

DESCHUTES COUNTY OFFICIAL RECORDS  
NANCY BLANKENSHIP, COUNTY CLERK

2003-41430



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05/20/2003 09:53:54 AM

D-L Cnta2 Stmt1 SHIRLEY

\$70.00 \$5.00 \$11.00 \$10.00 \$5.00

11/14  
After Recording Return to:  
Deschutes County Legal Counsel  
1130 NW Harriman  
Bend, OR 97701

## **LICENSE AND IMPROVEMENT AGREEMENT**

This License and Improvement Agreement (Agreement), relating to the installation of Required Improvements to be constructed in **RIDGE AT EAGLE CREST 53**, hereafter referred to as "Subdivision", as required in the conditions of approval of the approval in File #TP-03-935, made and entered into this 19th day of June, 2003, by and between DESCHUTES COUNTY, OREGON, a political subdivision of the State of Oregon, herein after referred to as "County"; and **EAGLE CREST, INC.**, hereinafter referred to as "Developer,"

### **RECITALS:**

WHEREAS, Developer is the subdivider of the Subdivision in the approval granted under TP-03-935 and

WHEREAS, the improvements required for the Subdivision have not been completed; and

WHEREAS, Developer intends to file a final plat for the Subdivision prior to the completion of the Required Improvements; and

WHEREAS, Deschutes County Code Section 17.24.120 provides that Developer may, in lieu of completing Required Improvements prior to filing the final plat, enter into an agreement with the County for the completion of the Required Improvements and provide a good and sufficient form of security, consistent with Deschutes County Code Section 17.24.130, to provide for the completion of the Required Improvements; now, therefore,

WHEREAS, Deschutes County Code Section 18.124.050 provides that Developer may, in lieu of completing Required Improvements for a site plan, enter into an agreement with County for the completion of such Required Improvements and provide a good and sufficient form of security consistent with Deschutes County Code Section 18.124.050; and

WHEREAS, Required Improvements under this Agreement do not constitute a Public Improvement as the term is defined in ORS 279.011(8); and

WHEREAS, Subdivision is exempt from the provisions of ORS 92.305 to 92.495 for the reason that County's comprehensive land use plan and implementing ordinances are acknowledged under ORS 192.251.; now, therefore,

IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES above mentioned, for and in consideration of the mutual promise hereinafter stated, as follows:

*County file*

1. **Recitals.** The Recitals to this Agreement set forth above are hereby incorporated herein as if fully set out, shall constitute contractual provisions and are not mere recitals.

2. **Real Property Description.** The real property subject to this Agreement, hereinafter the "Subdivision real property" is described as being a portion of: the N ½ and the SW ¼ of Section 16, Township 15 South, Range 12 EWM, Deschutes County, Oregon, falling within the plat of the Ridge at Eagle Crest 53.

3. **Identification of Required Improvements.** Developer shall install and complete, or cause to be installed and completed, the improvements required by the land use approval in TP-03-935 set forth in Exhibit A to the extent that same remain to be completed ("Required Improvementss").

4. **Construction of Required Improvements.** The Required Improvements shall be installed and completed to County and/or State of Oregon specifications, as applicable, and the plans and construction specifications related thereto and shall be inspected and receive approval from County and/or the State of Oregon not later than one (1) year from the date the final plat for the Subdivision is recorded with County Clerk ("Completion Date"). Developer shall also repair all existing and constructed facilities, within and without the Subdivision and Real Property, damaged during any such installation, on or before the Completion Date. The Completion Date may, if the County deems it to be in the public interest to do so, be extended in writing. Any extension of the Completion Date shall constitute a new Completion Date for the purposes of this Agreement.

5. **Warranty of Improvements.** Developer hereby warrants that the Required Improvements shall remain free from defects in materials or workmanship and that the Required Improvements continue to meet County and/or State of Oregon standards for twelve (12) months following the Completion Date ("Warranty Period"). Upon completion and approval of any portion of the Required Improvements, Developer shall obtain a bond or other security in favor of, and reasonably acceptable to, the County in the amount of ten-percent (10%) of the construction costs of such improvements to secure the warranty obligations under this paragraph.

6. **License to Enter and Remain on Property.** Developer hereby grants County and County's employees, engineers, consultants, agents, contractors, subcontractors and suppliers license to come onto and remain on the Real Property as necessary to make inspections of the Required Improvements. If County determines that any portion of the Required Improvements has not been completed by the Completion Date, County or its employees, engineers, consultants, agents, contractors, subcontractors and suppliers may enter onto and remain on the Real Property and may cause the applicable portion of the Required Improvements to be installed and completed.

7. **Right to Draw on Security.** Upon failure of the Developer to complete the Required Improvements by the Completion Date, County may draw upon the subdivision bond for any and all costs and expenses anticipated to be incurred by County, as determined by County, in the completion of the the Required Improvements. For the purposes of this Agreement and access to any security offered and accepted to secure Developer's performance, Developer's failure to complete the Required Improvements shall include failure to install or have installed any portion of the Required Improvements to County specifications,

approved plans or applicable building specialty codes and failure to complete any required inspections by the Completion Date.

8. **No County Guarantee.** County does not guarantee that any of the Required Improvements referred to in this Agreement will be constructed, maintained or operated.

9. **License to Use Permits, Specifications and Plans.** If County determines that any portion of the Required Improvements has not been satisfactorily completed as specified by the applicable Completion Date, Developer shall, upon request of the County, license to County all of Developer's, applicable Permits, plans, specifications, shop drawings, instruments, permits and approvals, and other documents necessary or useful in the completion of or related in any manner to the applicable Required Improvements. Upon such request, Developer shall deliver physical possession of such Permits, plans, specifications, shop drawings, instruments, permits, approvals, and other documents to the County. County may assign the license referred to in this paragraph for any purpose without further approval from Developer.

10. **No Third Party Beneficiaries.** County and Developer are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name in this Agreement and expressly described as intended beneficiaries of this Agreement.

11. **Restoration of Monuments.** Developer shall restore any monument erected or used for the purpose of designating a survey marker or boundary of any town, tract, plat or parcel of land which monument is broken, damaged, removed or destroyed, during the course of work provided for or anticipated by this Agreement, whether intentional or otherwise, by the Developer or Developer's agents, employees or independent contractors.

12. **Costs of Inspection.** Developer shall pay to County the actual costs incurred by County in the inspection of the completed Required Improvements plus any fees, such as plan check fees and structural, electrical, plumbing and other specialty codes inspection fees normally associated with the review and inspection of any improvements on the Real Property.

13. **Security for Required Improvements.** The Developer's security shall consist of: a bond (#K0698373A), issued in favor of the County by Westchester Fire Insurance Company, organized and existing under the laws of the State of New York ("Surety"), deposited with the County Treasurer in the amount of Sixty Thousand Eight Hundred Thirty Eight Dollars and 80 Cents (\$60,838.80), with a date of expiration of no less than 6 months past the completion date established by Section 2 herein. The amount of the bond represents 120% of the estimated costs, as set forth in Exhibit B hereto, of completing the Required Improvements to county standards.

14. **Developer's Obligation For Costs.** Developer expressly acknowledges, understands, and agrees that this Agreement shall not relieve Developer from the obligation to complete and fully pay for the Required Improvements and other costs and fees set forth in this Agreement. Should Developer fail to perform its responsibilities under this Agreement in any manner, Developer agrees to compensate County for all costs, related to Developer's failure to perform its obligation to complete and warrant the Required Improvements and pay costs and fees.

15. **Release of Security or Obligation.** After the Required Improvements has been inspected and approved by the County Community Development Department, County shall release the Developer's security, provided Developer has procured the warranty security required pursuant to paragraph 5 of this Agreement. County may make partial releases of any security when appropriate. Upon written request of Developer, County may release any of Developer's obligations under the terms and conditions of this Agreement in writing upon completion and County inspection and approval of any portion of the Required Improvements.

16. **Recording Final Plat.** This Agreement is contingent upon the recording of the final plat for the Subdivision.

17. **Shortfall in Security.** If the amount available to be drawn from Developer's security is less than the costs and expenses anticipated to be incurred, or actually incurred, by County, County may apply the proceeds of the security to the costs of completion of the Required Improvements and then hold Developer responsible and liable for the difference.

18. **Incidental Costs.** If, upon County's written notice to Surety of Developer's failure to complete Required Improvements, and the proceeds of the subdivision bond are not remitted to County within ten (10) days of demand for funds by the County, or the Required Improvements is not installed within a reasonable time period determined by County after notice to the Surety, then County's costs of obtaining the proceeds of the surety bond and/or completing the Required Improvements and all incidental costs shall be added to the amount due County from the Surety, and shall be paid to County in addition to and with the proceeds of the subdivision bond. In such case, Surety expressly acknowledges that its obligation shall no longer be limited to the penal sums of the subdivision bond attached hereto as **Exhibit C**.

19. **Substandard Improvements.** Should the Required Improvements prove to be substandard or defective within the twelve (12) month warranty period in paragraph 5 of this Agreement, County shall notify Developer and/or the Surety of the warranty obligation in writing of such substandard or defective Required Improvements. Developer and/or the Surety shall then have sixty (60) days to complete repair or replacement of the Required Improvements; provided, however, in the event that such repair or replacement cannot reasonably be completed within sixty days, then the same shall be extended by such period of time as is reasonably necessary so long as Developer and/or the Surety promptly commence and thereafter diligently prosecute such repair or replacement. Should Developer and/or the Surety fail to complete repair or replacement of the Required Improvements within the required time period, County may remedy the defects and demand payment for such from Developer and/or the Surety.

20. **Restriction on the Issuance of Building Permits.** In accordance with Deschutes County Code Section 17.24.120(C), building permits may not be issued for any lot or parcel of the Subdivision until all required fire protection facilities, including water service to each lot sufficient for fire flows, have been constructed in compliance with the master plan or tentative plat approval and approved access roads have been completed to minimal fire code standards.

21. **Final Plat Notation.** The existence of this Agreement shall be noted upon the final plat by reference to the recording book and page numbers.

22. **Successors in Interest.** The original of this Agreement shall be recorded with the Deschutes County Clerk and shall be a condition and covenant that shall run with the Real Property. It is the intent of the parties that the provisions of this Agreement shall be binding upon the parties to this Agreement, and their respective successors, heirs, executors, administrators, and assigns, and any other party deriving any right, title or interest in or to the Real Property, including any person who holds such interest as security for the payment of any obligation, including a mortgagee or other secured party in actual possession of said Real Property by foreclosure or otherwise or any person taking title from such security holder. Upon completion of the Required Improvements, and the expiration of the Warranty Period, County, upon request by Developer or any person or persons owing a lot in Subdivision, shall release a lot from the condition and covenant subsisting under this Agreement.

23. **Binding Authorization.** By signature on this Agreement, each signatory, signing in a representative, capacity certifies that the signer is authorized to sign the Agreement on behalf of and bind the signer's principal.

24. **Expiration.** Unless otherwise extended, this Agreement shall expire twelve (12) months after the Completion Date or upon expiration of the Permits, whichever is earlier, or by the express written release of Developer by County from this Agreement granted as part of an approval for a change of use of the Real Property. Upon expiration, the parties agree to execute a document in recordable form, formally evidencing such expiration.

25. **Survival.** County's rights under this Agreement, including County's right to draw upon Developer's security in whole or in part to pay the full costs and expenses of completing the Required Improvements and repairs or replacements required herein along with any licenses granted in this Agreement and any costs of enforcement of this Agreement, shall survive the expiration of this Agreement.

26. **No Agency.** It is agreed by and between the parties that Developer is not carrying out a function on behalf of County, and County does not have the right of direction or control of the manner in which Developer completes performance under this Agreement nor does County have a right to exercise any control over the activities of the Developer. Developer is not an officer, employee or agent of County as those terms are used in ORS 30.265.

27. **No Joint Venture or Partnership.** County is not, by virtue of this Agreement, a partner or joint venturer with Developer in connection with the Subdivision or the Real Property, and shall have no obligation with respect to Developer's debts or other liabilities of each and every nature.

28. **Liens.** Developer shall pay as due all claims for work done on and for services rendered or material furnished to the Real Property and shall keep the Real Property free from liens. If Developer fails to pay any such claims or to discharge any lien, County may do so and collect the cost from the Developer or Surety. Such action by County shall not constitute a waiver of any right or remedy that County may have on account of Developer's failure to complete the Required Improvements or failure to observe the terms of this Agreement.

29. **Indemnification.** Developer shall be responsible for any and all injury to any and all persons or property caused directly or indirectly by reason of any and all activities of Developer under this Agreement and on the Real Property; and further agrees to defend, indemnify and save harmless County, its officers, agents and employees from and against all

claims, suits, actions, damages, costs, losses and expenses in any manner resulting from, arising out of, or connected with any such injury.

30. **Limitation of Liability.** This Agreement is subject to the Oregon Tort Claims Act, ORS 30.260 to 30.300.

31. **Attorney Fees and Costs.** In the event an action or suit or proceeding, including appeal therefrom, is brought for Developer's failure to complete the Required Improvements or to observe any of the terms of this Agreement, County shall be entitled to recover, in addition to other sums or performances due under this Agreement, reasonable attorney's fees and costs as the court may adjudge in said action, suit, proceeding or appeal.

32. **Waiver.** Waiver of the strict performance of any provision of this Agreement shall not constitute the waiver of any other provision or of the Agreement. No waiver may be enforced against the County unless such waiver is in writing and signed by the County.

33. **Compliance with provisions, requirements of Federal and State laws, statutes, rules, regulations, executive orders and policies. Debt Limitation.** This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution. Any provisions herein, which would conflict with the law, are deemed inoperative to that extent. Additionally, Developer shall comply with any requirements, conditions or limitations arising under the any Federal or State law, statute, rule, regulation, executive order and policy applicable to the Required Improvements. If this Agreement is in any manner construed to constitute the lending of the County's credit or constitute a debt of County in violation of Article XI, Section 10, of the Oregon Constitution, this Agreement shall be void.

34. **No Inducement.** No representations, statements, warranties have induced the making and execution of this Agreement, or Agreements other than those herein expressed.

35. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between County and Developer that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Deschutes County for the State of Oregon; provided, however, if a Claim shall be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon in Eugene, Oregon. DEVELOPER, HTS AND LIBERTY BY SIGNING BELOW, HEREBY CONSENT TO THE IN PERSONAM JURISDICTION OF SAID COURTS. The parties agree that the UN Convention on International Sales of Goods shall not apply.

36. **Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be void, invalid or unenforceable, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held void, invalid unenforceable.

37. **Counterparts.** This Agreement may be executed in several counterparts, all of which when taken together shall constitute one Agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this

Agreement so executed shall constitute on original. If this Agreement is signed in counterpart, each counterpart shall be recorded as provided herein for the recording of this Agreement and each counterpart shall be noted on the recorded plat map.

38. **Notice.** Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing to Developer or County at the address or number set forth below or to such other addresses or numbers as either party may hereafter indicate in writing. Delivery may be by personal delivery, facsimile, or mailing the same, postage prepaid.

a. Communication or notice by personal delivery shall be deemed delivered when actually given to the designated person or representative.

b. Any communication or notice sent by facsimile shall be deemed delivered when the transmitting machine generates receipt of the transmission. To be effective against County, such facsimile transmission shall be confirmed by telephone notice to County's Director of Administrative Services.

c. Any communication or notice mailed shall be deemed delivered five (5) days after mailing. Any notice under this Agreement shall be mailed by first class postage or delivered as follows:

To Developer:  
Eagle Crest, Inc.  
c/o Alan Van Vliet, Construction Manager  
P.O. Box 1215  
Redmond, OR 97756

To County:  
Mike Maier  
Director of Administrative Services  
Deschutes County Administration  
1130 NW Harriman Street  
Bend, Oregon 97701  
Fax No. 541-388-4752

39. **Time is of the Essence.** Time is of the essence of each and every provision of this Agreement.

40. **Captions.** The captions contained in this Agreement were inserted for the convenience of reference only. Captions do not, in any manner, define, limit, or describe the provisions of this Agreement or the intentions of the parties.

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41. **Merger Clause.** This Agreement and the attached exhibits constitute the entire agreement between the parties and supercedes any and all prior or contemporaneous negotiations and/or agreements among the parties, whether written or oral, concerning the subject matter of this Agreement which are not fully expressed herein. All understandings and agreements between the parties and representations by either party concerning this Agreement are contained in this Agreement. This Agreement shall bind all parties and its terms may not be waived, altered, modified, supplemented, or amended in any manner except by written instrument signed by all parties. Except as otherwise expressly provided herein, any written waiver, consent, modification or change shall be effective only when in writing and signed by the parties in the specific instance and for the specific purpose given.

COUNTY:

Dated this 19 of June, 2003

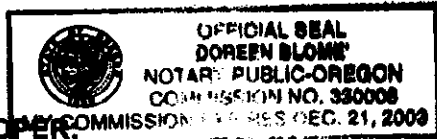
George J. Read  
GEORGE J. READ, Director  
Community Development Department

STATE OF OREGON, County of Deschutes ) ss.

Before me, a Notary Public, personally appeared **George J. Read** and acknowledged the foregoing instrument as Director of the Deschutes County Community Development Department.

DATED this 19 day of June, 2003.

Doreen Blome  
Notary Public, State of Oregon  
My Commission Expires: 12/21/03



DEVELOPER,

EAGLE CREST, INC.

Dated this 19th of June, 2003

Alan Van Vliet  
ALAN VAN VLIET,  
Construction Director

STATE OF OREGON, County of Deschutes ) ss.

Before me, a Notary Public, personally appeared **Alan Van Vliet** and acknowledged the foregoing instrument as Construction Director for Eagle Crest, Inc.

DATED this 19th day of June, 2003.

Serena L. Fredrickson  
Notary Public, State of Oregon  
My Commission Expires: 3-9-04





## **EXHIBIT "A"**

7. The location of the fire hydrants shall be approved by the Redmond Fire Department. All hydrants must be installed and operational and all roads must meet minimal fire code standards prior to final plat approval. The applicant shall submit a letter from the Redmond Fire Department indicating the required fire protection facilities have been constructed prior to final plat approval.
8. The applicant shall construct all improvements under the inspection and approval of the Deschutes County Road Department. The Road Department may accept certification of a registered professional engineer consistent with ORS 92.097.
9. The new streets be constructed to the minimum 20-foot standard, including the required aggregate base, A.C. depth and gravel shoulders. That portion of William Lyche Drive adjacent to the subject phase shall be improved as required in the Final Master Plan.
11. Street signs shall be required at all intersections within the proposed subdivision.
12. The dead-end roads shown on the tentative plan shall be constructed with temporary turnarounds or other mechanism approved by the Redmond Fire Department, prior to the final plat for the phase within which the dead-end road is located. If the Redmond Fire Department specifies in writing that the turnarounds are not required, this condition shall be void.

**EAGLE CREST  
CREEKSIDE PHASE 1  
5/13/2003**

JMB 5/13/03

ITEM NO. DESCRIPTION	ESTIMATED QUANTITY AND UNIT	UNIT PRICE	TOTAL
32 Furnish and install 4" conduit pipe for water feature.	40 LF	\$3.50	\$140.00
<b>DRAINAGE SUBTOTAL:</b>			<u>\$3,910.00</u> <i>not completed</i>
<b><u>TOTAL ESTIMATED AMOUNT (SCHEDULE "A")</u></b>			<u>\$101,035.82</u>

**SCHEDULE "B"**

1 Furnish materials and construct aggregate base course, 8" thickness for streets.	2985 SY	\$4.00	\$11,860.00
2 Furnish materials and construct 2" asphaltic concrete pavement for streets.	2481 SY	\$4.25	\$10,544.25

**TOTAL ESTIMATED AMOUNT (SCHEDULE "B")**\$22,404.25 *not completed***TOTAL ESTIMATED CONSTRUCTION COSTS:**\$123,440.07

- \* Driveway aprons not included
- \* Quantities based on preliminary civil plans, dated 5/6/03.
- \* All geotechnical work by owner.
- \* All permits and hookup fees by owner.
- \* All construction engineering and staking by others.

50,699.00 REMAINING  
X 1.20  
\$60,838.00

Exhibit B  
Page 1

**EAGLE CREST  
CREEKSIDE PHASE 1  
5/13/2003**

JMB 5/13/03

ITEM NO. DESCRIPTION	ESTIMATED QUANTITY AND UNIT	UNIT PRICE	TOTAL
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**SCHEDULE "A"**

1 Clearing and Grubbing including disposal.	1 T&M		\$0.00
2 Furnish and apply construction water.	1 T&M		\$0.00
3 Unclassified street excavation and embankment.	1520 CY	\$8.10	\$12,312.00

**STREET CONSTRUCTION SUBTOTAL:**\$12,312.00

4 Cable utility trench excavation, bedding, and backfill.	1040 LF	\$12.00	\$12,480.00
5 Furnish materials and install 2" electrical conduit.	3800 LF	\$2.00	\$7,200.00
6 Furnish materials and install 4" electrical conduit.	1040 LF	\$3.50	\$3,640.00

**CABLE UTILITY ESTIMATED SUBTOTAL:**\$23,320.00*Not  
Completed*

7 Furnish and install 6" pressure sewer, including trench excavation, bedding and backfill.	783 LF	\$19.50	\$14,978.50
8 Furnish and install 2" pressure sewer service, including trench excavation, bedding and backfill.	8 EA	\$635.00	\$5,080.00
9 Furnish and install 6" plug and thrustblock pressure sewer.	1 EA	\$350.00	\$350.00
10 Furnish and connect to existing 6" pressure sewer.	1 EA	\$250.00	\$250.00

Exhibit B  
Page 2

Prepared by Han Taylor Goss

**EAGLE CREST  
CREEKSIDE PHASE 1  
5/13/2003**

JMB 5/13/03

ITEM NO. DESCRIPTION	ESTIMATED QUANTITY AND UNIT	UNIT PRICE	TOTAL
11 Furnish materials and test sewer	783 LF	\$0.50	<u>\$381.50</u>
<b>SANITARY SEWER SUBTOTAL:</b>			<u>\$20,940.00</u>
12 Furnish materials and construct 10" CL-180 watermain, including trench excavation, bedding and backfill.	317 LF	\$23.80	<u>\$7,481.20</u>
13 Furnish materials and construct 8" CL-180 watermain, including trench excavation, bedding and backfill.	557 LF	\$21.35	<u>\$11,891.95</u>
14 Furnish materials and construct 8" CL-180 watermain, including trench excavation, bedding and backfill.	37 LF	\$19.66	<u>\$727.42</u>
15 Furnish materials and construct 2" schedule 40 water service including unclassified trench excavation bedding and backfill.	185 LF	\$16.00	<u>\$3,120.00</u>
16 Furnish materials and construct 2" water service connection and tap including 2" gate valve and box.	8 EA	\$420.00	<u>\$3,360.00</u>
17 Furnish materials and construct fire hydrant, complete.	3 EA	\$1,250.00	<u>\$3,750.00</u>
18 Furnish materials and install 10" butterfly valve.	2 EA	\$675.00	<u>\$1,350.00</u>
19 Furnish materials and install 6" gate valve.	3 EA	\$400.00	<u>\$1,200.00</u>

not completed

Exhibit B  
Page 3

Prepared by Hao Taylor Son

**EAGLE CREST  
CREEKSIDE PHASE 1  
5/13/2003**

JMB 5/13/03

ITEM NO. DESCRIPTION	ESTIMATED QUANTITY AND UNIT	UNIT PRICE	TOTAL
20 Furnish and install 8" bends	7 EA	<u>\$450.00</u>	<u>\$3,150.00</u>
21 Furnish and install 10" x 10" x 10" D.I. tee and thrustblock.	1 EA	<u>\$525.00</u>	<u>\$525.00</u>
22 Furnish and install 8" x 8" x 8" D.I. tee and thrustblock.	2 EA	<u>\$390.00</u>	<u>\$780.00</u>
23 Furnish and install 10" x 8" D.I. reducer.	1 EA	<u>\$325.00</u>	<u>\$325.00</u>
24 Furnish and install 8" x 6" D.I. reducer.	1 EA	<u>\$300.00</u>	<u>\$300.00</u>
25 Furnish materials and install standard air release valve	1 EA	<u>\$1,580.00</u>	<u>\$1,580.00</u>
26 Furnish materials and connect to existing 10" waterline.	1 EA	<u>\$350.00</u>	<u>\$350.00</u>
27 Chlorinate and test water to required standards.	911 LF	<u>\$0.75</u>	<u>\$683.25</u> <i>NOT completed</i>
<b>DOMESTIC WATER SUBTOTAL:</b>			<u><del>\$40,553.82</del></u>
28 Furnish and install 12" CMP culvert pipe.	45 LF	<u>\$23.00</u>	<u>\$1,035.00</u>
29 Furnish and install 18" CMP culvert pipe.	45 LF	<u>\$26.50</u>	<u>\$1,192.50</u>
30 Furnish and install 24" CMP culvert pipe for water feature.	40 LF	<u>\$29.00</u>	<u>\$1,160.00</u>
31 Furnish and install 12" CL160 pipe for water feature.	45 LF	<u>\$8.50</u>	<u>\$382.50</u>

*Exhibit B*  
*Page 4*

Prepared by: Wen Tschler, Owner

# UTILITY IMPROVEMENT PERFORMANCE BOND

Bond No. K0698373A

KNOW ALL BY THESE PRESENTS, That we, Eagle Crest, Inc., 847 SW 6<sup>th</sup> Street, Redmond, Oregon 97756, as Principal, and Westchester Fire Insurance Company, 1601 Chestnut Street, P.O. Box 41484, Philadelphia, Pennsylvania 19101-1484, organized and existing under the laws of the State of New York, as Surety, are held and firmly bound unto County of Deschutes, 61150 SE 27<sup>th</sup> Street, Bend, Oregon 97701, as Obligee, in the just and full sum of Sixty Thousand Eight Hundred Thirty Eight and 80/100 Dollars (\$60,838.80\*\*\*), lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, This bond is given to assure lien-free completion of the on-site improvements consisting of:

**Balance of Infrastructure improvements necessary to provide roads and utilities within the project**

described in the Construction Cost Estimate, a copy of which is attached hereto and incorporated herein by reference, for the subdivision development known as Creekside Village Phase 1A situated in Deschutes County, Oregon.

THE CONDITION OF THIS OBLIGATION IS SUCH, That if Principal shall complete or cause to be completed said improvements free of liens and claims on or before the latest completion date specified in said Construction Cost Estimate, or an exoneration thereof given in writing by Obligee to Principal and assented to in writing by Surety, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

SIGNED, Sealed and delivered this 16th day of June, 2003.

Eagle Crest, Inc.

By: [Signature]  
Name/Title

Westchester Fire Insurance Company

By: [Signature]  
Patrick D. Dineen, Attorney-in-Fact

## BOND RELEASE

**Effective the date shown below, the Obligee confirms that the required work has been completed and accepted. We hereby release and exonerate this bond.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title