

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 233

A RESOLUTION OF THE CITY OF WILSONVILLE URBAN RENEWAL AGENCY AUTHORIZING ADDENDUM NO. 6 TO THE DEVELOPMENT AGREEMENT OF JUNE 14, 2004 BY AND BETWEEN THE CITY OF WILSONVILLE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, MATRIX DEVELOPMENT CORPORATION, PROPERTY OWNERS DONALD E. BISCHOF & SHARON L. LUND, ARTHUR C. & DEE W. PICULELL, THE DeARMOND FAMILY LLC, LOUIS J. & MARGARET P. FASANO, AND VALERIE & MATTHEW KIRKENDALL

WHEREAS, Lennar Northwest, Inc. (Lennar) has purchasing a certain parcel of land from Wells Fargo Bank (Wells Fargo); and

WHEREAS, this land was originally optioned by Matrix Development Corporation (Matrix) along with other land purchased and optioned by Matrix, all of which was subject to the Matrix Development Agreement for the development of all the property acquired and optioned. Due to a bankruptcy reorganization, the optioned land went back to the owners, including REDUS OR Lands, Inc. (the property group of Wachovia Financial), later acquired by Wells Fargo; and

WHEREAS, the City of Wilsonville (City), the Urban Renewal Agency of the City of Wilsonville (URA), and Lennar desire to enter into Addendum No. 6 to the Matrix Development Agreement to provide for the infrastructure for the proposed subdivision development by Lennar of the Wells Fargo property into an 88 lot subdivision known as Special Area Plan East, Preliminary Development Plan 2 (SAP-E, PDP-2) of the amended Villebois Village Master Plan; and

WHEREAS, Lennar has applied for subdivision development approval, in keeping with the amended Villebois Village Master Plan, and entry into this Addendum 6 will assist in developing the subdivision in an efficient and timely manner;

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The recitals above are incorporated by reference as if fully set forth herein.

2. The Executive Director is authorized to execute Addendum 6 to the Matrix Development Agreement on behalf of the Agency, a copy of which is attached hereto as Exhibit A and incorporated by reference as if fully set forth herein.
3. This resolution becomes effective upon the date of adoption.

ADOPTED by the Urban Renewal Agency Board at a regular meeting thereof this 5th day of August, 2013, and filed with the Wilsonville City Recorder this date.


TIM KNAPP, CHAIR

ATTEST:


Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Chair Knapp	Yes
Board Member Starr	Yes
Board Member Goddard	Yes
Board Member Fitzgerald	Yes
Board Member Stevens	Yes

Attachments:

Exhibit A – Addendum No. 6

ADDENDUM NO. 6
TO THE DEVELOPMENT AGREEMENT OF JUNE 14, 2004
BY AND BETWEEN THE CITY OF WILSONVILLE (CITY) AND
THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE (URA)
AND MATRIX DEVELOPMENT CORPORATION (DEVELOPER)
AND PROPERTY OWNERS DONALD E. BISCHOF / SHARON L. LUND,
ARTHUR C. / DEE W. PICULELL,
THE DeARMOND FAMILY LLC / LOUIS J. / MARGARET P. FASANO (OWNERS)
AND VALERIE AND MATTHEW KIRKENDALL (KIRKENDALL)

THIS ADDENDUM NO. 6 (“Addendum 6”) to the above captioned Development Agreement, which has previously been amended by Addendums 1-5 (together hereinafter referred to as the “Matrix Development Agreement”) is entered into this ____ day of _____, 2013, by and between the City of Wilsonville (“City”), a municipal corporation of the State of Oregon, the Urban Renewal Agency of the City of Wilsonville (“URA”), a municipal corporation of the State of Oregon, and Lennar Northwest, Inc., a Delaware Corporation (“Lennar”). This Addendum 6 only applies to the City, the URA, and Lennar, and does not apply to the other parties to the Matrix Development Agreement. This Addendum 6 pertains to property referenced on the attached **Exhibit 1**, which is known as Special Area Plan East, Preliminary Development Plan 2 (hereinafter referred to as “SAP-E, PDP-2”), and is currently owned by Lennar.

RECITALS:

1. The Villebois Master Plan is a land use plan regulating the development of an approximately 500-acre mixed use community including internal commercial development and roughly 2,600 residential units, with trails, parks, and open spaces, supported by \$140 million in infrastructure. In approximately June 2004, for the purposes of developing 655 home sites within the Villebois Master Plan area, Matrix Development Co. (“Matrix”) acquired certain land interests in approximately 150 acres of land east of 110th Street, known under the Villebois Master Plan as SAP-E, and entered into the 2004 Development Agreement set forth in the title above (known as the “Matrix Development Agreement”).

2. The Matrix Development Agreement was amended by Addendum No. 1 in August of 2005 to reflect a change in the financing mechanism for the proportionate share of I-5/Wilsonville Road Improvements. In December 2007, it was amended by Addendum No. 2 to reflect certain changes in the Villebois Parks Master Plan, park financing, and certain other infrastructure costs. Subsequently, Matrix was the subject of reorganization under bankruptcy laws.

3. In December 2010, Addendum No. 3 was entered into to reflect the respective rights and duties of the parties, including REDUS, for sharing in the payment of certain infrastructure provided in connection with constructing a new primary school through the formation of reimbursement districts. As described in Addendum No. 3, Matrix as its reorganized entity Legend Homes, retained only that portion of the property known as SAP-E, PDP-1. Matrix transferred its interest in the remainder of the SAP-E property to the respective

owners and secured parties, namely: to Wachovia Financial (“Wachovia”) and its property group, REDUS OR Lands, Inc. (“REDUS”), that portion of the property which is now known as SAP-E, PDP-2; to Donald E. Bischof and Sharon L. Lund (“Bischof/Lund”), that portion of the property which Polygon Northwest Company, LLC has an option agreement to purchase and subsequently intends to develop, now known as SAP-E, PDP-3 (Addendum No. 4 was entered into with Polygon and only applies to the development of SAP-E, PDP-3); and to Fasano/DeArmond, which Polygon Northwest Company, LLC has purchased and intends to develop that portion of the property now known as SAP-E, PDP-4 (Addendum No. 5 was entered into with Polygon and only applies to the development of SAP-E, PDP-4).

4. Wells Fargo, a national banking institution (“Wells Fargo”), acquired Wachovia and REDUS. REDUS applied for and received development approval, subject to conditions, to subdivide SAP-E, PDP-2 into 88 lots, and named the subdivision Retherford Meadows. One of the conditions of the REDUS permit approval was to construct Coffee Lake Drive on its property, subject to certain SDC credits. As part of the development process and in keeping with the aforementioned Addendum No. 3 and the conditions of development, Wells Fargo negotiated on behalf of REDUS a Development Agreement (Resolution 2387) with the City regarding REDUS paying the cost of early construction of the Coffee Lake Drive road base installed by the City at the time a segment of the Coffee Lake Drive Sewer Trunk Line was installed by the City within the proposed Coffee Lake Drive right of way, which is located within the site of SAP-E, PDP-2. Wells Fargo, on behalf of REDUS, also received notice and represented itself and REDUS during the adoption process of the Coffee Lake Drive Sewer Line Reimbursement District (Resolution No. 2350) and the Road and Utility Reimbursement District for the West Linn/Wilsonville School District (Resolution No. 2400). SAP-E, PDP-2 is one of the benefitted property sites in each reimbursement district and the owner is responsible for certain repayments upon development.

5. Having acquired the development rights along with the property from REDUS, Lennar wishes to develop the SAP-E, PDP-2 subdivision as previously approved, which subdivision is generally shown on the attached **Exhibit 2** (the “Site Plan”). The City, the URA, and Lennar wish to clarify certain respective obligations under the Matrix Development Agreement and Addendum Nos. 1-3, the aforementioned Development Agreement, and the two Reimbursement Districts as they apply to the development of the Lennar property.

6. Addendum Nos. 4 and 5 apply only to Polygon Northwest Company, L.L.C., the City, and the URA. Lennar is not a party to Addendum Nos. 4 and 5 and Lennar is not intended to be made a party by this Addendum No. 6 to either Addendum 4 or Addendum 5.

7. Terms not specifically defined herein shall be as defined in the Development Agreement and as amended by Addendums 1-3.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City, the URA, and Lennar agree as follows:

TERMS AND CONDITIONS:

1. **Supplemental I-5/Wilsonville Street Fee.** By the terms of Addendum 3 and the Purchase and Sale Agreement referenced therein, Wells Fargo/REDUS received a reimbursement on behalf of Wachovia for Wachovia's financing the prepayment of the I-5/Wilsonville Road Improvements attributable to the development of a primary school by the West Linn Wilsonville School District (70 DUs @ \$690 a DU) and will receive a reimbursement of \$690 per DU from the SAP-E, PDP-3 and PDP-4 properties as they are developed and building permits are pulled (currently proposed to be developed by Polygon Northwest Corporation LLC). REDUS received a credit for the then proposed 86 lot development of SAP E, PDP-2 along with a credit to Legend Homes (Matrix) for 191 lots. The reimbursement and credit are subject to adjustment should the proposed 86 DUs change for SAP-E, PDP-2. In fact, the final development approval was for 88 DUs. Therefore, Lennar, as the successor and the developer of PDP-2, is entitled to the 88 DU credit and shall not be charged any supplemental I-5/Wilsonville Street Fee (and the reimbursement to REDUS will be adjusted accordingly under the terms of paragraph H of Addendum 3). This supplemental street SDC is separate and apart from the basic street SDC and is not intended by the parties hereto to be a part of any street SDC credit or street SDC credit calculation associated with the basic SDC that is set forth in this Agreement.

2. **Parks Fees.** Pursuant to negotiations involving the Matrix bankruptcy reorganization and acquisition of land from REDUS for the development of the aforementioned primary school, Matrix's overall financial obligation for parks was substantially reduced. In Addendum 3, REDUS agreed that payment by it or its successors or assigns of a parks SDC surcharge of \$1,071 together with the then basic park SDC of \$4,602, totaling \$5,673 per lot, was an acceptable resolution to help fund the design and construction of parks identified in the Revised Master Plan as Pocket Park 10, Neighborhood Park 6, and Regional Parks 7 and 8, which the City agreed it would cause to occur behind the adjacent curb line. The City has no financial responsibility for the design and construction of half-street improvements or utilities fronting these parks and the responsibility for the design and construction of these half-street improvements and utilities remain with the developer, except for a portion of Coffee Lake Drive as described in Section 8.1. The \$5,673 per lot SDC fee was agreed to increase annually, beginning December 9, 2011, and continuing each anniversary thereafter, by an amount equal to the product of (i) the per lot park SDC in effect on the date of such increase and (ii) the percentage increase, if any, of the Seattle Construction Cost Index based on a composite for specified construction components as published in the Engineering News Record.

At any time after December 9, 2015, the City may increase the base rate of \$5,673 in proportion to any increase to the current rate of \$4,602 due to the adoption of a new SDC rate. For example, if a new parks SDC rate were to be established by the City and the \$4,602 rate increased by 10%, inclusive of the annual index increases, to \$5,062, the \$5,673 rate could be increased by 10% to \$6,240. The charges and increases are consistent with other parties to Addendum 3, save Matrix/Legend, which was otherwise agreed to by the parties, including REDUS.

Due to the annual increases pursuant to the Seattle Construction Index, the SDC cost as of December 9, 2012 is \$5,877 per DU, payable at the time Building Permits are issued.

Beginning December 9, 2013, the Park SDC will be \$6,118 per DU, as shown on the attached **Exhibit 3**.

3. **Miscellaneous Parks: Linear Green 17, a portion of Linear Green 10, Open Space 4, Pocket Park 8, and Wetlands Area.** These miscellaneous parks are the responsibility of Lennar and are to be constructed and maintained at Lennar's or its successor or assigns, sole expense. They are described on Lennar's development plans as Tract J (a portion of Linear Green 10), Tract K (the wetlands area), Tract L (linear Green 17), Tract M (Pocket Park 8), and Open Space 4 (Tract N).

4. **Reimbursement District for the Coffee Lake Drive Sewer Line.** In constructing the grade school and associated fields, the City constructed a 15-inch sewer trunk line within the future right of way of Coffee Lake Drive between slightly south of Barber Street north to the Bischof/Lund southern property line. While this sewer line segment is needed to serve the school site, it was sized for additional future residential development and this was addressed in paragraph D of Addendum No. 3, as REDUS was a benefiting party. The reimbursement district was formed and Wells Fargo, REDUS, and the City agreed that REDUS's proportionate share was to be paid at the time that a public works permit was pulled for the development of roads and utilities on the REDUS property. The total amount owed as of the date of this agreement is \$27,875.73, together with interest from July 1, 2013 at the rate equal to the average of the prior fiscal year's Local Government Investment Pool (LGIP) interest (0.58%), together with an accrued administration fee of 2% from November 5, 2012 on the unpaid balance.

5. **Reimbursement pursuant to Development Agreement for sub-base rock for Coffee Lake Drive.** In constructing the Coffee Lake Drive Sewer Line within the future right of way of Coffee Lake Drive, a section of the roadway sub-base was required to be constructed prior to the full construction of Coffee Lake Drive on the property. Full construction of Coffee Lake Drive, subject to certain credits, was a condition of developing the subdivision. In December 2012, the aforementioned Development Agreement (Resolution No. 2387) was entered into by REDUS with the City for reimbursement of the proportionate costs upon development on a per lot basis. The total cost reimbursement after SDC credits is \$196,052, together with interest at the rate of six-tenths of one percent (0.6%) from October 31, 2012, and which interest shall be adjusted July 1, 2013, and July 1 of each succeeding year based upon the preceding annual average (July 1 to June 30) for the interest earned by the City on its funds in the LGIP. Such interest rate on July 1, 2013 is 0.58%. Lennar may either pay in lump sum the unpaid balance together with the accrued interest at the time of issuance by the City of Lennar's first building permit, or Lennar may pay the unpaid balance together with any accrued interest thereon or on a per lot installment basis at the time of issuance of the respective building permit(s). For lots 1-87, the payment would be \$2,227.86 per lot, together with accrued interest as set forth above, and for lot 88 the payment would be \$2,228.18, together with accrued interest as set forth above.

6. **Reimbursement District for Local Roads, Waterline, Storm Lines, and Sewer Line Laterals To Be Constructed as a Part of the School Site Development.** The school site development included the construction of local roads, water lines, storm lines and sewer lines which benefit future development on a portion of SAP-E, PDP-2. This project has been completed and the School District has formed a Reimbursement District through the City

(Resolution No. 2400). Wells Fargo, on behalf of REDUS, participated in the notice and hearing process for creating this Reimbursement District. The proportionate share of the costs to the REDUS property is \$81,965.67, together with such interest on the unpaid balance at 4.5% per annum commencing March 13, 2013, the date of the formation of the District. Lennar, by executing this Addendum 6 is agreeing to be responsible for paying the \$81,965.67, together with the interest on the unpaid balance, and may do so in full at the time of pulling its first building permit or may choose to prorate the unpaid balance and any interest thereon on a per-lot basis at time of building permit issuance. For lots 1-87, the payment would be \$931.43 per lot, together with the accrued interest at 4.5% per annum commencing March 13, 2013 and for lot 88, the payment would be \$931.26, together with the accrued interest at 4.5% per annum commencing March 13, 2013.

7. **Master Planning Fee.** The Matrix Development Agreement for SAP-E provides that the developer will pay a master planning fee of \$900 per lot, \$690 to the master planner, Costa Pacific Communities (Costa), and \$210 to the City, subject to an annual increase made per the Seattle Construction Cost Index. Lennar is subject to paying the master planning fee, which is currently, for fiscal year 2013-14, a total of \$1,071 at the time of building permit issuance, with the City paying over \$821 to Costa Pacific and retaining \$250, as shown on the attached **Exhibit 3**. The total current estimate for the 88 lots being built in fiscal year 2013-14 is \$94,248.

8. **Architectural and Rainwater Plans Review Fee.** As of July 1, 2013, the architectural portion of the review fee set forth is \$333 and the rainwater portion is \$100. These fees are subject to annual adjustment as of each succeeding July 1 to reflect the increase in the Pacific Northwest Construction Price Index (published by Engineering News-Record for Seattle, Washington).

9. **SDC Credit Calculations.**

9.1. **Included Costs.** The standards for calculating the costs of constructing infrastructure, including both soft and hard construction costs, are standards known to the City and Lennar, and have been used for the calculations herein and against which SDC credits are calculated. The Matrix Development Agreement addresses the respective SDC and SDC credit calculations and is to be followed, except as may otherwise be specifically set forth in this Addendum 6. Lennar is responsible for construction of Barber Street from Montebello through the eastern corner radius at Coffee Lake Drive in the subdivision. Lennar will receive street SDC credit from the City for construction of two 6-foot bike lanes and underlying base rock, additional structural section due to Collector classification, and installation of a school zone flashing beacon (total estimated at \$35,116).

Lennar is responsible for the remaining portions of Coffee Lake Drive through the subdivision. From Barber Street to the north end of development Lennar will receive street SDC credit from the City for construction of the roadway beyond the first 20 feet as measured from the west curb face (total estimated at \$62,724). A series of tables of SDCs and credits, as referenced above and as currently calculated but subject to future annual adjustment, are provided in **Exhibit 3**.

9.2 Excluded Costs. The parties to this Addendum 6 agree that the various infrastructure costs and SDC credit calculations shall not include the cost of any property or any easement, right of entry, or license for any property necessary to be dedicated to the public or otherwise transferred by any of the respective parties to this Addendum 6 to the City for the infrastructure improvements, including parks, provided for in this Addendum 6 and which shall be provided to the City without cost to the City.

9.3. Final Estimates and True Up. In order to secure a public works permit for the infrastructure provided for herein, plans for the construction of the infrastructure, including parks, must be provided to and approved by the City. In constructing the infrastructure, the approved plans must be followed and, to ensure the cost for providing the infrastructure is reasonable, and thus any credit entitlement is reasonable, Lennar shall provide the construction contract costs to the City as the final estimate for the City's review and approval, which approval shall not be unreasonably withheld. The final cost and SDC credits shall be based on actual costs true-up from the construction contract costs; provided, however, that for any such true-up change cost, the parties must mutually agree they are reasonable.

9.4. Insurance and Bonds. As a precedent to receiving SDC credits and prior to commencement of construction of the infrastructure set forth in this Addendum 6, Lennar shall provide to the City performance and payment bonds satisfactory to the City to provide for the respective infrastructure set forth in this Addendum. Lennar shall cause the City to be an additional endorsee on the applicable contractor's insurance policy for the construction of the respective infrastructure provided for in this Addendum in amounts and coverage satisfactory to the City.

10. Other Fees and Charges. The development of SAP-E, PDP-2 by Lennar is subject to such other fees and charges typically and customarily charged by the City for residential single family development such as for building, planning, and public works permits, reviews, and inspections and system development charges (collectively, the "Customary Fees"). The fees and charges set out in the above paragraphs of the Addendum are intended to clarify all of the modified or special fees and charges applicable to the development and not those that are otherwise typically and customarily charged. Except as set forth in Addendum 6 and except for the Customary Fees, there are no other modified or special fees and charges particular to the development of PDP-2, as amended, and the Purchase and Sale Agreement described in paragraph 1 above.

11. **Recitals Incorporated.** The recitals set forth above, inclusive of exhibits, are incorporated by reference as general terms of this agreement to provide for the intent of the parties in developing and constructing the specific provisions of the Terms and Conditions of this Addendum No. 6 Agreement.

12. **Miscellaneous.** This Addendum 6 amends the Matrix Development Agreement as specifically set forth herein in Addendum 6. Except as set forth in Addendum 6, the Matrix Development Agreement remains in full force and effect as to the parties to this Addendum 6.

13. **Assignment.** Lennar shall have the right to assign, without release, this Addendum 6 to an affiliate of Lennar. An affiliate of Lennar is defined as any entity that is managed or controlled by the same people who manage Lennar.

14. **Notices.** All notices, demands, consents, approvals, and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be faxed, hand delivered, or sent by overnight courier or United States Mail at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given when delivered, three days after mailing by United States Mail, or upon receipt if sent by courier; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal.

To City: City of Wilsonville
Attn: Michael E. Kohlhoff, City Attorney
29799 SW Town Center Loop East
Wilsonville OR 97070

To Lennar: Lennar Northwest, Inc.
Attn: Mike Loomis, Director of Land Development
11807 NE 99th Street, Suite 1170
Vancouver, WA 98682

With a copy to: Jim Reinhart, Counsel
11807 NE 99th Street, Suite 1170
Vancouver, WA 98682

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first written above.

CITY OF WILSONVILLE

LENNAR NORTHWEST, INC.

By: _____
Bryan Cosgrove
As Its: City Manager

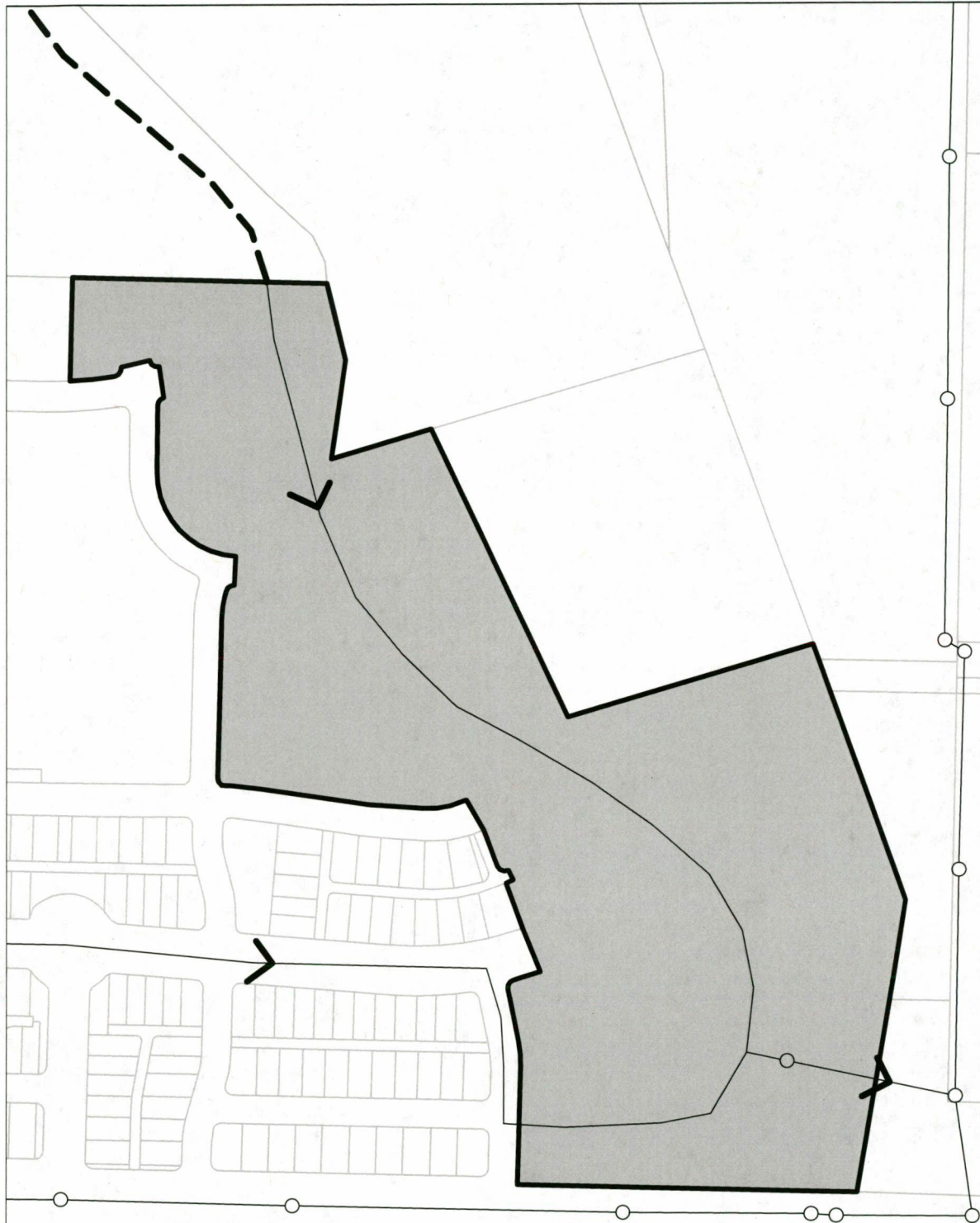
By: _____
Print Name: _____
As Its: _____

THE URBAN RENEWAL AGENCY
OF THE CITY OF WILSONVILLE

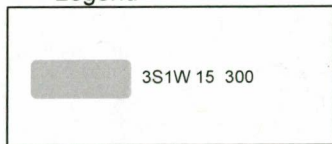
By: _____
Bryan Cosgrove
As Its: Executive Director

I:\villebois\retherford meadows\agr addm 6 to matrix dev agr-lennar

Exhibit 1



Legend



City of Wilsonville
Engineering Division
29799 SW Town Center Loop East
Wilsonville OR 97070
503-682-4960

Villebois
Addendum No. 6
Development Agreement
Clackamas County, OR

Date: July 11, 2013
Scale: N.T.S.
Drawn By: SR
Date Plotted: July 11, 2013
Drawing Name: Addendum6Develop_Agreement.dwg

City of
Wilsonville
Engineering Division

Exhibit 2

RETFERD MEADOWS

BEING A REPLAT OF PARCEL 3, PARTITION PLAT NO. 2011-005
 IN THE NW 1/4 AND SW 1/4 OF SECTION 14, AND
 THE NE 1/4 AND SE 1/4 OF SECTION 15, T. 3 S., R. 1 W., W.M.
 CITY OF WILSONVILLE, CLACKAMAS COUNTY, OREGON
 DATE: JULY 13, 2013

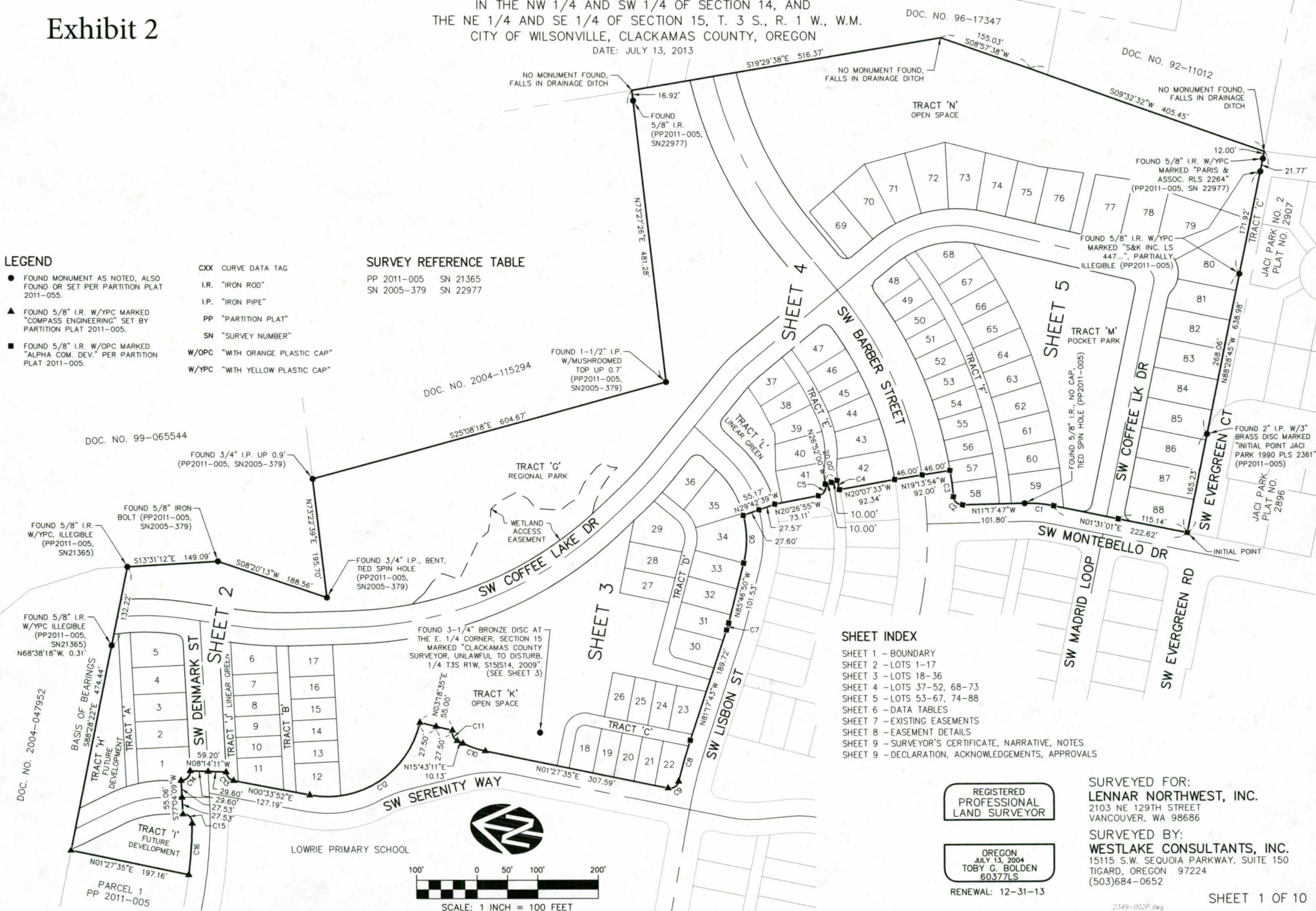
PLAT BOOK _____ PAGE _____
 RECORDED AS DOCUMENT NO. _____

LEGEND

- FOUND MONUMENT AS NOTED, ALSO FOUND OR SET PER PARTITION PLAT 2011-055.
 - ▲ FOUND 5/8" I.R. W/YPC MARKED "COMPASS ENGINEERING" SET BY PARTITION PLAT 2011-005.
 - FOUND 5/8" I.R. W/OPC MARKED "ALPHA COM. DEV." PER PARTITION PLAT 2011-005.
- CXX CURVE DATA TAG
 - I.R. "IRON ROD"
 - I.P. "IRON PIPE"
 - PP "PARTITION PLAT"
 - SN "SURVEY NUMBER"
 - W/OPC "WITH ORANGE PLASTIC CAP"
 - W/YPC "WITH YELLOW PLASTIC CAP"

SURVEY REFERENCE TABLE

PP 2011-005	SN 21365
SN 2005-379	SN 22977



SHEET INDEX

- SHEET 1 - BOUNDARY
- SHEET 2 - LOTS 1-17
- SHEET 3 - LOTS 18-36
- SHEET 4 - LOTS 37-52, 68-73
- SHEET 5 - LOTS 53-67, 74-88
- SHEET 6 - DATA TABLES
- SHEET 7 - EXISTING EASEMENTS
- SHEET 8 - EASEMENT DETAILS
- SHEET 9 - SURVEYOR'S CERTIFICATE, NARRATIVE, NOTES
- SHEET 9 - DECLARATION, ACKNOWLEDGEMENTS, APPROVALS

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

OREGON
 JULY 13, 2004
 TOBY G. BOLDEN
 60377LS

RENEWAL: 12-31-13

SURVEYED FOR:
LENNAR NORTHWEST, INC.
 2103 NE 129TH STREET
 VANCOUVER, WA 98686

SURVEYED BY:
WESTLAKE CONSULTANTS, INC.
 15115 S.W. SEQUOIA PARKWAY, SUITE 150
 TIGARD, OREGON 97224
 (503)684-0652

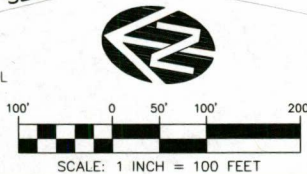


Exhibit 3

R1 - Barber Street through the property

Lennar to build Barber street from Montebello through the eastern corner radius at Coffee Lake Drive and receive street SDC credit from the City for construction of two 6-foot bike lanes and underlying base rock(\$14,298), additional structural section due to Collector classification (\$3,022), and installation of a school zone flashing beacon (\$11,000), plus associated soft cost at \$24%. Quantity and Unit Price provided by Westlake Consultants; subject to true-up at project completion.

Road	Unit	Quantity	Unit Price	Cost
Base Rock - additional depth	SY	1,599	\$2	\$ 3,022
Base Rock - bike lane	SY	404	\$11	\$ 4,343
Asphalt Paving	SY	404	\$17	\$ 6,755
Striping	LF	1,212	\$3	\$ 3,200
School Flashing Beacon	EA	1	\$11,000	\$ 11,000
soft cost/cont			24%	\$ 6,797
Total				\$ 35,116

R2 - Coffee Lake Drive through the property

Lennar to build Coffee Lake Drive through the property. From Barber Street to north end of development Lennar will receive street SDC credit for construction of the roadway beyond the first 20 feet as measured from the west curb face (\$58,934), including associated soft cost at \$24%. Quantity and Unit Price provided by Westlake Consultants; subject to true-up at project completion.

Item	Unit	Quantity	Unit Price	Cost
Base Rock	SY	712	\$9	\$ 6,415
Asphalt Paving	SY	712	\$17	\$ 11,905
East side curb - wetlands	LF	535	\$25	\$ 13,225
East side curb - standard	LF	818	\$10	\$ 8,417
East side fence/rail	LF	535	\$14	\$ 7,565
soft cost/cont			24%	\$ 11,406
Total				\$ 58,934

P1 - Regional Parks 8, southerly portion

RP-8, Dec 2012		Lots	Cost
Basic Park SDC	\$4,768	88	\$ 419,555
Park Surcharge	\$1,110	88	\$ 97,641
soft cost/cont			incl.
Lennar Portion	\$5,877		\$ 517,196

RP-8, Dec 2013		Lots	Cost
Basic Park SDC	\$4,963	88	\$ 436,757
Park Surcharge	\$1,155	88	\$ 101,644
soft cost/cont			incl.
Lennar Portion	\$6,118		\$ 538,401

MP1 - Master Plan Fee

Pay entire \$1071 fee to City, City will forward developer's share to Costa Pacific Communities.

Fee, FY 2013/14	Rate	Units	Cost
MP Fee (Costa)	\$821.00	88	\$ 72,248
MP Fee (City)	\$250.00	88	\$ 22,000
Total	\$1,071	88	\$ 94,248