



TYPE II APPLICATION – LAND USE

File #: VAR23-0002

TYPES – PLEASE CHECK ONE:

- Design review
- Tentative Plan for Partition
- Tentative Plan for Subdivision
- Type II Major Modification
- Variance _____
- Other: (Explain) _____

APPLICANT INFORMATION:

APPLICANT: George Fox University
 ADDRESS: 414 N. Meridian St. CITY: Newberg STATE: Oregon ZIP: 97132
 EMAIL ADDRESS: dschutter@georgefox.edu PHONE: 503-554-2014 MOBILE: 503-317-5614

OWNER (if different from above): _____ PHONE: _____
 ADDRESS: _____ CITY: _____ STATE: OR ZIP: _____

ENGINEER/SURVEYOR: _____ CONTACT: _____
 EMAIL ADDRESS: _____ PHONE: _____ MOBILE: _____

GENERAL INFORMATION:

PROJECT LOCATION: 1515 N. Portland Rd. PROJECT VALUATION: \$ 513,563
 PROJECT DESCRIPTION/USE: TI (plus build out of 1775 sq. ft. in basement) total building gross area incl. basement is 6750 sq. ft.
 MAP/TAX LOT NO. (i.e. 3200AB-400): R3220BA-00402 SITE SIZE: 1.3 SQ. FT. ACRE
 COMP PLAN DESIGNATION: tax lot 400, 401, 402 are I, others C2 CURRENT ZONING: I
 CURRENT USE: Medical Clinic - Providence Sleep Center
 SURROUNDING USES:
 NORTH: C-2 Attrell's and I George Fox SOUTH: C-2, Portland Rd. / Hwy 99W frontage
 EAST: C-2 Thai the Knot Resturant and Newbergundian Bistro WEST: C-2 Medici Commercial Building

ATTACHED PROJECT CRITERIA AND REQUIREMENTS (check all that apply)

- General Checklist:** Fees Public Notice Information Current Title Report Written Criteria Response Owner Signature
 2 Copies of full Application Packet

For detailed checklists, applicable criteria for the written response, and other requirements per application type, turn to:

- Design Review p. 13
- Partition Tentative Plat p. 15
- Subdivision Tentative Plat p. 17
- Variance Checklist p. 20
- Short-term Rental p. 22

The Application Packet can be submitted to Planning@newbergoregon.gov or at 414 E First St., Newberg OR. 97132
 If the Application is emailed 2 physical copies must be mailed or brought into the Community Development Department

The above statements and information herein contained are in all respects true, complete, and correct to the best of my knowledge and belief. Tentative plans must substantially conform to all standards, regulations, and procedures officially adopted by the City of Newberg. All owners must sign the application or submit letters of consent. Incomplete or missing information may delay the approval process.

Dan Schutter 4/7/2023
 Applicant Signature Date

Jeremiah Horton 4.7.2023
 Owner Signature Date

Dan Schutter
 Print Name

Jeremiah Horton
 Print Name



Community Development Department

P.O. Box 970 • 414 E First Street • Newberg, Oregon 97132
503-537-1240. Fax 503-537-1272 www.newbergoregon.gov

WE WANT YOUR COMMENTS ON A PROPOSED NEW DEVELOPMENT IN YOUR NEIGHBORHOOD

A property owner in your neighborhood submitted an application to the City of Newberg to construct *Existing Building Renovations including buildout of and existing basement area*. You are invited to take part in the City's review of this project by sending in your written comments. For more details about giving comments, please see the back of this sheet.

The development would include renovating part of the exiting build, including build out of the existing basement are, and adding windows to the basement level of the west elevation.

APPLICANT: *George Fox University – Dan Schutter*
TELEPHONE: *503-554-2014*

PROPERTY OWNER: *George Fox University*

LOCATION: *1515 N. Portland Rd. (Hwy 99W)*

TAX LOT NUMBER: *3219BA - 00402*



We are mailing you information about this project because you own land within 500 feet of the proposed new project. We invite you to send any written comments for or against the proposal within 14 days from the date this notice is mailed.

If you mail your comments to the City, please put the following information on the outside of the envelope:

Written Comments: File No. *VAR-23-KAA*
City of Newberg
Community Development Department
PO Box 970
Newberg, OR 97132

You can look over all the information about this project or drop comments off at Newberg City Hall, 414 E. First Street. You can also buy copies of the information for a cost of 25 cents a page. If you have any questions about the project, you can call the Newberg Planning Division at 503-537-1240.

All written comments must be turned in by 4:30 p.m. on **enter date two weeks from date you mailed notice**. Any issue which might be raised in an appeal of this case to the Land Use Board of Appeals (LUBA) must be submitted to the City in writing before this date. You must include enough detail to enable the decision maker an opportunity to respond. The applicable criteria used to make a decision on this application for design review approval are found in Newberg Development Code 15.220.050(B).

The Community Development Director will make a decision at the end of a 14-day comment period. If you send in written comments about this project, you will be sent information about any decision made by the City relating to this project.

Date Mailed: ***Date notice is mailed***

Land Use Notice

File # VAR-23-00xx

PROPOSAL: Allow Non-compliant on-site parking for an existing building renovation Project.

FOR FURTHER INFORMATION, CONTACT:

City of Newberg
Planning & Building Department
414 E. First Street
Phone 503-537-1240

PLANNING DIVISION FILE #: _____

**CITY OF NEWBERG
AFFIDAVIT OF NOTICING**

REFERENCE ATTACHED LIST(S)/NOTICE(S)

I, _____, do hereby certify that the attached Notice of Land Use Action was:

- a) mailed to the following list of property owners, by United States mail, postage prepaid
on _____;
(date)
- b) posted on the site according to standards established in Newberg Development Code §15.100.260
on _____.
(date)

I acknowledge that failure to mail the notice in a timely manner constitutes an agreement by the applicant to defer the 120-day process limit and acknowledge that failure to mail will result in the automatic postponement of a decision on the application 15.100.210.(D)(2) _____.
(date)

Signature Date

Print name

R3217CD 04000
Newberg State Bank
PO Box 94839
Cleveland, OH 44101

R3220BB 03800
City of Newberg
PO Box 970
Newberg, OR 97132

R3217CD 04002
Clinic LLC Villa
308 N Villa Rd
Newberg, OR 97132

R3217CD 04100
Wilfred Liew
17662 SW Galewood Dr
Sherwood, OR 97140

R3220BB 04200
John & Melissa Kubitz
1318 E 1st St
Newberg, OR 97132

R3220BA 02303
Heinrich & Melanie Sohler
102 S Church St
Newberg, OR 97132

R3220BA 02100
David & Carol Morse
5808 SW Multnomah Blvd
Portland, OR 97219

R3220BA 01000
City of Newberg
535 NE 5th St
Mcminnville, OR 97128

R3220BA 02601
Jose & Anay Rivera
110 S Church St
Newberg, OR 97132

R3220BA 02900
Sandra Jordan
1519 E 2nd St
Newberg, OR 97132

R3217CD 06000
George Fox University
414 N Meridian St
Newberg, OR 97132

R3220BA 00100
M & L Douglas LLC
11500 NE Anna Dr
Newberg, OR 97132

R3220BA 00600
Circle K Stores Inc
255 E Rincon St STE 100
Corona, CA 92879

~~R3217CD 05900
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3220BA 03000
Renee & Craig May
70885 Indian Ford Rd
Sisters, OR 97759

R3220BA 02304
Tai Harden & Andre Moore
1502 E 1st St
Newberg, OR 97132

R3220BA 01600
Portland Road Properties LLC
433 N Camden Dr Ste 1000
Beverly Hills, CA 90210

~~R3220BA 00301
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3217CD 06002
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3220BB 05300
Andrew & Stephanie Dufour
109 S Church St
Newberg, OR 97132

R3217CD 03800
Daniel & Rhonda Hawkins
623 Rossanley Dr
Medford, OR 97501

R3220BA 00500
Harold & Dorothy Medici
28005 NE Bell Rd
Newberg, OR 97132

~~R3220BB 00600
George Fox University
200 N Carlton Way
Newberg, OR 97132~~

~~R3217CD 06200
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3217CD 06100
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3220BB 00800
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3220BA 01300
Akshar Enterprise LLC
1864 E Portland Rd
Newberg, OR 97132

R3217CD 06500
Kyle Kern
1941 N Westlake Loop
Newberg, OR 97132

R3220BA 02310
Stephanie & Anthony Carpenter
1514 E 1st St
Newberg, OR 97132

R3220BA 02309
Tassy Davis
Po Box 160
Forest Grove, OR 97116

R3220BA 02305
Sharon Walker
5007 E Longest Dr
Newberg, OR 97132

~~R3220BB 00700
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3217CD 04001
Newberg State Bank
1515 E Portland Rd
Newberg, OR 97132

R3220BA 02700
Joshua Allan & Samantha Milner
1509 E 2nd St
Newberg, OR 97132

R3220BA 02800
Wesley & Stephanie Hall
1517 E 2nd St
Newberg, OR 97132

~~R3220BB 00300
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3217CD 03300
Paul & Rebecca Fodge
1321 E Palomino Ct
Newberg, OR 97132

R3217CD 03600
Sisters Of Providence
800 5th Ave # 1200
Seattle, WA 98104

R3220BA 02200
Richard Taylor
3920 SW Condor Ave
Portland, OR 97239

R3220BA 02311
Cindy Stetson & Jace Rode
1516 E 1st St
Newberg, OR 97132

~~R3220BA 00300
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3217CD 06700
Oregon Care Group LLC
302 9th St
Wenatchee, WA 98801

R3220BA 00800
Pacific Resources Associates L
15350 SW Sequoia Pkwy STE 300
Portland, OR 97224

R3217CD 03900
Daniel & Rhonda Hawkins
623 Rossanley Dr
Medford, OR 97501

~~R3217CD 06300
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3217CD 03700
Newberg State Bank
1815 E Portland Rd
Newberg, OR 97132

~~R3220BB 00500
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3220BB 03900
David Randall
1412 E 1st St
Newberg, OR 97132

R3220BA 02307
Deborah Quinoa
1508 E 1st St
Newberg, OR 97132

R3220BA 02301
Julie & Steven Fugate
Po Box 412
Sherwood, OR 97140

R3220BA 01200
Enes Alacano
PO Box 1159
Deerfield, IL 60015

R3217CD 03500
Providence Health System Inc
800 5th Ave # 1200
Seattle, WA 98104

R3220BA 00200
M & L Douglas LLC
11500 NE Anna Dr
Newberg, OR 97132

R3220BA 00900
City of Newberg
535 NE 5th St
Mcminnville, OR 97128

R3220BB 04100
Douglas Baisley
1400 E 1st St
Newberg, OR 97132

R3217CD 03400
Sisters Of Providence
800 5th Ave # 1200
Seattle, WA 98104

R3220BB 04000
Abraham & Devin Salazar
400 Lavender St
Silverton, OR 97381

R3220BA 02306
Julie & Steven Fugate
Po Box 412
Sherwood, OR 97140

R3220BA 02312
Den Of Newberg LLC
5105 SW 45th Ave STE 201
Portland, OR 97221

R3220BA 02308
Julie & Steven Fugate
Po Box 412
Sherwood, OR 97140

R3220BA 01100
Stuart & Violet Richey
PO Box 1159
Deerfield, IL 60015

R3220BA 02600
Crystal Lott-Perkins
114 S Church St
Newberg, OR 97132

R3220BA 00700
Pacific Resources Associates L
15350 SW Sequoia Pkwy STE 300
Portland, OR 97224

~~R3220BA 00400
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3220BA 02000
Mcbride Insurance Agency Inc
1548 E 1st St
Newberg, OR 97132

R3220BA 02302
Julie & Steven Fugate
Po Box 412
Sherwood, OR 97140

~~R3220BA 00402
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3217CD 06001
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3217CC 00100
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3220BB 00100
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3220BA 00401
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3217CD 06600
George Fox University
414 N Meridian St
Newberg, OR 97132~~

~~R3220BB 00101
George Fox University
414 N Meridian St
Newberg, OR 97132~~

R3217CD 03204
Newberg Professional Center As
Po Box 63
Newberg, OR 97132

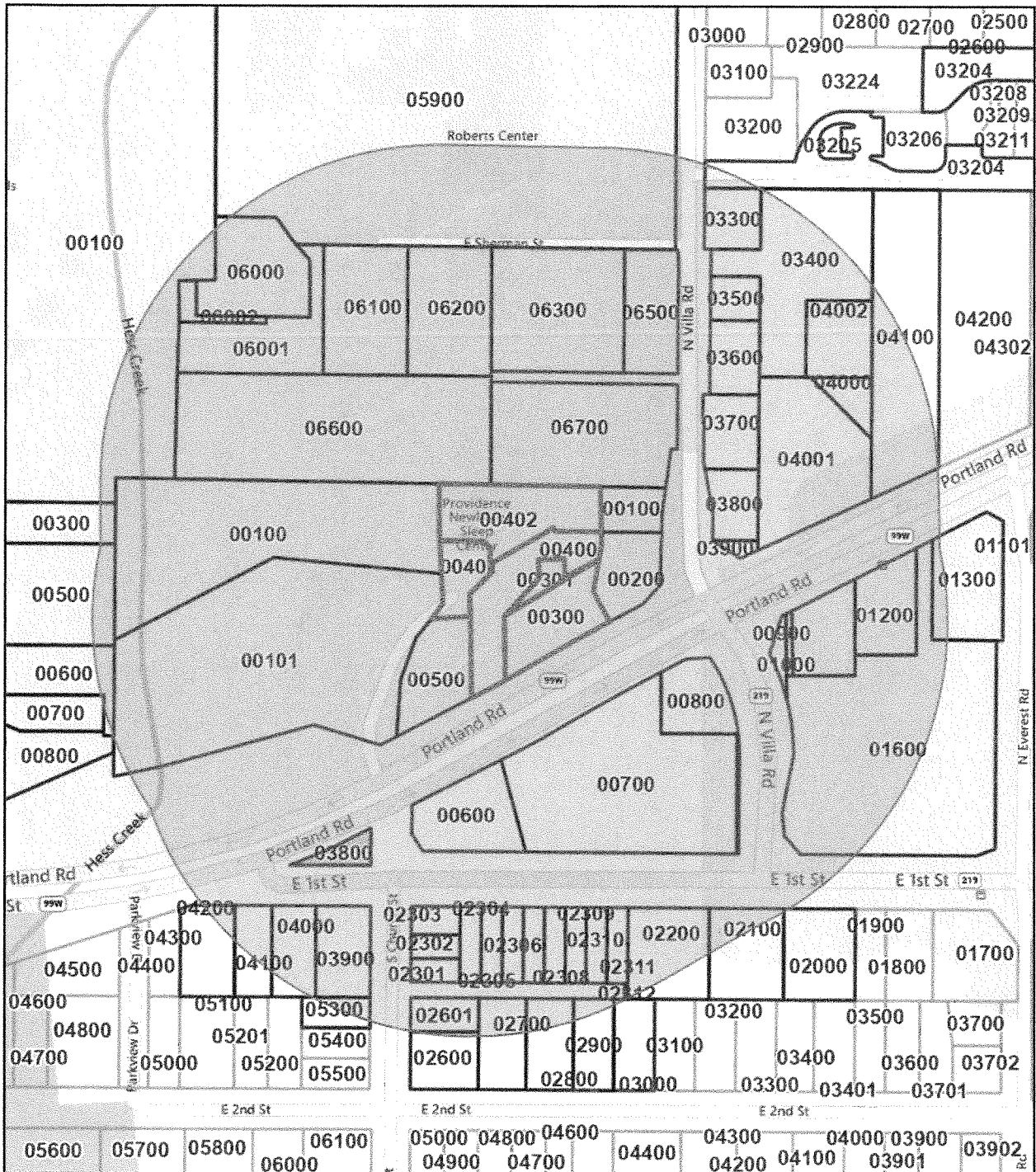


First American Title™

500 ft Buffer

1513 E Portland Rd, Newberg, OR 97132

Report Generated: 3/1/2023



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DESIGN REVIEW CRITERIA RESPONSE

VARIANCE CRITERIA RESPONSE

FOR

George Fox University Health Clinic Renovation

1515 Portland Road,
Newberg OR 97132

Tax. Lot R3220BA 00400, 401, 402, 300, 301

April 7, 2023



GEORGE FOX
UNIVERSITY

414 N. Meridian Street
Newberg, OR 97132-2697

Contact: Dan Schutter
Associate Director, Physical Plant
503.554.2014
dschutter@georgefox.edu

PROPOSED PROJECT DESCRIPTION

This Variance is submitted in support of a Type 2 Land Use permit application and is needed for gaining approval of the proposed project with less on-site parking than required by the Newberg Development code. The proposed project will increase the parking space requirement for this development from 15 to 24. This property has 60 parking spaces but shares non-exclusive parking privileges with two adjacent properties making a combined total parking requirement of 106 parking spaces according to NMC 15.440.010. The adjacent properties have about 20 spaces of their own, providing a combined total of about 80 spaces.

This proposed project involves renovating a single story medical office (plus basement level) located at 1515 Portland Road. This building was previously used as a sleep study center by Providence health providers and is being renovated to provide medical and mental health Clinical Services provided by Providence medical services along with educational and instructional training provided by George Fox University for its Behavioral Health Sciences Students (aka practicum instruction). The proposed work includes renovating the existing 1000 sq. ft. of storage space in the basement and building out about 775 sq. ft. of the unfinished basement area to create about 1775 sq. ft. of total office and instructional space at the basement level for clinical health services provided by George Fox University. The total gross building area used for medical services will increase from the existing 4975 sq. ft. to 6750 sq. ft.

The building is located on tax lot 3220BA-00402, at 1515 N. Portland Rd. (aka State Hwy 99W). The site encapsulates the nearby tax lots 300, 301, 400, and 401, all owned by George Fox University, which are used for site access and circulation, parking, and a trash enclosure. It should be noted that tax lots 300 and 301 are zoned C-2 per the Newberg Interactive zoning map, and lots 400, 401 and 402 are listed as Institutional. The adjoining business located to the east of this site, the Newbergundian Bistro on lot 100 and Thai the Knot restaurant located on lot 200, are both listed on the interactive map as C-2 but the business to the west, the Medici building with Sub Terra Kitchen and Cellar on the lower level and several businesses located on the upper level, located on lot 500 is listed on the interactive map as Institutional and the business located to the northeast, Attrell's Funeral Chapel, located on tax lot 3220CD-06700 is listed on the Interactive map as Institutional. It is assumed these adjacent properties are actually zoned C-2. All properties on this block, whether zoned Institutional or Commercial are within the Institutional overlay (I-O) zone.

The existing parking lot located on the George Fox University owned property has 60 total spaces including 2 marked ADA spaces. The adjacent properties

have parking spaces of their own including 5 spaces at Thai the Knot Restaurant, 5 at the Newbergundian Bistro, and about 15 located at the Medici Building (these are not marked well making it difficult to count the number accurately). There have been numerous agreements down through the years between the various adjoining property owners concerning non-exclusive parking privileges but it appears the most recent recorded documents allow for non-exclusive right to vehicular access and parking in the parking lot located on tax lots R3220BA-00300, 00301, and 00400 for the adjacent businesses located at 1505 E. Portland Rd. (aka the Medici building) and 201 N. Villa Rd. (Tie the Knot Restaurant). Reference Attached Exhibit A.

Prior to September 2003 the property where the Newbergundian Bistro is located (203 Villa Rd.) had non-exclusive shared parking privileges and the property where Thai the Knot is located (201 Villa Rd.) had none. At this time 203 Villa Road was a retail pharmacy and 201 Villa Road was a Convenience store (7 eleven). According to recorded Instrument 200324281 (Exhibit B), recorded on September 9, 2003, the non-exclusive shared parking privileges were transferred from 203 Villa Rd. (tax lot 100) to 201 Villa Rd. (tax lot 200), leaving the property at 203 Villa Rd. with no shared parking privileges. On September 9, 2003 when this non-exclusive shared parking agreement was made the previous owner of the property, now owned by George Fox University, namely Providence Medical Services, it was understood the adjacent property would be made into a retail pharmacy with a drive through pick-up service window. Reference recorded instrument 200324281, recitals paragraph 3. It was sometime later that 201 Vila Road was issued a change in use and made into a restaurant, increasing the number of parking spaces per NMC 15.440.010 from 9 to 26 (based on a gross building area of 2600 sq. ft.). The change in use approving the restaurant was issued on March 18, 2015 under permit no. 623-15-000134-STR.

The history of the terms and assumed conditions for the non-exclusive shared parking privileges for the adjacent Medici building, located at 1515 Portland Road (tax lot 3220BA-00500) is not as well defined. The owners of the property now owned by George Fox University prior to Providence Medical Services agreed to non-exclusive shared parking privileges with the Medici property per recorded instrument film 241 P0786 (Exhibit D) recorded March 7, 1990. It is uncertain what the occupancy of the building on this property was at the time this agreement was made but it is estimated Sub Terra moved in about the early 2000s and prior to Sub Terra the entire building was primarily retail business use. In this case the current NMC 15.440.010 code would have required only 28 parking spaces. A change in use of the lower level from Retail Business to Restaurant use increased the number of parking spaces required from 28 to 42, taking up almost half of the applicants parking.

Parking Space Requirements based on current use

Property Name	Address	Tax Lot No.	No. of Spaces Provided	Gross Bldg. Area (sq. ft.)	Occupancy use	Parking Space Factor	No. of Spaces Required
George Fox Medical Clinic	1515 N. Portland Rd.	R3220DB-00401, 402	0	6750	Medical Office	3.5 per 1000	24
		R3220DB-00301, 400	24		Parking		
		R3220DB-00300	26		Parking		
Medici Bldg. Sub Terra Lower level	1505 N. Portland Rd.	R3220DB-00500	3	4150	Restaurant w/o drive through	1 per 100 sq. ft.	42
Medici Bldg. Businesses Upper level	1505 N. Portland Rd.	R3220DB-00500	12	4150	Retail Business w/o bulky	1 per 300 sq. ft.	14
Thai the Knot	201 N. Villa Rd.	R3220DB-00200	5	2600	Restaurant w/o drive through	1 per 100 sq. ft.	26
		Total Parking Spaces Provided	80			Total Parking Spaces Required	106

15.215.040 Type II variance criteria.

The Type II procedure shall be used to process a [variance](#) request. The [hearing body](#) shall grant the [variance](#) if the following criteria are satisfied:

- A. That strict or literal interpretation and enforcement of the specified regulation would result in practical difficulty or unnecessary physical hardship inconsistent with the objectives of this [code](#).

Response - The proposed development will increase the required number of parking spaces from 15 to 24. Given the unusual circumstances involving the non-exclusive shared parking privileges with adjacent property owners it appears that strict and literal interpretation of NMC 15.440.010 would require the applicant to construct 30 additional parking spaces, increasing the amount of on-site parking from 60 spaces to 86 spaces, but most of this to meet the code requirements for the adjacent businesses. At least one space would need to be ADA, including accessible route to the applicant's building and perhaps additional accessible routes to the Medici building on the adjacent property to the west. The applicant's property has insufficient space for this additional parking lot and the cost will be exorbitant, making this both practically difficult and a financial hardship.

B. That there are exceptional or extraordinary circumstances or conditions applicable to the property involved or to the intended use of the property which do not apply generally to other properties classified in the same zoning district.

Response - The parking situation for this property is certainly unusual if not completely unique in that it must share parking spaces with two adjacent properties. The adjacent property owners hold a right to non-exclusive parking privileges according to agreements made by previous owners and passed down with the title to the land but there are no legal guidelines concerning how many spaces are to be allowed for each of the property owners or any direction concerning additional parking spaces required if any of the adjacent property owners make a change in use that requires more parking per NMC 15.440.010. It appears that both of the adjacent property owners have made a change in use that added significantly to the amount of parking required on the applicant's property without providing any additional parking on their own property. It seems an extraordinary circumstance that the city granted change in use permits for the adjacent property owners without requiring some means to meet the code requirements for the requisite parking spaces.

Also, it is probably unusual that any other property owner happens to own over 80 acres of property with more than 1500 parking spaces directly adjacent to the proposed development. In this case, the George Fox University campus is directly adjacent to the north side of the proposed development and the proposed use will allow to some degree shared use of the available parking on the main campus. Part on the proposed use involves students and faculty from the Doctor of Clinical Psychology program located in the Robert's Center located a short distance to the north of the proposed development and to some degree these people will walk over from the main campus.

C. *That strict or literal interpretation and enforcement of the specified regulation would deprive the applicant of privileges enjoyed by the owners of other properties classified in the same zoning district.*

Response - It appears that the adjoining property owner located at 203 Villa Rd. (current location of the Newbergundian Bistro) completed a change in use from Retail Business (formally Mike's Pharmacy) to a restaurant (Java Jungle) in 2006 without providing the required increase in parking spaces per NMC 15.440.010. This business has approximately 1500 gross building sq. ft. so the 5 on-site parking spaces are sufficient for retail business use but not nearly enough to meet the one space per 100 sq. ft. required per code NMC15.440 for a restaurant. If George Fox University was allowed to apply this same privilege to the adjacent restaurants that have non-exclusive shared parking privileges then the existing 76 on-site parking spaces would be adequate.

D. *That the granting of the variance will not constitute a grant of special privilege inconsistent with the limitations on other properties classified in the same zoning district.*

It appears that the adjoining property at 203 N. Villa Rd. (Newbergundian Bistro) was granted and currently enjoys the same special privilege that the applicant is requesting except that it is uncertain if the adjacent property owners was required to obtain a variance to receive this privilege.

E. *That the granting of the variance will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity. [Ord. 2451, 12-2-96. Code 2001 § 151.163.]*

It is very unlikely that the proposed development will have any detrimental effects on public health, safety or welfare or be materially injurious to properties or improvements in the area. On the other hand, the health services that will be provided with this proposed development, namely mental health services offered by George Fox and Providence for both the community at large and more disadvantaged and at-risk people in particular, along with expanding the George Fox program for training more professional care providers, far outweighs the downside, the risk of some uncertain possibility of a full parking lot if customers for both of the adjacent restaurants and the healthcare clients arrive at the same time of day. In this case the on street parking on Villa Road along with adjoining sidewalks that provide for safe, accessible and easy pedestrian access between on street parking and the proposed development.

EXHIBIT A

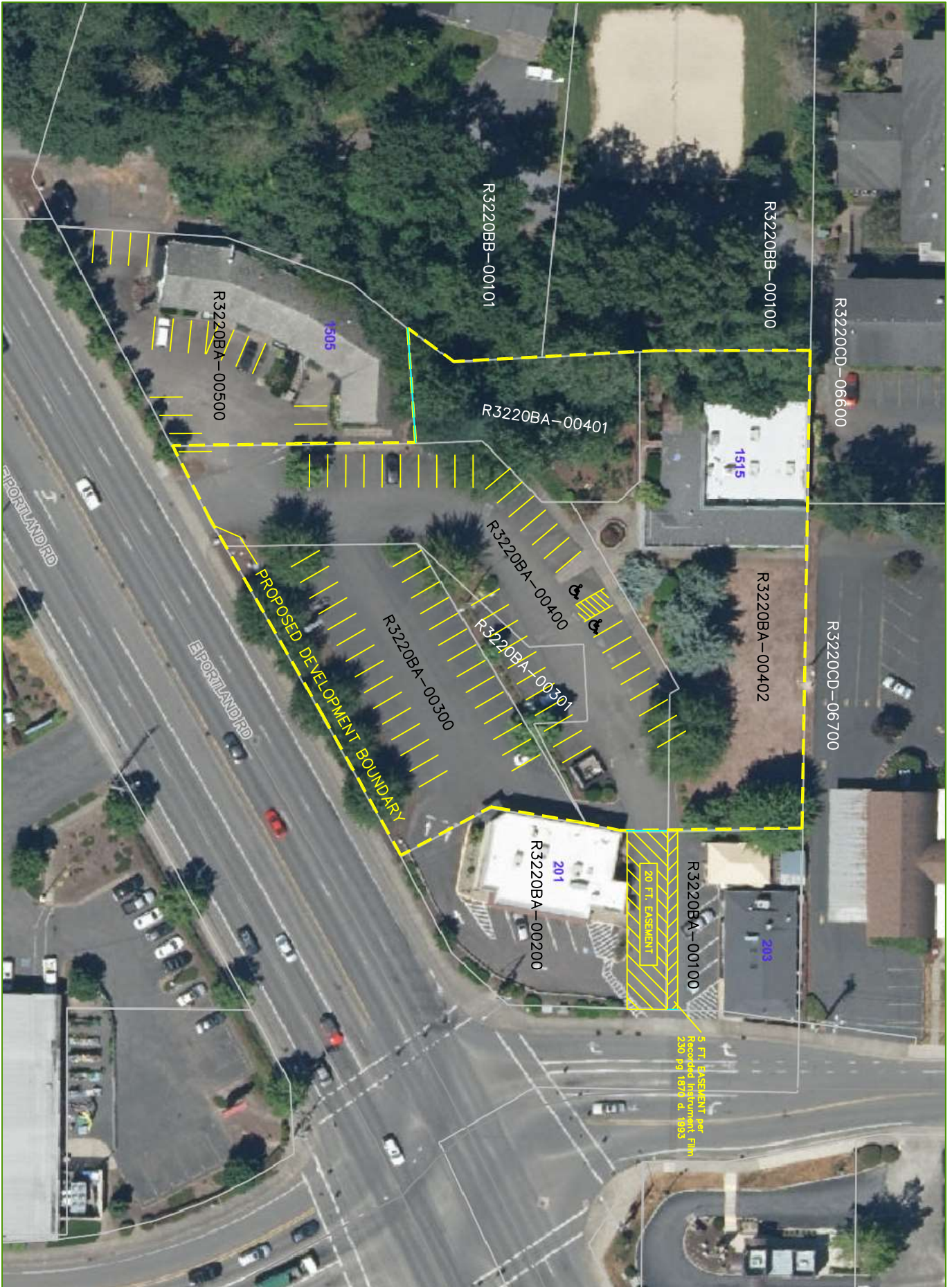


EXHIBIT B
(15 pages)

AFTER RECORDING RETURN TO:

Michael G. Gunn P.C.
Attorney at Law
P.O. Box 1046
Newberg, OR 97132

OFFICIAL YAMHILL COUNTY RECORDS
CHARLES STERN, COUNTY CLERK

200324281



\$96.00

00142411200300242810150152

09/23/2003 09:34:21 AM

SEND ALL TAX STATEMENTS TO:

No Change

DMR-EDMR Cnt=1 Stn=2 ANITA
\$75.00 \$10.00 \$11.00

EASEMENT

This Easement (herein known as "EASEMENT") is made and executed this 16 day of September, 2003, by and between Michael A. Douglas (herein known as "Douglas") and Providence Health System - Oregon (herein known as "Providence");

WITNESSETH:

1. WHEREAS, Douglas is the owner of real property more particularly described on attached Exhibit "A" (herein known as "Douglas existing pharmacy property") and more particularly described on attached Exhibit "B" (herein known as "Douglas proposed pharmacy property").

2. WHEREAS, Providence is the owner of real property more particularly described on attached Exhibit "C" (herein known as "Providence property").

3. WHEREAS, the building that is resident on the proposed pharmacy property is presently vacant, and Douglas desires to utilize the said building as a retail pharmacy as well as a storage facility.

4. WHEREAS, there is a dispute between both parties regarding easement rights that each party may have over the other parties' property, and both parties desire to fully resolve the matter via this EASEMENT.

NOW, WHEREFORE, in consideration of the mutual covenants and restrictions contained herein, both Douglas and Providence bargain and agree as follows:

1. The RECITALS set forth above are true and accurate and are incorporated herein.

2. Providence hereby conveys unto Douglas an easement for egress purposes over a portion of Providence property with the said easement more particularly described on attached Exhibit "D" and set forth as "Parcel D- Ingress and Egress Easement" on the map attached hereto as Exhibit "E" with the purpose of the said easement to allow vehicular traffic which enters the proposed pharmacy property from Villa Rd to utilize drive thru windows on the west side of the said building

THIS IS AN ACCOMMODATION RECORDING ONLY
IT HAS NOT BEEN EXAMINED AS TO ITS CONTENT
NORTHWEST TITLE COMPANY

resident on the Douglas proposed pharmacy property and to also allow vehicular traffic which enters the proposed pharmacy property from Villa Rd and which utilizes parking facilities on the east end of the proposed pharmacy property, to then drive onto the said Providence parking lot so as to then exit the said vehicular traffic onto OR State Hwy 99W.

A. Both Providence and Douglas specifically agree that unless specific written authorization is granted by the City of Newberg, there are to be no improvements (other than asphalt or concrete associated with the said pavement) constructed within this said easement area (i.e., a "no build" zone required for fire purposes since the said building is built to within one foot of the property line separating the Providence property from the proposed pharmacy property); provided, however, that both Providence and Douglas agree that Douglas has obtained permission from the City of Newberg to construct an awning on the said building resident on the Douglas proposed pharmacy property that overhangs approximately 3' into the said easement.

B. Douglas agrees to post any signage that is reasonably necessary to inform customers associated with the proposed pharmacy property that vehicular traffic is to egress through the Providence parking lot and exit on to OR State Hwy 99W, rather than driving "back through" the Providence parking lot and then exiting onto Villa Rd.

1). Providence reserves the right to approve all proposed signage of Douglas associated with these said easements, with approval by Providence not to be unreasonably withheld, and Providence shall have ten (10) days from the date of receipt of the proposed plans to review those plans. If there has been no communication from Providence at the expiration of the said ten (10) day time period, the proposed plans are automatically approved.

2). The said Notice shall be addressed to Dana White whose address is as follows: Regional Real Estate, 4706 NE Glisan #101, Portland, OR 97213 with a copy also to John Bridges, Attorney at Law, 515 E. 1st St, Newberg, OR 97132. The RE line on the communication shall also set forth **IN BOLD FACED AND WITH CAPITAL LETTERS** that the Notice is subject to a ten (10) day time period for response by Providence.

3. Providence hereby conveys unto Douglas easements for landscaping purposes over a portion of the Providence property with the easements more particularly described on attached Exhibits "F" and "G" and set forth as "Parcel F and Parcel G - Landscape Easement" on the map attached hereto as Exhibit "E".

A. Providence reserves the right to approve all landscaping plans of Douglas associated with these said easements, with approval by Providence not to be unreasonably withheld, and Providence shall have ten (10) days from the date of receipt of the proposed plans to review those plans. If there has been no communication from Providence at the expiration of the said ten (10) day time period, the proposed plans are

automatically approved with the said Notice addressed in the same manner as set forth above in Paragraph 2B2).

4. Douglas is responsible for all the maintenance, repairs, and improvements associated with the easements set forth on attached Exhibits "D", "F", and "G".

5. At all material times herein, Douglas agrees to maintain a standard business owners' liability insurance policy with limits not less than \$1,000,000 aggregate naming Providence as an additional named insured.

6. Providence agrees to allow Douglas a maximum of four (4) parking spots for employee purposes associated with the proposed pharmacy property with the location of the parking spots designated by Providence in the southwest corner of the Providence parking lot, and Douglas agrees to notify his employees not to park in any area immediately in front of the existing or future Providence medical building as that area is reserved for patients.

7. Providence warrants and represents to Douglas that there are no money encumbrances which encumber the said Providence property.

8. Douglas hereby conveys unto Providence an easement over a portion of the existing pharmacy property for garbage dumpster purposes with the said easement more particularly described on attached Exhibit "H" and set forth as "Parcel H - Dumpster Easement" on the map attached hereto as Exhibit "E" with specific terms and conditions as follows:

A. Douglas shall construct as directed by the City of Newberg and maintain at his expense the said area where the garbage dumpsters are located as set forth on Exhibit "H"; provided, however, that Providence is responsible for the cost of any maintenance and repairs that are required based on the action of Providence or any person or party acting by and through Providence.

B. Providence will be allowed space for one (1) standard size one yard garbage dumpster and one standard size 100 gallon recycling bin.

C. Providence agrees by the execution and recording of this EASEMENT, that unless authorized to do so by the City of Newberg, there are to be no improvements constructed (other than asphalt or concrete paving) in the area more particularly described on attached Exhibit "I" (i.e., this is a "no build" area required for fire purposes because of the set back requirement associated with the location of garbage dumpsters and the fences surrounding those dumpsters).

9. At all material times herein, Providence agrees to maintain a standard business owners' liability insurance policy associated with its use of the garbage dumpster easement as set forth above with limits not less than \$1,000,000 aggregate naming Douglas as an additional named insured.

10. Douglas warrants and represents to Providence that there are no money encumbrances which encumber the said existing pharmacy property.

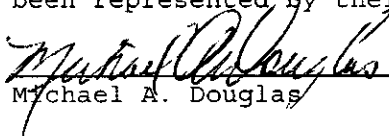
11. Providence and Douglas agree that customers of the existing pharmacy property have rights to park in the Providence property parking lot under the terms and conditions of that certain agreement September 23, 1989 in Film 236 Page 1807 of the deed and mortgage records of Yamhill County, and that both Providence and Douglas agree to allow Douglas to transfer those customer parking rights to the proposed pharmacy property so that customers of the proposed pharmacy property have the right to park in the Providence parking lot; provided, however, that Douglas agrees to inform customers through reasonable signage that they are not to park in any area of the Providence parking lot that is immediately in front of the existing Providence medical building as that area is reserved for patients, and furthermore, that subsequent to the date of recording hereof, that customers of the existing pharmacy property shall no longer have any rights to park in the Providence property parking lot.

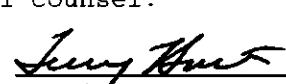
12. All of the said easements set forth herein are perpetual in nature and "run with the land."

13. In case of a breach of any term or condition by either party, the non-breaching party is afforded all available remedies both at law and in equity.

14. In case any suit or action is required to enforce any of the terms and conditions of this said EASEMENT, the non-prevailing party is required to pay the prevailing party's reasonable attorney fees and costs incurred in enforcing the term or condition, both at trial and on appeal.

15. In executing this EASEMENT, both parties agree that they have been represented by their own legal counsel.

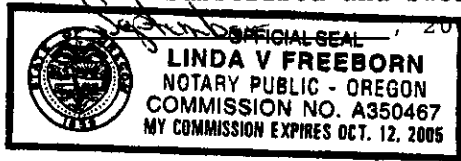

Michael A. Douglas


Providence Health System - Oregon

State of Oregon)
)ss
County of Yamhill)

Personally appeared before me the above-named Michael A. Douglas who acknowledged execution of the foregoing document to be his voluntary act and deed.

Subscribed and sworn to before me this 18 day of



Linda V. Freeborn
Notary Public for Oregon
My commission expires 10/12/05

State of Oregon)
)ss
County of Multnomah

Personally appeared before me the above-named Terry Smith who stated that he was the CEO of Providence Health System - Oregon and who further stated that he was executing the foregoing document with the authority of the Board of Trustees.

Subscribed and sworn to before me this 16 day of
September, 2003.



Melissa Lind
Notary public for Oregon
My commission expires Oct. 20, 2004

EXHIBIT "A"

BEGINNING at a point on the East boundary line of the Daniel D. Deskins Donation Land Claim in Section 20, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, 33 rods and 18 links North of the Southeast corner of said Claim; thence North on the East boundary of said Claim, 70 feet to a point marked with an iron pipe; thence West 271.5 feet to a point marked with an iron pipe and the Northeast corner of that tract conveyed to G.N. Hartly by deed recorded in Book 24, Page 639, Deed Records; thence South 1° 55' East 70 feet to a point marked with an iron pipe thence East 368 feet to the point of beginning.

EXCEPTING THEREFROM the West 238 feet,

ALSO SAVE AND EXCEPT therefrom the Tract of land conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division by Deed Recorded August 14, 1985 in Film Volume 196, Page 1934, Microfilm Records, Yamhill County, Oregon.

Subject to: An easement created by instrument, as recorded in FV: 196, Page 1934, Microfilm Records of Yamhill County

AND FURTHER EXCEPTING THEREFROM that real property conveyed to the Oregon Department of Transportation by Stipulated Final Judgment in Yamhill County Circuit Court Case #CV00-357 and recorded on February 20, 2003 in Instrument #200304092.

6/15

EXHIBIT "B"

PAGE 1 of 2

A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, of the Willamette Meridian in Yamhill County, Oregon, and being that property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County, Oregon.

EXCEPTING therefrom Parcel 1, described as follows: A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, of the Willamette Meridian, Yamhill County, Oregon and being a portion of the property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County; the said parcel being that portion of said property lying Easterly and Southeasterly of the following described line:

BEGINNING at a point opposite and 11.850 meters Westerly of the "V" center line of relocated Villa Road at Engineer's Station "V" 0+268.339; thence Southerly in a straight line to a point opposite and 12.319 meters Westerly of said center line at Engineers Station "V" 0+293.018; thence Southwesterly in a straight line to a point opposite and 19.650 meters Northwesterly of the "F" center line of the relocated Pacific Highway West at Engineers Station "F" 25+163.272; thence Southwesterly parallel with said last mentioned "F" center line to a point opposite Engineers Station "F" 25+258.783.

The "V" center line of relocated Villa Road referred to herein is described as follows: Beginning at Engineer's "V" center line Station "V" 0+200, said station being 250.838 meters North and 140.151 meters West of the Northeast corner of the Joseph B. Rodgers Donation Land Claim No. 55, Township 3 South, Range 2 West, Willamette Meridian Yamhill County, Oregon; thence South 2° 09' 02" West 88.433 meters; thence on a 31.185 meter radius curve left (the long chord of which bears South 13° 02' 08.5" East 16.338 meters) 16.531 meters; thence South 28° 13' 19" East 33.713 meters; thence on a 87.319 meter radius curve right (the long chord of which bears South 13° 07' 50.5" East 45.468 meters) 45.998 meters; thence South 1° 57' 38" West 56.257 meters to Engineer's "V" center line Station "V" 0+440.932.

The "F" center line of the relocated Pacific Highway West referred to herein is described as follows:

BEGINNING at Engineers "F" center line Station "F" 24+960, said station being 207.741 meters North and 28.887 meters East of the Northeast corner of the Joseph B. Rodgers Donation Land Claim No. 55, Township 3 South, Range 2 West, Willamette Meridian, Yamhill County, Oregon; thence South 66° 02' 40" West 118.888 meters; thence on a spiral curve left (the long chord of which bears South 65° 30' 42" West 64.998 meters) 65 meters; thence on a 1165 meter radius curve left (the long chord of which bears South 63° 58' 10" West 19.384 meters) 19.384 meters; thence on a spiral curve left (the long chord of which bears South 62° 25' 38" West 64.998 meters) 65 meters; thence South 61° 53' 40" West 8.704 meters; thence on a spiral curve right (the long chord of which bears South 63° 58' 47" West 94.950 meters) 95 meters; thence on a 435 meter radius curve right (the long chord of which bears South 76° 57' 57" West 133.323 meters) 133.850 meters; thence on a spiral curve right (the long chord of which bears South 89° 57' 07" West 94.950 meters) 95 meters; thence North 87° 57' 46" West 911.086 meters to Engineer's "F" center line Station "F" 26+471.912.

7115

EXHIBIT "B"

PAGE 2 of 2

Bearings are based on County Survey No. CS 10493, dated October 1995, Yamhill County, Oregon.

EXCEPT therefrom that property described in that deed to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded in Film Volume 197, Page 845, Deed Records of Yamhill County.

RESERVING UNTO Grantor a permanent easement for slopes, water, gas, electric and communication service lines, fixtures and facilities, and appurtenances therefore, upon, over, under, and across the property more particularly described as follows:

A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, Willamette Meridian, Yamhill County, Oregon and being a portion of that property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County; the said parcel being that portion of said property lying Easterly and Southeasterly of the following described line:

BEGINNING at a point opposite and 13.850 meters Westerly of the "V" center line of relocated Villa Road at Engineer's Station "V" 0+268.339; thence Southerly in a straight line to a point opposite and 14 meters Westerly of said center line at Engineer's Station "V" 0+279; thence Southerly in a straight line to a point opposite and 17 meters Westerly of said center line at Engineer's Station "V" 0+292; thence Southwesterly in a straight line to a point opposite and 22 meters Northwesterly of the "F" center line of the relocated Pacific Highway West at Engineer's Station "F" 25+168; thence Southwesterly in a straight line to a point opposite and 23 meters Northwesterly of said last mentioned "F" center line at Engineer's Station "F" 25+200.

The "V" center line of relocated Villa Road referred to herein is described in Parcel 1.

The "F" center line of the relocated Pacific Highway West referred to herein is described in Parcel 1.

EXCEPTING therefrom Parcel 1.

8/15

EXHIBIT C

**Tract C
Sisters of Providence in Oregon**

A tract of land in Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at a point at the intersection of the northerly line of Pacific Highway West (Highway 99W) with the Southerly portion of the West line of Parcel 2 of Tax Lot No. 3220BA-400, Newberg Planning Department Partition File P-12-89; said north right-of-way line being parallel with and 19.650 meters distant from the centerline of the relocated Pacific Highway West, Engineer's Centerline "F" as described in Instrument No. 200120558, Yamhill County Deed Records;

Thence continuing North, along said west line of Parcel 2, P-12-89, 119.04 feet more or less to an iron rod; thence South 87°11'41" West 57.38 feet to an iron pipe; thence North 37°57'14" East 28.10 feet to an iron rod; thence North 02°09'20" West 93.37 feet to an iron rod at the westernmost southwest corner of Parcel 1 of said Partition P-12-89; thence North 02°09'20" West 12.23 feet to an iron pipe; thence North 00°43'40" East 72.30 feet to an iron rod; thence South 88°11'40" East 237.90 feet to an iron rod; thence South 00°43'40" East 67.24 feet to an iron rod at the northeast corner of Parcel 2 of said Partition P-12-89; thence South 0°43'40" East 2.74 feet to an iron rod; thence South 1°54'20" West 19.79 feet to an iron rod at an angle point in the common boundary between the "A&W Tract" and the "Gettman Tract", agreement recorded Film 118 Page 1173 Yamhill County Deed Records; thence along said agreement boundary South 10°54'30" West 62.40 feet to an iron rod, and South 25°18'30" East 51.47 feet more or less to the northerly line of said relocated Pacific Highway West at a point 19.650 meters northwesterly as measured perpendicular with Engineer's Centerline "F"; thence southwesterly along the north line of Pacific Highway West 239.74 feet more or less to the point of beginning.

REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
FEBRUARY 14, 1985
LAWRENCE J. ANDERSON
2122

EXP 12-31-03

9/15

EXHIBIT D

PARCEL D

Permanent Easement for Ingress and Egress

A parcel of land is located in the Northwest Quarter of Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, more particularly described as follows:

Beginning at an iron rod at the NE corner of Parcel 2 of Tax Lot No. 3220BA-400, Partition P-12-89, City of Newberg Partition File, recorded in survey by Russell Lawrence dated December 29, 1989 as CSP-9422, Yamhill County Survey Records,

thence S 00°43'40" E, 2.74 feet along the east line of said Parcel 2 to an iron rod marking the northwest corner of the Gettman Tract, as recorded in Film Volume 66, Page 150, Deed Records of Yamhill County;

Thence continuing along the west line of said Gettman Tract the following courses:

S 1°54'20" W, 19.79 feet;

S 10°54'30"W, 62.40 feet;

S 25°18'30" E, 51.47 feet more or less to the north line of Pacific Highway West (99W) said north line being 19.650 meters northwesterly of the Engineer's Centerline "F" of the relocated Pacific Highway as described in Instrument No. 200120558 Yamhill County Deed Records;

Thence N 70°32'16" W 62.34 feet

Thence S 60°01'08"W 124.20 feet;

Thence S 00°01'30" W 56.34 feet to the north line of said Pacific Highway West;

Thence S60°25'34"W along said north line of Pacific Highway West 13.80 feet;

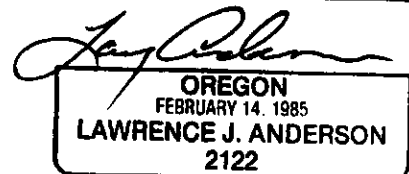
Thence N 00°01'30" E, 68.84 feet;

Thence N 60°01'08" E, 166.97 feet;

Thence N 10°54'30" E, 82.86 feet to the north line of said Parcel 2, Partition P-12-89;

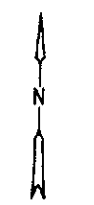
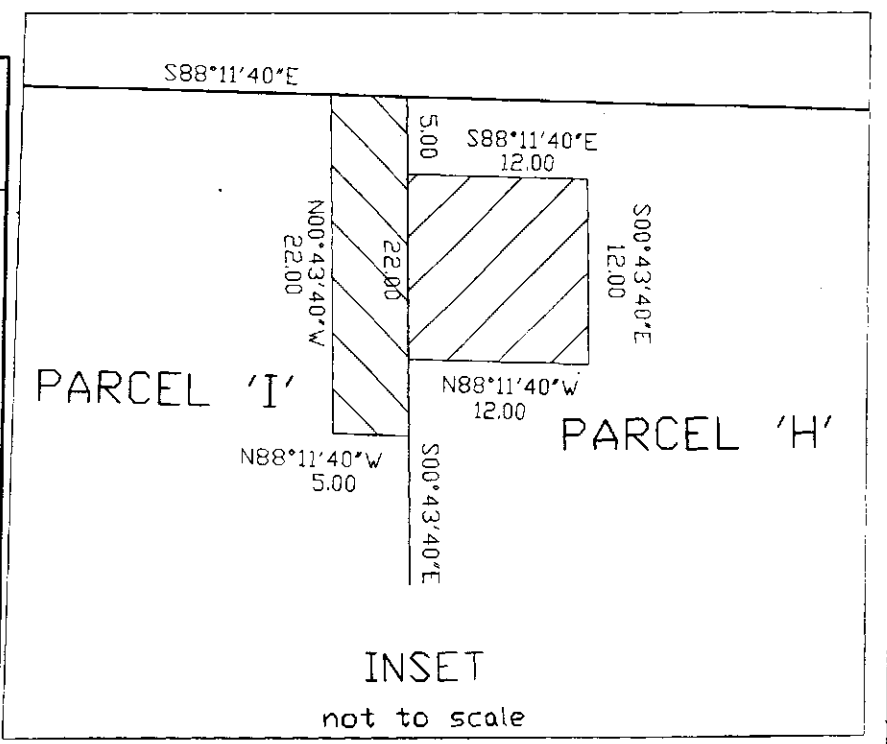
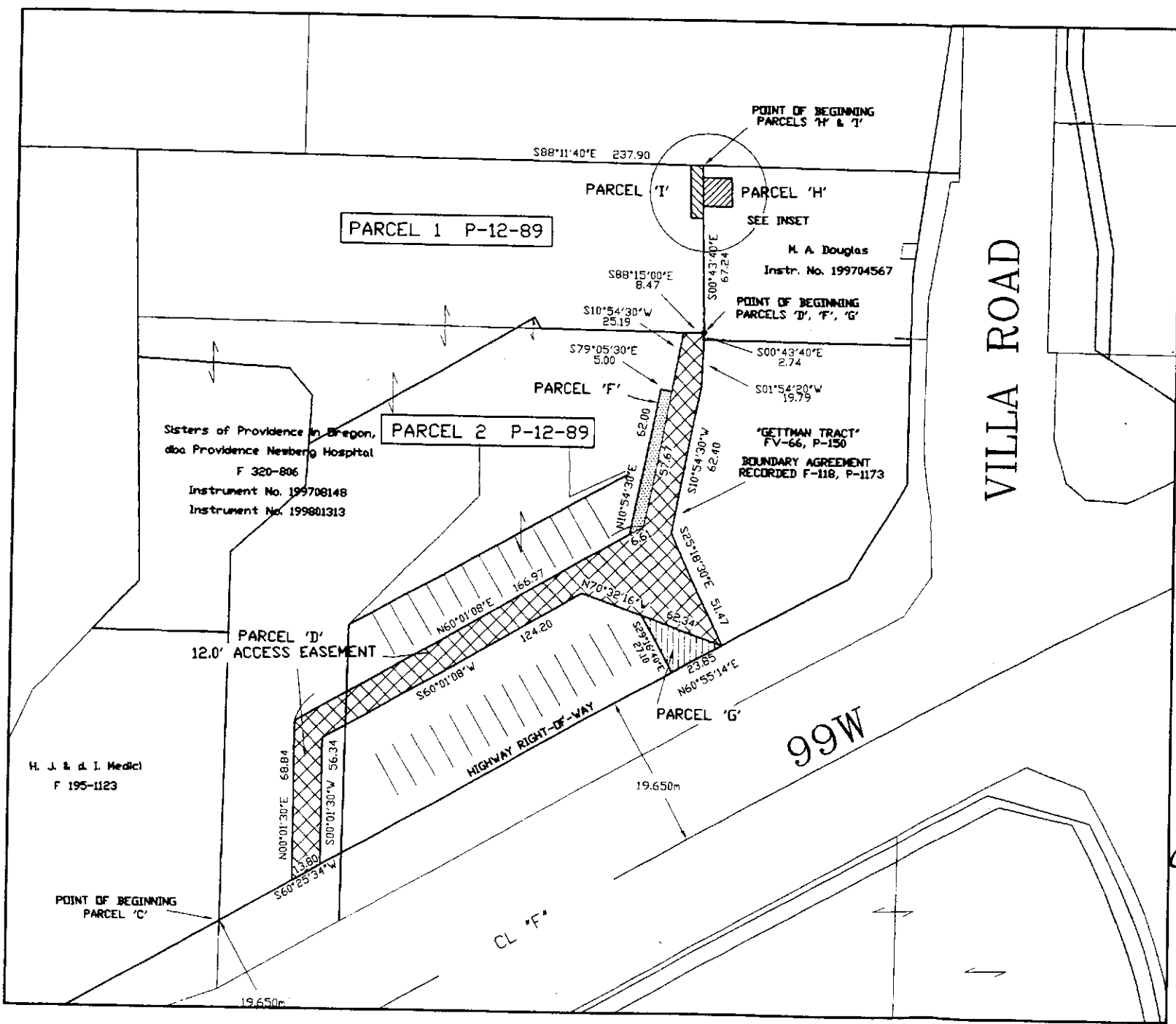
Thence S 88°15'00" E, 8.47 feet to the point of beginning.

Containing 4,472 sq. ft. more or less.




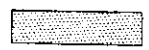

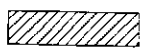

EXP 12-31-03

10/15



SCALE 1" = 50'

LEGEND

-  PARCEL 'D' INGRESS AND EGRESS EASMT
-  PARCEL 'F' LANDSCAPE EASEMENT
-  PARCEL 'G' LANDSCAPE EASEMENT
-  PARCEL 'H' DUMPSTER EASEMENT
-  PARCEL 'I' NO-BUILD EASEMENT

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Lawrence J. Anderson

OREGON
FEBRUARY 14, 1985
LAWRENCE J. ANDERSON
2122

EXP 12-31-03



112 N. SPRINGBROOK ROAD
NEWBERG, OREGON 97132

EASEMENT EXHIBIT E
9/04/03

11/1

EXHIBIT F

**Parcel F
Permanent Landscape Easement**

A parcel of land in located in the northwest quarter of Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at the northeast corner of Parcel 1 of Tax Lot No. 3220BA-400, Newberg Planning Department Partition File No. P-12-89 as recorded in survey by Russell Lawrence dated December 29, 1989 as CSP-9422 Yamhill County Survey Records County Survey

Thence, along the north of said Parcel 1, N 88°15'00" W, 8.47 feet to a point;

Thence S 10°54'30" E, 25.19 feet to the TRUE POINT OF BEGINNING;

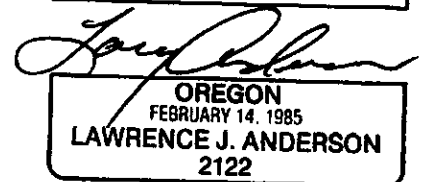
Thence S 10°54'30" W, 57.67 to a point;

Thence S 60°01'08" W, 6.61 feet to a point;

Thence N 10°54'30" E, 62.00;

Thence S 79°05'30" E, 5.00 feet to the point of beginning.

Containing 299 sq. ft. more or less.



EXP 12-31-03

12/15

EXHIBIT G

Parcel G Permanent Landscape Easement

A parcel of land is located in the northwest quarter of Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Commencing at the northeast corner of Parcel 1 of Tax Lot No. 3220BA-400, Newberg Planning Department Partition File No. P-12-89 as recorded in survey by Russell Lawrence dated December 29, 1989 as CSP-9422 Yamhill County Survey Records County Survey

Thence S 00°43'40" E, 2.74 feet along the east line of said Parcel 2 to an iron rod marking the northwest corner of the Gettman Tract, as recorded in Film Volume 66, Page 150, Deed Records of Yamhill County;

Thence continuing along the west line of said Gettman Tract the following courses:

S 1°54'30" W, 19.79 feet;

S 10°54'30"W, 62.40 feet;

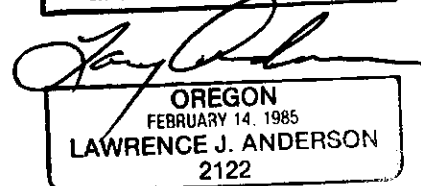
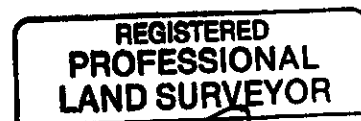
S 25°18'30" E, 51.47 feet more or less to the north line of Pacific Highway West (99W) said north line being 19.650 meters westerly of the Engineer's Centerline "F" of the relocated Pacific Highway as described in Instrument No. 200120558 Yamhill County Deed Records, and the TRUE POINT OF BEGINNING of Parcel- G

Thence N 70°32'16" W 36.17 feet;

Thence S 29°16'40" E 27.10 feet to the north line of said Pacific Highway West (99W);

Thence along said north line of Pacific Highway West N 60°55'14"W 23.85 feet to the TRUE POINT OF BEGINNING.

Containing 320 sq. ft. more or less.



CRD 12-3-03

13/15

EXHIBIT H

**Parcel H
Dumpster Easement**

A parcel of land in located in the northwest quarter of Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at the northeast corner of Parcel 1 of Tax Lot No. 3220BA-400, Newberg Planning Department Partition File No. P-12-89 as recorded in survey by Russell Lawrence dated December 29, 1989 as CSP-9422 Yamhill County Survey Records Thence, along the east line of said Parcel 1, S 00°43'40"E 5.00 feet to the TRUE POINT OF BEGINNING of Parcel H;

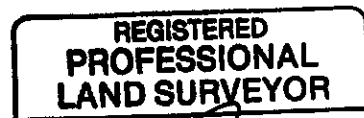
Thence S 88°11'40" E, parallel with the north line of said Parcel 1, 12.00 feet

Thence S 00°43'40"E, parallel with the east line of said Parcel 1, 12.00 feet;

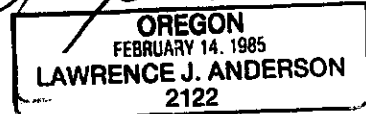
Thence N 88°11'40" W, parallel with the north line of said Parcel 1, 12.00 feet to the east line of said Parcel 1;

Thence along the east line of said Parcel 1, N 00°43'40"W 12.00 to the TRUE POINT OF BEGINNING

Containing 143 sq. ft. more or less.



A handwritten signature in cursive script, appearing to read "Lawrence J. Anderson".



EXP 12-11-03

14/15

EXHIBIT I

**Parcel I
No-build Easement**

A parcel of land is located in the northwest quarter of Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at the northeast corner of Parcel 1 of Tax Lot No. 3220BA-400, Newberg Planning Department Partition File P-12-89 as recorded in survey by Russell Lawrence dated December 29, 1989 as CSP-9422 Yamhill County Survey Records
Thence along the east line of said Parcel 1, S 00°43'40"E 22.00 feet
Thence N 88°11'40" W, parallel with the north line of said Parcel 1, 5.00 feet
Thence N 00°43'40" W, parallel with the east line of said Parcel 1, 22.00 to the north line of said Parcel 1
Thence along the north line of said Parcel 1, S 88°11'40" E 5.00 feet to the point of beginning.

Containing 110.0 square feet more or less

REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
FEBRUARY 14, 1985
LAWRENCE J. ANDERSON
2122

EXP 12-31-03

15/15

EXHIBIT C (11 Pages)

AFTER RECORDING RETURN TO:

Michael G. Gunn
Attorney at Law
P.O. Box 1046
Newberg, OR 97132

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK



\$76.00

SEND ALL TAX STATEMENTS TO:

200409204 1:24:18 PM 5/11/2004
DMR-EDMR Cnt=1 Stn=1 KAREN
\$55.00 \$10.00 \$11.00

No Change

EASEMENT

This Modification of Easement (herein known as "MODIFICATION") is made and executed this 14 day of April, 2004, by and between Michael A. Douglas (herein known as "Douglas") and Providence Health System - Oregon (herein known as "Providence");

WITNESSETH:

1. WHEREAS, Douglas is the owner of real property more particularly described on attached Exhibit "A" (herein known as "Douglas existing pharmacy property") and more particularly described on attached Exhibit "B" (herein known as "Douglas proposed pharmacy property").

2. WHEREAS, Providence is the owner of real property more particularly described on attached Exhibit "C" (herein known as "Providence property").

3. WHEREAS, on or about September 16, 2003, Douglas and Providence executed an Easement Agreement which resolved various issues between the parties and which was recorded on September 23, 2004 in Instrument #200324281 of the Deed and Mortgage records of Yamhill County, OR.

4. WHEREAS, one of the provisions of the said Easement was that Douglas conveyed to Providence and easement over a certain portion of Douglas' property for garbage dumpster purposes as Douglas was required to construct an enclosure on Douglas' property which enclosed separate dumpsters and recycling bins utilized by Douglas and Providence, and Douglas was also required to allow Providence space within that enclosure for Providence's garbage dumpster as well as Providence's recycling bin.

5. WHEREAS, the size of the enclosure as contemplated by the parties as set forth in the said Easement Agreement was not of sufficient size, and Newberg Garbage Service Inc. (the garbage hauler) required that the size of the enclosure be increased.

6. WHEREAS, because of the requirement in the increase in the size of the enclosure as set forth above, the said enclosure would have to be located partially on Douglas' property and partially on Providence's property.

1 MODIFICATION OF EASEMENT

THIS IS AN ACCOMMODATION RECORDING ONLY
IT HAS NOT BEEN EXAMINED AS TO ITS CONTENT
NORTHWEST TITLE COMPANY

1/11

7. WHEREAS, Providence has determined that it has sufficient space on its property to locate both its garbage dumpster and recycling bin and that it will no longer be necessary for Douglas to provide a location on his property for Providence's garbage dumpster and recycling bin.

8. WHEREAS, both parties desire to modify the terms and conditions of the Easement Agreement accordingly.

NOW, WHEREFORE, in consideration of the mutual covenants and restrictions set forth herein, both Douglas and Providence bargain and agree as follows:

1. The RECITALS set forth above are true and accurate and are incorporated herein.

2. The Easement Agreement recorded on September 23, 2003 in Instrument #200324281 (herein known as "Original Easement Agreement") is modified as follows:

A. Paragraph 8 is superceded and replaced in its entirety with the following language:

"8. The dumpster easement set forth on the Original Easement Agreement which was previously conveyed by Douglas to Providence and more particularly described on attached Exhibit 'H' and set forth as 'Parcel H - Dumpster Easement' on the map attached as Exhibit 'E' is hereby terminated effective upon the date of execution hereof as Providence will no longer utilize Douglas' property as a location for its dumpster and recycling bin.

A. The size of the enclosure to be constructed by Douglas set forth on the Original Easement Agreement as 'Parcel H - Dumpster Easement' on the map attached as Exhibit 'E' may be decreased in size based upon the fact that Providence will not be utilizing the said enclosure on Douglas' property for its garbage dumpster and recycling bin.

B. Douglas shall no longer be required to allow Providence space within the enclosed area set forth above for Providence's dumpster and recycling bin.

C. Providence agrees by the execution and recording of this MODIFICATION, that unless authorized to do so by the City of Newberg, there are to be no improvements constructed (other than asphalt or concrete paving) in the area more particularly described on attached Exhibit 'I' to the Original Easement Agreement (this area is the area set forth in Paragraph 8C of the Original Easement Agreement; i.e., this is a "no build" area required for fire purposes because of the set back requirement associated with the location of garbage dumpsters and the fences surrounding those dumpsters)."

EXHIBIT "A"

BEGINNING at a point on the East boundary line of the Daniel D. Deskins Donation Land Claim in Section 20, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, 33 rods and 18 links North of the Southeast corner of said Claim; thence North on the East boundary of said Claim, 70 feet to a point marked with an iron pipe; thence West 371.5 feet to a point marked with an iron pipe and the Northeast corner of that tract conveyed to G.N. Hartly by deed recorded in Book 24, Page 639, Deed Records; thence South 1° 55' East 70 feet to a point marked with an iron pipe thence East 368 feet to the point of beginning.

EXCEPTING THEREFROM the West 238 feet.

ALSO SAVE AND EXCEPT therefrom the Tract of land conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division by Deed Recorded August 14, 1985 in Film Volume 196, Page 1934, Microfilm Records, Yamhill County, Oregon.

Subject to: An easement created by instrument, as recorded in FV: 196, Page 1934, Microfilm Records of Yamhill County

AND FURTHER EXCEPTING THEREFROM that real property conveyed to the Oregon Department of Transportation by Stipulated Final Judgment in Yamhill County Circuit Court Case #CV00-357 and recorded on February 20, 2003 in Instrument #200304092.

EXHIBIT "B"

PAGE 1 of 2

A parcel of land lying in the Daniel D. Desklns Donation Land Claim No. 54, Township 3 South, Range 2 West, of the Willamette Meridian in Yamhill County, Oregon, and being that property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County, Oregon.

EXCEPTING therefrom Parcel 1, described as follows: A parcel of land lying in the Daniel D. Desklns Donation Land Claim No. 54, Township 3 South, Range 2 West, of the Willamette Meridian, Yamhill County, Oregon and being a portion of the property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County; the said parcel being that portion of said property lying Easterly and Southeasterly of the following described line:

BEGINNING at a point opposite and 11.850 meters Westerly of the "V" center line of relocated Villa Road at Engineer's Station "V" 0+268.339; thence Southerly in a straight line to a point opposite and 12.319 meters Westerly of said center line at Engineers Station "V" 0+293.018; thence Southwesterly in a straight line to a point opposite and 19.650 meters Northwesterly of the "F" center line of the relocated Pacific Highway West at Engineers Station "F" 25+163.272; thence Southwesterly parallel with said last mentioned "F" center line to a point opposite Engineers Station "F" 25+258.783.

The "V" center line of relocated Villa Road referred to herein is described as follows: Beginning at Engineer's "V" center line Station "V" 0+200, said station being 250.838 meters North and 140.151 meters West of the Northeast corner of the Joseph B. Rodgers Donation Land Claim No. 55, Township 3 South, Range 2 West, Willamette Meridian Yamhill County, Oregon; thence South 2° 09' 02" West 88.433 meters; thence on a 31.185 meter radius curve left (the long chord of which bears South 13° 02' 08.5" East 16.338 meters) 16.531 meters; thence South 28° 13' 19" East 33.713 meters; thence on a 87.319 meter radius curve right (the long chord of which bears South 13° 07' 50.5" East 45.468 meters) 45.998 meters; thence South 1° 57' 38" West 56.257 meters to Engineer's "V" center line Station "V" 0+440.932.

The "F" center line of the relocated Pacific Highway West referred to herein is described as follows:

BEGINNING at Engineers "F" center line Station "F" 24+960, said station being 207.741 meters North and 28.887 meters East of the Northeast corner of the Joseph B. Rodgers Donation Land Claim No. 55, Township 3 South, Range 2 West, Willamette Meridian, Yamhill County, Oregon; thence South 66° 02' 40" West 118.888 meters; thence on a spiral curve left (the long chord of which bears South 65° 30' 42" West 64.998 meters) 65 meters; thence on a 1165 meter radius curve left (the long chord of which bears South 63° 58' 10" West 19.384 meters) 19.384 meters; thence on a spiral curve left (the long chord of which bears South 62° 25' 38" West 64.998 meters) 65 meters; thence South 61° 53' 40" West 8.704 meters; thence on a spiral curve right (the long chord of which bears South 63° 58' 47" West 94.950 meters) 95 meters; thence on a 435 meter radius curve right (the long chord of which bears South 76° 57' 57" West 133.323 meters) 133.850 meters; thence on a spiral curve right (the long chord of which bears South 89° 57' 07" West 94.950 meters) 95 meters; thence North 87° 57' 46" West 911.086 meters to Engineer's "F" center line Station "F" 26+471.912.

5 | 11

EXHIBIT "B"

PAGE 2 of 2

Bearings are based on County Survey No. CS 10493, dated October 1995, Yamhill County, Oregon.

EXCEPT therefrom that property described in that deed to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded in Film Volume 197, Page 845, Deed Records of Yamhill County.

RESERVING UNTO Grantor a permanent easement for slopes, water, gas, electric and communication service lines, fixtures and facilities, and appurtenances therefore, upon, over, under, and across the property more particularly described as follows:

A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, Willamette Meridian, Yamhill County, Oregon and being a portion of that property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County; the said parcel being that portion of said property lying Easterly and Southeasterly of the following described line:

BEGINNING at a point opposite and 13.850 meters Westerly of the "V" center line of relocated Villa Road at Engineer's Station "V" 0+268.339; thence Southerly in a straight line to a point opposite and 14 meters Westerly of said center line at Engineer's Station "V" 0+279; thence Southerly in a straight line to a point opposite and 17 meters Westerly of said center line at Engineer's Station "V" 0+292; thence Southwesterly in a straight line to a point opposite and 22 meters Northwesterly of the "F" center line of the relocated Pacific Highway West at Engineer's Station "F" 25+168; thence Southwesterly in a straight line to a point opposite and 23 meters Northwesterly of said last mentioned "F" center line at Engineer's Station "F" 25+200.

The "V" center line of relocated Villa Road referred to herein is described in Parcel 1.

The "F" center line of the relocated Pacific Highway West referred to herein is described in Parcel 1.

EXCEPTING therefrom Parcel 1.

6/11

EXHIBIT C

Tract C
Sisters of Providence in Oregon

A tract of land in Section 20, Township 3 South, Range 2 West of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at a point at the intersection of the northerly line of Pacific Highway West (Highway 99W) with the Southerly portion of the West line of Parcel 2 of Tax Lot No. 3220BA-400, Newberg Planning Department Partition File P-12-89; said north right-of-way line being parallel with and 19.650 meters distant from the centerline of the relocated Pacific Highway West, Engineer's Centerline "F" as described in Instrument No. 200120558, Yamhill County Deed Records;

Thence continuing North, along said west line of Parcel 2, P-12-89, 119.04 feet more or less to an iron rod; thence South 87°11'41" West 57.38 feet to an iron pipe; thence North 37°57'14" East 28.10 feet to an iron rod; thence North 02°09'20" West 93.37 feet to an iron rod at the westernmost southwest corner of Parcel 1 of said Partition P-12-89; thence North 02°09'20" West 12.23 feet to an iron pipe; thence North 00°43'40" East 72.30 feet to an iron rod; thence South 88°11'40" East 237.90 feet to an iron rod; thence South 00°43'40" East 67.24 feet to an iron rod at the northeast corner of Parcel 2 of said Partition P-12-89; thence South 0°43'40" East 2.74 feet to an iron rod; thence South 1°54'20" West 19.79 feet to an iron rod at an angle point in the common boundary between the "A&W Tract" and the "Gettman Tract", agreement recorded Film 118 Page 1173 Yamhill County Deed Records; thence along said agreement boundary South 10°54'30" West 62.40 feet to an iron rod, and South 25°18'30" East 51.47 feet more or less to the northerly line of said relocated Pacific Highway West at a point 19.650 meters northwesterly as measured perpendicular with Engineer's Centerline "F"; thence southwesterly along the north line of Pacific Highway West 239.74 feet more or less to the point of beginning.

REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
FEBRUARY 14, 1985
LAWRENCE J. ANDERSON
2122

EX 12-51-03

7/11

EXHIBIT D (10 pages)

Oct 54 per 20 TBR

ESJ NLR -7 PM 4 27

F241P0786

MUTUAL PARKING AND ACCESS EASEMENT

WHEREAS, Patrick R. Maveety, M.D., Gregory E. Skipper, M.D., Yvonne M. Lyles, M.D. and Kathleen M. Weiss, M.D., hereinafter referred to as the First Party, are the owners of certain real property more particularly described as follows:

PARCEL 1:

A portion of a Tract of land in Section 20, Township 3 South, Range 2 West, of the Willamette Meridian, in Yamhill County, Oregon. Parcel No. 1 of Tax Lot No. 3220BA-400, Newberg Planning Department partition file No. P-12-89 and being more particularly described as follows:

COMMENCING at an iron pipe at the intersection of the Northerly line of Highway 99W with the Southerly portion of the West line of Parcel 2; thence North along the West line, 148.04 feet to an iron rod; thence South 87°11'41" West 57.38 feet to an iron pipe; thence North 37°57'14" East 28.10 feet to an iron rod; thence North 02°09'20" West 93.37 feet to an iron rod; said iron rod being the true point of beginning for parcel 1; thence North 02°09'20" West 12.23 feet to an iron pipe; thence North 00°47'45" East 72.30 feet to an iron rod; thence South 88°11'40" East 237.90 feet to an iron rod; thence South 00°43'40" East 67.24 feet to an iron rod; thence North 88°15' West 68.70 feet to an iron rod; thence North 29°01'05" West 5.50 feet to an iron rod; thence South 60°58'55" West 107.50 feet to an iron rod; thence North 01°16'05" East 23.20 feet to an iron rod; thence North 43°43'55" West 15.00 feet to an iron rod; thence North 88°43'55" West 64.00 feet to the true point of beginning.

PARCEL 2:

A portion of a tract of land in Section 20, Township 3 South, Range 2 West of the Willamette Meridian, in Yamhill County, Oregon. Parcel No. 2 of Tax Lot No. 3220BA-400, and Newberg Planning Department partition file No. p-12-89 and being more particularly described as follows:

BEGINNING at an iron pipe at the intersection of the Northerly line of Highway 99W with the Southerly portion of the West line of said parcel 2; thence North along the West line, 148.04 feet to an iron rod; thence North

See 20 TBR

54, 195, 57, 197, 55, 56

Part ARB 54

*Part ARB 54
ARB 195*

2-1-70

K

0°38'35" West 33.37 feet to an iron rod; thence North 46°16'05" East 42.00 feet to an iron rod; thence South 1°16'05" East 14.80 feet to an iron rod; thence North 60°58'55" East 107.50 feet to an iron rod; said point being the Northern most corner of this Parcel; thence South 29°01'05" East 5.50 feet to an iron rod; thence South 88°15'00" East 68.70 feet to an iron rod, said point being the Northeast corner of this Parcel; thence South 0°43'40" East 2.74 feet to an iron rod; thence South 1°54'20" West 19.79 feet to an iron rod; thence South 10°51'55" West 18.18 feet to an iron rod; thence South 59°52'35" West 163.62 feet to an iron rod; thence South 121.08 feet to an iron rod on the Northerly line of Highway 99W; thence South 61°44'50" West 56.84 feet along the Northerly line of Highway 99W to the TRUE POINT OF BEGINNING said Parcel No. 2.

TOGETHER WITH a non-exclusive easement for roadway purposes over and across the Northerly 20.00 feet to the following described property:

A tract of land in the D.D. Deskins Donation Land Claim in Section 20, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon being more particularly described as follows:

AR 57

BEGINNING at the Northwest corner of the intersection of Villa Road with the Northerly right of way line of Oregon State Highway 99W; and running thence Southwesterly along said right of way line, 100 feet, more or less, to the Southeast corner of that certain tract conveyed by contract of sale Virgil L. Havener and Nadine Havener, husband and wife, as recorded in Film Volume 63, Page 775, Deed and Mortgage Records of Yamhill County, Oregon; thence following along the Easterly line of said Havener Tract, North 25°56' West 78 feet and North 2°15' West 50 feet to the Northeast corner of said Tract; thence North 2°15' West to a point on the South line of a Tract conveyed to Hattie E. Rusch and contract as recorded in Film Volume 36, Page 379, Deed and Mortgage Records, thence East along the South line of said Rusch Tract to the West line of Villa Road; thence South along said West line of Villa Road to the place of beginning.

WHEREAS, Diana S. Mock, hereinafter Referred to as Second Party, is the owner of certain adjoining real property more particularly described as follows:

3-7-90

PARCEL 3:

A portion of a Tract of land in Section 20, Township 3 South, Range 2 West, of the Willamette Meridian, in Yamhill County, Oregon. Parcel No. 3 of Tax Lot No. 3220BA-400, Newberg Planning Department partition file No. P-12-89 and being more particularly described as follows:

APB 197

COMMENCING at an iron pipe at the intersection of the Northerly line of Highway 99W with the Southerly portion of the West line of Parcel 2; thence North along the West line, 148.04 feet to an iron rod, said iron rod being the TRUE POINT OF BEGINNING of Parcel 3; thence South 87°11'41" West 57.38 feet to an iron pipe; thence North 37°57'14" East 28.10 feet to an iron rod; thence North 02°09'20" West, 93.37 feet to an iron rod; thence South 08°43'55" East 64.00 feet to an iron rod; thence South 43°43'55" East 15.00 feet to an iron rod; thence South 01°16'05" West 38.00 feet to an iron rod; thence South 46°16'05" West 42.00 feet to an iron rod; thence South 00°38'35" West 33.37 feet to the TRUE POINT OF BEGINNING of said Parcel.

54

TOGETHER WITH a non-exclusive access easement for ingress and egress over and across all of Parcel No. 2 as described above.

WHEREAS, Harold J. Medici and Dorothy I. Medici, husband and wife, hereinafter referred to as Third Party, are the owners of certain adjoining real property more particularly described as follows:

PARCEL 4:

Part of the D.D. Deskins Donation Land Claim #54 in Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, said part being described as follows:

APB 53

BEGINNING at a point 6.45 chains North and South 89°52' West 4.90 chains from the Southeast corner of said Deskins Donation Land Claim, said place of beginning being a re-entrant corner of land conveyed to Cecil D. Anderson and wife by deed recorded February 13, 1958, in Book 186,

211111

Page 573, Deed of Records; thence South 89°52' West along the South line of said Anderson tract, 0.87 of a chain to an iron pipe set on the Easterly line of that certain tract of land conveyed to Thomas A. Pfund and wife by deed recorded March 13, 1962 in Film Volume 21, Page 575, Deed and Mortgage records; thence South 41°45' West 0.53-1/2 of a chain to an iron pipe; thence South 25°10' West .099 of a chain to an iron pipe; thence South 7°30' West to a point on the Northerly margin of the State Highway; thence Easterly along the Northerly Margin of said highway following the curvatures thereof to a point on the Westerly line of said Anderson tract; thence North to the place of beginning.

WHEREAS, Terry L. Stellflug and Susan D. Stellflug, Trustees of the Stellflug Family Trust, hereinafter called Fourth Party, are the owners of certain adjoining real property more particularly described as follows:

PARCEL 5:

A tract of land in Section 20, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, being a part of that certain tract of land conveyed to Stanley V. Lutgen and Marilyn E. Lutgen, by Deed recorded in Film Volume 111, Page 112, Deed and Mortgage Records, and being more particularly described as follows:

Beginning at an iron rod that is East 50 feet from an iron pipe at an angle corner in the Westerly line of Parcel 1 of Lutgen Tract, said iron pipe being North 165 feet from the most Southerly Southwest corner of said Parcel 1; thence North 43°31'50" East 76.65 feet to an iron rod; thence North 02°13'30" West, 26.79 feet to an iron rod; thence North 87°46'40" East 38.17 feet to an iron rod; thence South 02°08'40" East, 27.25 feet to a railroad spike; thence North 63°17' East, 56.96 feet to an iron rod; thence South 10°53'30" West, 62.40 feet to an iron rod; thence South 25°19'30" East 77.94 feet to a point in the Northerly line of Highway 99W that is South 61°30'30" West, 100.00 feet from an iron rod at the intersection of the West line of Villa Road with said Northerly line; thence Southwesterly along said Northerly line 189 feet, more or less, to a point that is South of the Point of beginning; thence North 121 feet, more or less, to the point of beginning.

3-7-90

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195

Save and Except that certain parcel conveyed to First Party herein in Deed recorded October 9, 1989 in Film Volume 237, Page 0114, Deed and Mortgage Records of Yamhill County, Oregon.

WHEREAS, the parties hereto desire to provide for joint access and parking to each other, and to their heirs and assigns, over and upon their respective properties (excluding Parcel 1); and they further desire to provide access to their respective properties from Highway 99 West via the access approach more particularly described in Exhibit A attached hereto and by this reference incorporated herein, and

WHEREAS, Third Party is presently the holder of certain parking and easement rights over and upon Parcel 2 and Parcel 3 described above, which easement is described in a contract recorded in Film Volume 81, Page 880, Deed and Mortgage records of Yamhill County, Oregon and is hereinafter referred to as the Medici easement, and

WHEREAS, it is the desire of all parties to terminate the Medici easement and substitute in its place and stead the mutual easement rights created herein; now, therefore,

IN CONSIDERATION FOR THE MUTUAL COVENANTS AND CONDITIONS HEREIN CONTAINED, the parties agree as follows:

1. First Party does hereby give, grant and convey unto Third and Fourth Parties a non-exclusive vehicular access easement over and upon Parcel 2 described above in such driveways, roadways and thoroughfares as First Party may from time to time establish, construct and develop on the property, and to the access approach described in Exhibit A.

3-7-90

2. First Party does hereby give, grant and convey unto Third and Fourth Parties the non-exclusive right to park in any of the designated parking spaces as may be established and designated in Parcel 2 above described, excluding those parking spaces on that side of Parcel 2 immediately adjacent to First and Second Parties' professional office buildings, now or hereinafter constructed.

3. Third Party does hereby give, grant and convey unto First, Second and Fourth Parties a non-exclusive vehicular access easement over and upon Parcel 4 described above in such driveways, roads and thoroughfares as Third Party may from time to time establish, construct and develop on the property.

4. Third Party does hereby give, grant and convey unto First, Second and Fourth Parties the non-exclusive right to park in any of the designated parking spaces as may be established and designated in Parcel 4 above described, excluding those parking spaces immediately adjacent to Third Parties' commercial buildings located on the property.

5. Fourth Party does hereby give, grant and convey unto First, Second and Third Parties a non-exclusive vehicular access easement over and upon Parcel 5 described above in such driveways roads and thoroughfares as Fourth Party may from time to time establish, construct and develop on the property.

6. Fourth Party does hereby give, grant and convey unto First, Second and Third Parties the non-exclusive right to park in any of the designated parking spaces as may be established and designated in Parcel 5 above described, excluding those parking spaces immediately adjacent to Fourth Parties' professional office

05-1-8

building located on the property.

7. The Medici easement as defined and contained in the contract recorded in Film Volume 81, Page 880, Deed and Mortgage Records of Yamhill County and later amended by easement agreement recorded in Film Volume 150, Page 1890, is hereby abolished.

8. Each party shall be solely responsible for the upkeep, maintenance and repairs that are needed for their respective parcels, except that First and Second Party shall share in the ongoing maintenance expense for Parcel 2. Each party agrees and covenants to keep and maintain their parking area, driveways, roadways and thoroughfare in reasonable repair and in a condition that is compatible with each others property.

9. This agreement is binding upon the heirs, successors and assigns of all Parties and the access and parking easement rights herein contained shall be appurtenant to and run with the property of all Parties described above.

10. If the Parties cannot resolve any dispute arising out of this agreement, they agree to submit the matter to binding arbitration under the then existing rules of the American Arbitration Association, unless the Parties at that time mutually agree to another method of dispute resolution. Agreement by the Parties to mediation or some other form of private dispute resolution does not waive the requirement of submission to binding arbitration rather than litigation unless the Parties expressly so agree in writing. In the event of binding arbitration, the arbitrators may order any Party to pay the reasonable attorney's fees of any other Party.

Any arbitration or other dispute resolution shall, in

addition to the agreements herein contained, be guided by the principle to which each party subscribes, namely that by jointly working together, the parties can create a viable, safe and attractive professional and commercial area from which all benefit.

11. This agreement has been prepared by Allyn E. Brown, of Brown, Tarlow & Berry, P.C., Attorneys at Law, Newberg, Oregon, representing First Party herein.

12. Where the context so requires in this agreement, the singular shall include the plural and the term "Party" shall also include that Parties' tenants, employees, licensees, invitees, customers and patients.

IN WITNESS WHEREOF, the Parties have executed this agreement on the 28 day of February, 1990, at Newberg, Oregon.

FIRST PARTY

Patrick R. Maveety, M.D.

Gregory E. Skipper, M.D.

Yvonne M. Lyles, M.D.

Kathleen M. Weiss, M.D.

STATE OF OREGON)
County of Yamhill) ss.

Personally appeared the above named Patrick R. Maveety, Gregory E. Skipper, M.D., Yvonne M. Lyles, M.D. and Kathleen M. Weiss, M.D., and acknowledged the foregoing instrument to be their voluntary act and deed.



Gregory E. Skipper
Notary Public for Oregon
My commission expires: 8-17-93

Diana S. Mock

02018



SEE R. 12044

2-1-70

STATE OF OREGON)
) ss.
County of Yamhill)

Personally appeared the above named Diana S. Mock and acknowledged the foregoing instrument to be her voluntary act and deed.



Kathleen Criet
Notary Public for Oregon
My commission expires: 8-17-93

Harold J. Medici
Harold J. Medici

Dorothy I. Medici
Dorothy I. Medici

STATE OF OREGON)
) ss.
County of Yamhill)

Personally appeared the above named Harold J. Medici and Dorothy I. Medici, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.



Cynthia A. Hays
Notary Public for Oregon
My commission expires: 7-2-92

Terry L. Stellflug
Terry L. Stellflug, Trustee

Susan D. Stellflug
Susan D. Stellflug, Trustee

STATE OF OREGON)
) ss.
County of Yamhill)

Personally appeared the above named Terry L. Stellflug and Susan D. Stellflug, Trustees of the Stellflug Family Trust, and acknowledged the foregoing instrument to be their voluntary act and deed.



Kathleen Criet
Notary Public for Oregon
My commission expires: 8-17-93

3-7-90

*Yonne by 100
Rory Guts
1-19-90*

CHIEF OF
OFFICE
100

F241P0795

1990 MAR -7 PM 4:27

NORTH 148.00 (143.11)

SOUTH 121.00

24' DRIVE

CLOSE APPROACH

REPLACE EXISTING
20' APPROACH W/
NEW APPROACH
W/ SIDEWALK TO
STREET LEVEL

5:1:70

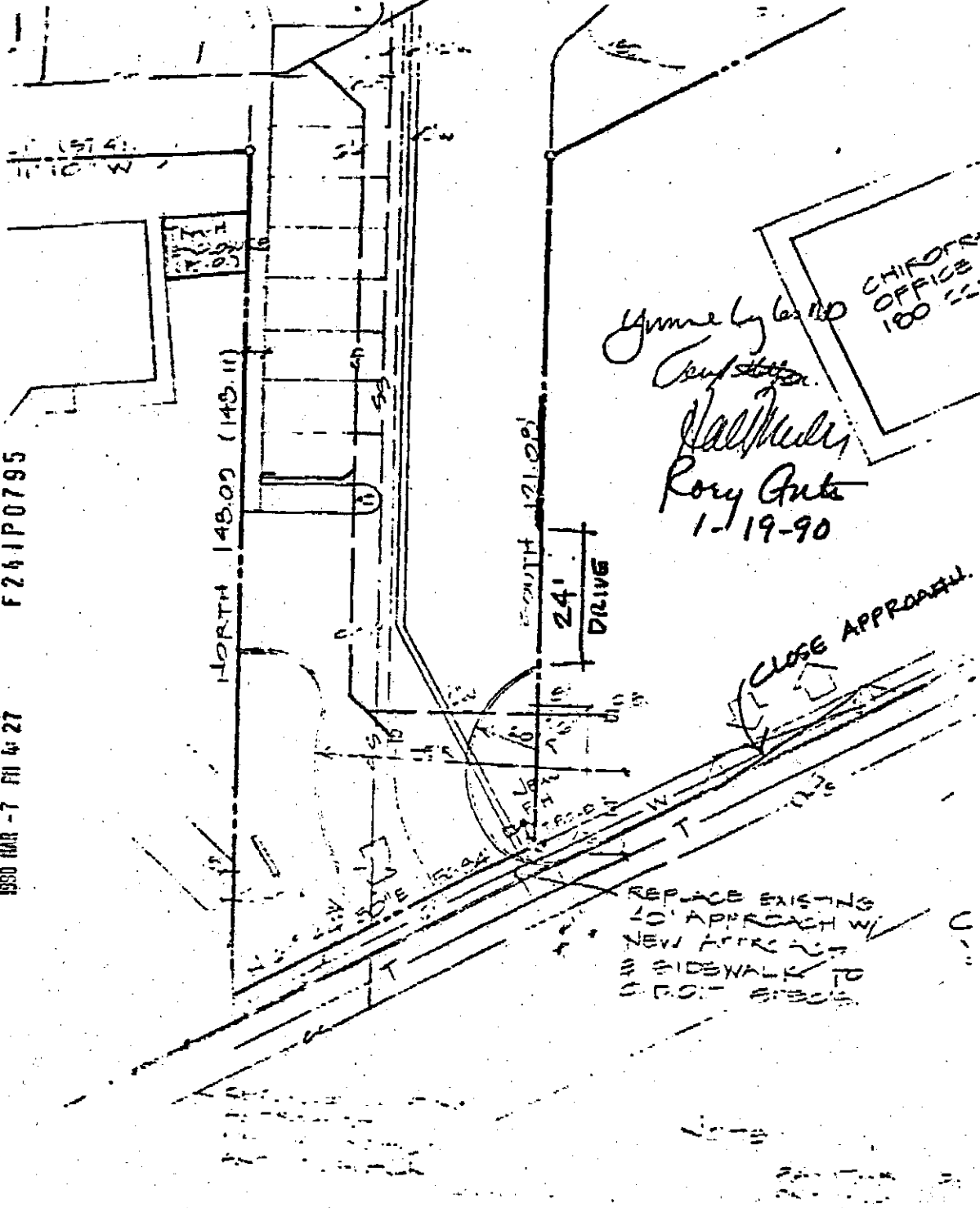


EXHIBIT E
(9 pages)

AFTER RECORDING RETURN TO:

Michael G. Gunn
Attorney at Law
P.O. Box 1046
Newberg, OR 97132

OFFICIAL YAMHILL COUNTY RECORDS
CHARLES STERN, COUNTY CLERK

200324282



\$41.00

SEND ALL TAX STATEMENTS TO:

00142412200300242820040046

09/23/2003 09:35:22 AM

No Change

DNR-EDMR Cnt=1 Stn=2 ANITA
\$20.00 \$10.00 \$11.00

VACATION OF EASEMENT

This Vacation of Easement (herein known as "VACATION") is executed by Michael A. Douglas and modifies that certain Addendum to Easement Agreement dated August 12, 1989 and recorded on September 23, 1989 in Film Volume 236 Page 1807 of the deed and mortgage records of Yamhill County, OR with the modification as follows:

1. Paragraph 3 of the said Addendum to Easement Agreement is deleted such that after this said VACATION is recorded, the owner of real property more particularly described on attached Exhibit "A" will no longer have any parking rights for customers of the business resident on attached Exhibit "A" to park on the Providence parking lot, as those parking rights have been transferred to real property more particularly described on attached Exhibit "B" via an Easement of even date that is also being recorded. After the recording of the said Easement, customers of the business resident on attached Exhibit "B" shall have the right to park in Providence's parking lot.

Dated this 22 day of September, 2003.

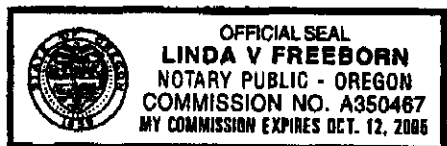
Michael A. Douglas

State of Oregon)
) ss
County of Yamhill)

Personally appeared before me the above-named Michael A. Douglas who acknowledged execution of the foregoing document to be his voluntary act and deed.

Subscribed and sworn to before me this 22 day of September, 2003.

Notary Public for Oregon
My commission expires: 10/10/05



THIS IS AN ACCOMMODATION RECORDING ONLY
IT HAS NOT BEEN EXAMINED AS TO ITS CONTENT
NORTHWEST TITLE COMPANY

EXHIBIT "A"

BEGINNING at a point on the East boundary line of the Daniel D. Deakins Donation Land Claim in Section 20, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, 33 rods and 18 links North of the Southeast corner of said Claim; thence North on the East boundary of said Claim, 70 feet to a point marked with an iron pipe; thence West 271.5 feet to a point marked with an iron pipe and the Northeast corner of that tract conveyed to G.N. Hartly by deed recorded in Book 24, Page 639, Deed Records; thence South 1° 55' East 70 feet to a point marked with an iron pipe thence East 368 feet to the point of beginning.

EXCEPTING THEREFROM the West 238 feet.

ALSO SAVE AND EXCEPT therefrom the Tract of land conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division by Deed Recorded August 14, 1985 in Film Volume 196, Page 1934, Microfilm Records, Yamhill County, Oregon.

Subject to: An easement created by instrument, as recorded in FV: 196, Page 1934, Microfilm Records of Yamhill County

AND FURTHER EXCEPTING THEREFROM that real property conveyed to the Oregon Department of Transportation by Stipulated Final Judgment in Yamhill County Circuit Court Case #CV00-357 and recorded on February 20, 2003 in Instrument #200304092.

EXHIBIT "B"

PAGE 1 of 2

A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, of the Willamette Meridian in Yamhill County, Oregon, and being that property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County, Oregon.

EXCEPTING therefrom Parcel 1, described as follows: A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, of the Willamette Meridian, Yamhill County, Oregon and being a portion of the property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County; the said parcel being that portion of said property lying Easterly and Southeasterly of the following described line:

BEGINNING at a point opposite and 11.850 meters Westerly of the "V" center line of relocated Villa Road at Engineer's Station "V" 0+268.339; thence Southerly in a straight line to a point opposite and 12.319 meters Westerly of said center line at Engineers Station "V" 0+293.018; thence Southwesterly in a straight line to a point opposite and 19.650 meters Northwesterly of the "F" center line of the relocated Pacific Highway West at Engineers Station "F" 25+163.272; thence Southwesterly parallel with said last mentioned "F" center line to a point opposite Engineers Station "F" 25+258.783.

The "V" center line of relocated Villa Road referred to herein is described as follows: Beginning at Engineer's "V" center line Station "V" 0+200, said station being 250.838 meters North and 140.151 meters West of the Northeast corner of the Joseph B. Rodgers Donation Land Claim No. 55, Township 3 South, Range 2 West, Willamette Meridian Yamhill County, Oregon; thence South 2° 09' 02" West 88.433 meters; thence on a 31.185 meter radius curve left (the long chord of which bears South 13° 02' 08.5" East 16.338 meters) 16.531 meters; thence South 28° 13' 19" East 33.713 meters; thence on a 87.319 meter radius curve right (the long chord of which bears South 13° 07' 50.5" East 45.468 meters) 45.998 meters; thence South 1° 57' 38" West 56.257 meters to Engineer's "V" center line Station "V" 0+440.932.

The "F" center line of the relocated Pacific Highway West referred to herein is described as follows:

BEGINNING at Engineers "F" center line Station "F" 24+960, said station being 207.741 meters North and 28.887 meters East of the Northeast corner of the Joseph B. Rodgers Donation Land Claim No. 55, Township 3 South, Range 2 West, Willamette Meridian, Yamhill County, Oregon; thence South 66° 02' 40" West 118.888 meters; thence on a spiral curve left (the long chord of which bears South 65° 30' 42" West 64.998 meters) 65 meters; thence on a 1165 meter radius curve left (the long chord of which bears South 63° 58' 10" West 19.384 meters) 19.384 meters; thence on a spiral curve left (the long chord of which bears South 62° 25' 38" West 64.998 meters) 65 meters; thence South 61° 53' 40" West 8.704 meters; thence on a spiral curve right (the long chord of which bears South 63° 58' 47" West 94.950 meters) 95 meters; thence on a 435 meter radius curve right (the long chord of which bears South 76° 57' 57" West 133.323 meters) 133.850 meters; thence on a spiral curve right (the long chord of which bears South 89° 57' 07" West 94.950 meters) 95 meters; thence North 87° 57' 46" West 911.086 meters to Engineer's "F" center line Station "F" 26+471.912.

EXHIBIT "B"

PAGE 2 of 2

Bearings are based on County Survey No. CS 10493, dated October 1995, Yamhill County, Oregon.

EXCEPT therefrom that property described in that deed to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded in Film Volume 197, Page 845, Deed Records of Yamhill County.

RESERVING UNTO Grantor a permanent easement for slopes, water, gas, electric and communication service lines, fixtures and facilities, and appurtenances therefore, upon, over, under, and across the property more particularly described as follows:

A parcel of land lying in the Daniel D. Deskins Donation Land Claim No. 54, Township 3 South, Range 2 West, Willamette Meridian, Yamhill County, Oregon and being a portion of that property described in that deed to Steven L. Harris and Michael B. Harris, Trustees; Steven L. Harris, Michael B. Harris, William R. Harris and David L. Harris, recorded August 21, 1995 as Instrument No. 199511049, Deed and Mortgage Records of Yamhill County; the said parcel being that portion of said property lying Easterly and Southeasterly of the following described line:

BEGINNING at a point opposite and 13.850 meters Westerly of the "V" center line of relocated Villa Road at Engineer's Station "V" 0+268.339; thence Southerly in a straight line to a point opposite and 14 meters Westerly of said center line at Engineer's Station "V" 0+279; thence Southerly in a straight line to a point opposite and 17 meters Westerly of said center line at Engineer's Station "V" 0+292; thence Southwesterly in a straight line to a point opposite and 22 meters Northwesterly of the "F" center line of the relocated Pacific Highway West at Engineer's Station "F" 25+168; thence Southwesterly in a straight line to a point opposite and 23 meters Northwesterly of said last mentioned "F" center line at Engineer's Station "F" 25+200.

The "V" center line of relocated Villa Road referred to herein is described in Parcel 1.

The "F" center line of the relocated Pacific Highway West referred to herein is described in Parcel 1.

EXCEPTING therefrom Parcel 1.

Addendum to Easement Agreement

It is agreed between the undersigned that the following conditions also apply to the easement agreement dated August 9th, 1989 between the parties.

1. PIG should be jointly responsible with other users of said maintenance area for upkeep and repair of said easement area.
2. PIG agrees that there will be no construction of buildings or other structures within 10 feet of its easternmost boundary and the western boundary of property owned by Mike Douglas and Lois A. Douglas.
3. It is agreed that PIG will not object to occasional use of its parking lot by parties coming to Mike's Pharmacy.
4. It is agreed that the easement agreement including the conditions contained in this addendum will be formalized in an agreement containing the legal descriptions of real estate parcels owned or being purchased by the parties.
5. It is further agreed that this easement is personal to the members of PIG and may not be transferred prior to construction of a medical clinic on the real property of PIG.
6. In the event that PIG does not pursue construction of a medical clinic on said real property of PIG then this agreement and addendum shall be null and void.
7. At the time of construction of said clinic, PIG will be responsible for blacktopping said easement area to a depth that will be for traffic.

This easement agreement and this addendum shall be binding on the heirs, assigns, and successors in interest of the parties.

Dated this 12th day of August, 1989.

Pineal Investment Group
Second Party

Greg Skiffery M.D.
Greg Skiffery M.D.

Pat Maveaty M.D.
Pat Maveaty, M.D.

Yvonne Lyles M.D.
Yvonne Lyles, M.D.

Kathy Weiss M.D.
Kathy Weiss, M.D.

Mikes's Medical Pharmacy
Mike's

Mike Douglas
Mike Douglas

Lois A. Douglas
Lois A. Douglas

Order 53454 Ac 2073 P2

3220 BA. 400 1100
21-05320

F TAILOR

9:29:89

8

Easement Agreement

August 9, 1989

This agreement, made and entered into this 10 day of August, 1989 by and between Mike Douglas dba Mike's Pharmacy, hereinafter referred to as Mike's, and Greg Skipper, M.D., Pat Maveety, M.D., Yvonne Lyles, M.D., Kathy Weiss, M.D., dba Fincal Investment Group, hereinafter referred to as FIG, and,

WHEREAS, Mike's is the owner of certain real premises located at 201 Villa Road to wit: beginning at a point on the East boundary line of the Daniel D. Deakins Donation Land Claim in Section 20, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, 33 rods and 18 links North of the Southeast corner of said Claim; thence North on the East boundary of said Claim, 70 feet to a point marked with an iron pipe; thence West 371.5 feet to a point marked with an iron pipe and the Northeast corner of that tract conveyed to G.N. Hartly by deed recorded in Book 24, Page 639, Deed Records; thence South 1 degree 55' East 70 feet to a point marked with an iron pipe thence East 368 feet to the point of beginning.

EXCEPTING THEREFROM the West 238 feet.

WHEREAS, FIG is or will be the owner of adjoining real premises to the West of Mike's real premises

WHEREAS, it is the desire of the parties to amend roadway easement privileges of FIG as the real premises owned by Mike's,

THEREFORE, in consideration of the mutual covenants and conditions as contained herein, it mutually understood and agreed as follows:

1. That Mike's does hereby give and grant unto FIG a non-exclusive easement for roadway purposes over and across the southerly 5.00 feet of the real premises as owned by Mike's. Such area is illustrated in Exhibit A attached hereto.
2. It is understood and agreed that this easement Agreement shall be binding upon the heirs, executors, and assigns of all the parties and shall run with the land.
3. In Witness Whereof, the said parties have executed this agreement the and year above written.

Mike's Medical Pharmacy
Mike's

Mike Douglas
Mike Douglas
Chris A. Douglas

Fincal Investment Group
Second Party

Greg Skipper
Greg Skipper, M.D.

Pat Maveety
Pat Maveety, M.D.

Yvonne Lyles
Yvonne Lyles, M.D.

Kathy Weiss
Kathy Weiss, M.D.

STATE OF OREGON)

County of Yamhill) ss.
I hereby certify that the within was received and duly recorded by me in Yamhill County records.

CHARLES STERN, COUNTY CLERK

Charles Stern

250
100

09013

9:29:89

3226A-100

WARRANTY DEED

GRANTOR: [Name]

GRANTEE AND WARRANTOR TO:

GRANTEE: [Name]

3226A-100
31-04430

The following described real property... including at a point on the East boundary line of the Donald E. Swanson... 70 feet to a point marked with an iron pipe...

EXCEPTING THEREFROM the West 330 feet.

ALSO HAVE AND EXCEPT therefrom the West of land conveyed to the State of Oregon... by and through the Department of Transportation, Highway Division...

Subject to: An easement created by Instrument, as recorded in P.V. 104, Page 1934, Macrowild Records of Yamhill County.

The grantor will do all that is necessary to carry out the purposes of this warranty deed... The tax and other conditions for this deed are \$ 49,950.00...

DATED: March 19, 1968

Stanley D. Lorn

Form with fields for recording information, including date and time (5:51:41).

WARRANTY DEED section with grantor name: Lolo A. Swanson, 11500 NE Anne Drive, Seaside, OR 97132.

STATE OF OREGON stamp with recording date 01235 and County of Yamhill.

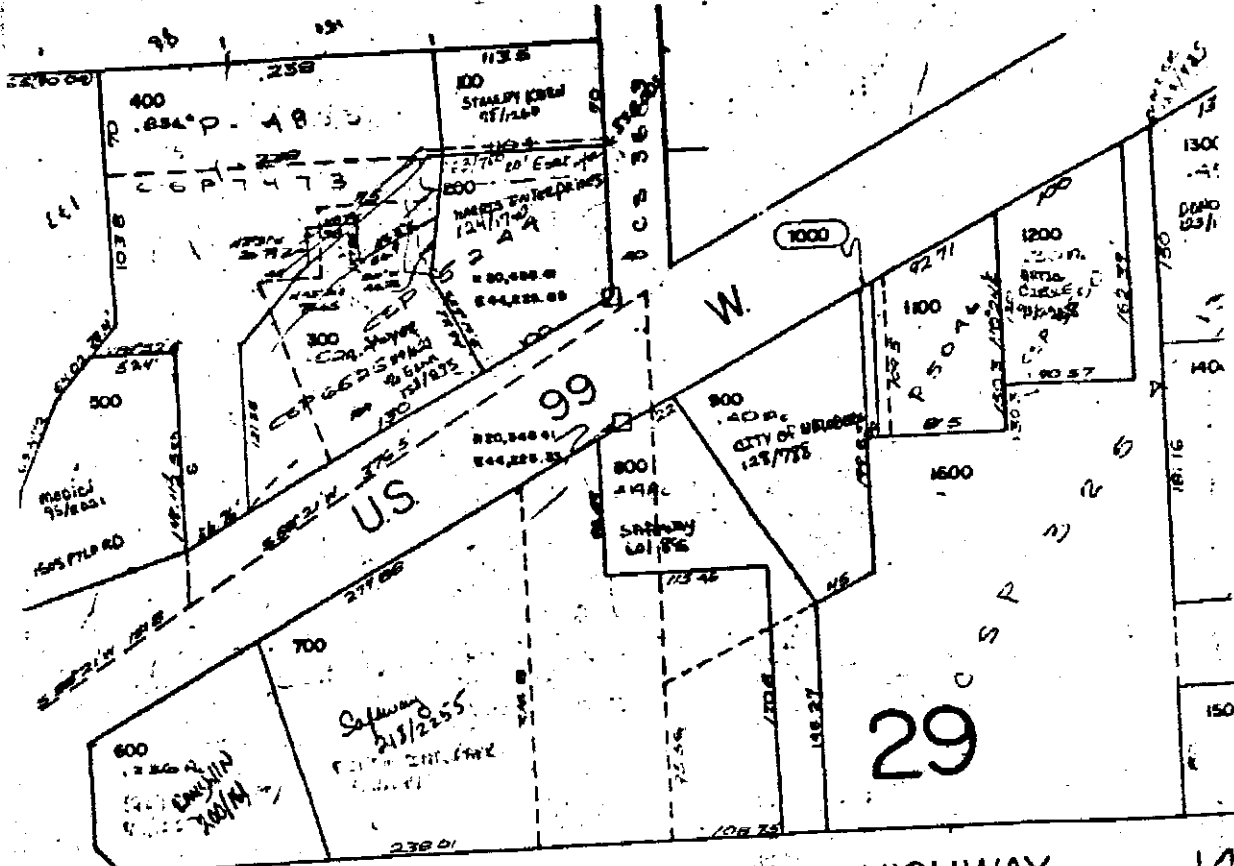
3-11-88

9-29-89

Exhibit A

1" = 100'

SEE MAP 3 2 17CD



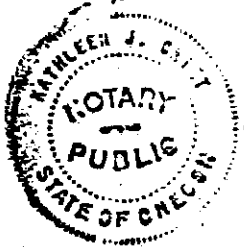
STATE SECONDARY HIGHWAY 14									
2400	2300	2200	2100	2000	1900	1800	1700	1600	1500
2500	2400	2300	2200	2100	2000	1900	1800	1700	1600
2600	2500	2400	2300	2200	2100	2000	1900	1800	1700
2700	2600	2500	2400	2300	2200	2100	2000	1900	1800
2800	2700	2600	2500	2400	2300	2200	2100	2000	1900
2900	2800	2700	2600	2500	2400	2300	2200	2100	2000
3000	2900	2800	2700	2600	2500	2400	2300	2200	2100
3100	3000	2900	2800	2700	2600	2500	2400	2300	2200
3200	3100	3000	2900	2800	2700	2600	2500	2400	2300
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3500	3400	3300	3200	3100	3000	2900	2800	2700	2600
3600	3500	3400	3300	3200	3100	3000	2900	2800	2700
3700	3600	3500	3400	3300	3200	3100	3000	2900	2800

9:29:89

STATE OF OREGON)
County of Yamhill) ss.

On the 20th day of September, 1989, personally appeared the
within named Greg Skipper MD, Pat Maxcety MD, Yvonne
Syles MD, Kathleen Weiss MD

and acknowledged the foregoing instrument to be his voluntary act
and deed.

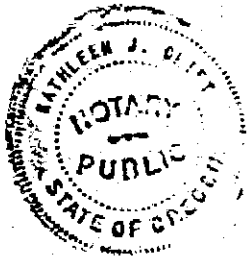


Kathleen Clift
Notary Public for Oregon
My commission expires: 8-17-93

STATE OF OREGON)
County of Yamhill) ss.

On the 20th day of September, 1989, personally appeared the
within named Mike Douglas, Ross Douglas

and acknowledged the foregoing instrument to be his voluntary act
and deed.



Kathleen Clift
Notary Public for Oregon
My commission expires: 8-17-93

9:29:89