

AFTER RECORDING RETURN TO:
City of Newberg - Community Development
P.O. Box 970 - 414 E. First Street
Newberg, OR 97132
File No. ANX 27-01

OFFICIAL YAMHILL COUNTY RECORDS
CHARLES STERN, COUNTY CLERK

200300651



\$46.00

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\$25.00 \$10.00 \$11.00

ANNEXATION AGREEMENT (COVENANT RUNNING WITH THE LAND)

72822
THIS AGREEMENT, entered into this 6th day of November, 2002, between the following parties:

I. PARTIES.

CITY OF NEWBERG,
an Oregon Municipal Corporation
414 East First Street
Newberg, OR 97132

PROVIDENCE HEALTH SYSTEM
Regional Real Estate
4706 NE Glisan, Suite 101
Portland, OR 97213

"City"

"Owner"

II. RECITALS. Owner was granted approval of annexation of their property into the City. As part of said approval, Owner agreed to the execution of this Agreement. Owner agrees that the requirement to execute this Agreement, and the contents hereof, are lawful requirements of the City. Owner agrees to be bound by said requirements. In consideration of the City's agreement to allow the Owner to defer action on the conditions described in Exhibit "B", the owner waives any right to object to said requirements. This Agreement is for the benefit of the parties only.

III. REAL PROPERTY. The obligations pursuant to this Agreement shall affect the real property (hereinafter referred to as the "Property"), owned by Owner which said property is more particularly described in Exhibit "A", which is attached hereto and by this reference incorporated.

IV. PURPOSE. Owner desires to annex the Property and wishes to defer certain actions required as conditions of the annexation until after voter approval of the annexation and all appeal periods have expired. City agrees to such deferment if Owner completes the obligations contained herein.

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V. COVENANT RUNNING WITH THE LAND. This Agreement is an instrument affecting the title or possession of the Property. All of the terms, covenants and conditions herein imposed, are for the benefit of the City and the real property or interest therein, which constitutes the streets and utility system. This Agreement shall be binding upon the Property and the successors in interest of the Owner, and shall act as covenants running with the land. Upon sale or division of the Property, the terms of this Agreement shall apply separately to each parcel and the Owner of each parcel shall succeed to the obligation imposed upon Owner by this Agreement. The parties agree that any financial obligations imposed by this Agreement may be apportioned among any subsequent owners of the property, at the Owner's sole discretion, subject to prior written notice to the City.

VI. DEFERRED CONDITIONS. The deferred conditions set forth on Exhibit "B", may be deferred by Owner and shall be completed when required in the manner set forth in this Agreement. Exhibit "B" is attached hereto, and by this reference incorporated herein. Each of said conditions relate to the use, repair, maintenance or improvement of, or special assessments or fees on, the property described in Exhibit "A".

VII. NOTICE TO COMPLETE CONDITION. When the City, within its sole discretion, determines that there is no further reason to defer completion of the improvements because their completion is necessary for the public health, welfare and safety and/or the orderly development of the surrounding area, City shall notify Owner in writing to commence completion. The notice shall be mailed to the current owner or owners of the Property as shown on the latest adopted County assessment roll. The notice shall describe the work to be completed by Owner, and the time within which the work shall be completed. All or any portion of said improvements may be required at a specified time.

VIII. ACCEPTANCE OF CONDITIONS. City agrees to accept those conditions specified in Exhibit "B" which are constructed and completed in accordance with City standards.

IX. INDEMNITY. The owner shall defend, indemnify and hold the City, its officers, agents and employees, harmless from every expense, liability or payment by reason of injury (including death) to persons or damage to property suffered through any act or omission, including passive negligence or act of negligence, or both, of Owner, Owner's developer, contractors, subcontractors, employees, agents, or anyone directly or indirectly employed by any of them, or arising in any way from work called for by this Agreement, on any part of the premises, or the performance or nonperformance of the work.

X. AMENDMENT. This Agreement shall not be amended without the express written consent of the City and the Owner. The "Owner" shall mean the then existing holder of fee simple ownership in the real property, for purposes of this article. Any amendment to Exhibit "B" may require a public hearing.

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THESE SIGNATURES ATTEST TO THE PARTIES' AGREEMENT TO EACH AND EVERY
RECITAL AND PROVISION OF THIS AGREEMENT.

IN WITNESS WHEREOF, we have executed said document on this 6th day of November, 2002.

PROVIDENCE HEALTH SYSTEM:

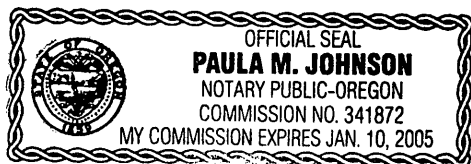
Terry Smith

By: CFO - Oregon

Its: _____

STATE OF OREGON)
City of Newberg) ss.
County of Yamhill)

This instrument was acknowledged before me by Terry Smith, known to be the
CFO of Oregon - PHS, by authority of Providence Health
System Board of Directors, on behalf of said corporation.



Paula M. Johnson
Notary Public for Oregon
My Commission Expires: Jan. 10, 2005

CITY OF NEWBERG

By: J. H. Bennett

James H. Bennett, City Manager

ACCEPTED AS TO FORM:

By: Terrance D. Mahr

Terrance D. Mahr, City Attorney

EXHIBIT A - LEGAL DESCRIPTION

Parcel 1

Being a part of the North half of the Donation Land Claim of Sebastian Brutscher and Mary Brutscher, his wife, Notification No. 1470, Claim No. 51 in Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, said part being more particularly described as follows, to wit:

BEGINNING at a point 2,518.00 feet East of the southwest corner of the north half of said Donation Land Claim No. 51, said point being the southeast corner of a tract of land conveyed to Mary Moe recorded August 25, 1978, in Film 132, Page 373, Deed and Mortgage Records; thence East, along said South Boundary of the North half of said Donation Land Claim, 1,406.61 feet; thence North 422.00 feet to a point; thence N. 26 deg.04 min.2 sec. W. 469.41 feet to the south boundary of Klimek Homes Subdivision; thence West, along the south boundary of said Klimek Homes Subdivision, 287.31 feet to the southwest corner of Klimek Homes Subdivision; thence along the west line of said subdivision, N. 3 deg. 17 min. 58 sec. W. 630.1 feet to the south boundary of Pacific Highway 1 West; thence southwesterly along the south boundary of said highway, 946.75 feet more-or-less to an iron rod marking the northeast corner of said Mary Moe tract, thence South along the east line of said Mary Moe tract 1024.16 feet to the POINT OF BEGINNING

Parcel 2

A tract of land in Section 16, township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, described as follows:

Said following described tract of land being of variable width and intended to include the state highway right-of-way between Engineer's Station's referenced.

Beginning at a point at the centerline of Pacific Highway West at Engineer's Station 738+48 thence N65°36'36"E, along the centerline of said highway 893 feet to Engineer's Station 729+55.

EXHIBIT B - DEFERRED CONDITIONS

1. The I (Institutional) zone is the only zoning designation authorized for TL's 3216-1903 and 3216DA-2000 under the PQ (Public/Quasi-Public) Comprehensive Plan designation.
2. Following a voter approved annexation, apply for and diligently pursue a Comprehensive Plan Amendment from COM (Commercial) to PQ (Public/Quasi-Public) and a zone change from the current C-2 (Community Commercial) zone to an I (Institutional) zone on TL 3216-1902. Following a successful zone change to I (Institutional), the statement listed under item 1 above shall apply to TL 3216-1902.
3. Development on the total site (TL's 3216-1902, 3216-1903 and 3216DA-2000) shall not generate more than 750 vehicle trips in the PM peak hour. Trip generation will be determined at time of design review application. This requirement may be amended if the applicant shows, through a comprehensive plan amendment, that there are adequate planned facilities to handle additional trips. This may include showing that the exception process is complete for the Newberg Bypass.
4. To prevent future negative impacts on the stream corridor, the applicant shall submit a storm water pre-treatment plan for the project area, as part of initial design review.
5. If and only if ODOT imposes an access restriction on Klimek Lane to and from Highway 99 W, the Owner agrees to provide the City with a public street connection from the southern end of Klimek Lane to the new north-south public road on the project site. This public street connection shall be built to the City's then applicable, local street standards. It is the parties' intention not to require such a connection, under the terms of this Agreement, unless or until ODOT restricts access to Klimek Lane from Highway 99 W.
6. The applicant shall pay its proportional share (based on PM peak hour traffic) of the estimated cost of improvements identified at the intersection of OR 99W and Springbrook Street in the Transportation Impact Study dated November 2001. The funds shall be paid to the City of Newberg prior to the issuance of the first certificate of use and occupancy for the medical center. The City may use said funds on improvements that will benefit, but not necessarily directly at, the OR 99W/Springbrook Street intersection.