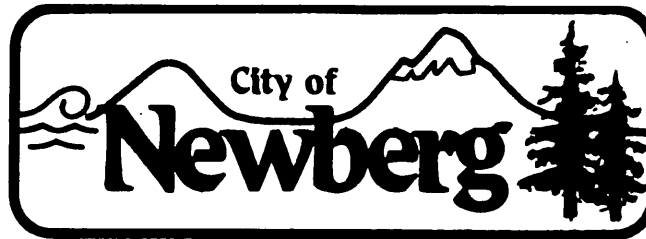


→ VAULT

City of Newberg
414 E. First Street
P.O. Box 970
Newberg, OR 97132



City Manager
(503) 538-9421
(503) 538-5013 FAX
CITY OF NEWBERG
CITY RECORDER INDEX NO. 1894

Community Development Office

(503) 537-1240

January 29, 2002

Mr. Mike Gougler
MJG Development, Inc.
5241 Windsor Terrace
West Linn, OR 97068

RE: Springbrook Oaks/Proposed Consideration for Water Transmission Line Easements

Dear Mr. Gougler:

Your firm, your client (represented by Mr. Dean Werth) and the City of Newberg have been, for some months, negotiating easements across the Werth property from Corral Creek Road on the east to Springbrook road on the west. You have indicated that your client would like "consideration" for those easements. Thus, the City proposes the following.

The City of Newberg desires to connect the proposed Corral Creek Reservoir to an existing water line in Springbrook Road by means of a 24 inch water line that is to be placed along and in a 20 foot wide easement on property owned by the Werth Family LLC (Springbrook Oaks). We understand that the Werth Family LLC desires to grant this easement and will prepare easement documents which will describe the mutually agreed-on location. The Werth Family LLC will also grant a temporary 80 foot construction easement along the entire proposed pipeline route.

The land required for the 20 foot wide easement may be landscaped and considered as partially meeting City landscaping requirements. It also may be included in setback considerations. Furthermore, it may be improved and used as a walking/biking path.

The city will be responsible initially for the cost and installation of the 24 inch pipeline and will also be responsible (at the time of initial 24 inch pipeline installation only) for the installation of three valved 24x8x24 "tees," facilitating future connections to the pipeline within the Springbrook Oaks development.

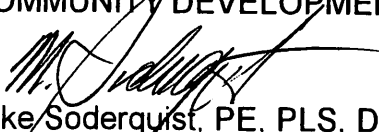
This pipeline will be available to presently developed (or developing) adjacent users within the Springbrook Oaks development at no cost to them, other than usual and customary systems development charges, the costs of service laterals beyond the connection to the 24 inch pipeline, service connection fees and water usage charges (rates). Normally the City would charge existing

Mr. Mike Gougler
January 29, 2002
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adjacent developed property owners the estimated costs of installation of an 8 in. water line, with the City picking up the "oversizing" costs. The only presently developed (developing) property adjacent the proposed pipeline route is the Holiday Retirement independent living facility.

This is our proposed consideration. Please have your client indicate the property owner's acceptance of this offer by signing below, or, alternatively, please indicate such on behalf of your client by signing below. Thank you.

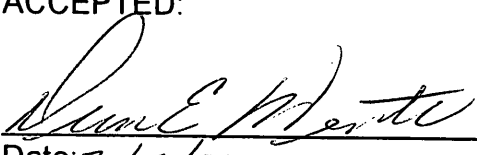
Sincerely,
COMMUNITY DEVELOPMENT DEPARTMENT


Mike Soderquist, PE, PLS, DEE
Director

APPROVED:


Terrence D. Mahr, City Manager, Pro Tem

ACCEPTED:


Date: 2/2/02

c: Dean Werth
Terry Mahr, City Manager, Pro Tem
Dan Danicic, PE, City Engineer

Kathy Tri, Finance Director
Barton Brierley, AICP, City Planner

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