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08/11/2005 10:08:23 AM

D-AG Cnt=1 Stn=26 SHIRLEY

\$35.00 \$11.00 \$10.00 \$5.00

LICENSE

APPLICABLE PUBLIC FACILITY IMPROVEMENTS:

✓ STREET ✓ SEWER ✓ DRAINAGE

The CITY OF BEND, an Oregon municipal corporation, hereinafter referred to as "CITY" and D.R. Horton, Inc., hereinafter referred to as "USER" agree as follows:

GENERAL CONDITIONS

1. **USER** has received, read and understands City's public facility improvement policies which are incorporated herein by reference. The terms used in this agreement have the meanings assigned to them by City's policies unless specifically provided otherwise in this agreement.
 - 1.1 **USER** desires the extension of public facilities to **USER'S** property described on Exhibit "A" that is attached hereto and made part of this agreement.
 - 1.2 The **USER** and City intend that this agreement shall constitute a covenant running with the land, binding on the **USER** and the **USER'S** heirs, successors, or assigns.
 - 1.3 **USER** agrees to pay applicable sewer, water and street System Development Charges (SDC's) in accordance with City policies.

PROVISION OF PUBLIC FACILITY IMPROVEMENTS

2. **FACILITIES** shall be supplied only through components constructed by City approved contractor, installed to City Standards and Specifications and owned by City. All facilities except **USER'S** service connection lines shall be installed within public right of ways or City easements. Easements shall be granted to City free and clear of all liens and encumbrances.
 - 2.1 **USER** shall not connect to CITY'S facilities until City accepts facilities installed by **USER** in writing and a Maintenance Agreement between the City and **USER** is established

- 2.2 USER shall promptly pay all charges for City services when due. Charges shall be as prescribed by the appropriate schedule and may be changed from time to time.
- 2.3 No other use of CITY services or CITY facilities shall be permitted without express written consent of the CITY.
- 2.4 USER shall comply with all applicable governmental laws, rules and regulations including but not limited to CITY ordinances, resolutions and the provisions of City public facility improvement policies as they now exist and as they may be changed from time to time. Any failure to comply with all terms and conditions of this agreement shall entitle CITY to terminate facility improvement services at CITY'S sole discretion.
- 2.5 If USER'S property is outside the City and USER receives City water, sewer and/or street service, USER'S service may be terminated at anytime after three month's written notice.

EXTENSION OF PUBLIC FACILITY IMPROVEMENTS

- 3 USER shall comply with the following conditions if components to USER'S property require extension of sewer, water and street facilities
 - 3.1 USER agrees to perform all work necessary for the construction of the public facility improvements as shown on engineered construction drawings titled **River Canyon Estates Phase IV**, for City of Bend Project Number **PZ 01-175**, approved by the City Engineer on **July 15, 2005**, incorporated herein by reference, at USER'S sole expense and in accordance with the City's Standards and Specifications, within one year unless extended by City in writing.
 - 3.2 The person, firm or corporation performing the work shall have construction liability coverage. Coverage shall be in the amount of a one million dollar combined single limit for bodily injury liability and property damage. USER shall hold City harmless and indemnify City from any liability of any kind in connection with activities resulting from this agreement.
 - 3.3 USER agrees to submit to the City a statement of all costs incurred on the project upon completion of the project
 - 3.4 City will charge appropriate fees for services rendered to USER.

- 3.5 USER agrees to obtain an Oregon State Highway, City or County street cut permit prior to any construction in right of ways.
- 3.6 When required by CITY, USER agrees to deliver to CITY "AS BUILT" reproducible drawings of the completed work, signed by an Oregon professional engineer prior to acceptance of the work by CITY.
- 3.7 The total amount due and payable upon signing this agreement is listed on Exhibit "C".
- 3.8 USER hereby grants CITY a license to enter and remain on USER's property for the purpose of inspecting public facility improvements constructed pursuant to this Agreement, including, but not limited to, any water lines, meters, backflow prevention devices, sewer lines, streets, test cocks and other facilities.

ADDITIONAL CONDITIONS

FOR PROVISION OF WATER FACILITIES

USER agrees to perform all work necessary to install water service lines with meters and housings if required. Said installations to be completed in accordance with City Standards and Specifications. The meter, to be installed by contractor, must be stamped and registered by CITY Public Works department prior to installation.

USER agrees to perform all work necessary to install on USER'S property at a City approved location a backflow prevention device approved by the Oregon State Health Division and the City of Bend Standards and Specifications if required. This device must pass inspection by a certified backflow prevention inspector. USER agrees to have test cocks installed on this device as shown in the specifications. USER also agrees to comply with the annual requirement for checking the backflow protection valves at USER'S expense.

FIRE SERVICES: When required, fire services shall be constructed in accordance with engineered plans approved by the City Engineer, including locations of all fire services and associated backflow devices.

FOR PROVISION OF SEWER FACILITIES

An Industrial Discharge Permit may be required for some projects. If required, USER shall obtain this permit from the City of Bend Public Works Department

FOR PROVISION OF STREET FACILITIES

USER shall construct all required public and private street improvements according to the attached City Street Policies. CITY shall review and approve all private street improvements in accordance with the City of Bend Zoning Ordinance

LAND USE DECISION REQUIREMENTS

USER shall comply with and meet all requirements specific to this development as stipulated in the City of Bend Land Use Decision and/or Development Agreement, including additional conditions for public facility improvements not mentioned above.

BUILDING PERMIT ISSUANCE POLICY

USER acknowledges that City policy prohibits release of building permits until all of the required public facility improvements for the project have been completed, approved by the City, and the one-year warranty (maintenance) period has begun.

SYSTEMS DEVELOPMENT FEE REIMBURSEMENT

USER understands and acknowledges if master plan facilities, as defined and approved by the City Engineer, are constructed by the applicant and approved by the City, USER has the potential for a system development charge reimbursement entitlement pursuant to City policy, rules, regulations and the Master Plan Facility Reimbursement Agreement.

DATED this 19th day of July, 2005

USER

By: [Signature] DIV. PRES
signature

STATE OF OREGON
County of Deschutes

This instrument was acknowledged before me on July 19, 2005
by RYAN M. SELBY as DIVISION PRESIDENT
for D.R. Horton, Inc.

[Signature]
NOTARY PUBLIC FOR OREGON



CITY OF BEND

Accepted By: [Signature]

STATE OF OREGON
County of Deschutes

This instrument was acknowledged before me on July 22, 2005
by Michael P. Magee as Engineering Manager for the City of Bend Engineering
Division

[Signature]
NOTARY PUBLIC FOR OREGON

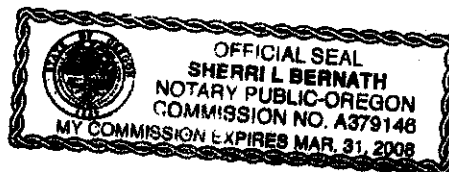


Exhibit "A"

Real property in the County of Deschutes, State of Oregon, described as follows:

A tract of land located in the Southwest one-quarter of Section 7, Township 18 South, Range 12 East, Willamette Meridian, Deschutes County, Oregon, being more particularly described as follows:

Beginning at the intersection of the East line of the Southwest one-quarter of said Section 7 with the North right-of-way line of Hollygrape Street, which point bears North 00°09'41" East, 30.00 feet from the South one-quarter corner of said Section 7; thence along said East line, North 00°09'41" East, 1958.17 feet to a point on the Southerly rim of the Deschutes River Canyon per Minor Partition 89-21 (recorded in the Deschutes County Surveyor's Office as CS03775); thence tracing said Minor Partition 89-21 Southerly rim line along the following courses: South 68°59'29" West, 144.72 feet; thence South 52°27'29" West, 121.77 feet; thence South 47°10'34" West, 136.99 feet; thence South 23°12'01" West, 235.95 feet; thence South 05°44'40" West, 89.05 feet; thence South 64°39'31" West, 82.48 feet; thence South 16°22'48" West, 155.22 feet; thence South 48°41'17" West, 172.70 feet; thence South 59°20'58" West, 139.28 feet; thence South 81°19'55" West, 70.00 feet; thence South 68°22'45" West, 64.48 feet to the Easterly line of the tract of land described in Book 176, Page 2548, Deschutes County Records; thence tracing said Easterly line along the following courses: South 33°29'08" East, 468.69 feet; thence South 00°39'13" West, 634.15 feet to the Northerly right-of-way of Hollygrape Street; thence along said Northerly right-of-way, South 89°34'49" East, 674.14 feet to the Point of Beginning.

Tax Parcel Number: 119823 and 119822

EXHIBIT "C"

Engineering Fees

Grading & Drainage review	1	@	\$ 750.00		\$ 750.00
Storm sewer piping	1535	lf @	\$ 2.25	per lf	\$ 3,453.75
Drywells	28	@	\$ 275.00	ea	\$ 7,700.00
Water plan review	1	@	\$ 750.00		\$ 750.00
Sewer plan review	1	@	\$ 750.00		\$ 750.00
Sewer line	4900	lf @	\$ 2.25	per lf	\$ 11,025.00
Manholes	28	@	\$ 275.00	ea	\$ 7,700.00
Street review	1	@	\$ 750.00		\$ 750.00
Streets	5726	lf @	\$ 3.50	per lf	\$ 20,041.00
Inspections (10 hrs)	1	@	\$ 600.00		\$ 600.00
Additional (est)	150	hrs @	\$ 60.00	per hr	\$ 9,000.00
Final Plat review	1	@	\$ 300.00		\$ 300.00
	118	lots @	\$ 40.00	per lot	\$ 4,720.00
Miscellaneous					
Agreement Processing	\$ 420.00				\$ 420.00
Recording Fee	\$ 86.00	(actual cost of service + 25.00)			\$ 86.00
TOTAL DUE					\$ 68,045.75

Engineering: sb | 7/18/2005
 Initials Date

DATE PAID 7/20/05 RECEIPT # 11895 HTE #05-5417