

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** David A. Bobardt, Community Development Director  
Prepared By: Joseph R. Vacca, Principal Planner 

**DATE:** November 23, 2011 (CC Meeting of 12/07/2011)

**SUBJECT:** Consider Report of 2011 Annual Development Agreement Review, Established in Connection with Moorpark Highlands Specific Plan No. 2, a Master Planned Community, Located East of Walnut Canyon Road and North of Charles Street, on the Application of Pardee Homes (PA 1-6) and KB Home (PA 8-9)

**BACKGROUND:**

Government Code Section 65864 and City of Moorpark Municipal Code Section 15.40 provide for Development Agreements between the City and property owners in connection with proposed plans of development for specific properties. Development Agreements are designed to strengthen the planning process, to provide developers some certainty in the development process and to assure development in accordance with the terms and conditions of the agreement.

On October 6, 1999, the Moorpark City Council adopted Ordinance No. 263 (effective November 5, 1999), approving a Development Agreement between the City of Moorpark and Fountainwood Agoura (Morrison-Fountainwood-Agoura). The agreement was approved in connection with Moorpark Highlands Specific Plan No. 2; a 445-acre, master planned community, located east of Walnut Canyon Road and north of Charles Street. The agreement remains in full force and effect for 20 years from the operative date of the agreement (until November 5, 2019), or until the close of escrow on the initial sale of the last Affordable Housing Unit, whichever occurs last.

Provisions of the agreement require an annual review and report to the City Council on the status of completion of all aspects of the agreement. The 2010 annual review was completed on December 1, 2010. Pardee Homes is successor in title and current developer of Planning Areas 1 through 7 of Specific Plan No. 2, which includes 322 single-family residential units, (not including the 133 single family units approved in Planning Area

No. 7, which is subject to a separate Development Agreement), 102 multi-family residential units, the open space areas, and a public park. Although Toll Brothers, Inc. has purchased and intends to develop 132 single-family residences within Planning Areas 8 and 9, Pardee Homes has retained responsibility for requirements of the Development Agreement, and has therefore submitted the necessary application form, related materials, and fee/deposit for the 2011 annual review. The Community Development Director has reviewed the submitted information and the project status and provides the following report.

## **DISCUSSION:**

### Current Project Status

The following aspects of Specific Plan No. 2 were completed since the last Development Agreement Annual review:

- Planning Area 1, Magnolia Lane, is completed with 95 units constructed, sold and occupied.
- Planning Area 4, Shenandoah, is completed with 78 units constructed, sold, and occupied.
- Planning Area 5, Waverly Place, is completed with 102 multi-family units constructed, sold, and occupied.
- All underground utilities have been constructed. All of the project's public streets have been paved, and the final "lift" of asphalt has been completed, except Ridgecrest Drive. Some pavement markings are pending.
- The connection of Spring Road to Walnut Canyon Road, including operational traffic signals and the final "lift" of asphalt, opened in February 2008.
- All storm drain and utility construction has been completed, and final street grades have been established and paved in PA 8 and 9.
- The off-site Spring Road wall plans were approved by City Council and staff and Pardee acquired rights-of-entry from property owners, and completed construction of the wall and associated landscaping. The City accepted the maintenance responsibility of the landscaping in February, 2008.
- Park improvements in PA 7 have been completed, and the park opened on July 29, 2009.
- KB Home constructed the model home complex for Planning Areas 8 and 9, which included three model homes, and a parking area. Toll Brothers purchased the lots in these planning areas and has installed a new sales trailer, and is only marketing two models for selling homes.

The following aspects of Specific Plan No. 2 are currently underway:

- Planning Area 2, Cherry Hill, has 63 houses constructed and occupied, and the pool/recreation facility constructed and open to residents. There are 33 lots that remain undeveloped at this time.
- Planning Area 3, Cherry Hill has 66 houses constructed and occupied, and the pool/recreation facility constructed and open to residents. There are 10 lots that remain undeveloped at this time.
- Pardee submitted a Zoning Ordinance Amendment Case No. 2009-01, to Specific Plan No. 2, Residential Planned Development (RPD) Permit No. 2009-02, Tentative Tract Map No. 5860, Development Agreement applications on September 18, 2009. The applications propose to amend Specific Plan No. 2, Moorpark Highlands, to change Planning Area No. 7 from a school site to residential land use, Tentative Tract Map No. 5860 intends to subdivide the 22 acre property into one-hundred-thirty-three (133) single-family residential lots on property located at the southeast corner of Ridgecrest Drive and Elk Run Loop, and west of Happy Camp Canyon Regional Park, and Residential Planned Development Permit No. 2009-02 intends to develop 133 single family detached homes; the project includes a Development Agreement. The applications were approved by the City Council on July 7, 2010.
- Toll Brothers, Inc. acquired Planning Areas 8 and 9 from KB Home, on November 30, 2009.
- Toll Brothers, Inc. submitted an application for Modification No. 1 to RPD 2004-02 and 03 a request for approval to add three new floor plans to the approved architecture and adjust the plotting and unit mix, of 132 Single Family Homes in, Planning Areas 8 and 9 of Moorpark Highlands, (Tract 5045-8). This was approved by the City Council on November 17, 2010.
- Toll Brothers, Inc. is currently constructing single family homes within Planning Areas 8 & 9.

#### Developer Compliance with Terms of Agreement

The developer's responsibilities are included in Section 6 of the Development Agreement and include 32 specific requirements, as summarized below. Compliance with the terms and conditions of the Development Agreement will occur at various stages of the development process. Action by the developer and other clarifying information has been noted.

NO.	REQUIREMENT	STATUS
1.	Compliance with Development Agreement, project approvals and subsequent approvals.	To date the developer is in compliance with this requirement.
2.	Land dedicated to the Moorpark Unified School District (MUSD) to be deed restricted by covenant to limit use of the land to school facilities for kindergarten through 12 <sup>th</sup> grade.	An agreement with Moorpark Unified School District was reached on November 18, 2005. In October, 2008, MUSD indicated it was no longer interested in acquiring the site. This action spurred further discussions by Pardee, MUSD and the City. The result was City Council's approval of a Memorandum of Understanding, (MOU), between the City and Pardee Homes, on April 1, 2009. The MOU allowed Pardee Homes the ability to submit an application for residential development of the school site for a maximum of 225 residential units. On September 18, 2009, Pardee Homes filed a Specific Plan Amendment, Development Agreement, Residential Planned Development Permit and Tract Map No. 5860, applications for 133 single family detached housing units on Planning Area 7, the former school site. The City Council approved the project on July 7, 2010.
3.	Lands and interests in dedicated lands to be free of liens and encumbrances.	The developer must provide clear title to any property required for dedications. Final maps were reviewed for compliance with this requirement prior to recordation.
4.	Payment of "Development Fees" of seven thousand three hundred dollars (\$7,300.00) per residential unit and thirty two thousand eight hundred dollars (\$32,800.00) per gross acre of institutional land.	These fees are adjusted annually (until paid) using the Consumer Price Index (CPI) in accordance with the agreement. Fees must be paid prior to issuance of Zoning Clearance for Building Permit. This fee has been paid for all Zoning Clearances for Building Permits which have been issued to date. Cost indexing commenced one year after issuance of first model home building permit, which was issued August 18, 2005.
5.	Payment of "Citywide Traffic Fees" of four thousand dollars (\$4,000.00) per residential unit and eighteen thousand dollars (\$18,000.00) per acre of institutional land.	These fees are adjusted annually (until paid) using the State Highway Bid Price Index in accordance with the agreement. Fees must be paid prior to issuance of Zoning Clearance for Building Permit. This fee has been paid for all Zoning Clearances for Building Permits which have been issued to date.
6.	Payment of "Community Service Fees" of five hundred dollars (\$500) per residential unit and two thousand two hundred fifty dollars (\$2,250) per gross acre of institutional land.	These fees are adjusted annually (until paid) using the Consumer Price Index (CPI) in accordance with the agreement. Fees must be paid prior to issuance of Zoning Clearance for Building Permit. This fee has been paid for all Zoning Clearances for Building Permits which have been issued to date.

NO.	REQUIREMENT	STATUS
7.	Granting of a conservation easement to the City to retain the Open Space lots within Planning Areas 10, 11, 14, 15 and 16, allowing only those uses permitted in the Development Regulations of the Specific Plan Open Space Zones.	The conservation easement was included on the Final Map for Tract No. 5045-1.
8.	Payment of all outstanding processing costs.	This is an ongoing requirement. At this time the developer is current with all processing costs, including submittal of Annual Review Application and deposit for Development Agreement - Annual Review.
9.	Dedication of approximately seven (7) acres of parkland to the City, including construction of park improvements, as detailed in the agreement.	Dedication of the park site was included on the Final Map for Tract No. 5045-1. The improvements to the park are to be completed prior to occupancy of the 350 <sup>th</sup> dwelling unit. Prior to occupancy of the 500 <sup>th</sup> residential unit, the developer shall also submit a cash deposit of \$350,000.00 to fund replacement of park amenities. The park has been completed, and officially opened to the public on July 29, 2009.
10.	Construct public streets adjacent to school and park sites.	Street improvements have been constructed, except for final pavement layer and bringing manhole covers to grade. Spring Road was completed February, 2008.
11.	Construct appropriately sized water line, pumping facilities, and storage facilities for recycled water.	At the present time, no connection points exist, or are planned within the vicinity of the project.
12.	Dedication of greenbelt, open space areas, landscape areas, and trails to the City. Such areas not dedicated to the City shall include a conservation easement to the City.	The trails, greenbelts and open space areas were included on the Final Maps for No. 5045-1, -2, -3, -4 and -5, which have been recorded. Final Maps for Tract No. 5045-6 through 8 have also been approved by City Council and recorded. The trails were also included on the rough grading plan and landscape plans, but the trails have not yet been accepted by the City as part of the LMD acceptance and turnover.
13.	Grant a conservation easement to the City for Planning Areas 12 and 13 to insure public open space.	The conservation easements were included on the Final Map for Tract No. 5045-1.

NO.	REQUIREMENT	STATUS
14.	<p>Prior to recordation of the first final map, provide a City Council approved Affordable Housing Implementation and Resale Restriction Plan (Plan) with provisions for:</p> <p>Buyers who meet the criteria for low income (80% of median income):</p> <p>Twelve (12) three (3) bedroom and two (2) bath units no less than 1050 square feet in size.</p> <p>Thirteen (13) four (4) bedroom and two (2) bath units at no less than 1425 square feet in size.</p>	<p>A Purchase and Sale Agreement in lieu of an Affordable Housing Agreement has been signed.</p> <p>Construction of all the 102 housing units in PA 5 is complete. This Planning Area is made up of the multi-family tri-plex housing units, some of which contain affordable housing units; in compliance with the affordable housing criteria for the overall project. Provision of the required twenty-five affordable units has been satisfied. Three additional affordable units were provided to partially satisfy the affordable housing requirements related to development of Planning Area No. 7.</p>
14. Cont.	<p>Prior to occupancy of the first residential unit, execute an Affordable Housing Agreement that incorporates the Plan.</p> <p>Pay City's direct cost, up to five thousand dollars (\$5,000.00) for preparation and review of the Implementation and Resale Restriction Plan and Agreement.</p> <p>Payment of In-Lieu Fees of three thousand, five hundred eighty dollars (\$3,580.00) per unit (for each of the dwelling units in the project).</p>	<p>The \$5,000.00 payment has been received.</p> <p>The Payment In-Lieu Fees are adjusted annually (until paid) using the Consumer Price Index (CPI) in accordance with the agreement. Fees must be paid prior to issuance of Zoning Clearance for Building Permit.</p> <p>The In-Lieu fee has been paid for all Zoning Clearances for Building Permits which have been issued to date.</p>
15.	<p>Agreement to Mitigation Measures included in the Final Environmental Impact Report (EIR) including payment of "Air Quality Fee" to be calculated as a condition of the issuance of building permit for each unit.</p>	<p>Community Development staff will provide the lead in Mitigation Monitoring. Air Quality Fees (TSM) will be calculated and collected prior to Zoning Clearance for Building Permit. This fee (as calculated using URBEMIS) has been paid for all Zoning Clearances for Building Permit which have been issued to date.</p>
16.	<p>Installation of block wall fencing and landscape screening along the east side of Spring Road along the rear of the homes on Sir George Court.</p>	<p>The plans have been approved by staff and construction was completed in March, 2008.</p>
17.	<p>Submit and gain approval from City Council of a plan to guarantee the agreements contained in Section 6.</p>	<p>An Implementation Plan was approved by City Council on April 20, 2005. Pardee Homes has retained responsibility for the items under the plan, except for construction of the residential units in Planning Areas 8 and 9.</p>
18.	<p>Install traffic signals as determined by the City.</p>	<p>Design of five (5) traffic signals were included in a City contract, but paid for by Pardee. All five (5) traffic signals, as approved and permitted by the City, were constructed by Pardee and four became fully operational in February, 2008. The one internal traffic signal which is installed and not yet operational is at the intersection of Elk Run Loop and Ridgecrest Drive.</p>

NO.	REQUIREMENT	STATUS
19.	Waive rights to any density bonus that would increase the number of dwelling units approved per Specific Plan No. 2.	To date, the developers have complied with this requirement.
20.	Agreement to cast affirmative ballot for formation of an assessment district for maintenance of parkway and median landscaping, street lighting, and parks.	To date, the developers have complied with this requirement.
21.	Agreement to pay all City capital improvement, development and processing fees.	To date, the developer has complied with this requirement.
22.	Formation of one (1) or more property owners associations to assume ownership and maintenance of open space land, trails, and other amenities.	These requirements have been included in the CC&Rs prepared for the project. The CC&Rs were reviewed and approved by the City Attorney and staff prior to final recordation of the CC&Rs.
23.	Provide irrevocable offer of dedication to the City for the future rights-of-way for State Route 23 and State Route 118.	The offer was included on the Final Map for Tract No. 5045-1
24.	Provide vehicular access to properties west of Spring Road.	These access rights are shown on Final Map Tract No. 5045-1. A grant deed is required for the private access easement. Final design of access improvements are under review by staff.
25.	Construct a solid block wall to replace existing block wall/wrought iron fence along the Spring Road and Charles Street frontages (if deemed necessary by the City).	A noise study was completed using projected traffic counts for project build out and the study concluded that new sound walls would not be required. The Community Development Director concurred with the recommendations of the report, and determined that sound walls were not required.
26.	Remove existing block walls/fences and construct a solid decorative block wall along the west side of Spring Road.	The off-site Spring Road wall plans were approved by City Council and staff and Pardee acquired rights-of-entry from property owners, and completed construction of the wall and associated landscaping. The City accepted the maintenance responsibility of the landscaping and wall in February, 2008.
27.	Provide irrevocable offer of dedication to the City for ultimate build out of "Old" Los Angeles Avenue (Princeton Avenue) improvements and Spring Road improvements not required to be constructed by the developer.	The offer of dedication for Princeton Avenue was included on Final Map of Tract No. 5045-1. All Spring Road improvements were constructed by Pardee, and required dedications have either been shown on the final map or were acquired by Pardee for the City by separate instrument.

NO.	REQUIREMENT	STATUS
28.	Acquire the property needed to improve the intersection of Charles Street and Spring Road and provide improvements as determined by the City.	The developer has acquired the necessary property. Utility construction and street construction has been completed, including final pavement. The developer has submitted a payment to the City as a buyout of the improvement requirement; and has prepared a grant deed to offer the property on the southwest corner of Spring Road and Charles Street to the City. Staff is reviewing the grant deed for completeness and will present the offer to the City Council for acceptance once the document is reviewed by staff.
29.	Provide irrevocable offer of dedication to the City for right-of-way for the extension of "C" Street.	Irrevocable offer of dedication to the City was included for recordation of Final Map Tract No. 5045-1.
30.	Construct a public trail system as identified in the Specific Plan, including a cash deposit of one hundred fifty thousand dollars (\$150,000.00) to fund the maintenance of the trail system.	These improvements were required as part of Final Map review. All Final Maps have been approved by City Council, and recorded. The required \$150,000.00 maintenance deposit is due prior to occupancy of the 500 <sup>th</sup> unit.
31.	Provide irrevocable offer of dedication to the City for Planning Area 17.	The dedication was included on the Final Map for Tract No. 5045-1.
32.	Payment of one hundred twenty five thousand dollars (\$125,000.00) to satisfy the Final EIR Transportation/Circulation Mitigation Measure 2, and for the developer's share of contribution to intersection improvements at Los Angeles Avenue and Tierra Rejada Road.	The required contribution was paid on July 27, 2006 and deposited in the City Wide Traffic Mitigation Fund (2002).

All requirements of the Development Agreement will be considered in the City's review and approval process for all aspects of the development; including but not limited to, subsequent entitlement requests, public and private improvements, Final Maps, and building permits.

City Compliance with Terms of Agreement

The City's responsibilities are included in Section 7 of the agreement and include 12 specific provisions, as summarized below:

NO.	REQUIREMENT	STATUS
1.	Commit necessary time and resources on expedited parallel processing for subsequent approvals.	The RPD's, ZOA's and Modification to the Tentative Tract Map were processed concurrently as they were submitted.

NO.	REQUIREMENT	STATUS
2.	Commence proceedings to form a Mello-Roos Community Facilities District, upon receipt of a landowners' petition by Developer and Developer's payment of a fee, as prescribed in California Government Code Section 53318, City shall commence proceedings to form a Mello-Roos Community Facilities District, ("District") and to incur bonded indebtedness to finance all or portions of the public facilities infrastructure and services that are required by the Specific Plan and that may be provided pursuant to the Mello-Roos Community Facilities Act of 1982, (the "Act"); provided, however, the City Council, in its sole and unfettered discretion, may abandon establishment of the District upon the conclusion of the public hearing required by California Government Code Section 53321 and/or deem it unnecessary to incur bonded indebtedness at the conclusion of the hearing required by California Government Code section 53345. In the event that a District is formed, the special tax levied against any residential lot or residence thereon shall afford the buyer the option to prepay the special tax in full prior to the close of escrow on the initial sale of the developed lot by the builder of the residence.	A Community Facilities District has been approved by City Council.
3.	Proceed to acquire, if requested, and at developer's sole cost and expense, easements or fee title to land not held by the developer, but necessary for construction of required improvements.	The developer has acquired the necessary property.
4.	Authorization for City Manager to sign an early grading agreement.	An Early Grading Agreement has been executed, and mass grading has been completed.
5.	Agreement to allow concurrent processing of land use entitlements for the same property, so long as, deemed complete.	Concurrent processing has been done.
6.	Agreement that the land and improvements required under subsection 6.9 of the Development Agreement meet the developer's obligation for park land dedication for the designated 570 units.	Per this Agreement.
7.	Agreement to allow the developer to receive the maximum amount of tax benefit for dedication of public open space in Planning Areas 12 and 13.	Per dedication of public open space area.
8.	Agreement to appoint an affordable housing staff person to oversee the implementation of the affordable housing requirements.	David Moe, Redevelopment Manager is the City's housing coordinator.
9.	Agreement to allow for a variation of five feet (5') maximum in grades as shown on the grading exhibit for Specific Plan No. 2, subject to approval of the Community Development Director.	Per this Agreement.

NO.	REQUIREMENT	STATUS
10.	Agreement to limit the payment of the Los Angeles Avenue Area of Contribution (AOC) fee to only the first four hundred seventy five (475) residential units and any institutional uses within the project. The AOC fee shall be the amount in effect at the time of issuance of building permit.	Pardee completed an overpayment of AOC fees for a total of 558 residential units, when the requirement was for a payment for 475 units; and Pardee paid for institutional uses (which include the private pool lot recreation areas, and residential project AOC fees were not required to be collected for the 7 acre public park site). Pardee has been refunded for the overpayment.
11.	Agreement to facilitate the reimbursement to the developer of costs incurred that may be subject to partial reimbursement from other developers.	Pending construction of potentially reimbursable improvements. No request has been submitted to date.
12.	Agreement that the developer shall not be required to pay the Gabbert Road/Casey Road Area of Contribution Fee referenced in the Final EIR. (Specific Plan No. 2 is not within the boundaries of this AOC).	Per this Agreement.

Evaluation of Good Faith Compliance

Based on a review of the Development Agreement Annual Review Application and the status of the project, the Community Development Director has determined, on the basis of substantial evidence that Pardee Homes has, to date, complied in good faith with the terms and conditions of the agreement.

**FISCAL IMPACT**

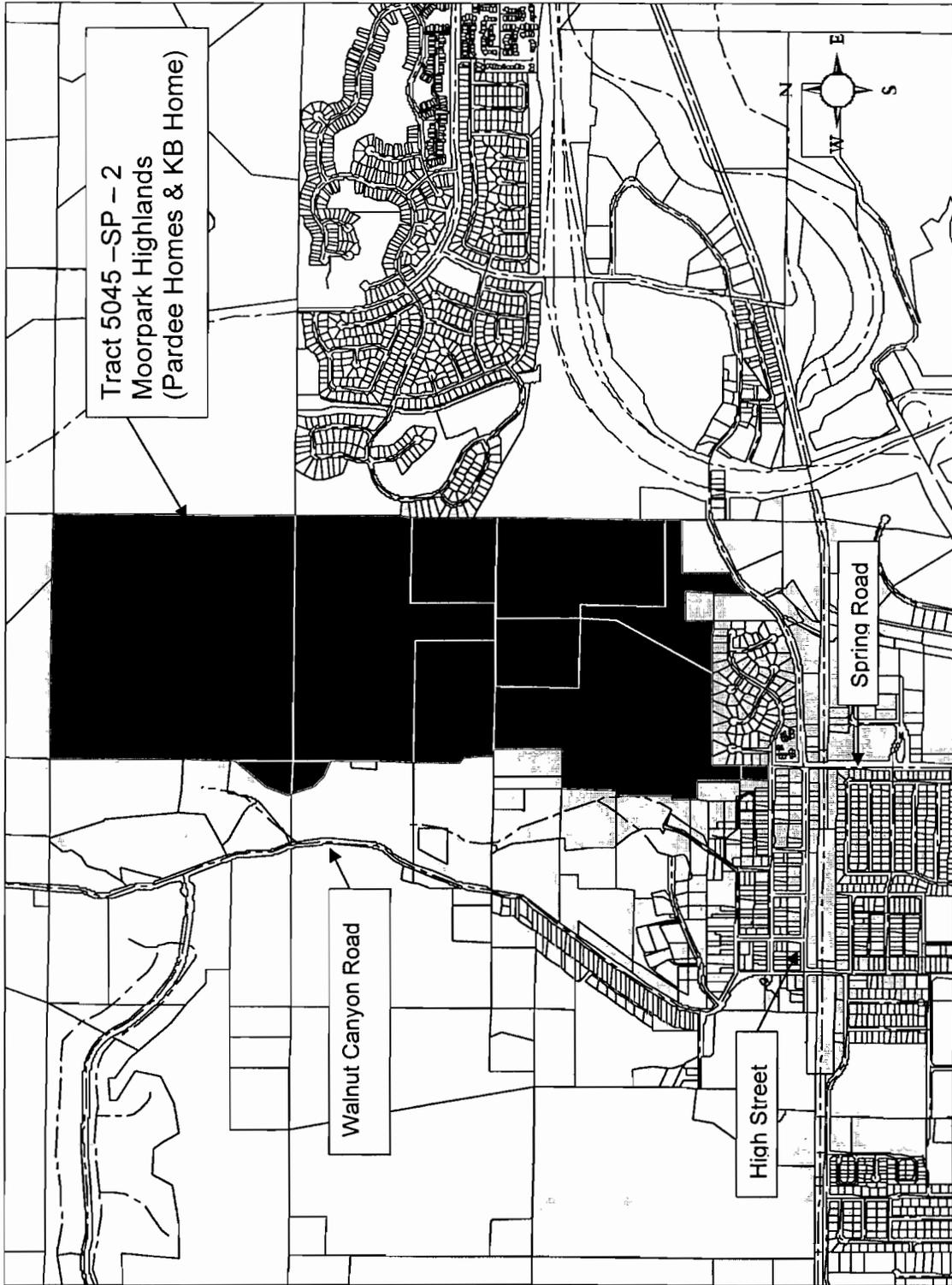
None.

**STAFF RECOMMENDATION:**

1. Accept the Community Development Director's report and recommendation that, on the basis of substantial evidence, Pardee Homes has complied in good faith with the terms and conditions of the agreement.
2. Deem the 2011 annual review process complete.

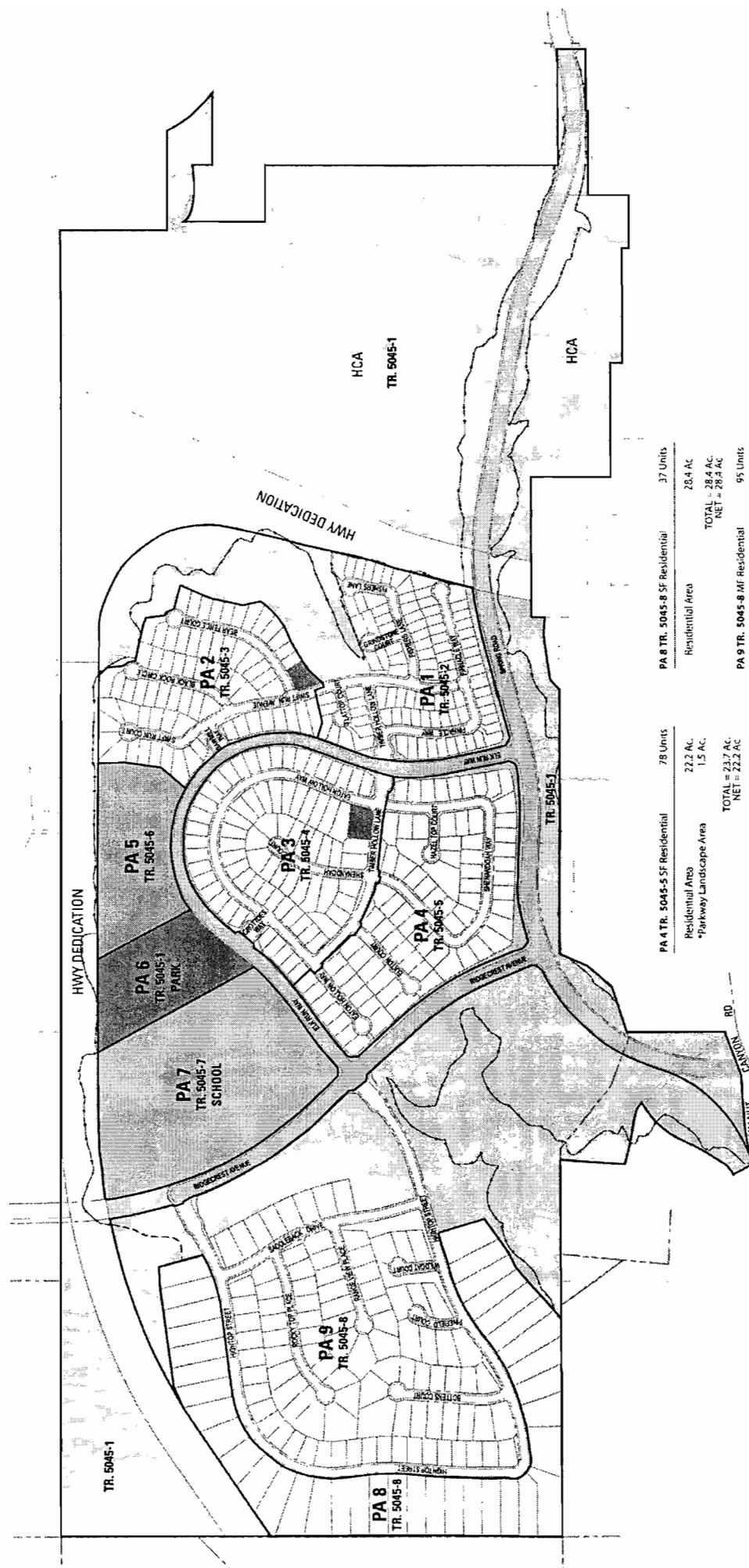
**ATTACHMENTS**

1. Location Map
2. Site Plan
3. Letter from Pardee Homes, dated November 17, 2011.



**LOCATION MAP  
CC ATTACHMENT 1**

↑  
NORTH



# SITE PLAN

## CC ATTACHMENT 2

NOTE:  
\*Not Included in Net Acres

Tract/Parcel	Units	Residential Area	Other Area	Total Area	Net Area
<b>TR. 5045-1 MAJORS</b>	0 Units	101.3 AC	Habitat Conservation Area	101.3 AC	0 AC
<b>PA 1 5045-2 SF Residential</b>	95 Units	47.1 AC	Hwy Dedication	47.1 AC	0 AC
<b>TR. 5045-3 SF Residential</b>	69 Units	27.0 AC	Private Open Space	27.0 AC	0.3 AC
<b>PA 2 TR. 5045-4 SF Residential</b>	76 Units	27.0 AC	Parkway Landscape Area	27.0 AC	0.3 AC
<b>TR. 5045-5 SF Residential</b>	78 Units	22.2 AC	Major Roads	22.2 AC	1.5 AC
<b>PA 3 TR. 5045-6 MF Residential</b>	102 Units	23.7 AC	Park Area (PA 6)	23.7 AC	22.2 AC
<b>TR. 5045-6 MF Residential</b>	8.5 AC	1.5 AC	Open Space Area	1.5 AC	0 AC
<b>PA 4 TR. 5045-5 SF Residential</b>	78 Units	22.2 AC	Open Space Area	22.2 AC	1.5 AC
<b>TR. 5045-7 School</b>	0 Units	21.9 AC	School Area	21.9 AC	21.9 AC
<b>PA 5 TR. 5045-6 MF Residential</b>	102 Units	23.7 AC	Open Space Area	23.7 AC	22.2 AC
<b>TR. 5045-8 MF Residential</b>	95 Units	45.3 AC	Open Space Area	45.3 AC	47.1 AC
<b>PA 6 TR. 5045-1 MAJORS</b>	76 Units	21.0 AC	Recreation Area	21.0 AC	0.6 AC
<b>TR. 5045-8 MF Residential</b>	95 Units	47.1 AC	Private Open Space	47.1 AC	0 AC
<b>PA 7 TR. 5045-7 School</b>	0 Units	21.9 AC	School Area	21.9 AC	21.9 AC
<b>TR. 5045-9 MAJORS</b>	0 Units	16.8 AC	Habitat Conservation Area	16.8 AC	0 AC
<b>PA 8 TR. 5045-8 MF Residential</b>	95 Units	47.1 AC	Private Open Space	47.1 AC	0 AC
<b>TR. 5045-9 MAJORS</b>	0 Units	16.8 AC	Habitat Conservation Area	16.8 AC	0 AC



November 17, 2011

Mr. Joe Vacca  
Principal Planner  
City of Moorpark  
Community Development Department  
799 Moorpark Avenue  
Moorpark, CA 93012

RE: Development Agreement Annual Review

Dear Joe:

Enclosed are the Application, Fee, and submittal materials requested for our Annual Development Agreement Review. As you know, a good portion of the project has been constructed to date. A status update is provided below.

- All lots in Tract 5045-2 (Magnolia Lane) have all been released.
- A portion of the lots in Tract 5045-3 (Cherry Hill) have been released and are occupied. Within Tract 5045-3, a total of 58 homes are still in need of building permits. A large portion of homes in Tract 5045-4 (Cherry Hill) have been released and are now occupied. Below is a list of the status of each Tract:
- Tract 5045-5 (Shenandoah) has been released and all homes are occupied.
- Tract 5045-6 (Waverly) has been released and all units are occupied.
- The 7-acre park is complete and open to the public.
- Tract 5045-8 (Planning Areas 8 and 9) was sold to KB Homes and these areas are no longer under Pardee Ownership.
- A Specific Plan Amendment Document, EIR Addendum, Tract Map, and Development Plan documents were approved by the City on July 7, 2010 via City Council Resolution No. 2010-2936.
- The grading and improvement plan for tract 5860 have been approved by the City and Ventura County Water Works and the tract has been rough graded.

As you can see, significant progress has been made over the past twelve months toward implementing the project. Please find the enclosed exhibits and tables detailing the information summarized above. We feel that we are in good faith compliance with the Development Agreement and look forward to a successful completion of the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Glad". The signature is fluid and cursive, with the first name "Amy" being more prominent than the last name "Glad".

Amy Glad  
Senior Vice President  
Pardee Homes