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COPY

CLACKAMAS COUNTY

DAN JOHNSON
MANAGER

DEVELOPMENT AGENCY

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

March 5, 2015

Development Agency Board
Clackamas County

Members of the Board:

Approval of a Disposition and Development Agreement with
Veritas Investment Co, LLC and New Hope Community Church, Inc.

Purpose/ Outcomes	Disposition and Development Agreement to convey real property from the Clackamas County Development Agency to New Hope Community Church (collectively referred to as the "developer").
Dollar Amount and Fiscal Impact	Purchase Price: $2,400,000.00 (Supported by Appraisal)
Funding Source	Not Applicable.
Safety Impact	Not Applicable
Duration	Conveyance within approximately 90 days of execution of this agreement. Extendable subject to additional considerations.
Previous Action	Executive Session Policy Session – December 9, 2014
Contact Person	Dan Johnson, Manager – Development Agency 503-742-4325 or danjoh@co.clackamas.or.us
Contract No.	Not Applicable

BACKGROUND:

The Development Agency owns approximately five acres of property located at the intersection of SE Bob Schumacher Road and SE Stevens Way. Originally acquired in 1999 for the construction of the Bob Schumacher frontage road project, the site is currently developed with 37 apartment units known as the Stevens Orchard Apartments. The property is zoned Regional Center High Density Residential; however, the site has received conditional zone change approval to the Planned Mixed Use zoning designation.

The Agency has been approached by New Hope Community Church and Veritas Investments Co. LLC (collectively referred to as the "developer") to acquire the property for redevelopment purposes, which was presented to the Board for discussion in Executive Session. At the December 9, 2014 Policy Session, the Board directed staff to proceed with drafting the attached Disposition and Development Agreement to formalize discussions to date for consideration by the Board.

The Disposition Agreement (Attached) is the result of preceding negotiations and is consistent with the terms discussed at the December 9, 2014 Policy Session. Terms include:

- Sale of property for appraised value of $2.4 million,
- Due Diligence period up to 90 days from date agreement is executed,
- Closing can be extended for four (4) separate periods of 30 days subject to a non-refundable sum of $6,000 per period,
- Sales proceeds to be held in escrow for up to three (3) years,
- Releasable to the developer if specific milestones and development thresholds identified in the agreement are met or releasable to the Agency should the milestones and development thresholds not be met, and
- All escrow interest shall be released to the Agency.

The Disposition Agreement has been reviewed by County Counsel as to form.

RECOMMENDATION:

Staff respectfully recommends that the Board, as the governing body of the Clackamas County Development Agency:

- Approve the Disposition Agreement with Veritas Investment Co, LLC and New Hope Community Church, Inc.
- Delegate authority to the Chair to execute the Agreement and any other necessary documents on behalf of the Development Agency Board.
- Delegate staff authority to act on behalf of the Agency at closing.
- Record the Disposition Agreement in the Deed Records of Clackamas County at no cost to the Development Agency.

Respectfully submitted,

Dan Johnson
Development Agency Manager

For information on this issue or copies of attachments, please contact Dan Johnson @ 503-742-4325

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this "Agreement") is entered into as of the_____day of_____, 2015 by and between the CLACKAMAS COUNTY DEVELOPMENT AGENCY, the Urban Renewal Agency of Clackamas County, a corporate body politic (the "Agency"), VERITAS INVESTMENT CO, LLC, an Oregon limited liability company ("Veritas") and NEW HOPE COMMUNITY CHURCH, INC. an Oregon nonprofit corporation (the "Church") (collectively, Veritas and the Church are herein referred to as the "Developer"). The Agency and the Developer hereby agree as follows:

ARTICLE 1: SUBJECT OF AGREEMENT

Section 1.1: Purpose of Agreement.

The purpose of this Agreement is to effectuate a development proposal for property located within the Clackamas Town Center Urban Renewal Plan ("Plan") by providing for the disposition of certain real property and the development of the "Developer Improvements" on the "Property" (as such terms are hereinafter defined). The Agency has found that the development of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the County of Clackamas, Oregon (the "County") and the Plan and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

Section 1.2: The Plan.

The Plan was approved and adopted on December 30, 1980 by Resolution and Order No. 80-2685 of the Clackamas County Commission, as amended from time to time, and the Plan, together with such amendments are incorporated herein by this reference. This Agreement is subject to the provisions of the Plan. Agency represents and warrants that the Plan, as it presently exists, is in full force and effect and that this Agreement, and the obligations of Agency set forth in this Agreement, are all in accordance with the Plan. A copy of the Plan is on file in the Clackamas County Department of Transportation and Development.

Section 1.3: The Property.

The "Property" consists of certain real property owned by the Agency (the "Steven's Orchard Parcel"), as well as certain real property owned by the Developer, all located in Clackamas County, shown on the map attached hereto as **Exhibit "A".** The Steven's Orchard Parcel is more particularly described in the legal description attached hereto as **Exhibit "B"** and the remainder of the Property is more particularly described in the property descriptions attached hereto as **Exhibit "C".**

Section 1.4: The Project or Developer Improvements.

The term "Project" or "Developer Improvements" shall mean the improvements required to be constructed by Developer on the Property pursuant to this Agreement, and as set forth on a master plan to be filed with the appropriate jurisdiction or jurisdictions, as required under Section 3.5. The Developer Improvements shall include at least two million square feet of new construction which shall include a mix of uses and shall incorporate, at a minimum, 600,000 square feet of office use, 400,000 square feet of retail use, and 600 housing units. Once the master plan, described below in Section 3.5, is approved by the appropriate jurisdiction or jurisdictions, the parties agree that the approved master plan shall be the controlling document for determining what is included within the scope of the terms "Project" or "Developer Improvements."

Section 1.5: The Agency.

The Agency is a corporate body politic of the State of Oregon, as the duly designated Urban Renewal Agency of Clackamas County, Oregon, exercising governmental functions and powers and organized and existing under Oregon Revised Statutes, Chapter 457. The term "Agency" as used in this Agreement includes the Urban Renewal Agency of Clackamas County, Oregon and any assignee of or successor to its rights, powers, duties and responsibilities. The principal offices and mailing address of the Agency for purposes of this Agreement is:

Clackamas County Development Agency
c/o Development Agency Manager
150 Beavercreek Road
Oregon City, OR 97045

Section 1.6: The Developer.

The Developer is Veritas Investment Co, LLC, an Oregon limited liability company, and New Hope Community Church, Inc., an Oregon nonprofit corporation. The term "Developer" as used in this Agreement is Veritas Investment Co, LLC, New Hope Community Church, Inc, and any affiliate of Developer, and any permitted assignee of Developer, as provided in Section 1.7 below, and any permitted assignee of or successor to its rights, powers, duties and responsibilities. The principal office and mailing address of the Developer for purposes of this Agreement is:

Veritas Investment Co
c/o Neil Nedelisky, Pres.
10220 SE Causey Ave.
Happy Valley, OR 97086

The principal office and mailing address of the Church for purposes of this Agreement is:

New Hope Community Church, Inc.
c/o Jerry Schmidt
11731 S.E. Stevens Road
Happy Valley, Oregon 97086

The principal office and mailing address of Veritas for purposes of this Agreement is:

Veritas Investment Co
c/o Neil Nedelisky, Pres.
10220 SE Causey Ave.
Happy Valley, OR 97086

Section 1.7: Prohibition Against Change in Ownership, Management and Control of Developer.

The qualifications and identity of Developer and its members or officers are of particular concern to Agency and were essential to the selection of Developer by Agency for development of the Property. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, except as expressly set forth herein. All assignments of this Agreement shall require written consent of Agency, which consent may be granted in the Agency's sole and absolute discretion. Subject to the notice and opportunity to cure provisions set forth in Article 5 below, this Agreement may be terminated by Agency at its option before Closing if there is any change (voluntary or involuntary) in the ownership, management or control of Developer or any successor-in-interest of Developer not consistent with this Agreement.

ARTICLE 2: ASSEMBLY OF THE SITE

The Agency owns fee title to the Steven's Orchard Parcel and shall convey the Steven's Orchard Parcel to the Church subject only to those title and survey exceptions agreed to by both parties pursuant to this Article 2 ("Permitted Exceptions").

Section 2.1 Title Commitment.

In the event the Church desires to acquire title insurance, then within ten (10) days after the Effective Date, the Church, at the Church's cost and expense, will cause the Title Company to furnish to the Church its preliminary title report on the Steven's Orchard Parcel (the "Preliminary Commitment"), along with copies of all documents that give rise to exceptions listed in the report (the "Underlying Documents"). Within ten (10) days of receiving the Preliminary Commitment and the Underlying Documents, the Church will give Agency written notice setting forth the exceptions that are not acceptable to the Church (the "Unacceptable Exceptions"). All exceptions other than those timely objected to will be deemed acceptable to the Church as Permitted Exceptions. Agency will have ten (10) days after receiving the Church's notice within which to notify the Church in writing whether Agency is willing or able to eliminate the Unacceptable Exceptions. If Agency agrees to eliminate the Unacceptable

Exceptions, Agency will be obligated to do so at its cost and as of the Closing Date. If Agency is unwilling or unable to eliminate the Unacceptable Exceptions, the Church may terminate this Agreement or elect to accept the Unacceptable Exceptions and proceed to close escrow by giving written notice to Agency within ten (10) days of receiving notice from Agency. If the Church does not provide timely written notice of its election to terminate this Agreement, it will be deemed to have waived its objections to the Unacceptable Exceptions and all of the Unacceptable Exceptions shall become Permitted Exceptions.

Section 2.2 Survey.

Within five (5) days after the Effective Date, Agency shall deliver the most recent survey of the Steven's Orchard Parcel, if any, in its possession to Developer (the "Existing Survey"). At its expense, Developer may order an update to the Existing Survey (or if there is no Existing Survey, a new survey) (the Existing Survey, as updated, or a new survey, the "Survey"). If applicable, Developer shall deliver a copy of the Survey to Agency promptly upon receipt. Within ten (10) days after receipt of the Survey, Developer may deliver to Agency, in writing, any objections to any matters shown on the Survey (the "Objections"). Developer's failure to timely object to any such matters shall be deemed to constitute Developer's approval thereof and such shall then become Permitted Exceptions, as defined in Article 2. If Developer timely objects to any matters shown on the Survey, then Agency shall have the right, but not the obligation, to agree in writing to cure before Closing such Objections, or to decline to cure such Objections. Agency will have ten (10) days after receiving Developer's Objections within which to notify Developer in writing whether Agency is willing or able to cure the Objections. If Agency agrees to cure the Objections, Agency will be obligated to do so at its cost and as of the Closing Date. If Agency is unwilling or unable to cure the Objections, Developer may terminate this Agreement or elect to accept the Objections and proceed to close escrow by giving written notice to Agency within ten (10) days of receiving notice from Agency. If Developer does not provide timely written notice of its election to terminate this Agreement, it will be deemed to have waived its Objections and all of the Objections shall become Permitted Exceptions. Notwithstanding anything to the contrary above, although Developer may elect to obtain a Survey, Developer is not obligated to obtain a Survey.

ARTICLE 3: DISPOSITION OF STEVEN'S ORCHARD PARCEL

Section 3.1: Earnest Money, Sale and Purchase.

In accordance with, and subject to all the terms, covenants, and conditions of this Agreement, the Agency agrees to sell to the Church, and the Church agrees to purchase from Agency, the Steven's Orchard Parcel, for the amount of TWO MILLION FOUR HUNDRED THOUSAND and 00/100 DOLLARS ($2,400,000.00) (the "Purchase Price") in the manner as hereinafter provided.

The Church or the Developer shall, within ten (10) days of execution of this Agreement, deliver into escrow the sum of $10,000.00 as earnest money in the form of cash, a certified check, or an irrevocable letter of credit reasonably satisfactory to the Agency (the "Earnest Money"). If the Church or the Developer fails to timely deposit the Earnest Money as provided

above, this Agreement shall terminate and neither Developer nor Agency shall have any further obligations to one another. Provided Developer is not in default under this Agreement, the Earnest Money shall be fully refundable to the Church or the Developer so long as Developer's election to terminate is received in writing by the Agency prior to the expiration of Developer's Due Diligence period, described in Section 3.3 below. Upon expiration of Developer's Due Diligence period, the Earnest Money shall become nonrefundable. At closing, the Earnest Money shall be credited toward payment of the Purchase Price.

Section 3.2: Conveyance.

Conveyance of the Steven's Orchard Parcel shall be made on or before the date established in Section 3.4.3 below, in an escrow account established at a title company that is mutually acceptable to all parties. The Church agrees, upon satisfaction of the conditions precedent for conveyance of the Steven's Orchard Parcel, to accept conveyance of the Steven's Orchard Parcel and pay into escrow the Purchase Price for the Steven's Orchard Parcel in the amount set forth above in the form of cash or immediately available funds. The Agency and Developer agree to perform all acts necessary for conveyance of title in sufficient time for title to be conveyed in accordance with the foregoing provisions and will execute escrow instructions consistent with this Agreement and close the transaction as provided herein. The escrow shall close and the conveyance of the Steven's Orchard Parcel ("Closing") shall be made in accordance with Section 3.4 below after satisfaction or written waiver of the conditions precedent to conveyance contained in this Agreement and on or before the date set forth pursuant to Section 3.4.3 below.

The Church shall accept title and possession on or before the date referred to above, unless such date is extended as provided herein.

Section 3.3: Due Diligence

Developer shall have up to ninety (90) days after the execution of this Agreement (the "Effective Date") to complete its environmental due diligence and approve of the Steven's Orchard Parcel. During this period, the Agency will provide Developer access to the Property as is reasonably necessary to complete its environmental due diligence. Developer hereby indemnifies and holds the Agency and the County, and their elected officials, officers, agents and employees harmless from any injury or damages arising out of any activity of Developer, its agents, employees and contractors performed and conducted on the Steven's Orchard Parcel for the purposes of completing its due diligence. Due diligence shall include, without limitations, physical inspections of the Steven's Orchard Parcel; soils investigations and coring; Phase I and, as necessary, Phase II environmental assessments. Developer agrees to provide the Agency with copies of all materials obtained or produced as a result of its due diligence investigation. Developer may notify the Agency in writing, with supporting documentation, of any issues which may affect Developer's willingness or ability to purchase the Steven's Orchard Parcel. Upon receipt of such notice and supporting documentation by the Agency, the parties shall have sixty (60) days to negotiate the impact, if any, of the identified issue or issues. If the parties cannot reach a mutually agreeable resolution prior to the end of the sixty (60) day period, either party may terminate this Agreement. If no issues are raised by Developer, or if neither party

chooses to terminate the Agreement after discussion of the issues, then the Steven's Orchard Parcel shall be transferred as-is, with no representations or warranties from the Agency regarding environmental issues, and an appropriate release from Developer as to the Agency or County's liability for environmental issues.

Developer shall have the option to extend the due diligence period set forth above for four (4) separate periods of thirty (30) days each. Developer may exercise each option by delivering written notice to the Agency of its intent to extend the due diligence period prior to the expiration of the due diligence period or any extension thereto, and delivering the nonrefundable sum of $6,000 to the Title Company. The nonrefundable sum of $6,000 for each of the 30 day extension periods shall not be applied to the Purchase Price or any costs or fees associated with this transaction at Closing. The Title Company shall release each $6,000 payment to the Agency immediately upon written request by the Agency to do so.

Section 3.4: Conditions Precedent to Obligation to Convey and Purchase.

3.4.1 So long as Developer is not in default under the terms of this Agreement, the Agency shall become obligated to convey the Steven's Orchard Parcel to the Church once the notice attached hereto as **Exhibit "E",** has been provided to the occupants of the Steven's Orchard Parcel, and the Purchase Price required for conveyance of the Property has been tendered to the Title Company, along with all fees and costs described below in Section 3.8, including, but not limited to, recording, title, escrow and closing fees, at or before Closing.

3.4.2 The Church's obligation to purchase the Property is subject to the satisfaction or occurrence of the following conditions precedent to the reasonable satisfaction of the Church:

3.4.2.1 There shall be no material breach of this Agreement by the Agency.

3.4.2.2 Developer has had the opportunity to perform due diligence and raise issues arising there from as allowed under this Agreement.

3.4.2.3 The Agency has tendered to the Title Company a Bargain and Sale deed, as required in Section 3.6 of this Agreement, in a form approved by both parties.

3.4.3 Closing shall occur on or before the thirty (30) days following the expiration of the due diligence period, set forth in Section 3.3, or any extension thereto.

3.4.4 The agency will join in any application(s) necessary for developer to obtain Master Plan Approval by the governing authority.

Section 3.5: Conditions for Release of Purchase Price to the Church.

The Title Company shall retain the funds for the Purchase Price in escrow and shall only release the funds for the Purchase Price to the Church upon the satisfaction of all of the following conditions, as determined in the sole discretion of the Agency. Failure to meet any of the conditions of the release set forth below shall result in the immediate release of the Purchase Price to the Agency. Any interest which may accrue on the Purchase Price during its time in escrow, whether the Purchase Price be distributed to the Church or the Agency, the interest accrued shall be distributed to the Agency. The conditions for release of the Purchase Price are as follows:

3.5.1 The Developer shall file the Master Plan for the Eagle Landing development by April 15, 2015, and secure master plan approvals within one (1) year of the date of execution of this Agreement; provided, however that if a party other than Veritas or the Church appeals the master plan decision, the deadline shall be extended by the lesser of:

(i) an additional 18 months, or
(ii) resolution of the appeal.

3.5.2 Agency receives evidence, satisfactory to it in its sole and absolute discretion, that the Developer has received final certificates of occupancy for the initial tenant or owner occupancy for at least 560,000 square feet of taxable building development added to the Clackamas County Assessor's rolls, and that taxable building development is on property subject to an annexation agreement with the City of Happy Valley.

3.5.3 The certificate of occupancy for such taxable building development must be received by the Agency no later than four (4) years after the date of the approved master plan.

Section 3.6: Deed Form.

The Agency shall convey to the Church fee simple title to the Steven's Orchard Parcel in the condition provided in Section 3.7 of this Agreement, and subject to the covenants described in Article 4, by Bargain and Sale Deed, duly executed, acknowledged and delivered in a form that is mutually acceptable to the parties (the "Deed"). Conveyance of title to the Property to the Church shall conclusively establish compliance by Developer with all conditions precedent to the conveyance of the Property as contained herein.

Section 3.7: Condition of Title.

The Agency shall convey to the Church fee simple title to the Steven's Orchard Parcel free and clear of all liens and encumbrances except:

3.7.1 The Permitted Exceptions, as defined in Article 2 and listed in **Exhibit "D"**; and

3.7.2 Such regulations and controls, covenants and restrictions that may be imposed

on the Property by the Developer and Agency consistent with this Agreement or land use approvals obtained by Developer for development of the Property and the Developer Improvements.

Section 3.8: Title Insurance, Property Taxes and Closing Costs.

3.8.1 The Church shall be responsible for obtaining title insurance for the Property.

3.8.2 Recording costs will be paid by the Developer. Real property taxes for the current year (if any) shall be prorated as of the date of the delivery of the Deed to the Church. All real property taxes subsequently assessed and levied against the Property shall be paid by the Church. Agency shall be responsible for any and all real property taxes for the period of time prior to the delivery of the Deed, and the Church subsequent thereto. Escrow fees and any excise or conveyance tax that may be imposed, shall be paid by the Church or the Developer.

Section 3.9: Conditions of the Property.

The Church acknowledges that it is purchasing the Property "As Is," except as provided otherwise herein.

ARTICLE 4: USE OF THE PROPERTY

Section 4.1: Discrimination.

The Developer covenants for itself and its successors and assigns that it will not discriminate against any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or disability, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property. The foregoing covenant shall run with the land.

Section 4.2: Effect of Covenants.

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on and for the benefit of the Agency, the County, Developer and Developer's successors and assigns, and further successors-in-interest to the Property or any part thereof.

Section 4.3: Breach of Covenants.

In the event the Developer or an Owner, or their lessee, licensee, agent or other occupant, uses the Property in a manner inconsistent with Article 4 of this Agreement, the Agency may bring all appropriate legal and equitable actions.

Section 4.4: Local, State and Federal Laws.

Developer shall carry out the construction of the Developer Improvements in conformity with all applicable local, state and federal laws.

Section 4.5: Notice of Default to Holders; Right to Cure.

Unless otherwise provided herein, the terms, conditions, covenants, restrictions and reservations of this Agreement shall be binding and effective against the holder of any such Mortgage or any owner of the Property or any part thereof, whose title thereto is acquired by foreclosure, trustee sale or otherwise.

ARTICLE 5: DEFAULTS AND REMEDIES

Section 5.1: Default/General.

Subject to the extensions of time set forth in Section 6.4, and subject to the notice and opportunity to cure provisions contained in this Agreement, the failure or delay by any party to perform any term or provision of this Agreement constitutes a default under this Agreement. Any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies to enforce a term or provision of this Agreement.

Section 5.2: Applicable Law.

The law of the State of Oregon shall govern the interpretation and enforcement of this Agreement without giving effect to the conflicts of law provisions thereof.

Section 5.3: Acceptance of Service of Process.

In the event that any legal or equitable action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service on the Manager of the Agency, or in such other manner as may be provided by law.

In the event that any legal or equitable action is commenced by the Agency against the Developer, service of process on either Veritas or the Church shall be made in such manner as may be provided by law.

Section 5.4: Rights and Remedies Are Cumulative.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same default or any other default by the other party.

Section 5.5: Termination by Agency Prior to Conveyance.

In the event that any of the following occur prior to the conveyance of title to the Steven's Orchard Parcel, then this Agreement, and any rights of the Church, or any assignee or transferee, in Article 3 of this Agreement, or the Steven's Orchard Parcel, or any portion thereof, shall, at the option of the Agency, be terminated by the Agency, in which event the Developer shall pay any fees related to title, escrow and closing, and neither the Developer nor the Agency shall have further rights against or liability to the other under Article 3 of this Agreement:

5.5.1 Developer (or any successor in interest thereto) assigns or attempts to assign this Agreement or any rights therein, or to the Property, in violation of this Agreement;

5.5.2 There is a change in the ownership of the Developer contrary to the provisions of Section 1.7 hereof; or

5.5.3 The Church does not tender the Purchase Price or take title to the Property on tender of conveyance by the Agency pursuant to this Agreement after Developer has satisfied or obtained waiver of all conditions precedent set forth in Section 3.4.

ARTICLE 6: GENERAL PROVISIONS

Section 6.1: Attorneys Fees.

The parties shall bear their own costs and attorney fees in the event an action is brought to enforce, modify or interpret the provisions of this Agreement.

Section 6.2: Notice, Demands and Communications Between the Parties.

Formal notices, demands and communications between the Agency and the Developer shall be in writing to the addresses shown in Section 1.5 and Section 1.6 of this Agreement and to the attention of the person indicated.

Section 6.3: Nonliability of Officials and Employees.

No member, agent, official or employee of any of the parties shall be personally liable to the other parties or any successor-in-interest thereto, in the event of any default or breach by a party or for any amount that may become due to either party or its successor, or any obligations under the terms of this Agreement.

Section 6.4: Unavoidable Delay; Extension of Time of Performance.

In addition to specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to causes that are unforeseeable, beyond its control and without its fault or negligence, including, but not limited to, war, insurrection, strikes, lockouts, labor disputes, riots, volcanoes, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemic, and quarantine restrictions. In the

event of delay, the party delayed shall give written notice of the delay and the reason therefore to the other party within thirty (30) days after the delayed party learns of the delaying event. An extension of time for any such cause shall be for the period of duration of the cause.

Section 6.5: Merger.

None of the provisions of this Agreement are intended to or shall be merged by reason of any deed referred to herein and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.

Section 6.6: Headings.

Any title of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.7: Time of Essence.

Time is of the essence of this Agreement. All obligations of the Agency and the Developer to each other shall be due at the time specified by the Agreement, or as the same may be extended by mutual agreement of the parties in writing.

Section 6.8: Severability.

Except for the provisions of Article 4, if any clause, sentence or any other portion of the terms and conditions of this Agreement become illegal, null or void for any reason, or held by any court of competent jurisdiction to be so, the remaining portion will remain in full force and effect.

Section 6.9: No Partnership.

Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement.

Section 6.10: Nonwaiver of Government Rights.

Subject to the terms and conditions of this Agreement, by making this Agreement, the Agency is specifically not obligating itself, the County, or any other agency with respect to any discretionary action relating to the acquisition of the Property or development, operation and use of the improvements to be constructed on the Property, including, but not limited to, condemnation, comprehensive planning, rezoning, variances, environmental clearances or any other governmental agency approvals that are or may be required. This provision shall not be interpreted in a manner that renders moot or ineffective the protections granted Developer by provisions found in paragraph 3.4.4.

Section 6.11: Entire Agreement; Waivers.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency and the Developer, and all amendments thereto must be in writing by the appropriate authorities by the Agency and the Developer.

Section 6.12: Counterparts

This Agreement may be executed in counterparts.

ARTICLE 7: SUCCESSOR INTEREST

This Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

ARTICLE 8: STATUTORY DISCLAIMER

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[SIGNATURE PAGE FOLLOWS]

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

"AGENCY"

CLACKAMAS COUNTY DEVELOPMENT AGENCY, a corporate body politic

By: _____
Chair

"VERITAS"

VERITAS, LLC, an Oregon limited liability company

By: _____

"CHURCH"

NEW HOPE COMMUNITY CHURCH, INC., an Oregon nonprofit corporation

By: _____

STATE OF OREGON)
) ss.
County of Clackamas)

On this_____day of_____, 2015, before me the undersigned, a notary public in and for such state, personally appeared _____, personally known to be (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the Chair of the Clackamas County Development Agency, a corporate body politic, and acknowledged to me that said Agency executed the within instrument.

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires:_____

STATE OF OREGON)
) ss.
County of_____)

On this_____day of_____, 2015, before me the undersigned, a notary public in and for such state, personally appeared _____, personally known to be (or proved to me on the basis of satisfactory evidence) the person who executed the within instrument as_____of Veritas Investment Co., LLC, and acknowledged to me that said company executed the within documents.

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires:_____

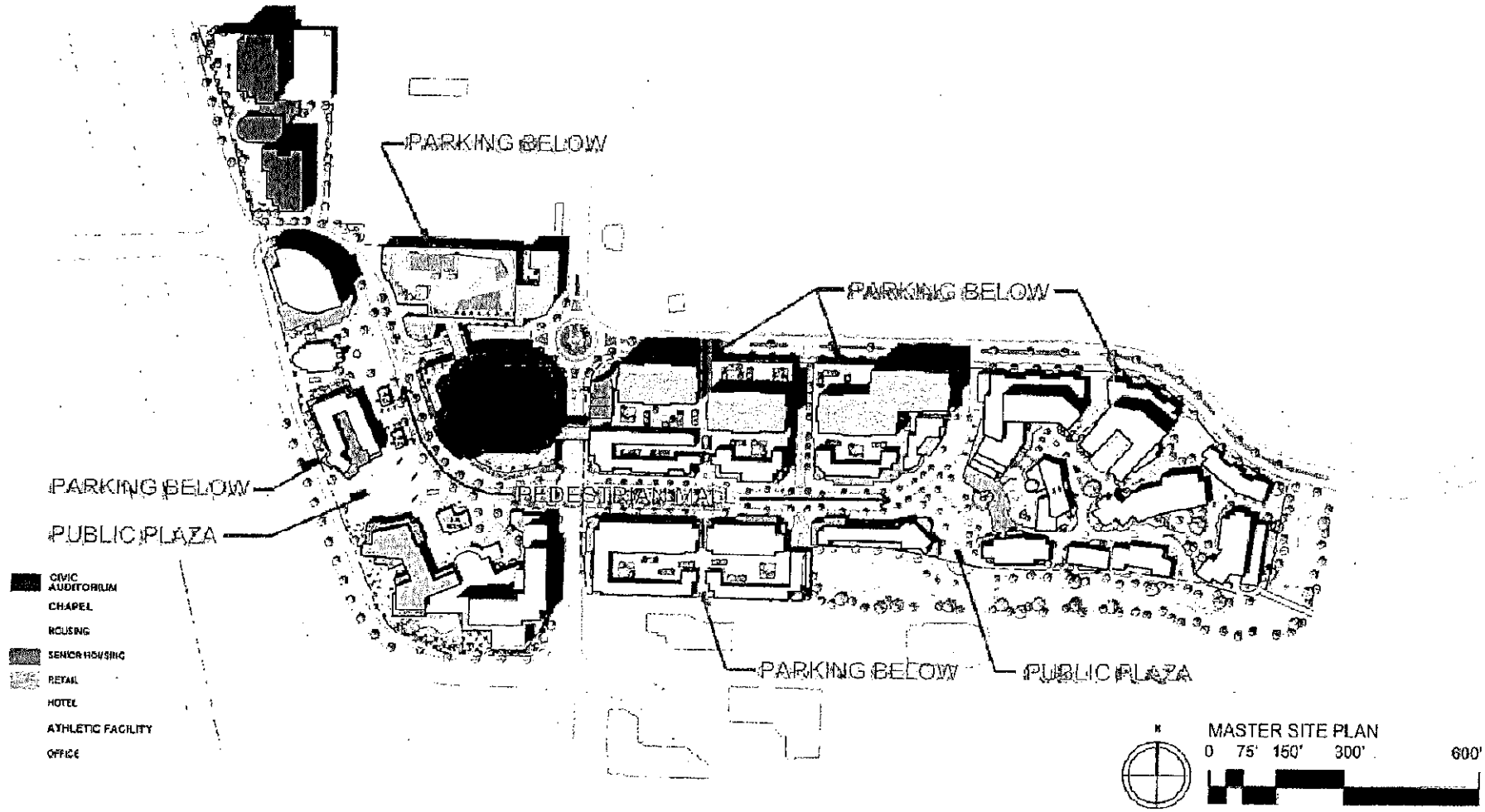
STATE OF OREGON)
) ss.
County of_____)

On this_____day of_____, 2015, before me the undersigned, a notary public in and for such state, personally appeared _____, personally known to be (or proved to me on the basis of satisfactory evidence) the person who executed the within instrument as_____of New Hope Community Church, Inc., and acknowledged to me that said company executed the within documents.

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires:_____

LIST OF EXHIBITS

EXHIBIT A	Map
EXHIBIT B	Property Description – Steven's Orchard Parcel
EXHIBIT C	Property Descriptions – Remainder of Property
EXHIBIT D	Exceptions to Title as Contained in Preliminary Title Report
EXHIBIT E	Steven's Orchard Resident Notice



EAGLE LANDING

sienna architecture company

Exhibit A – For Illustration Purposes

EXHIBIT B

All that portion of that property located in the Southeast 1/4 of Section 33, Township 1 South, Range 2 East, of the Willamette Meridian, described in that deed to Clackamas County Development Agency, recorded November 24, 1999 as Document No. 99-109960, Deed Records of Clackamas County, Oregon, which lies West , North and East of the following described line:

Beginning at a point that is 10.417 meters (34.18 feet) westerly from and perpendicular to Engineer's "SR" Centerline Station "SR"6+143.125 (in meters); thence southerly in a straight line to a point 14.555 meters (47.75 feet) westerly from and perpendicular to Engineer's "SR" Centerline Station "SR" 6+062.788 (in meters) ; thence continuing southerly in a straight line to a point that is 14.555 meters (47.75 feet) westerly from and perpendicular to Engineer's "SR" Centerline Station "SR"6+021.889 (in meters), which point is also 21.942 meters (71.99 feet) northerly from and perpendicular to Engineer's "FR" Centerline Station "FR"1+337.031 (in meters); thence southwesterly in a straight line to a point that is 13.500 meters (44.29 feet) northerly from and perpendicular to Engineer's "FR" Centerline Station "FR"1+348.556 (in meters); thence westerly and northerly along a line parallel with and 13.500 meters (44.29 feet) from Engineer's "FR" Centerline to a point that is 13.500 meters (44.29 feet) easterly from and perpendicular to Engineer's "FR" Centerline Station "FR"1+636.191PC and there terminating.

Said Engineer's "SR" Centerline is described as follows:
Beginning at a point on the center line of County Road Number 1258, also known as S.E. Stevens Road, said center line being on the north-south center line of the southeast quarter of said Section 33, said point of beginning bearing North 00°55'52" East, along the north-south center line of the southeast quarter of said Section 33, a distance of 358.296 meters (1175.51 feet) from the southwest corner of the southeast quarter of the southeast quarter of said Section 33, said point of beginning of SR Line being at Engineers Station 6+000.000, SR Line; thence, from said point of beginning, North 00°55'52" East, along the center line of County Road Number 1258, which is also along the north-south center line of the southeast quarter of said Section 33, a distance of 200.000 meters (656.17 feet) to the point of termination at Engineers Station 6+200.000, SR Line.

Said Engineer's "FR" Centerline is described as follows:
Beginning at a point on the center line of S.W. Sunnyside Road at Engineers Station 514+80.06 (in feet) as said center line is delineated in the Oregon Department of Transportation map referred to as "Oregon State Highway Division, Located Line, S.E. 97th Ave. – S.E. 122nd Ave. Section, Sunnyside Road, Clackamas County, Drg. No. 9B-18-14" with a final revision date of March, 1984, said point of beginning bearing North 88°25'27" West, along the south line of said Section 33, a distance of 232.125 meters (761.56 feet) and North 00°08'30" West, a distance of 115.212 meters (377.99 feet) from a 4" aluminum cap at the southeast corner of said Section 33, said point of beginning being at Engineers Station 0+979.918, FR Line; thence, from said point of beginning, North 00°08'30" West, a distance of 106.512 meters (349.45 feet) to a point of curvature at Engineers Station 1+086.430, FR Line; thence, along the arc of a 107.500 meter (352.69 foot) radius curve, concave southwesterly, the central angle of which is 58°50'25", the long chord of which bears North 29°33'43" West, a distance

of 105.610 meters (346.49 feet), an arc distance of 110.398 meters (362.20 feet) to a point of tangency at Engineers Station 1+196.828, FR Line; thence, North 58°58'55" West, a distance of 65.969 meters (216.43 feet) to a point of curvature at Engineers Station 1+262.797, FR Line; thence, along the arc of a 107.500 meter (352.69 foot) radius curve, concave southwesterly, the central angle of which is 30°17'51", the long chord of which bears North 74°07'51" West, a distance of 56.185 meters (184.33 feet), an arc distance of 56.845 meters (186.50 feet) to a point of tangency at Engineers Station 1+319.642, FR Line; thence, North 89°16'47" West, a distance of 77.585 meters (254.54 feet) to a point of curvature at Engineers Station 1+397.227, FR Line; thence, along the arc of a 90.000 meter (295.28 foot) radius curve, concave northeasterly, the central angle of which is 68°43'22", the long chord of which bears North 54°55'06" West, a distance of 101.594 meters (333.31 feet), an arc distance of 107.950 meters (354.17 feet) to a point of tangency at Engineers Station 1+505.177, FR Line; thence, North 20°33'25" West, a distance of 131.014 meters (429.84 feet) to a point of curvature at Engineers Station 1+636.191, FR Line; thence, along the arc of a 110.000 meter (360.89 foot) radius curve, concave northeasterly, the central angle of which is 05°41'08", the long chord of which bears North 17°42'50" West, a distance of 10.911 meters (35.80 feet), an arc distance of 10.916 meters (35.81 feet) to a point of tangency at Engineers Station 1+647.107, FR Line; thence, North 14°52'16" West, a distance of 126.564 meters (415.24 feet) to the center line of the newly designed center line of S.E. Monterey Avenue, referred to henceforth as the MA Line, at Engineers Station 7+309.362, MA Line, which is also at Engineers Station 1+773.670, FR Line; thence, continuing North 14°52'16" West, a distance of 226.441 meters (742.92 feet) to Engineers Station 2+000.111, FR Line, said point bearing North 02°03'13" East, along the north-south center line of said Section 33, a distance of 654.209 meters (2,146.35 feet) to the MA Line at Engineers Station 7+162.091, MA Line and North 86°51'48" East, along the MA Line, a distance of 147.271 meters (483.17 feet) to Engineers Station 7+309.362, MA Line, and North 14°52'16" West, a distance of 226.441 meters (742.92 feet) from the south quarter corner of said Section 33.

EXHIBIT C

Tax lot 12E33DB-200, Deed no. 83-35576; Tax lot 12E33DB-104, Deed no. 80-8412; Tax lot 12E33DB-400, Deed no. 80-8415; Tax lot 12E33DB -500, Deed no. 80-8412, Tax lot 12E33DB -602, Deed no. 80-22510; Tax lot 12E33DB-603, Deed no. 83-35575; Tax lot 12E33DC-100, Deed no. 88-31876.

Excluding Property as described in Deed no. 99-091731.

ALONG WITH:

PARCEL I: LOTS 1-6, INCLUSIVE, EAGLE LANDING (PLAT BOOK 126, PAGE 0018), CLACKAMAS COUNTY, OREGON, AND PARCEL II: AN EASEMENT FOR RECIPROCAL ACCESS AS DELINEATED ON THE RECORDED PLAT OF EAGLE LANDING (PLAT BOOK 126, PAGE 0018) (the "Property")

SUBJECT to all easements, rights-of-way, protective covenants and mineral reservations of record, if any.

EXHIBIT D

PERMITTED EXCEPTIONS

1. The premises herein described are within and subject to the statutory powers, including the power of assessment of Clackamas County Service District 1.

2. The premises herein described are within and subject to the statutory powers, including the power of assessment of Mt. Scott Joint Water District.

3. Access Restrictions, including the terms and provisions thereof, contained the Deed from Bonnie Jeanne Davis, formerly Bonnie Jeanne Wright, Katherine Stedman, Jesse J. Mosso and Juanita Marie Mosso also known as Juanita M. Mosso, husband and wife, to the State of Oregon, by and through its State Highway Commission, dated October 11, 1971and Recorded November 29, 1971 with Fee No. 71 33607 in the Records of Clackamas County, Oregon, affecting Parcel 2.

4. Access Restrictions, including the terms and provisions thereof, contained in the Deed from Thomas J. Matthews, Sr. and Hallie C. Matthews, husband and wife, to the State of Oregon, by and through its State Highway Commission dated January 10, 1972 and Recorded February 1, 1992 with the Fee No. 72 02513 in the Records of Clackamas County, Oregon for Parcel 1.

5. Easement, including the terms and provisions thereof from James W. Jamison and Palmer Hewlett to Clackamas County, Oregon, Recorded July 9, 1974 with Fee No. 74 19162 in the Records of Clackamas County, Oregon for sewer and rights incidental thereto and affecting the most Westerly portion of Parcel 2.

6. Easement, including the terms and provisions thereof from Palmer A. Hewlett and James W. Jamison to Clackamas County, Oregon and Recorded on January 24, 1975 with Fee No. 75 02046 in the Records of Clackamas County, Oregon for Sewer and rights incidental thereto which affects the Westerly 20 feet of Parcel 1.

7. Easement, including the terms and provisions thereof from The Robert Randall Company to Portland General Electric Company, an Oregon corporation, Recorded February 20,1980 with Fee No. 80 06307 in the Records of Clackamas County, Oregon for Electric Power Line Easement and rights incidental thereto affecting ten feet in width along the most Northerly line of Parcel 1.

8. Easement, including the terms and provisions thereof from Robert D. Randall to Clackamas County, Oregon, Recorded December 29, 1981 with Fee No. 81 44145 in the Records of Clackamas County, Oregon for storm sewer drainage and rights incidental thereto which affects the most Southeasterly portion of Parcel 1 and the most Northeasterly portion of Parcel 2.

9. Agreement, including the terms and provisions thereof between Gramor Development, Inc., a Washington corporation and Glenborough Operating Co. Ltd., a California limited partnership, dated April 6, 1992, Recorded May 8, 1992 with Fee No. 92 27762 in the Records of Clackamas County, Oregon.

10. Encroachments of Landscaping, Trees and Irrigation System along the South line of Parcel 2 as disclosed on the Alta Survey of Stevens Orchards by Chase, Jones & Associates, Inc., dated December 23, 1994 as Project No. 9059, and as disclosed by item #12 on Exhibit B of the Deed of Trust recorded January 9, 1995 as Fee No. 95001624.

11. Unrecorded Lease, including the terms and provisions thereof from S.F. Property Investments, L.L.C., Lessor to Web Service Company, Inc., Lessee as evidenced by Memorandum of Lease Recorded August 25, 1997 with Fee No. 97064966 in the Records of Clackamas County, Oregon for common laundry facilities.

12. Easement for Power and Anchor along East line of Parcel 1 as disclosed on the ALTA Survey of Stevens Orchards by Chase, Jones & Associates, Inc., dated December 23, 1994 as Project No. 9059, and as disclosed by item #13 on Exhibit B of Deed of Trust recorded January 9,1995 as Fee no. 95001624.

Exhibit E

NOTICE OF OWNERSHIP CHANGE

Dear Resident:

This is to inform you that, effective _____, 2015, New Hope Community Church Inc. will assume ownership of this property. The change in ownership will not affect the terms of your rental agreement. Until further notice, please direct your rental payments and all correspondence to _____.

If you have any questions about this notice, please contact _____ at _____.

Sincerely,

_____