

EXHIBIT B
SPRINGBROOK OAKS
MEMORANDUM OF UNDERSTANDING
RECITALS:

1. **Parties:** This memorandum of understanding is made between the City of Newberg, Oregon, hereinafter known as CITY, and MJG Development, Inc., hereinafter known as MJG. The memorandum concerns the Oaks at Springbrook Subdivision, hereinafter known as PROPERTY.
2. **Purpose:**
 - A. MJG is seeking to develop PROPERTY. Development of PROPERTY requires storm drainage improvements to the culvert at the West Springbrook Creek crossing of Fernwood Road. This culvert does not have sufficient capacity to convey the increased flows resulting from the development of PROPERTY.
 - B. As a result of damage to Fernwood Road due to a previous CITY sanitary sewer project, CITY has budgeted funds to perform a repair of the top portion of Fernwood Road that coincidentally is located directly over the subject culvert.
 - C. CITY desires to cooperate with MJG to improve the culvert and road so PROPERTY can develop in accordance with the Springbrook Oaks Specific Plan.
 - D. This agreement details the financial responsibilities of the parties for providing the facilities listed herein.
 - E. There are other facilities required for development of PROPERTY that are not outlined in the agreement. The cost of these other facilities will be borne by MJG or successors.
3. **Applicability:** Both parties accept the responsibilities herein, and understand that failure of either to fulfill any of its responsibilities may result in the other party withdrawing from its responsibilities hereunder.

UNDERSTANDING: Now, therefore, the parties understand that the following improvements shall be designed, permitted, constructed, and financed as detailed below:

6. **Improvements:** The planned improvements include:
 - A. The removal of a portion of the road fill and removal of the culvert.

- B. The installation of an engineered road fill section and asphalt concrete (A/C) surfacing to match as nearly as possible the existing road cross-section.
- C. Installation of a new larger culvert adequate in size, but no less than 54-inches in diameter, to convey surface run-off flows from the fully developed drainage basin tributary to its location. Said culvert to also meet fish passage requirements of the Oregon Department of Fish and Wildlife.
- D. The installation of a 12-inch water line in Fernwood Road within this project and extending to Springbrook Road and connecting to the City water line therein. The trench shall be fully restored to City Standards.

5. Responsibilities:

A. MJG shall:

- 1. Provide approvable engineering design and construction documents in accordance with City of Newberg design standards for the entire project.
- 2. Comply with Oregon Bureau of Labor and Industry (BOLI) prevailing wage requirements.
- 3. Complete the construction no later than August 30, 2003.
- 4. Provide supporting documentation for resource agency permit applications.

B. CITY shall:

- 1. Review and, when acceptable, approve the design documents.
- 2. Provide inspection of the facilities.
- 3. Provide all pipe and fittings necessary for the 12-inch water line installation by MJG.
- 4. Coordinate with private utilities for their relocation.
- 5. Submit an application to the Oregon Division of State Lands (DSL) for a maintenance exemption.
- 6. Obtain permission from Yamhill County.

6. Cost Participation:

- A. CITY will contribute up to \$100,000 (on a "time-and-materials" basis) toward the repair of the Fernwood Road fill. This will also cover MJG's costs in installing pipe collars (trench dams) on City pipelines in the area.
- B. MJG will pay for all other costs.
- C. CITY shall provide Stormwater SDC credits for the increase in culvert diameter to accommodate future development in the drainage basin, not to include that which resides within the Springbrook Oaks Development.

7. **Payment**

- A. CITY will make payment of up to \$100,000 to MJG on completion and final acceptance by CITY of the work performed.

ACCEPTED this 15 day of April, 2003.

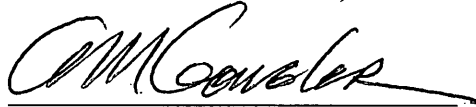
CITY OF NEWBERG:



James Bennett, City Manager
4/24/03

Date

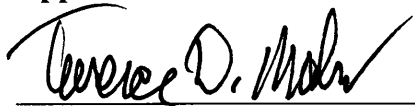
MJG DEVELOPMENT, INC.



G. Michael Gougler, President
April 15, 2003

Date

Approved as to form:



Terrence D. Mahr, City Attorney
4/24/03

Date