

DEFERRED IMPROVEMENT AGREEMENT

WHEREAS, Bethany Lutheran Evangelical Church (hereinafter referred to as "Applicant") has submitted an application for a conditional use permit for the construction of an addition to their existing church located at 2323 East 12th Street in The Dalles, Oregon, which application has been assigned the number 116-00 by the City's Planning Department; and

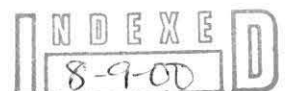
WHEREAS, one of the conditions of approval recommended by the City Planning Department proposes to require the Applicant to construct a sidewalk, curb and gutter, and catch basin with the proposed development; and

WHEREAS, Section 10.030 of the City's Land Use & Development Ordinance (hereinafter referred to as "LUDO") provides that, except for sidewalks, all improvements required by the standards in Section 10 of the LUDO shall be installed in accordance with the provisions in Section 9.040.060(H); and

WHEREAS, Section 9.040.060(H) generally requires that an applicant either install the required public improvements, or enter into an agreement with the City to install the improvements within a specified period of time, or have gained approval from the City to form a local improvement district for the construction of the required public improvements; and

WHEREAS, the property upon which the proposed use is located abuts Thompson Street, which is currently classified by the City as an arterial street, and under Section 10.030(B)(1), sidewalks along arterial streets are generally required to be installed simultaneously with street improvements; and

WHEREAS, the City has included in its five year capital improvement plan for streets, an extension of East 19th Street, which will generate the need to make certain improvements to



Thompson Street, including that portion of Thompson Street which abuts the Applicant's property; and

WHEREAS, the City has acknowledged it is appropriate to defer the actual installation of sidewalk, curb and gutter, and catch basin by the Applicant along the portion of Thompson Street which directly abuts their property, until the City has completed the preliminary design work for the improvement of Thompson Street, to ensure the grade and elevation of any public improvements installed by the Applicant will be consistent with the projected grade and elevation of improvements to be completed upon Thompson Street;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, it is mutually agreed as follows:

1. City to Forbear Improvement Requirements. The City agrees to forbear requiring the Applicant from having to construct the sidewalk, curb and gutter, and catch basin along the portion of the Applicant's property which abuts Thompson Street, as a condition of approval of Conditional Use Permit No. 116-00, until the City has completed the preliminary design work for construction of improvements to Thompson Street. The preliminary design work will show the grade and elevation of the proposed improvements to Thompson Street, and must be approved by the City's Public Works Director.

2. Applicant's Obligation to Construct Improvements. Upon receipt of notification from the City that the preliminary design work for Thompson Street has been completed and approved as set forth in Section 1, the Applicant shall construct the sidewalk, curb and gutter, and catch basin in accordance with applicable City standards. The Applicant shall complete construction of these improvements within 12 months of the date of notification from the City that the preliminary design work for Thompson Street has been completed and approved as set

forth in Section 1. The applicant shall provide a performance guarantee to ensure completion of the sidewalk, curb and gutter, and catch basin in accordance with the provisions of Section 9.040.060 of the LUDO. In the event the Applicant fails to construct the designated public improvements within the time set forth in this agreement, the City may call upon the performance guarantee to complete the construction of the improvements. If the amount of the performance guarantee is not sufficient to complete the construction of the improvements, and the City has to incur expenses to complete the improvements, the Applicant shall be liable to repay the City for the costs of its additional expenses in completing the improvements, including any related engineering and/or administrative expenses.

3. Guarantee. Upon completion of the sidewalk, curb and gutter, and catch basin by the Applicant, and final acceptance by the City of those improvements, the Applicant shall provide a written guarantee for all of the improvements whereby the Applicant agrees to repair any defects in the improvements for a period of one year from the date of final acceptance of the improvements by the City.

4. Agreement to be Covenant Running with the Land. Applicant agrees that the provisions of this agreement regarding public improvements shall be a covenant running with the land, and the terms hereof shall be included in any deed or contract of sale purporting to convey any legal or equitable interest in the Applicant's property, and this agreement shall be legally binding upon the Applicant, and its heirs, assigns, or any other successors in interest.

5. Subject Property. The real property to which this Agreement applies is known as Assessor's Map No. 1N 13E 2DC, Tax Lot 2900. A copy of the legal description of the property is attached as Exhibit "A", and incorporated herein by this reference.

6. Attorney Fees and Costs in the Event of Litigation. In the event of litigation concerning this agreement, the prevailing party shall be entitled to receive an award for reasonable costs and attorney fees as determined by a trial or an appellate court.

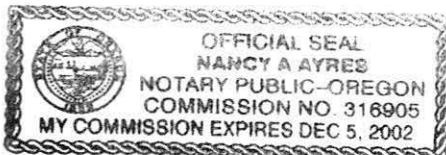
Dated this 13th day of March, 2000.

CITY OF THE DALLES

By: Nolan K. Young
Nolan K. Young, City Manager

STATE OF OREGON)
) ss.
County of Wasco)

Personally appeared before me, Nolan K. Young, City Manager for the City of The Dalles, and acknowledged the foregoing instrument to be his voluntary act and deed.



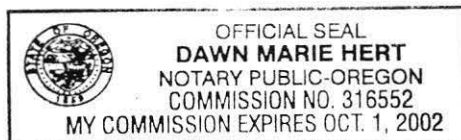
Nancy A. Ayres
Notary Public for Oregon
My Commission expires: 12/5/2002

BETHANY LUTHERAN EVANGELICAL CHURCH

By: Raymond L. Hammer
Title: Building Chairman

STATE OF OREGON)
) ss.
County of Wasco)

Personally appeared before me Raymond L. Hammer, who is the Building Chairman for Bethany Lutheran Evangelical Church, who is duly authorized to act on behalf of said church, and acknowledged the foregoing instrument to be his/her voluntary act and deed.



Dawn Marie Hert
Notary Public for Oregon
My Commission expires: Oct 1, 2002

EXHIBIT "A"

The East 93 feet of Lot 12, Block 6, THOMPSON'S ADDITION TO THE CITY OF THE DALLES, County of Wasco, State of Oregon:

SUBJECT TO: The agreement between Dalles City, a municipal corporation of the the State of Oregon, and Duane Todd, recorded September 27, 1960, Deed Book 142, page 268, Wasco County, Oregon