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PROPERTY LINE ADJUSTMENT AGREEMENT AND EASEMENT AGREEMENT

DATED	:	April <u>15</u> , 2004	
BETWEEN	:	Mountain View Avamere Properties, LLC, an Oregon limited liability company 25117 SW Parkway, Suite F Wilsonville, OR 97070	("Avamere")
AND	:	Willamette Falls Hospital, an Oregon nonprofit corporation 1500 Division Street Oregon City, OR 97045	("WFH")

RECITALS:

A. Avamere and WFH (the "Parties") entered into an Access, Parking and Utility Easement Agreement dated April 18, 2002, recorded April 19, 2002 in Clackamas County, Oregon as Fee No. 2002-037764.

B. WFH owns Tax Lots ("T.L.") 101, 200, 201, 300 and 2100. Avamere owns T.L. 103.

C. As a result of an expansion of WFH's hospital facilities, including its Emergency Room and Diagnostic Imaging facilities, WFH desires to engage in a series of six lot line adjustments, one of which will involve a deed of property from WFH to Avamere, and one of which will involve a deed of property from Avamere to WFH. In addition, WFH will perform certain improvements on Avamere's property and will pay Avamere \$25,000 as provided in Section 11 of this Agreement.

D. As a condition to approving the site plan and design review approval of the expansion of WFH, the City of Oregon City ("City") is requiring a four foot street dedication along the east side of Division Street, which will involve all frontage along currently existing Tax Lots 200, 201, 300, and 2100 owned by WFH and all frontage along currently existing T.L. 103 owned by Avamere.

E. As part of this Agreement, the Parties are entering into a series of easements which will replace the Access, Parking and Utility Easement Agreement, which will be terminated by a separate Termination of Access, Parking and Utility Easement Agreement to be recorded immediately prior to this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, it is agreed as follows:

1. <u>Street Dedications</u>. WFH agrees to provide a 4 foot street dedication to the City pursuant to the City's Deed of Dedication form along the full frontage of T.L. 200, 201, 300 and 2100 on the east side of Division Street. Avamere similarly agrees to provide a 4 foot street dedication to the City pursuant to the City's Deed of Dedication form along the full frontage of T.L. 103 on the east side of Division Street. The WFH and Avamere Deeds of Dedication will be processed by the City and recorded after (i) the recordation of the six lot line adjustments, but not recorded during any of the lot line adjustments, and (ii) the recordation of the easements in this Agreement.

2. Lot Line Adjustments. The Parties agree that the following six (6) lot line adjustments shall occur, and the respective Parties agree to execute appropriate lot line adjustment applications and to execute their respective bargain and sale deeds as set forth below to accomplish the lot line adjustments. The lot line adjustments will be accomplished sequentially in the order appearing below. The lot line adjustments shall take place and shall be recorded prior to (i) the effectiveness and recordation of any of the easements set forth in Sections 3 et seq., and (ii) the street dedications. An Application For Lot Line Adjustment on the form of the City of Oregon City will be used for each of the six lot line adjustments. WFH will be responsible for the application fees for all six lot line adjustments. The six lot line adjustments are as follows:

2.1 Willamette Falls Hospital will eliminate T.L. 200 by executing a lot line adjustment (legal description identification: Tract V), moving the east line of said tax lot to its west line, hence eliminating the parcel. This will be a deed – Willamette Falls Hospital to Willamette Falls Hospital, Adjustment No. 1.

2.2 Willamette Falls Hospital will eliminate T.L. 300 by executing a lot line adjustment (legal description identification: Tract VI), moving the north line of said tax lot to its south line, hence eliminating the parcel. This will be a deed – Willamette Falls Hospital to Willamette Falls Hospital, Adjustment No. 2.

2.3 Willamette Falls Hospital will convey to Avamere a portion of the revised T.L. 201 (legal description identification: Tract III) by executing a lot line adjustment, moving the south line of the revised tax lot 25 feet north. This will be a deed – Willamette Falls Hospital to Avamere, Adjustment No. 3.

2.4 Avamere will convey to Willamette Falls Hospital a portion of T.L. 103 (legal description identification: Tract IV) by executing a lot line adjustment, swinging the north line of T.L. 201 (between Division St. and the east line of T.L. 201) about a point on the east line of said tax lot that is 55' south of the north line of T. L. 103. The reconfigured line will extend easterly from the aforementioned point 8', then proceed north 55' to the south line of the Doctors

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Hospital tract (T.L. 2100). This will be a deed – Avamere to Willamette Falls Hospital, Adjustment No. 4.

2.5 Willamette Falls Hospital will then convey to itself T.L. 201 (less Tract III) and Tract IV, consolidated into a single parcel (legal description identification: Tract I). This will be a deed – Willamette Falls Hospital to Willamette Falls Hospital, Adjustment No. 5.

2.6 Avamere will convey to itself T.L. 103 (less Tract IV) and Tract III, consolidated into a single parcel (legal description identification: Tract II). This will be a deed – Avamere to Avamere, Adjustment No. 6.

3. Grant of Easement from WFH to Avamere for Access and Utilities.

3.1 <u>Easement I</u>. WFH hereby grants and conveys to Avamere a nonexclusive permanent easement on, under, and across the property of WFH identified as Easement I described in Exhibit "A", page 1, and depicted in the schematic drawing in Exhibit "B", page 1.

Scope. Avamere, its agents, independent contractors and invitees shall use the 3.2 Easement I granted in this Section 3 only for road and utility purposes for access to Avamere's property described as Tract II in Exhibit B, page 1, which is a description of Avamere's property to which this easement is appurtenant. The road purposes of this Easement I are limited to vehicular and pedestrian ingress and egress by WFH and Avamere. There shall be no parking by Avamere, its agents, independent contractors and invitees on the property described in this Easement I. WFH, its agents, independent contractors and invitees may park on the sides of this Easement I as long as such use by WFH does not obstruct Avamere's easement described in this Section 3 for road and utility purposes. The utility purposes of this Easement I are limited to water, power, sewer and other utility lines necessary to serve Avamere's property described as Tract II from Division Street. The use of this Easement I by Avamere, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting Avamere, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, Avamere's rights hereunder shall not lapse in the event of Avamere's failure to use this Easement I on a continuous basis.

3.3 <u>Maintenance and Repair</u>. WFH shall maintain and make necessary repairs to the property of WFH described in Easement I. The cost of periodic maintenance and necessary repairs to the property of WFH described in Easement I shall be borne exclusively by WFH. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement I.

3.4 <u>Taxes</u>. WFH shall pay when due all real property taxes, assessments or other charges against the property of WFH identified as Easement I described in Exhibit "A".

3.5 Fee. Neither Party may charge the other for any fee or toll for use of Easement I.

3.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement I by Avamere, or any parking area, existing building, or building constructed in the future by WFH.

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3.7 <u>Change in Location</u>. WFH shall have the right to change the location of Easement I or replace Easement I with a reasonably comparable easement by providing 90 days advance written notice to Avamere. Avamere agrees that its access and utilities rights in this Easement I shall, at WFH's expense, be moved and transferred to the new location selected by WFH and set forth in the notice. If Easement I is relocated or replaced, WFH may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement I and eliminate any rights of Avamere in the original Easement I. Such amendment shall be effective whether or not signed by Avamere, but Avamere shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by WFH.

4. Grant of Easement from Avamere to WFH for Access and Utilities.

4.1 <u>Easement II</u>. Avamere hereby grants and conveys to WFH a nonexclusive, permanent easement on, under, and across the property of Avamere identified as Easement II described in Exhibit "A", page 2, and depicted in the schematic drawing in Exhibit "B", page 2.

Scope. WFH, its agents, independent contractors and invitees shall use the 4.2 Easement II granted in this Section 4 only for road and utility purposes for access to WFH's property described in Exhibit B, page 2 as Tract I and Tax Lots 2100 and 101, which are descriptions of WFH's property to which this easement is appurtenant. The road purposes of this Easement II are limited to vehicular and pedestrian ingress and egress by Avamere and WFH, except that WFH service vehicles will not use Easement II. There shall be no parking by WFH, its agents, independent contractors and invitees on the property described in this Easement II. Avamere, its agents, independent contractors and invitees may park on the sides of this Easement II as long as such use by Avamere does not obstruct WFH's easement described in this Section 4 for road and utility purposes. The utility purposes of this Easement II are limited to water, power, sewer and other utility lines necessary to serve WFH's property described in the first sentence of this Section 4.2. The use of this Easement II by WFH, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting WFH, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, WFH's rights hereunder shall not lapse in the event of WFH's failure to use this Easement II on a continuous basis.

4.3 <u>Maintenance and Repair</u>. Avamere shall maintain and make necessary repairs to the property of Avamere described in Easement II. The cost of periodic maintenance and necessary repairs to the property of Avamere described in Easement II shall be divided equally between Avamere and WFH. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement II.

4.4 <u>Taxes</u>. Avamere shall pay when due all real property taxes, assessments or other charges against the property of Avamere identified as Easement II described in Exhibit "A".

4.5 Fee. Neither Party may charge the other for any fee or toll for use of Easement II.

4.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement II by WFH, or any parking area, existing building, or building constructed in the future by Avamere.

4.7 <u>Change in Location</u>. Avamere shall have the right to change the location of Easement II or replace Easement II with a reasonably comparable easement by providing 90 days advance written notice to WFH. WFH agrees that its access and utilities rights in this Easement II shall, at Avamere's expense, be moved and transferred to the new location selected by Avamere and set forth in the notice. If Easement II is relocated or replaced, Avamere may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement II and eliminate any rights of WFH in the original Easement II. Such amendment shall be effective whether or not signed by WFH, but WFH shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by Avamere.

5. Grant of Easement from Avamere to WFH for Access and Utilities.

5.1 <u>Easement III</u>. Avamere hereby grants and conveys to WFH a nonexclusive, permanent easement on, under, and across the property of Avamere identified as Easement III described in Exhibit "A", page 3, and depicted in the schematic drawing in Exhibit "B", page 3.

Scope. WFH, its agents, independent contractors and invitees shall use the 5.2 Easement III granted in this Section 5 only for road and utility purposes for access to and from WFH's property described in Exhibit B, page 3 as Tract I, which is a description of WFH's property to which this easement is appurtenant, and Division Street, and to and from Tract I and Easement III to Easement I and Easement II, and to Tax Lots 2100 and 101. The road purposes of this Easement III are limited to vehicular and pedestrian ingress and egress by Avamere and WFH. There shall be no parking by WFH, its agents, independent contractors and invitees on the property described in this Easement III. Avamere, its agents, independent contractors and invitees may park on the sides of this Easement III as long as such use by Avamere does not obstruct WFH's easement described in this Section 5 for road and utility purposes. The utility purposes of this Easement III are limited to water, power, sewer and other utility lines necessary to serve WFH's property, including Tract I, and Tax Lots 2100 and 101. The use of this Easement III by WFH, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting WFH, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, WFH's rights hereunder shall not lapse in the event of WFH's failure to use this Easement III on a continuous basis.

5.3 <u>Maintenance and Repair</u>. Avamere shall maintain and make necessary repairs to the property of Avamere described in Easement III. The cost of periodic maintenance and necessary repairs to the property of Avamere described in Easement III shall be borne exclusively by Avamere. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement III.

5.4 <u>Taxes</u>. Avamere shall pay when due all real property taxes, assessments or other charges against the property of Avamere identified as Easement III described in Exhibit "A".

5.5 <u>Fee</u>. Neither Party may charge the other for any fee or toll for use of Easement

5.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement III by WFH, or any parking area, existing building, or building constructed in the future by Avamere.

5.7 <u>Change in Location</u>. Avamere shall have the right to change the location of Easement III or replace Easement III with a reasonably comparable easement by providing 90 days advance written notice to WFH. WFH agrees that its access and utilities rights in this Easement III shall, at Avamere's expense, be moved and transferred to the new location selected by Avamere and set forth in the notice. If Easement III is relocated or replaced, Avamere may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement III and eliminate any rights of WFH in the original Easement III. Such amendment shall be effective whether or not signed by WFH, but WFH shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by Avamere.

6. No Easement IV. There is no Easement IV.

III.

7. Grant of Easement from WFH to Avamere for Utilities.

7.1 <u>Easement V</u>. WFH hereby grants and conveys to Avamere a nonexclusive permanent easement under and across the property of WFH identified as Easement V described in Exhibit "A", page 4, and depicted in the schematic drawing in Exhibit "B", page 4.

7.2 <u>Scope</u>. Avamere, its agents, independent contractors and invitees shall use the Easement V granted in this Section 7 only for utility purposes, to wit: water, power, sewer and other utility lines necessary to serve Avamere's property described as Tract II in Exhibit B, page 4, from Trillium Park Drive. WFH, its agents, independent contractors and invitees may park on the sides of this Easement V and otherwise use Easement V as long as such use does not obstruct Avamere's easement described in this Section 7 for utility purposes. The use of this Easement V by Avamere, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting Avamere, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, Avamere's rights hereunder shall not lapse in the event of Avamere's failure to use this Easement V on a continuous basis.

7.3 <u>Maintenance and Repair</u>. WFH shall maintain and make necessary repairs to the property of WFH described in Easement V. The cost of periodic maintenance and necessary repairs to the property of WFH described in Easement V shall be borne exclusively by WFH. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement V. Avamere shall be responsible, at its expense, for maintaining and making necessary repairs to any utilities serving Avamere's property by means of Easement V.

7.4 <u>Taxes</u>. WFH shall pay when due all real property taxes, assessments or other charges against the property identified as Easement V described in Exhibit "A".

7.5 Fee. Neither Party may charge the other for any fee or toll for use of Easement V.

7.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement V by Avamere, or any parking area, existing building, or building constructed in the future by WFH.

7.7 <u>Change in Location</u>. WFH shall have the right to change the location of Easement V or replace Easement V with a reasonably comparable easement by providing 90 days advance written notice to Avamere. Avamere agrees that its utilities rights in this Easement V shall, at WFH's expense be moved and transferred to the new location selected by WFH and set forth in the notice. If Easement V is relocated or replaced, WFH may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement V and eliminate any rights of Avamere in the original Easement V. Such amendment shall be effective whether or not signed by Avamere, but Avamere shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by WFH.

8. Grant of Easement from WFH to Avamere for Access.

8.1 <u>Easement VI</u>. WFH hereby grants and conveys to Avamere a nonexclusive permanent easement on and across the property of WFH identified as Easement VI described in Exhibit "A", page 5, and depicted in the schematic drawing in Exhibit "B", page 5.

8.2 <u>Scope</u>. Avamere, its agents, independent contractors and invitees shall use the Easement VI granted in this Section 8 only for road purposes for access to Avamere's property described as Tract II, in Exhibit B, page 5 which is a description of Avamere's property to which this easement is appurtenant. The road purposes of this Easement VI are limited to vehicular and pedestrian ingress and egress by WFH and Avamere. There shall be no parking by Avamere, its agents, independent contractors and invitees on the property described in this Easement VI. WFH, its agents, independent contractors and invitees may park on the sides of this Easement VI and otherwise use Easement VI as long as such use by WFH does not obstruct Avamere's easement described in this Section 8 for road purposes. The use of this Easement VI by Avamere, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting Avamere, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, Avamere's rights hereunder shall not lapse in the event of Avamere's failure to use this Easement VI on a continuous basis.

8.3 <u>Maintenance and Repair</u>. WFH shall maintain and make necessary repairs to the property of WFH described in Easement VI. The cost of periodic maintenance and necessary repairs to the property of WFH described in Easement VI shall be borne exclusively by WFH. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement VI.

8.4 <u>Taxes</u>. WFH shall pay when due all real property taxes, assessments or other charges against the property of WFH identified as Easement VI described in Exhibit "A".

8.5 <u>Fee</u>. Neither Party may charge the other for any fee or toll for use of Easement VI.

8.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement VI by Avamere, or any parking area, existing building, or building constructed in the future by WFH.

8.7 <u>Change in Location</u>. WFH shall have the right to change the location of Easement VI or replace Easement VI with a reasonably comparable easement by providing 90 days advance written notice to Avamere. Avamere agrees that its access and utilities rights in this Easement VI shall, at WFH's expense, be moved and transferred to the new location selected by WFH and set forth in the notice. If Easement VI is relocated or replaced, WFH may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement VI and eliminate any rights of Avamere in the original Easement VI. Such amendment shall be effective whether or not signed by Avamere, but Avamere shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by WFH.

9. Grant of Easement from WFH to Avamere for Access.

9.1 <u>Easement VII</u>. WFH hereby grants and conveys to Avamere a nonexclusive permanent easement on and across the property of WFH identified as Easement VII described in Exhibit "A", page 6 and depicted in the schematic drawing in Exhibit "B", page 6.

9.2 <u>Scope</u>. Avamere, its agents, independent contractors and invitees shall use the Easement VII granted in this Section 9 only for road purposes for access to Avamere's property described as Tract II in Exhibit B, page 6, which is a description of Avamere's property to which this easement is appurtenant. The road purposes of this Easement VII are limited to vehicular and pedestrian ingress and egress by WFH and Avamere. There shall be no parking by Avamere, its agents, independent contractors and invitees on the property described in this Easement VII. WFH, its agents, independent contractors and invitees may park on the sides of this Easement VII and otherwise use Easement VII as long as such use by WFH does not obstruct Avamere's easement described in this Section 9 for road purposes. The use of this Easement VII by Avamere, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting Avamere, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, Avamere's rights hereunder shall not lapse in the event of Avamere's failure to use this Easement VII on a continuous basis.

9.3 <u>Maintenance and Repair</u>. WFH shall maintain and make necessary repairs to the property of WFH described in Easement VII. The cost of periodic maintenance and necessary repairs to the property of WFH described in Easement VII shall be borne exclusively by WFH. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement VII.

9.4 <u>Taxes</u>. WFH shall pay when due all real property taxes, assessments or other charges against the property of WFH identified as Easement VII described in Exhibit "A".

9.5 <u>Fee</u>. Neither Party may charge the other for any fee or toll for use of Easement VII.

9.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement VII by Avamere, or any parking area, existing building, or building constructed in the future by WFH.

9.7 <u>Change in Location</u>. WFH shall have the right to change the location of Easement VII or replace Easement VII with a reasonably comparable easement by providing 90 days advance written notice to Avamere. Avamere agrees that its access and utilities rights in this Easement VII shall, at WFH's expense, be moved and transferred to the new location selected by WFH and set forth in the notice. If Easement VII is relocated or replaced, WFH may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement VII and eliminate any rights of Avamere in the original Easement VII. Such amendment shall be effective whether or not signed by Avamere, but Avamere shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by WFH.

10. Grant of Easement from WFH to Avamere for Access.

10.1 <u>Easement VIII.</u> WFH hereby grants and conveys to Avamere a nonexclusive permanent easement on and across the property of WFH identified as Easement VIII described in Exhibit "A", page 7, and depicted in the schematic drawing in Exhibit "B", page 7.

10.2 <u>Scope</u>. Avamere, its agents, independent contractors and invitees shall use the Easement VIII granted in this Section 10 only for road purposes for access to Avamere's property described as Tract II in Exhibit B, page 7, which is a description of Avamere's property to which this easement is appurtenant. The road purposes of this Easement VIII are limited to vehicular and pedestrian ingress and egress by WFH and Avamere. There shall be no parking by Avamere, its agents, independent contractors and invitees on the property described in this Easement VIII. WFH, its agents, independent contractors and invitees may park on the sides of this Easement VIII and otherwise use Easement VIII as long as such use by WFH does not obstruct Avamere's easement described in this Section 10 for road purposes. The use of this Easement VIII by Avamere, its agents, independent contractors and invitees shall be on a regular, continuous, nonexclusive, non-priority basis benefiting Avamere, its successors, assigns, lessees, invitees, tenants, customers, agents and employees. However, Avamere's rights hereunder shall not lapse in the event of Avamere's failure to use this Easement VIII on a continuous basis.

10.3 <u>Maintenance and Repair</u>. WFH shall maintain and make necessary repairs to the property of WFH described in Easement VIII. The cost of periodic maintenance and necessary repairs to the property of WFH described in Easement VIII shall be borne exclusively by WFH. Required maintenance shall include the removal of snow, ice and debris as soon as practicable after their occurrence, and any restriping and sign maintenance necessary for clear marking of the roadway described in this Easement VIII.

10.4 <u>Taxes</u>. WFH shall pay when due all real property taxes, assessments or other charges against the property of WFH identified as Easement VIII described in Exhibit "A".

⁹⁻ PROPERTY LINE ADJUSTMENT AGREEMENT C:Wy Documents/Word/2004 Documents/WFH-Avamere PLA & Easement Agreement-3.doc

10.5 <u>Fee</u>. Neither Party may charge the other for any fee or toll for use of Easement VIII.

10.6 <u>No Impediment to Use</u>. No installation, repair or maintenance of any utility line or facility shall curtail or unreasonably impede the use of Easement VIII by Avamere, or any parking area, existing building, or building constructed in the future by WFH.

10.7 <u>Change in Location</u>. WFH shall have the right to change the location of Easement VIII or replace Easement VIII with a reasonably comparable easement by providing 90 days advance written notice to Avamere. Avamere agrees that its access and utilities rights in this Easement VIII shall, at WFH's expense, be moved and transferred to the new location selected by WFH and set forth in the notice. If Easement VIII is relocated or replaced, WFH may record an instrument indicating the relocated or replaced easement, and such instrument shall serve to amend this Easement VIII and eliminate any rights of Avamere in the original Easement VIII. Such amendment shall be effective whether or not signed by Avamere, but Avamere shall execute it or such other document necessary to indicate the relocated or replaced easement when and if requested by WFH.

WFH agrees to the following: (1) WFH will Additional Agreements of WFH. 11. construct driveway access and curbs from the northeast corner of Avamere's property described as Tract II in Exhibit B, page 1 to Easement II and Easement VI (and WFH will close off Avamere's access in the southeast corner of Avamere's property to WFH's Tax Lot 101), (2) WFH will relocate utilities (PGE, gas, telephone, cable TV and water) which serve Avamere to Easement V, (3) WFH will construct a new parking area on the east side of Avamere's property described as Tract II in Exhibit B which will include 22 parking spaces (which includes two vanpool spaces as required by the conditional use review), (4) WFH will remount the existing MV Rehab street sign at Location A, and uplight the sign, (5) WFH will move and uplight the sign that will go to the top of porte cochere (Location D), (6) WFH will construct two bicycle parking spaces and a sign "bicycle parking" at the front of the Avamere nursing home, (7) WFH will give Avamere approval over sign shop drawings that relate to Avamere's property, (8) WFH will provide a directional sign at Location C, (9) WFH will provide reasonable landscaping that will shield SNF rooms in the Avamere nursing home from traffic on the new driveway, Location G. Subject to the conditional use requirements of the City of Oregon City, Avamere has the right to approve the landscape drawings as they pertain to this area, (10) WFH will provide "No Hospital Parking" signs at Locations E and F, (11) WFH will pay any lender or HUD fee, including their attorneys fees (excluding the time of Lawrence Lopardo), (12) WFH will install 2 to 4 speed bumps, based on the WFH architect's advice as to how many will be appropriate, on Easement II, and (13) subject to the conditional use requirements of the City of Oregon City, WFH will install directional signs at Locations H and I directing parking lot traffic to exit in the 2 directions that are not towards the Avamere facility. The attached Exhibit 11 shows the Locations referenced in this Section 11, provided, however, that this Section 11 supersedes anything to the contrary in Exhibit 11. In addition, WFH will pay \$25,000 to Avamere in consideration for Avamere's execution of this Agreement. Such payment shall be made on the date of completion and recordation of all of the street dedications, the lot line adjustments, and the easements set forth in this Agreement.

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12. <u>Condemnation</u>. In the event that any roadway or utility area, or a part thereof, is taken by power of eminent domain, or is conveyed under threat of condemnation and such taking will render the area unusable for normal, regular access or pedestrian crossing activities, this Agreement shall terminate as to the particular easement affected by the condemnation. If such taking does not render the roadway or pedestrian crossing unusable, the obligations of the parties hereto shall be abated to the extent of such taking but this Agreement shall otherwise continue in full force and effect. Proceeds from any such condemnation shall belong exclusively to the party owning the parcel subject to the condemnation.

13. Additional Easements.

13.1 Upon request of either party the other shall grant such reasonable, additional permanent, appurtenant easements under or along the easements established in this Agreement, as the case might be, as are necessary for installing, repairing or maintaining water, gas, sewer, storm drainage, electrical or telephone lines and associated utility facilities servicing all or a portion of the property of the requesting party. The cost of all such installation, repair and maintenance shall be borne by the requesting party unless the other party will also use such easement for similar purposes. In such event, the parties shall jointly share such costs.

13.2 No installation, repair or maintenance of any such utility line or facility shall curtail or unreasonably impede the use of any roadway, parking area, existing building, or building constructed in the future by either party.

14. <u>Breach of Obligations</u>. If either party fails to perform its obligations under this Agreement, the other party shall be entitled to require such performance by suit for specific performance or, where appropriate, through injunctive relief. Such remedies shall be in addition to any other remedies afforded under Oregon law and those rights of cure and reimbursement specifically granted under this Agreement.

15. <u>Attorney Fees</u>. In the event of any dispute or breach under this Agreement, the prevailing party shall be entitled, whether or not any action or arbitration is instituted, to recover from the other party its reasonable costs, disbursements and attorney fees, including without limitation at trial, on appeal, on denial of any petition for review, in connection with any bankruptcy proceeding, and in connection with enforcement of any judgment.

16. <u>Effect of Agreement</u>. The easements granted hereunder shall run with the land as to, and be appurtenant to, all property burdened and benefited by such easements, including any division or partition of such property. Except where otherwise indicated in this Agreement, the rights, covenants and obligations contained in this Agreement shall bind, burden and issue to the benefit of each party's successors and assigns, mortgagees and beneficiaries under a deed of trust.

17. <u>Amendments</u>. This Agreement may only be amendment by an instrument in writing executed by all parties to this Agreement.

18. <u>Liability</u>. Each of the Parties hereto agrees to be liable for its own conduct, and for that of its officers, directors, members, managers, agents, and employees. In the event that loss or damage results from the conduct of more than one Party, each Party agrees to be responsible for its own proportionate share of the claimant's damages under the laws of the State of Oregon.

11- PROPERTY LINE ADJUSTMENT AGREEMENT C:\My Documents\Word\2004 Documents\WFH-Avamere PLA & Easement Agreement-3.doc

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Conditions Precedent. This Agreement is subject to the written approval or agreement of 19. HUD and GMAC, and BNY Western Trust Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

MOUNTAIN VIEW AVAMERE PROPERTIES, LLC By: ickard Miller, Member By: **Richard Dillon** Member

WILLAMETTE FALLS HOSPITAL

By: Russell P. Reinhard

Chief Executive Officer

STATE OF OREGON) ss. County of <u>Clackama</u>

The foregoing instrument was acknowledged before me this 15^{th} day of <u>April</u>, 2004 by K. Rickard Miller, Member, and by Richard Dillon, Member, of Mountain View Avamere Properties, LLC, on behalf of the limited liability company.



STATE OF OREGON)) ss. County of CLACKAMAS)

The foregoing instrument was acknowledged before me this 15th day of Area., 2004 by Russell P. Reinhard, Chief Executive Officer of Willamette Falls Hospital, an Oregon nonprofit corporation, on behalf of the corporation.

Notary Public for Oregon My commission expires: B-29-07



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EASEMENT I:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 01 degrees 49 minutes 03 seconds West a distance of 81.40 feet along the line that is the West line of Claim No. 44 and the East right of way of Division Street to a point that is the True Point of Beginning;

Thence South 34 degrees 00 minutes 00 seconds East a distance of 74.17 feet to a point; Thence South 86 degrees 08 minutes 51 seconds East a distance of 176.70 feet to a point; Thence North 26 degrees 23 minutes 44 seconds East a distance of 118.91 feet to a point; Thence South 01 degrees 49 minutes 03 seconds West a distance of 24.89 feet to a point; Thence North 86 degrees 08 minutes 51 seconds West a distance of 8.00 feet to a point; Thence South 01 degrees 49 minutes 03 seconds West a distance of 139.98 feet to a point; Thence North 86 degrees 08 minutes 51 seconds West a distance of 261.62 feet to a point on the line that is the West line of Claim No. 44 and the East right of way of Division Street; Thence North 01 degrees 49 minutes 03 seconds East a distance of 54.98 feet along the line that is the West line of Claim No. 44 and East right of way of Division Street to a point; Thence South 86 degrees 08 minutes 51 seconds East a distance of 30.77 feet to a point; Thence North 34 degrees 00 minutes 00 seconds West a distance of 52.54 feet to a point on the line that is the West line of Claim No. 44 and the East right of way of Division Street; Thence North 01 degrees 49 minutes 03 seconds East a distance of 17.09 feet along the line that is the West line of Claim No. 44 and the East right of way of Division Street to a point, said point being the True Point of Beginning.

EASEMENT II:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 86 degrees 08 minutes 51 seconds East with the South boundary of said Doctors Hospital Association tract a distance of 4.00 feet to a point on the East right of way of Division Street;

Thence continuing South 86 degrees 08 minutes 51 seconds East a distance of 265.62 feet with the South boundary of said Doctors Hospital Association tract to a point that is the True Point of Beginning;

Thence South 86 degrees 08 minutes 51 seconds East a distance of 350.49 feet continuing along the South boundary of the Doctors Hospital Association tract to a point; Thence South 01 degrees 51 minutes 06 seconds West a distance of 20.01 feet to a point; Thence North 86 degrees 08 minutes 51 seconds West a distance of 313.45 feet to a point; Thence South 26 degrees 23 minutes 44 seconds West a distance of 108.19 feet to a point; Thence North 01 degrees 49 minutes 03 seconds East a distance of 65.00 feet to a point; Thence South 86 degrees 08 minutes 51 seconds East a distance of 8.00 feet to a point; Thence North 01 degrees 49 minutes 03 seconds East a distance of 55.00 feet to a point; Thence North 01 degrees 49 minutes 03 seconds East a distance of 55.00 feet to a point;

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EASEMENT III:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 01 degrees 49 minutes 03 seconds West a distance of 194.98 feet coincident with the West line of Claim No. 44 and the East right of way of Division Street to a point that is the True Point of Beginning;

Thence South 86 degrees 08 minutes 51 seconds East a distance of 261.62 feet to a point; Thence South 01 degrees 49 minutes 03 seconds West a distance of 25.02 feet to a point, said point being on the northerly boundary of that tract of land conveyed to McDeb, an Oregon general partnership, in Fee Number 97-076224, Clackamas County Records; Thence North 86 degrees 08 minutes 51 seconds West a distance of 261.62 feet along said northerly McDeb boundary to a point on the line that is the West line of Claim No. 44 and the East right of way of Division Street;

Thence North 01 degrees 49 minutes 03 seconds East a distance of 25.02 feet along the line that is the West line of Claim No. 44 and the East right of way of Division Street to a point, said point being the True Point of Beginning.

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EASEMENT V:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 86 degrees 08 minutes 51 seconds East coincident with the south boundary of said Doctors Hospital Association tract a distance of 4.00 feet to a point on the East right of way of Division Street;

Thence South 86 degrees 08 minutes 51 seconds East a distance of 616.11 feet along the southerly boundary of said Doctors Hospital Association tract to a point that is the Northwest corner of that tract of land conveyed to Willamette Falls Community Hospital by deed recorded in Fee Number 95-015175, Clackamas County Records;

Thence South 01 degrees 51 minutes 06 seconds West a distance of 337.30 feet to the Southwest corner of said Willamette Falls Community Hospital tract and the True Point of Beginning;

Thence South 86 degrees 21 minutes 31 seconds East a distance of 91.24 feet along the southerly boundary of said Willamette Falls Community Hospital tract to a point of curvature on the westerly right of way of Trillium Park Avenue;

Thence a distance of 5.05 feet along the arc of a 120.00 foot radius curve to the right, whose chord bears North 13 degrees 22 minutes 38 seconds East a distance of 5.05 feet to a point;

Thence, leaving said westerly right of way of Trillium Park Avenue, North 86 degrees 08 minutes 51 seconds West a distance of 92.28 feet to a point on the westerly boundary of said Doctors Hospital Association tract;

Thence South 01 degrees 51 minutes 06 seconds West a distance of 5.00 feet to a point, said point being the True Point of Beginning.

EASEMENT VI:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 86 degrees 08 minutes 51 seconds East coincident with the south boundary of said Doctors Hospital Association tract a distance of 4.00 feet to a point on the East right of way of Division Street;

Thence South 86 degrees 08 minutes 51 seconds East a distance of 556.11 feet along the southerly boundary of said Doctors Hospital Association tract to a point that is the True Point of Beginning;

Thence North 47 degrees 08 minutes 53 seconds East a distance of 109.92 feet to a point; Thence North 02 degrees 32 minutes 48 seconds West a distance of 319.98 feet to a point on the South boundary of that tract of land conveyed to Willamette Falls Community Hospital in that Memorandum of Real Estate Agreement recorded as Fee No. 79-01768, Clackamas County Records:

Thence South 86 degrees 09 minutes 16 seconds East with the South boundary of said tract a distance of 30.36 feet to the Southeast corner thereof;

Thence South 86 degrees 09 minutes 16 seconds East with the South boundary of that tract of land conveyed to Hospital Convalescent and Nursing Manor, Inc. in the Warranty Deed recorded as Book 660, Page 789, Clackamas County Records, a distance of 9.65 feet to a point;

Thence South 02 degrees 32 minutes 48 seconds West a distance of 354.99 feet to a point; Thence South 47 degrees 08 minutes 53 seconds West a distance of 61.83 feet to a point; Thence North 86 degrees 08 minutes 51 seconds West a distance of 73.79 feet to a point on the southerly boundary of said Doctors Hospital Association tract, said point being the True Point of Beginning.

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EASEMENT VII:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 86 degrees 08 minutes 51 seconds East coincident with the south boundary of said Doctors Hospital Association tract a distance of 4.00 feet to a point on the East right of way of Division Street;

Thence North 02 degrees 06 minutes 15 seconds East a distance of 400.00 feet along the East right of way of Division Street to the northerly boundary of said Doctors Hospital Association tract;

Thence South 86 degrees 09 minutes 17 seconds East with the North boundary of said Doctors Hospital Association tract 646.0 feet, more or less, to a point, said point being the Southwest corner of that tract of land conveyed to Willamette Falls Community Hospital in that Memorandum of Real Estate Agreement recorded as Fee No. 79-01768, Clackamas County Records, and the True Point of Beginning;

Thence North 02 degrees 05 minutes 52 seconds East with the West boundary of said Willamette Falls Community Hospital tract a distance of 40.02 feet to a point; Thence South 86 degrees 09 minutes 17 seconds East a distance of 30.67 feet to a point; Thence South 02 degrees 32 minutes 48 seconds West 40.02 feet to a point on the South boundary of said Willamette Falls Community Hospital tract;

Thence North 86 degrees 09 minutes 17 seconds West with the South boundary of said Willamette Falls Community Hospital tract 30.36 feet to a point, said point being the True Point of Beginning.

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EASEMENT VIII:

An easement in Section 32, Township 2 South, Range 2 East, Willamette Meridian, in the City of Oregon City, Clackamas County, Oregon, being a portion of the Ezra Fisher Donation Land Claim, No. 44, more particularly described as follows:

Commencing at the 5/8 inch diameter iron rod on the West line of said claim that is North 01 degrees 49 minutes 03 seconds East a distance of 1538.75 feet, more or less, from the Southwest corner of said claim, said iron rod also marking the Southwest corner of that tract conveyed by deed to Doctors Hospital Association, recorded December 27, 1957 as Book 534, Page 590, Clackamas County Records;

Thence South 86 degrees 08 minutes 51 seconds East coincident with the south boundary of said Doctors Hospital Association tract a distance of 4.00 feet to a point on the East right of way of Division Street;

Thence North 02 degrees 06 minutes 15 seconds East a distance of 400.00 feet along the East right of way of Division Street to a point on the Southerly boundary of that tract of land conveyed to Hospital Convalescent and Nursing Manor, Inc. in the Warranty Deed recorded in Book 660, Page 789, Clackamas County Records, said point being the True Point of Beginning;

Thence, continuing with the East right of way of Division Street, North 02 degrees 06 minutes 15 seconds East a distance of 30.01 feet to a point;

Thence South 86 degrees 09 minutes 16 seconds East a distance of 320.99 feet to a point; Thence North 02 degrees 05 minutes 47 seconds East a distance of 10.00 feet to a point; Thence South 86 degrees 09 minutes 16 seconds East a distance of 325.01 feet to a point; Thence South 02 degrees 05 minutes 47 seconds West a distance of 40.02 feet to a point; Thence North 86 degrees 09 minutes 16 seconds West a distance of 646.00 feet to a point; Thence North 86 degrees 09 minutes 16 seconds West a distance of 646.00 feet to a point;





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