

City of Carson City Agenda Report

Date Submitted: February 8, 2013

Agenda Date Requested: February 21, 2013
Time Requested: 10 minutes

To: Redevelopment Authority

From: Public Works - Planning Division

Subject Title: For Possible Action: To authorize the Redevelopment Authority Chairperson to sign a waiver of the provisions of Section 6 of an agreement between the Carson City Redevelopment Authority and 302 N Carson, LLC, recorded on August 13, 2008, Document #381855, allowing the transfer of ownership of the property located at 302 N. Carson Street to Adams 302 N. Carson, LLC, which is then owned by the Hop & Mae Adams Foundation, without repayment of a portion of the grant funds pursuant to the provisions of the agreement. (Lee Plemel)

Summary: The agreement provided for a \$100,000 grant for improvements to the building at 302 N. Carson Street, currently occupied by Sierra Brewing Company. Section 6 of the agreement provides that any transfer of the property triggers a repayment of a portion of the \$100,000 on a declining percentage scale over six years. If the property is transferred between January 26, 2013, and January 25, 2014 ("Year 5" of the agreement), 40 percent (\$40,000) is to be repaid per the agreement. Steve Neighbors is the appointed financial guardian of the current owner of the property, Alan Adams, and the current owner would like to transfer the property into the Foundation for the benefit of the community.

Type of Action Requested:

- ☐ Resolution
☒ Formal Action/Motion

- ☐ Ordinance
☐ Other (Specify)

Does This Action Require a Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to authorize the Redevelopment Authority Chairperson to sign a waiver of the provisions of Section 6 of an agreement between the Carson City Redevelopment Authority and 302 N Carson, LLC, recorded on August 13, 2008, Document #381855, allowing the transfer of ownership of the property located at 302 N. Carson Street to Adams 302 N. Carson, LLC, which is then owned by the Hop & Mae Adams Foundation, without repayment of a portion of the grant funds pursuant to the provisions of the agreement.

Explanation for Recommended Board Action: The intent of the repayment provision of the agreement is to prevent a windfall to the property owner upon sale of the property. The proposed "transfer" of property does not create a windfall but rather puts the property in the name of the Foundation which is managed by the HMAF Board of trustees, of which Mr. Neighbors is one of those trustees. The transfer of the property will allow the Foundation to keep the property functioning as a downtown business with the present tenant or others, thus fulfilling the intent of the original grant.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: Up to \$40,000

Explanation of Impact: The agreement provides for the repayment of \$40,000 if the property is sold or transferred within the next year; \$20,000 if in the following year. If not approved, the ownership may not change, in which case no repayment would be required.

Funding Source: N/A

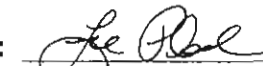
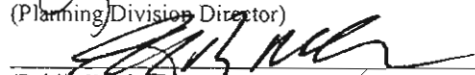
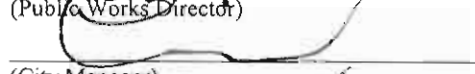
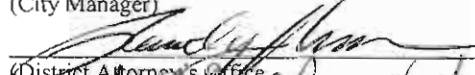
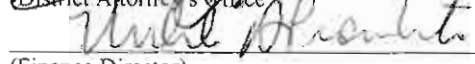
Alternatives: 1) Deny the waiver.

Supporting Material:

- 1) Waiver document for signature
- 2) Staff memo
- 3) Letter of waiver request
- 4) Recorded agreement with 302 N Carson, LLC

Prepared By: Lee Plemel, Planning Director

Reviewed By:


(Planning Division Director)

(Public Works Director)

(City Manager)

(District Attorney's Office)

(Finance Director)

Date: 2-12-13

Date: 2-12-13

Date: 2/12/13

Date: 2/12/13

Date: 2/12/13

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

WAIVER OF REDEVELOPMENT AUTHORITY LEIN AND AGREEMENT PROVISION

RECITALS

WHEREAS, the Carson City Redevelopment Authority ("CCRA") and 302 N Carson, LLC ("Grantee"), entered into an agreement, recorded on August 13, 2008, Document #381855 ("Agreement"), granting the sum of \$100,000 to the grantee for improvements to be made to the property located at 302 N. Carson Street;

WHEREAS, the Grantee desires to transfer to the property to Adams 302 N. Carson, LLC, which is owned by the Hop & Mae Adams Foundation, without repayment of a portion of the grant per the terms of Section 6 of the agreement;

WHEREAS, the CCRA and Grantee agree that the transfer will be beneficial to both parties and will not impair the intent of the original agreement;

WAIVER

NOW, THEREFORE, in consideration of the above and the evidence presented to the CCRA, the CCRA hereby waives the provisions of Section 6 of the Agreement to allow the transfer of the property from 302 N Carson, LLC, to Adams 302 N. Carson, LLC, owned by the Hop & Mae Adams Foundation without repayment of a portion of the grant.

IN WITNESS WHEREOF, the CCRA approves this waiver and intend to be legally bound thereby.

CARSON CITY REDEVELOPMENT AUTHORITY

By: Karen Abowd, Chairperson



Carson City Planning Division

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180 – Hearing Impaired: 711
planning@carson.org
www.carson.org/planning

MEMORANDUM

Redevelopment Authority meeting of February 21, 2013

TO: Redevelopment Authority

FROM: Lee Plemel, AICP, Planning Director

DATE: February 15, 2013

SUBJECT: **Waiver of Grant Agreement Provisions for Property Transfer**

An agreement was entered into between the Redevelopment Authority and 302 N Carson LLC and recorded on August 13, 2008. The agreement provided for a \$100,000 grant for improvements to the building at 302 N. Carson Street, currently occupied by Sierra Brewing Company. The property owner subsequently made more than \$100,000 in improvements to the building and completed the improvements by final building inspection on January 25, 2009. The property owner was then reimbursed \$100,000 per the agreement.

Section 6 of the agreement provides that any transfer of the property triggers a repayment of a portion of the \$100,000 on a declining percentage scale over six years. If the property is transferred between January 26, 2013, and January 25, 2014 ("Year 5" of the agreement), 40 percent (\$40,000) is to be repaid per the agreement. Steve Neighbors is the appointed financial guardian of the current owner of the property, Alan Adams, and the current owner would like to transfer the property into the Foundation for the benefit of the community.

The intent of the repayment provision of the agreement is to prevent a windfall to the property owner upon sale of the property. The proposed "transfer" of property does not create a windfall but rather puts the property in the name of the Foundation which is managed by the HMAF Board of trustees, of which Mr. Neighbors is one of the trustees. The transfer of the property will allow the Foundation to keep the property functioning as a downtown business with the present tenant or others, thus fulfilling the intent of the original grant.

Staff believes that there are unusual circumstances in the proposed transfer of ownership of the property, and the granting of this waiver will not impede the Redevelopment Authority's ability to enforce the provisions of other similar waivers when properties are sold or transferred. The transfer of property, in itself, does not create a negative impact to the Redevelopment District. It is more important to the District that a business continues to operate in the building.

Contact Lee Plemel in the Planning Division at 283-7075 or lplemel@carson.org if you have any questions regarding this item.

Attachments:

- 1) Waiver request letter
- 2) Recorded agreement

MEMORANDUM



To: Lee Plemel
Carson City Redevelopment Authority

From: Steve Neighbors on behalf of
302 N. Carson, LLC &
Alan Adams

Date: January 10, 2013

Matter: Continuation of commitment on 302 N. Carson, LLC

Re: Redevelopment Grant on Parcel 003-229-07

Lee,

In November of 2011, I was appointed the financial Guardian of Alan Adams. Attached please find my letters of Guardianship. Alan Adams is the owner of 302 N. Carson, LLC, and as such 302 N. Carson LLC comes under my authority. Further, I am a trustee of the Hop & Mae Adams Foundation (HMAF) whose charter is to benefit the community and charities of Carson City.

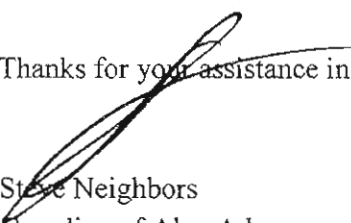
In August of 2008, the Carson City Redevelopment Authority (CCRA) extended a grant to 302 N. Carson, LLC to assist with improvements on that property. 302 N. Carson, LLC completed those improvements and the property and the grant funds were paid to assist with some of the costs of those improvements. It is my understanding that as January 26, 2013, it will have been five (5) years since that work was completed and thus the 5th year in the life of the grant.

To accomplish what Alan Adams would like to do with his financial affairs, which plan will extend the benefit of the HMAF to the Carson City, I would like to transfer ownership of the real property assets of 302 N Carson, LLC into the HMAF. HMAF would be willing to continue all of the commitments of 302 N Carson, LLC made to CCRA. Further, HMAF will then work with the CCRC and Carson City for a mutually agreeable plan to further enhance the community given HMAF's joint ownership of both Stewart Title and the 302 Carson building.

I could transfer ownership of 302 N Carson, LLC itself to the HMAF without triggering repayment, but would prefer to have it under a different name if possible.

Please advise if CCRA can work with me on this technical issue.

Thanks for your assistance in this matter,


Steve Neighbors
Guardian of Alan Adams, and
Trustee of the Hop & Mae Adams Foundation.

MICHAEL A. ROSENAUER, LTD.
50 WEST PLUMB LANE, SUITE A
RENO, NEVADA 89500
TELEPHONE (775) 324-3303

RECEIVED

NOV - 7 2011

FILED

2011 NOV -7 PM 2:11

TED THRAN
CLERK

M. BIAGGINI DEPUTY

CODE: 1040

MICHAEL A. ROSENAUER, ESQ. DOUGLAS COUNTY
NSB#2782 DISTRICT COURT CLERK

MICHAEL A. ROSENAUER, LTD.
510 WEST PLUMB LANE, SUITE A
RENO, NV 89509
(775) 324-3303

Attorney for Alan Adams

IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF
NEVADA IN AND FOR DOUGLAS COUNTY

IN THE MATTER OF THE
GUARDIANSHIP OF
THE ESTATE OF
ALAN ADAMS, M.D.

CASE NO.: 11-PB-00112

DEPT NO.: 2

An Adult Ward.

LETTERS OF GUARDIANSHIP

STATE OF NEVADA)
: ss.
COUNTY OF WASHOE)

This is to certify that by an Order of the above-captioned Court, made and entered on November 7, 2011, Steve Neighbors was appointed Guardian of the Estate of Alan Adams, M.D., and, whereas said Guardian has duly qualified and has the authority according to law, these Letters are hereby issued to Steve Neighbors, as said Guardian.

WITNESS my official signature with the Seal of the court in my office on
the 7 day of November, 2011.

Ted Thran, Clerk

By M. Biaggini
Deputy Clerk

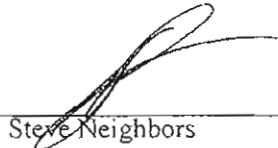
MICHAEL A. ROSENAUER, LTD.

310 WEST PLUMB AVE SUITE A
RENO, NEVADA 89509
TELEPHONE (775) 324-3303

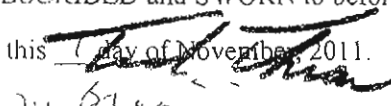
OFFICIAL OATH

STATE OF NEVADA)
 : ss.
COUNTY OF WASHOE)

I, Steve Neighbors, do solemnly swear that I will support, protect and defend the Constitution and government of the United States, and the Constitution and government of the State of Nevada, against all enemies, whether domestic or foreign, and that I will bear true faith, allegiance and loyalty to the same, any ordinance, resolution or law of any state notwithstanding, and that I will well and faithfully perform all the duties of the office of the Guardian of the Estate of Alan Adams, M.D., on which I am about to enter.

By 
Steve Neighbors

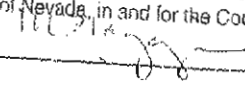
SUBSCRIBED and SWORN to before
me this 7th day of November, 2011.


NOTARY PUBLIC Deputy Clerk

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original in file and of record in my office.

DATE 11/7/11
TED THRAN Clerk of the 9th Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By  Deputy

Carson City Redevelopment

FILE NO. 381855

ALAN CLOVER

CARSON CITY RECORDER

FEE \$ *1.00*

APN _____

APN _____

Redevelopment Authority Lien + Agreement

☐ I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of any person or persons as required by law. State specific law: _____

Print Name & Title

Joe McCarthy
Office of Business Dev.
201 N. Carson St, #2
Carson City, NV 89701

381855

Assessor's Parcel Number(s) 003-229-07

REDEVELOPMENT AUTHORITY LIEN AND AGREEMENT

This agreement is made between the Carson City Redevelopment Authority ("CCRA"), as grantor, and 302 N Carson, LLC as Grantee or Grantees (hereinafter collectively referred to as "Grantee"), for the granting of the sum of One Hundred Thousand Dollars (\$100,000) for improvements to be made to the property located in Carson City at 302 North Carson Street ("subject property"), more particularly described on Exhibit A attached hereto and incorporated herein. CCRA and Grantee are sometimes referred to below collectively as "the parties."

The date of this agreement is the date it is executed by the CCRA provided that it has also been dated and executed by Grantee.

Recitals

A. The Grantee owns the subject property which is real property located within the Carson City Redevelopment Project Area Number One ("Redevelopment Area") as designated by Carson City Ordinance 1986-10 passed on the 20th day of February, 1986.

B. Plans for proposed improvements to the subject property ("proposed work"), the cost of which may be reimbursed in part with this grant money, have been submitted to the Carson City Community Development Department, have met the requirements of the Downtown Design Guidelines Ordinance (CCMC 18.10) and the Downtown Master Plan Element and have been approved.

C. The CCRA is a redevelopment agency as defined in NRS 279.386 and Carson City Board of Supervisors Resolution 1983-R-30 declares that there is a need for the agency to function in the community pursuant to chapter 279 of the NRS.

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D. This grant is being given to Grantee as part of the CCRA's plan for the redevelopment of the Redevelopment Area and this agreement is made under the CCRA's power under NRS 279.462 to make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions made in this agreement, CCRA and Grantee agree as follows:

CCRA Agrees

1. Reimbursement to Grantee. The CCRA agrees to grant to Grantee that certain amount of money shown on page one as reimbursement for costs incurred by the Grantee in the redevelopment of the subject property. The grant of money by CCRA is subject to all the terms and conditions of this agreement. CCRA agrees to deliver the grant money to Grantee after Grantee first provides written proof to the satisfaction of the CCRA that money from a source other than the CCRA has actually been expended on proposed work for the subject property in a manner consistent with the other provisions of this agreement. The written proof required by this paragraph may be, but is not limited to, invoices and written proof that the invoices were paid.

2. Availability of Revenues. The grant money will only be paid to the Grantee when the revenues are available to the CCRA from the periodic collection of ad valorem taxes. The money will be delivered to Grantee in the form of a draft or drafts payable to the Grantee in the name of the Grantee and at the address of Grantee as both appear in this agreement.

Grantee Agrees

3. Approved Plans and Conditions. Grantee agrees to perform all proposed work on the subject property in accordance with the plans previously approved and in accordance with chapter 18.10 of the CCMC and the Downtown Master Plan Element and all local and state laws, regulations, ordinances and policies relating to construction

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including obtaining all necessary permits and inspections. Grantee agrees that there will be no substantial deviation from the approved plans without the prior written consent of the hearing officer in the manner provided for in chapter 18.10 of the CCMC. Grantee also agrees, as a condition of acceptance of this grant, any conditions attached to the approval of the proposed work by any city agency, department or body including without limitation, the Downtown Design Guidelines hearing officer, the Carson City Regional Planning Commission, the Board of Supervisors, the Redevelopment Citizens Committee, or the Carson City Redevelopment Authority will be satisfied by Grantee.

4. Completion and Inspection of Premises, Books and Financial Records.

Before being entitled to any grant money under this agreement, Grantee agrees to complete the proposed work and obtain a certificate of occupancy from the appropriate governmental authorities, if such a certificate is required. Grantee agrees to provide access to the subject property, books and financial records to any designated representative of CCRA for the purpose of inspecting to determine if all the conditions and terms of this agreement are being met.

5. Use of Grant Money. Grantee agrees that the grant money may only be spent to repay the costs of labor and materials necessary for physical improvements, modifications or changes to existing buildings or the construction of new buildings in the manner approved by the Redevelopment Citizen's Committee, the Redevelopment Authority and the Board of Supervisors. Expenses necessary to render a building safe, habitable and serviceable may be included in these costs. Without limitation to the following list, the grant money may not be used for: equipment; fixtures; administrative salaries, expenses or costs; environmental remediation including the removal and disposal of hazardous materials, hazardous material containers, contaminated soils, and contaminated water; advertising or promotion (except approved fixed signs on the subject property); market research or studies; stock or inventory; research and development; taxes, licenses or governmental fees (unless approved as part of the CCRA incentive program); the fees or costs of professionals whose services are unrelated to actual physical improvements including accountants and lawyers; or as security for any other debt.

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6. Repayment of Grant. Grantee agrees to repay to CCRA the percentage of the total grant amount shown in this paragraph if: (a) any portion of the subject property is subdivided, parceled, sold, conveyed, assigned or transferred before the end of the time periods shown below; or (b) more than fifty percent of the stock or ownership of Grantee is transferred or sold before the end of the time periods shown below. The time period provided for in this paragraphs begins on the date of the issuance of a certificate of occupancy following the proposed work if one is necessary. If no certificate of occupancy is necessary, the time period begins on the date the proposed work is finished, but not later than the one year anniversary of the date of this agreement. The amount owed to CCRA under this paragraph is due upon the recordation of any instrument conveying Grantee's interest in the subject property (deeds of trust), or upon the delivery to the buyer of any certificate of ownership in excess of fifty percent of the outstanding ownership. Upon payment to CCRA of the amount due under this paragraph, Grantee or Grantee's successor in interest is no longer obligated by the provisions of this agreement.

Year 1	100%
Year 2	100%
Year 3	80%
Year 4	60%
Year 5	40%
Year 6	20%

7. Security for Grant. Prior to receipt of the grant money, the Grantee shall secure the grant for the term of this agreement. The Grantee may secure the grant by obtaining an irrevocable letter of credit from a Nevada bank issued to the CCRA in an amount equal to the amount of the grant. The amount of such a letter of credit may be reduced after the end of each year period as defined in the paragraph above to reflect the decreasing repayment amount. In lieu of a letter of credit, the Grantee may execute and record in Carson City a fully executed and acknowledged deed of trust for the benefit of the CCRA in the form of the deed of trust attached hereto as Exhibit B. The deed of trust must be executed and recorded by the Grantee within ten days of the receipt of grant money and may be subordinate to only 2 other deed(s) of trust. The trustee of the deed

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of trust may be any Nevada bank or title company. A letter of credit must not be allowed to expire and no deed of reconveyance of the interest created by a deed of trust is required from the CCRA until all amounts due under this agreement, if any, are made.

8. Title Insurance Policy and Insurance. Grantee agrees to provide CCRA with a copy of an ALTA Title Insurance Report prior to the receipt of any grant money. Grantee also agrees to procure and maintain liability and casualty insurance from a Nevada licensed broker, with coverages sufficient to reimburse CCRA for the amount of the grant in the event of a loss in addition to that insurance obtained for the Grantee or other creditors. The insurance policy will be maintained for the term of this agreement and the CCRA must be named in the policy as an additional insured.

9. Taxes. Grantee warrants that all property taxes for the subject property are paid and current as of the date of execution of this agreement by Grantee unless the taxing authority has consented in writing to a legally permissible tax deferral. Grantee also agrees to pay all property taxes on or before the date they are due during the term of this agreement.

10. Discrimination. Grantee agrees not to discriminate on the basis of race, color, creed, national origin, sex, age, disability or any other legally protected class in the sale, lease, rental, use or occupancy of the subject property or any improvements made to the subject property.

11. Assignability and Binding Effect on Successors. The rights and duties of Grantee in this agreement are not assignable by Grantee. Grantee agrees for itself and its successors that the covenants made in this agreement are covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, CCRA its successors and assigns for the term of this agreement.

12. Indemnification. Grantee agrees to indemnify and hold harmless the CCRA, its successors, assigns, agents, contractors, employees and attorneys from any and all liability, loss or damage CCRA may suffer as a result of claims, demands, costs or

judgments against CCRA arising from: (a) any work done with CCRA grant money; or (b) the CCRA's status as a secured party under a security agreement or the beneficiary of a deed of trust including, without limitation, liability for environmental damage or remediation.

13. Forfeiture. Grantee forfeits the right to any grant money not claimed in that manner provided for by this agreement.

The Parties Agree

14. Term. The parties agree the term of this agreement is six years and it expires on the sixth anniversary of the date of this agreement unless sooner terminated pursuant to this agreement.

15. Remedies. Except as otherwise provided, in the event of any default or breach of this agreement or any of its terms or conditions, the aggrieved party may institute such action or proceedings as it may deem necessary or desirable to cure and remedy the default including but not limited to; termination or specific performance.

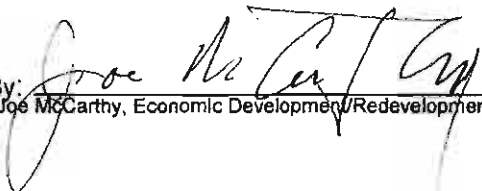
16. General Provisions. The parties agree: all notices required by this agreement shall be in writing, must be sent to the addresses provided herein and are deemed effective upon placement in the United States Mail, postage prepaid; this agreement constitutes the entire agreement between the parties; this agreement shall be enforced and construed according to the laws of the State of Nevada; the prevailing party to any dispute involving this agreement is entitled to reasonable attorneys fees and costs; any modification of this agreement must be made by a writing signed by both parties; portions of this agreement which are held invalid are severable from the rest of the agreement; this agreement may be recorded in the office of the Carson City Recorder; the preamble and recitals are hereby made a part of this agreement; and this agreement may be executed in any number of counterparts, each of which is deemed an original but together which constitute but one and the same agreement.

381855

GRANTEE

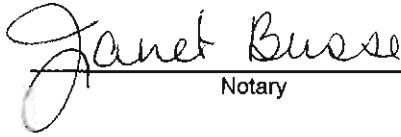
CARSON CITY REDEVELOPMENT AUTHORITY

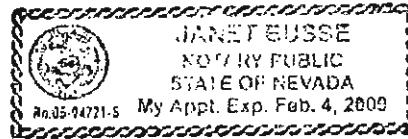
By: 
(Alan Adams, Managing Partner)

By: 
(Joe McCarthy, Economic Development/Redevelopment Manager)

STATE OF NEVADA)
COUNTY OF CARSON CITY)

On August 12, 2008, personally appeared before me, a notary public, Joe McCarthy and
Alan Adams, personally known (or proved) to me to be the person whose name is
subscribed to the foregoing document and who acknowledged to me that he/she executed the foregoing document.


Notary



381855

EXHIBIT A
LEGAL DESCRIPTION
APN: _____

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.: 07041319TM

The land referred to herein is situated in the State of Nevada,
County of CARSON CITY, described as follows:

PARCEL 1

All that certain piece or parcel of land situate in Block 32 of Proctor and Green Subdivision recorded in the Office of the Carson City Recorder on January 3, 1963 in Book 1 of Maps, Page 171 as Document 57478, more particularly described as follows:

BEGINNING at the intersection of the West line of Carson Street with the North line of Proctor Street, running thence North along the West line of Carson Street thirty four feet, six inches (34 feet 6 inches); thence west eighty one feet (81 feet) thence South parallel with the West line of Carson Street, thirty four feet, six inches (34 feet 6 inches) to the North line of proctor street thence East along the said line of Proctor Street eighty one feet (81 feet) to the place of beginning, forming the Southeast corner of Block Thirty Two (SE corner Block 32) of the Proctor and Green Division of Carson City, Also all of lots Seven (7) and Ten (10) of said Block Thirty Two (32) of said division. Together with that portion of the alley as abandoned by that certain Abandonment recorded May 25, 1956 in Book 68, Page 381 as Document No. 8240.

ASSESSOR'S PARCEL NO. 3-229-07

PARCEL 2

The South 15-1/2 feet of Lot 8 in Block 32 of PROCTOR and GREEN SUBDIVISION recorded in the Office of the Carson City Recorder on January 3, 1963 in Book 1 of Maps, Page 171 as Document No. 57478. Together with that portion of the alley as abandoned by that certain Abandonment recorded May 25, 1956 in Book 68, Page 381 as Document No. 8240.

ASSESSOR'S PARCEL NO. 03-229-06

374511

381855

APN 003-229-07
APN _____
APN _____

RECORDED AT THE
REQUEST OF
Carson City Redevelopment
2008 AUG 13 AM 10:51
FILE NO. 381856
ALAN GLOVER
CARSON CITY RECORDER
FEE \$ 10.00

FOR RECORDER'S USE ONLY

Deed of Trust
TITLE OF DOCUMENT

☒ I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain personal information of any person or persons. (NRS 239B.030)

☐ I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of any person or persons as required by law. State specific law: _____

Signature

Print Name & Title

WHEN RECORDED MAIL TO:

Joe McCarthy,
Office of Business Dev.
201 N. Carson St, #2
Carson City, NV 89501

381856

Assessor's Parcel Number(s): 003-229-07

DEED OF TRUST

This deed of trust, made on August 12, 2008, by and between Alan Adams of 302 N Carson LLC, City of Carson, County of Carson, State of Nevada, as trustor, and _____, of _____, City of Carson, County of Carson, State of Nevada, as trustee, and The Carson City Redevelopment Authority, as beneficiary, witnesseth: the **trustor hereby grants, conveys, and confirms to trustee, in trust with power of sale**, the real property situated in the City of Carson City, a consolidated municipality in the State of Nevada, described as follows: See attached description.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in any manner appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, also all water and water rights, ditch and ditch rights used in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, pipes, ditches, and also all the estate, right, title, and interest, homestead or other claim or demand, as well in law as in equity, that trustor now has or may hereafter acquire of, in, and to the premises or any part thereof, with appurtenances.

To have and to hold the same to trustee and its successors, on the trusts hereinafter expressed, namely, a security for the payment of any sums due under that certain grant agreement entered into between trustor and the CCRA involving the granting of CCRA money for the redevelopment of that real property described above. Under the terms of the grant agreement, Grantee agrees to repay to CCRA the certain percentage of the total grant shown below if: (a) any portion of the subject property is subdivided, parceled, sold, conveyed, assigned or transferred before the end of the time periods shown below; or (b) more than fifty percent of the stock or ownership of Grantee is transferred or sold before the end of the time periods shown below. The time period provided for in this paragraph begins on the date of the issuance of a certificate of occupancy following the completion of the proposed work. If no certificate of occupancy is necessary, the time period begins on the date the proposed work on the subject property is finished, but not later than the one year anniversary of the date of the grant agreement. The amount owed to CCRA under the repayment provision of the grant agreement is due upon the recordation of any instrument conveying Grantee's interest in the subject property (except deeds of trust), or upon the delivery to the buyer of any certificate of ownership in excess of fifty percent of the outstanding ownership. Upon payment to CCRA all of the amounts due under the grant agreement, Grantee or Grantee's successor in interest is no longer obligated by the provisions of the agreement and a deed of reconveyance will be executed according to the terms of the grant agreement.

year 1	100%	year 4	60%	= 381856
year 2	100%	year 5	40%	
year 3	80%	year 6	20%	

The following covenants, numbers 1, 2, 3, 4, 5, 6, 7, 8, 9 of Nevada Revised Statutes (NRS) 107.030, are hereby adopted and made a part of this deed of trust, except that the amounts agreed on by the parties to this instrument with respect to the covenants numbers 2, 4, 7 incorporated by reference, of such trusts and agreements are respectively as follows: the amount of the grant, the prime rate of interest as published in the Wall Street Journal during the week the repayment is due under the grant agreement and under the terms of Covenant 4, and one hundred percent. Such provisions so incorporated shall have the same force and effect as though specifically set forth and incorporated verbatim in this deed of trust. In the event of conflict between the provisions on the face of this deed of trust and the covenants adopted by reference, the covenants on the face of this deed of trust shall control.

As additional security, trustor hereby gives to and confers on beneficiary the right, power and authority during the continuance of these trusts, to collect the rents, issues, and profits of the property, or of any personal property located thereon, with or without taking possession of the property affected thereby, reserving to trustor the right prior to any default by trustor in payment of any indebtedness secured hereby, or in the performance of any agreement hereunder, to collect and retain such rents, issues, and profits as may accrue and become payable. If breach or default is made in the prompt payment, when due, of any sum secured hereby, or in the performance of any promise contained herein, or in any conveyance under which trustor claims or derives title, then, and at any time thereafter, beneficiary hereunder may declare all sums secured hereby immediately due and payable, without demand or notice.

Beneficiary may, without notice to or consent of trustor, extend the time of the payment of any indebtedness secured hereby to any successor in interest of trustor without discharging trustor from liability thereon.

Trustor promises to properly care for and keep the property herein described in first-class condition, order, and repair; to care for, protect, and repair all buildings and improvements situated thereon; not to remove or demolish any buildings or other improvements situated thereon; to restore any uninsured building or improvement damaged or destroyed thereon; to complete in good, professional manner any building or other improvement that may be constructed thereon, and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support, when necessary, any building or other improvement situated thereon, and otherwise to protect and preserve the same.

In the event that any action or proceeding is brought to exercise the right of eminent domain on the property or any part thereof, trustor agrees to pay to beneficiary all sums received by trustor as compensation or damages for the condemnation of property or any part thereof, and such sums shall be applicable to the payment of the indebtedness secured hereby, whether due or not.

All the provisions of this instrument shall inure to and bind the heirs, devisees, legal

representatives, successors, and assigns of each party hereto respectively. The rights or remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative.

It is expressly agreed that the trusts created hereby are irrevocable by trustor. Trustor hereby covenants and agrees to pay all reconveyance fees charged by trustee at the time of full payment of the indebtedness secured hereby.

In witness whereof, trustor has executed the above and foregoing the day and year first above written.

TRUSTOR

By: Alan Adams

Its: Managing Partner

STATE OF NEVADA

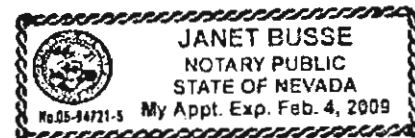
CITY OF CARSON CITY

)
) SS.
)

Alan Adams

On the 12th day of August, 2008 personally appeared before me, a notary public, the person whose name is subscribed to the above instrument which person is personally known to me, or was proved to be the person, whose name is subscribed to the above instrument and such person acknowledged the execution of the instrument.

Janet Busse
Notary Public



381856

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.: 07041319TM

The land referred to herein is situated in the State of Nevada, County of CARSON CITY, described as follows:

PARCEL 1

All that certain piece or parcel of land situate in Block 32 of Proctor and Green Subdivision recorded in the Office of the Carson City Recorder on January 3, 1963 in Book 1 of Maps, Page 171 as Document 57478, more particularly described as follows:

BEGINNING at the intersection of the West line of Carson Street with the North line of Proctor Street, running thence North along the West line of Carson Street thirty four feet, six inches (34 feet 6 inches); thence west eighty one feet (81 feet) thence South parallel with the West line of Carson Street, thirty four feet, six inches (34 feet 6 inches) to the North line of proctor street thence East along the said line of Proctor Street eighty one feet (81 feet) to the place of beginning, forming the Southeast corner of Block Thirty Two (SE corner Block 32) of the Proctor and Green Division of Carson City, Also all of lots Seven (7) and Ten (10) of said Block Thirty Two (32) of said division. Together with that portion of the alley as abandoned by that certain Abandonment recorded May 25, 1956 in Book 68, Page 381 as Document No. 8240.

ASSESSOR'S PARCEL NO. 3-229-07

PARCEL 2

The South 15-1/2 feet of Lot 8 in Block 32 of PROCTOR and GREEN SUBDIVISION recorded in the Office of the Carson City Recorder on January 3, 1963 in Book 1 of Maps, Page 171 as Document No. 57478. Together with that portion of the alley as abandoned by that certain Abandonment recorded May 25, 1956 in Book 68, Page 381 as Document No. 8240.

ASSESSOR'S PARCEL NO. 03-229-06

374511

381856