 BLUEWOOD AVE., UNIT A
LA PINE, OR 97739**

BETWEEN: DHUNTINGTON, LLC – DAVID WILLIAM SCHALKER, LANDLORD

AND: LEGEND NW CIDER COMPANY LLC - ADRIANNE AND TYLER BAUMANN TENANT

2.1.4 If Tenant is not in default at the time each option is exercised or at the time the renewal term is to commence, Tenant shall have the option to renew this lease for **Two (2), Five (5)** year options periods as detailed below.

Two five (5) year option periods rent:

The renewal term shall commence on the day following expiration of the original term. The option may be exercised by written notice to Landlord given not less than **one hundred and twenty (120)** days prior to the last day of the original term. The giving of such notice shall be sufficient to make the lease binding for the renewal term without further act of the parties. Rent for the renewal term shall increase by 3% each year on the anniversary month.

19.1 Tenant shall have OLCC exclusivity at 51625 Bluewood Ave. in La Pine, OR to sell alcohol with out the permission of Legend NW Cider.

20.1 Tenant shall have their proportional use of outdoor space. Tenant and Landlord will agree in writing to the use based on Tenants drawings of intended use.

Landlord: D Huntington, LLC



David William Schalker, single member

Tenant: Legend Cider Company LLC



Adrienne Baumann



Tyler Baumann

51625 BLUEWOOD AVE.

UNIT A

UNIT B

UNIT C

LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF Legend Cider Company, LLC

FORMED IN THE STATE OF OREGON

1. Company Details

This Limited Liability Company Operating Agreement ("Agreement"), entered into on May 18, 2015 is a: (check one)

- **Single-Member LLC**, entered into by _____, being the sole owner with a mailing address of _____.

- **Multi-Member LLC**, entered into by and between 2 Members known as:

Member #1: Tyler Baumann with ownership of 50 % of the Company, and a mailing address of 5577 Wagon Master way Bend, OR

Member #2: Adrienne Baumann with ownership of 50 % of the Company, and a mailing address of 5577 Wagon Master way Bend, OR.

Member #3: _____, with ownership of _____ % of the Company, and a mailing address of _____.

Member #4: _____, with ownership of _____ % of the Company, and a mailing address of _____.

("Member(s)")

WHEREAS the Member(s) desire to create a limited liability company under the laws of the State of Oregon ("State of Formation") and set forth the terms herein of the Company's operation and the relationship any and all Member(s).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Member(s) and the Company agree as follows:

2. Name and Principal Place of Business

The name of the Company shall be Legend Cider Company LLC with a principal place of business located at 52470 Hwy 97 La Pine, OR, or at any other such place of business that the Member(s) shall determine.

3. Formation



The Company was formed on May 18, 2016 when the Member(s) filed the Articles of Organization with the office of the Secretary of State pursuant to the statutes governing limited liability companies in the State of Formation (the "Statutes").

4. Member(s) Capital Contributions

- a.) **Single Member Capital Contributions** (Applies ONLY if Single-Member): The Member(s) may make such capital contributions (each a "Capital Contribution") in such amounts and at such times as the Member(s) shall determine. The Member(s) shall not be obligated to make any Capital Contributions. The Member(s) may take distributions of the capital from time to time in accordance with the limitations imposed by the Statutes.
- b.) **Multi-Member** (Applies ONLY if Multi-Member): The Member(s) have contributed the following capital amounts to the Company as set forth below and are not obligated to make any additional capital contributions:

Member #1: Tyler Baumann, with a capital contribution of: 50,000

Member #2: Adhonne Baumann with a capital contribution of: 50,000

Member #3: _____, with a capital contribution of: _____

Member #4: _____, with a capital contribution of: _____

Member(s) shall have no right to withdraw or reduce their contributions to the capital of the Company until the Company has been terminated unless otherwise set forth herein. Member(s) shall have no right to demand and receive any distribution from the Company in any form other than cash, and Member(s) shall not be entitled to interest on their capital contributions to the Company.

The liability of any Member(s) for the losses, debts, liabilities, and obligations of the Company shall be limited to the amount of the capital contribution of the Member(s) plus any distributions paid to such Member(s), such Member(s)'s share of any undistributed assets of the Company; and (only to the extent as might be required by applicable law) any amounts previously distributed to such Member(s) by the Company.

5. Management of the Company

The Company's business and affairs shall be conducted and managed by the Member(s) in accordance with this Agreement and the laws of the State of the Formation.

- a.) **Single-Member** (Applies ONLY if Single-Member): The Member(s) of the Company has sole authority and power to act for or on behalf of the Company, to do any act that would be binding on the Company or incur any expenditures on behalf of the Company. The Member(s) shall not be liable for the debts, obligations, or liabilities of the



Company, including under a judgment, decree, or order of a court. The Company is organized as a "member-managed" limited liability company. The Member(s) is designated as the initial managing Member(s).

- b.) **Multi-Member** (Applies ONLY if Multi-Member): Except as expressly provided elsewhere in this Agreement, all decisions respecting the management, operation, and control of the business and affairs of the Company and all determinations made in accordance with this Agreement shall be made by the affirmative vote or consent of Member(s) holding a majority of the Members' Percentage Interests.

Notwithstanding any other provision of this Agreement, the Member shall not, without the prior written consent of the unanimous vote or consent of the Member(s), sell, exchange, lease, assign or otherwise transfer all or substantially all of the assets of the Company; sell, exchange, lease (other than space leases in the ordinary course of business), assign or transfer the Company's assets; mortgage, pledge or encumber the Company's assets other than is expressly authorized by this Agreement; prepay, refinance, modify, extend or consolidate any existing mortgages or encumbrances; borrow money on behalf of the Company; lend any Company funds or other assets to any person or entity; establish any reserves for working capital repairs, replacements, improvements or any other purpose; confess a judgment against the Company; settle, compromise or release, discharge or pay any claim, demand or debt, including claims for insurance; approve a merger or consolidation of the Company with or into any other limited liability company, corporation, partnership or other entity; or change the nature or character of the business of the Company.

The Member(s) shall receive such sums for compensation as Member(s) of the Company as may be determined from time to time by the affirmative vote or consent of Member(s) holding a majority of the Member(s)' Percentage Interests.

6. Distributions

For purposes of this Agreement, "net profits" and "net losses" mean the profits or losses of the Company resulting from the conduct of the Company's business, after all expenses, including depreciation allowance, incurred in connection with the conduct of its business for which such expenses have been accounted.

The term "cash receipts" shall mean all cash receipts of the Company from whatever source derived, including without limitation capital contributions made by the Member(s)(s); the proceeds of any sale, exchange, condemnation or other disposition of all or any part of the assets of the Company; the proceeds of any loan to the Company; the proceeds of any mortgage or refinancing of any mortgage on all or any part of the assets of the Company; the proceeds of any insurance policy for fire or other casualty damage payable to the Company; and the proceeds from the liquidation of assets of the Company following termination.

The term "capital transactions" shall mean any of the following: the sale of all or any part of the assets of the Company; the refinancing of mortgages or other liabilities of the Company; the receipt of insurance proceeds; and any other receipts or proceeds are attributable to capital.

- a.) **Single-Member** (Applies ONLY if Single-Member): A "Capital Account" for the Member(s) shall be maintained by the Company. The Member(s)'s Capital Account

shall reflect the Member(s)'s capital contributions and increases for any net income or gain of the Company. The Member(s)'s Capital Account shall also reflect decreases for distributions made to the Member(s) and the Member(s)'s share of any losses and deductions of the Company.

- b.) **Multi-Member** (Applies ONLY if Multi-Member): The "Capital Account" for each Member(s) shall mean the account created and maintained for the Member(s) in accordance with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1(b)(2)(iv).

The term "Members' Percentage Interests" shall mean the ownership percentage interests as mentioned in Section I of this Agreement.

During each fiscal year, the net profits and net losses of the Company (other than from capital transactions), and each item of income, gain, loss, deduction, or credit entering into the computation thereof, shall be credited or charged, as the case may be, to the capital accounts of each Member(s) in proportion to the Members' Percentage Interests. The net profits of the Company from capital transactions shall be allocated in the following order of priority: (a) to offset any negative balance in the capital accounts of the Member(s) in proportion to the amounts of the negative balance in their respective capital accounts, until all negative balances in the capital accounts have been eliminated; then (b) to the Member(s) in proportion to the Members' Percentage Interests. The net losses of the Company from capital transactions shall be allocated in the following order of priority: (a) to the extent that the balance in the capital accounts of any Member(s) are in excess of their original contributions, to such Member(s) in proportion to the excess balances until all such excess balances have been reduced to zero; then (b) to the Member(s) in proportion to the Members' Percentage Interests.

The cash receipts of the Company shall be applied in the following order of priority: (a) to the payment of interest or amortization on any mortgages on the assets of the Company, amounts due on debts and liabilities of the Company other than those due to any Member(s), costs of the construction of the improvements to the assets of the Company and operating expenses of the Company; (b) to the payment of interest and establishment of cash reserves determined by the Member(s) to be necessary or appropriate, including without limitation, reserves for the operation of the Company's business, construction, repairs, replacements, taxes and contingencies; and (d) to the repayment of any loans made to the Company by any Member(s). Thereafter, the cash receipts of the Company shall be distributed among the Member(s) as hereafter provided.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of cash receipts of the Company, other than from capital transactions, shall be allocated among the Member(s) in proportion to the Members' Percentage Interests.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of cash receipts from capital transactions shall be allocated in the following order of priority: (a) to the Member(s) in proportion to their respective capital accounts until each Member(s) has received cash distributions equal to any positive balance in their capital account; then (b) to the Member(s) in proportion to the Members' Percentage Interests.

It is the intention of the Member(s) that the allocations under this Agreement shall be deemed to have "substantial economic effect" within the meaning of Section 704 of the Internal Revenue Code and Treas. Reg. Section 1.704-1. Should the provisions of this Agreement be inconsistent with or in conflict with Section 704 of the Code or the Regulations thereunder, then Section 704 of the Code and the Regulations shall be deemed to override the contrary provisions thereof. If Section 704 of the Regulations at any time require that limited liability company operating agreements contain provisions which are not expressly set forth herein, such provisions shall be incorporated into this Agreement by reference and shall be deemed a part of this Agreement to the same extent as though they had been expressly set forth herein.

7. Books, Records, and Tax Returns

- a.) **Single Member** (Applies ONLY if Single-Member): The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Statutes, and such books and records shall be kept at the Company's Registered Office and shall in all respects be independent of the books, records, and transactions of the Member(s).

The Company's fiscal year shall be the calendar year with an ending month of December.

The Member(s) intends that the Company, as a Single-Member LLC, shall be taxed as a sole proprietorship in accordance with the provisions of the Internal Revenue Code. Any provisions herein that may cause the Company not to be taxed as a sole proprietorship shall be inoperative.

- b.) **Multi-Member** (Applies ONLY if Multi-Member): The Member(s), or their designees, shall maintain complete and accurate records and books of the Company's transactions in accordance with generally accepted accounting principles.

The Company shall furnish the Member(s), within seventy-five (75) days after the end of each fiscal year, an annual report of the Company including a balance sheet, a profit and loss statement, a capital account statement; and the amount of such Member(s)'s share of the Company's income, gain, losses, deductions, and other relevant items for federal income tax purposes.

The Company shall prepare all Federal, State, and local income tax and information returns for the Company and shall cause such tax and information returns to be timely filed. Within seventy-five (75) days after the end of each fiscal year, the Company shall forward to each person who was a Member during the preceding fiscal year a true copy of the Company's information return filed with the Internal Revenue Service for the preceding fiscal year.

All elections required or permitted to be made by the Company under the Internal Revenue Code, and the designation of a tax matters partner pursuant to Section 6231(a)(7) of the Internal Revenue Code for all purposes permitted or required by the Code, shall be made by the Company by the affirmative vote or consent of Member(s) holding a majority of the Members' Percentage Interests.

Upon request, the Company shall furnish to each Member a current list of the names and addresses of all of the Member(s) of the Company, and any other persons or entities having any financial interest in the Company.

8. Dissolution and Liquidation

- a.) **Single Member** (Applies ONLY if Single-Member): The Company shall dissolve and its affairs shall be wound up on the first to occur of (i) At a time, or upon the occurrence of an event specified in the Articles of Organization or this Agreement. (ii) The determination by the Member that the Company shall be dissolved.

Upon the death of the Member, the Company shall be dissolved. By separate written documentation, the Member shall designate and appoint the individual who will wind down the Company's business and transfer or distribute the Member's Interests and Capital Account as designated by the Member or as may otherwise be required by law.

Upon the disability of a Member, the Member may continue to act as Manager hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the Member have been transferred or distributed.

- b.) **Multi-Member** (Applies ONLY if Multi-Member): The Company shall terminate upon the occurrence of any of the following: (i) the election by the Member(s) to dissolve the Company made by the unanimous vote or consent of the Member(s); (ii) the occurrence of a Withdrawal Event with respect to a Member and the failure of the remaining Member(s) to elect to continue the business of the Company as provided for in this Agreement above; or (iii) any other event which pursuant to this Agreement, as the same may hereafter be amended, shall cause a termination of the Company.

The liquidation of the Company shall be conducted and supervised by a person designated for such purposes by the affirmative vote or consent of Member(s) holding a majority of the Members' Percentage Interests (the "Liquidating Agent"). The Liquidating Agent hereby is authorized and empowered to execute any and all documents and to take any and all actions necessary or desirable to effectuate the dissolution and liquidation of the Company in accordance with this Agreement.

Promptly after the termination of the Company, the Liquidating Agent shall cause to be prepared and furnished to the Member(s) a statement setting forth the assets and liabilities of the Company as of the date of termination. The Liquidating Agent, to the extent practicable, shall liquidate the assets of the Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

The proceeds of sale and all other assets of the Company shall be applied and distributed in the following order of priority: (1) to the payment of the expenses of liquidation and the debts and liabilities of the Company, other than debts and liabilities to Member(s); (2) to the payment of debts and liabilities to Member(s); (3) to the setting up of any reserves which the Liquidating Agent may deem necessary or desirable for any contingent or unforeseen liabilities or obligations of the Company, which reserves shall be paid over to a licensed attorney to hold in escrow for a period of two years for the purpose of payment of any liabilities and obligations, at the expiration of which

period the balance of such reserves shall be distributed as provided; (4) to the Member(s) in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account, in accordance with the rules and requirements of Treas. Reg. Section 1.704-1(b)(2)(ii)(b); and (5) to the Member(s) in proportion to the Members' Percentage Interests.

The liquidation shall be complete within the period required by Treas. Reg. Section 1.704-1(b)(2)(ii)(b).

Upon compliance with the distribution plan, the Member(s) shall no longer be Member(s), and the Company shall execute, acknowledge and cause to be filed any documents or instruments as may be necessary or appropriate to evidence the dissolution and termination of the Company pursuant to the Statutes.

9. Purpose

The purpose of the Company is to engage in and conduct any and all lawful businesses, activities or functions, and to carry on any other lawful activities in connection with or incidental to the foregoing, as the Member(s) in their discretion shall determine.

10. Registered Office and Resident Agent

The Registered Office and Resident Agent of the Company shall be as designated in the initial Articles of Organization/Certificate of Organization or any amendment thereof. The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Statutes, or, if different from the Statutes, in accordance with the provisions of this Agreement. If the Resident Agent ever resigns, the Company shall promptly appoint a successor agent.

11. Term

The term of the Company shall be perpetual, commencing on the filing of the Articles of Organization of the Company, and continuing until terminated under the provisions set forth herein.

12. Bank Accounts

All funds of the Company shall be deposited in the Company's name in a bank account or accounts as chosen by the Member(s). Withdrawals from any bank accounts shall be made only in the regular course of business of the Company and shall be made upon such signature or signatures as the Member(s) from time to time may designate.

13. Miscellaneous

- a.) **Meetings of Members** (Applies ONLY if Multi-Member): The annual meeting of the Member(s) shall be held on a day and month each year with at least thirty (30) days' notice given to the Member(s) prior to the meeting date which will be held at the principal office of the Company or at such other time and place as the Member(s) determine, for the purpose of transacting such business as may lawfully come before

the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

The Member(s) may by resolution prescribe the time and place for the holding of regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings.

Special meetings of the Member(s), for any purpose or purposes, may be called by any Member.

Written or electronic notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than three (3) days before the date of the meeting, either personally or by mail, to each Member(s) of record entitled to vote at such meeting. When all the Member(s) of the Company are present at any meeting, or if those not present sign a written waiver of notice of such meeting, or subsequently ratify all the proceedings thereof, the transactions of such meeting shall be valid as if a meeting had been formally called and notice had been given.

At any meeting of the Member(s), the presence of Member(s) holding a majority of the Members' Percentage Interests, as determined from the books of the Company, represented in person or by proxy, shall constitute a quorum for the conduct of the general business of the Company. However, if any particular action by the Company shall require the vote or consent of some other number or percentage of Member(s) pursuant to this Agreement, a quorum for the purpose of taking such action shall require such other number or percentage of Member(s). If a quorum is not present, the meeting may be adjourned from time to time without further notice, and if a quorum is present at the adjourned meeting, any business matter may be transacted which might have been transacted at the meeting as originally notified. The Member(s) present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Member(s) to leave less a quorum.

At all meetings of the Member(s), a Member may vote by proxy executed in writing by the Member or by a duly authorized attorney-in-fact of the Member. Such proxy shall be filed with the Company before or at the time of the meeting.

A Member of the Company who is present at a meeting of the Member(s) at which action on any matter is taken shall be presumed to have assented to the action taken, unless the dissent of such Member shall be entered in the minutes of the meeting or unless such Member shall file a written dissent to such action with the person acting as the secretary of the meeting before the meeting's adjournment. Such right to dissent shall not apply to a Member who voted in favor of such action.

Unless otherwise provided by law, any action required to be taken at a meeting of the Member(s), or any other action which may be taken at a meeting of the Member(s), may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Member(s) entitled to vote with respect to the subject.

Member(s) of the Company may participate in any meeting of the Member(s) by means of conference telephone or similar communication if all persons participating in such

meeting can hear one another for the entire discussion of the matters to be voted upon. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

- b.) **Assignment of Interests** (Applies ONLY if Multi-Member): Except as otherwise provided in this Agreement, no Member or other person holding any interest in the Company may assign, pledge, hypothecate, transfer or otherwise dispose of all or any part of their interest in the Company, including without limitation, the capital, profits or distributions of the Company without the prior written consent of the other Member(s) in each instance.

The Member(s) agree that no Member may voluntarily withdraw from the Company without the unanimous vote or consent of the Member(s).

A Member may assign all or any part of such Member's interest in the allocations and distributions of the Company to any of the following (collectively the "permitted assignees"): any person, corporation, partnership or other entity as to which the Company has given consent to the assignment of such interest in the allocations and distributions of the Company by the affirmative vote or consent of Member(s) holding a majority of the Members' Percentage Interests. An assignment to a permitted assignee shall only entitle the permitted assignee to the allocations and distributions to which the assigned interest is entitled, unless such permitted assignee applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

An assignment, pledge, hypothecation, transfer, or other disposition of all or any part of the interest of a Member in the Company or other person holding any interest in the Company in violation of the provisions hereof shall be null and void for all purposes.

No assignment, transfer, or other disposition of all or any part of the interest of any Member permitted under this Agreement shall be binding upon the Company unless and until a duly executed and acknowledged counterpart of such assignment or instrument of transfer, in form and substance satisfactory to the Company, has been delivered to the Company.

No assignment or other disposition of any interest of any Member may be made if such assignment or disposition, alone or when combined with other transactions, would result in the termination of the Company within the meaning of Section 708 of the Internal Revenue Code or under any other relevant section of the Code or any successor statute. No assignment or other disposition of any interest of any Member may be made without an opinion of counsel satisfactory to the Company that such assignment or disposition is subject to an effective registration under, or exempt from the registration requirements of, the applicable Federal and State securities laws. No interest in the Company may be assigned or given to any person below the age of 21 years or to a person who has been adjudged to be insane or incompetent.

Anything herein contained to the contrary, the Company shall be entitled to treat the record holder of the interest of a Member as the absolute owner thereof and shall incur no liability by reason of distributions made in good faith to such record holder, unless and until there has been delivered to the Company the assignment or other instrument

of transfer and such other evidence as may be reasonably required by the Company to establish to the satisfaction of the Company that interest has been assigned or transferred in accordance with this Agreement.

- c.) **Ownership of Company Property** (Applies ONLY if Multi-Member): The Company's assets shall be deemed owned by the Company as an entity, and the Member shall have no ownership interest in such assets or any portion thereof. Title to any or all such Company assets may be held in the name of the Company, one or more nominees or in "street name," as the Member may determine.

Except as limited by the Statutes, the Member may engage in other business ventures of any nature, including, without limitation by specification, the ownership of another business similar to that operated by the Company. The Company shall not have any right or interest in any such independent ventures or to the income and profits derived therefrom.

- d.) **Right of First Refusal** (Applies ONLY if Multi-Member): If a Member desires to sell, transfer or otherwise dispose of all or any part of their interest in the Company, such Member (the "Selling Member") shall first offer to sell and convey such interest to the other Member(s) before selling, transferring, or otherwise disposing of such interest to any other person, corporation or other entity. Such offer shall be in writing, shall be given to every other Member, and shall set forth the interest to be sold, the purchase price to be paid, the date on which the closing is to take place (which date shall be not less than thirty nor more than sixty (60) days after the delivery of the offer), the location at which the closing is to take place, and all other material terms and conditions of the sale, transfer or other disposition.

Within fifteen (15) days after the delivery of said offer, the other Member(s) shall deliver to the Selling Member a written notice either accepting or rejecting the offer. Failure to deliver said notice within said fifteen (15) days conclusively shall be deemed a rejection of the offer. Any or all of the other Member(s) may elect to accept the offer, and if more than one of the other Member(s) elects to accept the offer, the interest being sold and the purchase price, therefore, shall be allocated among the Member(s) so accepting the offer in proportion to their Members' Percentage Interests, unless they otherwise agree in writing.

If any or all of the other Member(s) elect to accept the offer, then the closing of title shall be held in accordance with the offer, and the Selling Member shall deliver to the other Member(s) who have accepted the offer an assignment of the interest being sold by the Selling Member(s) and said other Member(s) shall pay the purchase price prescribed in the offer.

If no other Member(s) accepts the offer, or if the Member(s) who have accepted such offer default in their obligations to purchase the interest, then the Selling Member(s) within one-hundred and twenty (120) days after the delivery of the offer may sell such interest to any other person or entity at a purchase price which is not less than the purchase price prescribed in the offer and upon the terms and conditions which are substantially the same as the terms and conditions set forth in the offer, provided all other applicable requirements of this Agreement are complied with. An assignment of such interest to a person or entity who is not a Member(s) of the Company shall only

entitle such person or entity to the allocations and distributions to which the assigned interest is entitled, unless such person or entity applies for admission to the Company and is admitted to the Company as a Member(s) in accordance with this Agreement.

If the Selling Member(s) does not sell such interest within said one-hundred and twenty (120) days, then the Selling Member(s) may not thereafter sell such interest without again offering such interest to the other Member(s) in accordance with this Agreement.

- e.) **Admission of New Members** (Applies ONLY if Multi-Member): The Company may admit new Member(s) (or transferees of any interests of existing Member(s)) into the Company by the unanimous vote or consent of the Member(s).

As a condition to the admission of a new Member(s), such Member(s) shall execute and acknowledge such instruments, in form and substance satisfactory to the Company, as the Company may deem necessary or desirable to effectuate such admission and to confirm the agreement of such Member(s) to be bound by all of the terms, covenants, and conditions of this Agreement, as the same may have been amended. Such new Member(s) shall pay all reasonable expenses in connection with such admission, including without limitation, reasonable attorneys' fees and the cost of the preparation, filing or publication of any amendment to this Agreement or the Articles of Organization, which the Company may deem necessary or desirable in connection with such admission.

No new Member(s) shall be entitled to any retroactive allocation of income, losses, or expense deductions of the Company. The Company may make pro-rata allocations of income, losses, or expense deductions to a new Member(s) for that portion of the tax year in which the Member(s) was admitted in accordance with Section 706(d) of the Internal Revenue Code and regulations thereunder.

In no event shall a new Member(s) be admitted to the Company if such admission would be in violation of applicable Federal or State securities laws or would adversely affect the treatment of the Company as a partnership for income tax purposes.

- f.) **Withdrawal Events** (Applies ONLY if Multi-Member): In the event of the death, retirement, withdrawal, expulsion, or dissolution of a Member(s), or an event of bankruptcy or insolvency, as hereinafter defined, with respect to a Member(s), or the occurrence of any other event which terminates the continued membership of a Member(s) in the Company pursuant to the Statutes (each of the foregoing being hereinafter referred to as a "Withdrawal Event"), the Company shall terminate sixty (60) days after notice to the Member(s) of such withdrawal Event unless the business of the Company is continued as hereinafter provided.

Notwithstanding a Withdrawal Event with respect to a Member(s), the Company shall not terminate, irrespective of applicable law, if within the aforesaid sixty-day period the remaining Member(s), by the unanimous vote or consent of the Member(s) (other than the Member(s) who caused the Withdrawal Event), shall elect to continue the business of the Company.

In the event of a Withdrawal Event with respect to a Member(s), any successor in interest to such Member(s) (including without limitation any executor, administrator, heir,

committee, guardian, or other representative or successor) shall not become entitled to any rights or interests of such Member(s) in the Company, other than the allocations and distributions to which such Member(s) is entitled, unless such successor in interest is admitted as a Member(s) in accordance with this Agreement.

An "event of bankruptcy or insolvency" with respect to a Member(s) shall occur if such Member(s): (1) applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of their assets; or (2) makes a general assignment for the benefit of creditors; or (3) is adjudicated a bankrupt or an insolvent; or (4) files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt or similar law or statute, or an answer admitting the material allegations of a petition filed against them in any bankruptcy, insolvency, readjustment of debt or similar proceedings; or (5) takes any action for the purpose of effecting any of the foregoing; or (6) an order, judgment or decree shall be entered, with or without the application, approval or consent of such Member(s), by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member(s), and such order, judgment or decree shall be entered, with or without the application, approval or consent of such Member(s), by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member(s), and such order, judgment or decree shall continue unstayed and in effect for thirty (30) days.

- g.) **Representations of Members** (Applies ONLY if Multi-Member): Each of the Member(s) represents, warrants and agrees that the Member(s) is acquiring the interest in the Company for the Member's own account for investment purposes only and not with a view to the sale or distribution thereof; the Member(s), if an individual, is over the age of 21; if the Member(s) is an organization, such organization is duly organized, validly existing and in good standing under the laws of its State of organization and that it has full power and authority to execute this Agreement and perform its obligations hereunder; the execution and performance of this Agreement by the Member(s) does not conflict with, and will not result in any breach of, any law or any order, writ, injunction or decree of any court or governmental authority against or which binds the Member(s), or of any agreement or instrument to which the Member(s) is a party; and the Member(s) shall not dispose of such interest or any part thereof in any manner which would constitute a violation of the Securities Act of 1933, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules or regulations of any State or other governmental authorities, as the same may be amended.
- h.) **Certificates Evidencing Membership** (Applies ONLY if Multi-Member): Every membership interest in the Company shall be evidenced by a Certificate of Membership issued by the Company. Each Certificate of Membership shall set forth the name of the Member(s) holding the membership interest and the Members' Percentage Interest held by the Member(s), and shall bear the following legend:

"The membership interest represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of the Operating Agreement of Legend Cider Co., LLC, dated effective as of May 18, 2015 as

the same from time to time may be amended, a copy of which is on file at the principal office of the Company.”

- i.) **Notices** (Applies ONLY if Multi-Member): All notices, demands, requests, or other communications which any of the parties to this Agreement may desire or be required to give hereunder shall be in writing and shall be deemed to have been properly given if sent by courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows: (a) if to the Company, at the principal place of business of the Company designated by the Company; and (b) if to any Member(s), to the address of said Member(s) first above written, or to such other address as may be designated by said Member(s) by notice to the Company and the other Member(s).
- j.) **Arbitration** (Applies ONLY if Multi-Member): Any dispute, controversy, or claim arising out of or in connection with this Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the city in which the principal place of business of the Company is then located, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any other time or place or under any other form of arbitration mutually acceptable to the parties involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and attorneys' fees, except that in the discretion of the arbitrator, any award may include the attorney's fees of a party if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or in bad faith.
- k.) **Amendments** (Applies ONLY if Multi-Member): This Agreement may not be altered, amended, changed, supplemented, waived, or modified in any respect or particular unless the same shall be in writing and agreed to by the affirmative vote or consent of Member(s) holding a majority of the Members' Percentage Interests. No amendment may be made to Articles that apply to the financial interest of the Member(s), except by the vote or consent of all of the Member(s). No amendment of any provision of this Agreement relating to the voting requirements of the Member(s) on any specific subject shall be made without the affirmative vote or consent of at least the number or percentage of Member(s) required to vote on such subject.
- l.) **Indemnification** (Applies ONLY if Single-Member): The Member(s) (including, for purposes of this Section, any estate, heir, personal representative, receiver, trustee, successor, assignee and/or transferee of the Member(s)) shall not be liable, responsible or accountable, in damages or otherwise, to the Company or any other person for: (i) any act performed, or the omission to perform any act, within the scope of the power and authority conferred on the Member(s) by this Agreement and/or by the Statutes except by reason of acts or omissions found by a court of competent jurisdiction upon entry of a final judgment rendered and un-appealable or not timely appealed (“Judicially Determined”) to constitute fraud, gross negligence, recklessness or intentional misconduct; (ii) the termination of the Company and this Agreement pursuant to the terms hereof; (iii) the performance by the Member(s) of, or the omission by the Member(s) to perform, any act which the Member(s) reasonably believed to be consistent with the advice of attorneys, accountants or other professional advisers to

the Company with respect to matters relating to the Company, including actions or omissions determined to constitute violations of law but which were not undertaken in bad faith; or (iv) the conduct of any person selected or engaged by the Member(s).

The Company, its receivers, trustees, successors, assignees and/or transferees shall indemnify, defend and hold the Member(s) harmless from and against any and all liabilities, damages, losses, costs, and expenses of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by the Member(s) (including amounts paid in satisfaction of judgments, in settlement of any action, suit, demand, investigation, claim or proceeding ("Claim"), as fines or penalties) and from and against all legal or other such costs as well as the expenses of investigating or defending against any Claim or threatened or anticipated Claim arising out of, connected with or relating to this Agreement, the Company or its business affairs in any way; provided, that the conduct of the Member(s) which gave rise to the action against the Member(s) is indemnifiable under the standards set forth herein.

Upon application, the Member(s) shall be entitled to receive advances to cover the costs of defending or settling any Claim or any threatened or anticipated Claim against the Member(s) that may be subject to indemnification hereunder upon receipt by the Company of any undertaking by or on behalf of the Member(s) to repay such advances to the Company, without interest, if the Member(s) is Judicially Determined not to be entitled to indemnification as set forth herein.

All rights of the Member(s) to indemnification under this Agreement shall (i) be cumulative of, and in addition to, any right to which the Member(s) may be entitled to by contract or as a matter of law or equity, and (ii) survive the dissolution, liquidation or termination of the Company as well as the death, removal, incompetency or insolvency of the Member(s).

The termination of any Claim or threatened Claim against the Member(s) by judgment, order, settlement or upon a plea of *nolo contendere* or its equivalent shall not, of itself, cause the Member(s) not to be entitled to indemnification as provided herein unless and until Judicially Determined to not be so entitled.

14. Severability

This Agreement and the rights and liabilities of the parties hereunder shall be governed by and determined in accordance with the laws of the State of Formation. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement, which shall remain in full force and effect.

The captions in this Agreement are for convenience only and are not to be considered in construing this Agreement. All pronouns shall be deemed to be masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require. References to a person or persons shall include partnerships, corporations, limited liability companies, unincorporated associations, trusts, estates, and other types of entities.

15. Entire Agreement

This Agreement and any amendments hereto may be executed in counterparts, all of which taken together shall constitute one agreement.

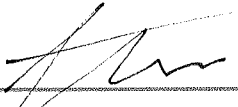


This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof. It is the intention of the Member(s) that this Agreement shall be the sole agreement of the parties, and, except to the extent a provision of this Agreement provides for the incorporation of federal income tax rules or is expressly prohibited or ineffective under the Statutes, this Agreement shall govern even when inconsistent with, or different from, the provisions of any applicable law or rule. To the extent any provision of this Agreement is prohibited or otherwise ineffective under the Statutes, such provision shall be considered to be ineffective to the smallest degree possible in order to make this Agreement effective under the Statutes.


Subject to the limitations on transferability set forth above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors, and assigns.

No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

Member's Signature:  Date: 3/30/23

Print Name: Tyler Baumann

Member's Signature:  Date: 3/30/23

Print Name: Adrienne Baumann

Member's Signature: _____ Date: _____

Print Name: _____

Member's Signature: _____ Date: _____

Print Name: _____



Section 1. Occupancy and Improvements

1.1 Initial Term. The term of this lease shall commence upon execution (“Commencement”) and continue through May 31, 2030, unless sooner terminated as provided in this lease.

1.2 Tenant Improvements.

Construction of Tenant Improvements. Tenant desires certain improvements to the Leased premises. Tenant shall provide Landlord with a detailed plans and specifications for the improvements Tenant desires. Landlord shall have the opportunity to approve such plans and specifications prior to starting of the construction, such approval shall not be unreasonable withheld (the “Tenant Improvements”). Upon approval of the plans and specifications, Landlord and Tenant will commence construction of the Tenant Improvements Immediately, and will diligently pursue the completion of the Tenant Improvements. Tenant Improvements will be completed by a licensed, bonded and insured general contractor approved by both Tenant and Landlord. The Tenant Improvements will be completed in accordance with all the laws, ordinances, professional manner. Improvements constructed by landlord on the Premises will become the property of Landlord upon the termination of the Lease.

1.3 Landlord Improvements.

Landlord at his expense will paint the exterior where Tenants space is with colors approved by both the Landlord and Tenant. Landlord will construct a dividing wall between Unit A and Unit B of the Premises that meets local standards. Landlord will pay for addition improvement cost all totaling including above improvements up to \$45,000.00.

Section 2. Rent

2.1 Base Rent. Tenant shall pay to Landlord the following Base Rent:

- 2.1.1** First months rent shall begin 90 days after permits are approved or upon receiving Certificate or Occupancy, which ever comes first.
- 2.1.2** From June1, 2023 to May 31, 2024 the sum of Three Thousand Even Dollars (\$3,000.00) per month based on 5,000sqft @ \$0.60 per square feet.
- 2.1.3** Beginning with 2nd year June 1, 2024 and each year forward the a increase of 5% rent from the previous year as follows.
 - Year 2: \$3,150.00
 - Year 3: \$3,307.50
 - Year 4: \$3,472.88
 - Year 5: \$3,646.52
 - Year 6: \$3,828.85
 - Year 7: \$4,020.29

Dave Schalker
60321 Sage Stone Loop
Bend, Or 97702
408.595.7431
Dschalker58@outlook.com

To whom it may concern:

Adrienne and Tyler Baumann and Legend Cider LLC. Have my permission to apply for the storefront improvement grant program on my behalf. The funds for the half of the project they are responsible for will come from our lease agreement section 1.3 Landlord contribution budget which I will provide. They have my permission to improve the building with the planned renovations we

 3/30/23