

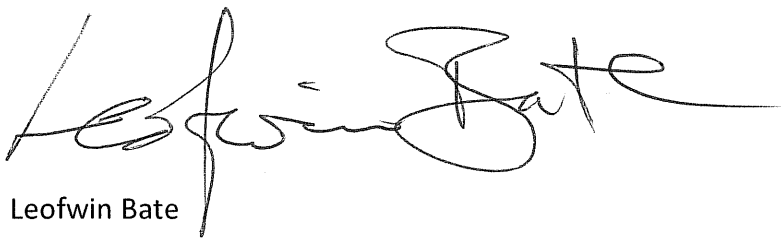
8/9/2010

Klahanie Phase III progress report.

Currently we are running behind on the initial schedule set forth, and August 31st is a realistic end date for this project. Reasons for the delays include; In the preliminary portions of this project we had difficulty in locating road crossings for the irrigation mainline, these were finally found 5 foot deep below the common utility crossings. Initially it was requested that we commence at the SE 37th St and work our way towards 244th, when complaints were made we had to re-mobilize to re-start at the 245th Ave SE end of the project. Another major challenge has been the roots encountered when trenching and amending the soil, this slows operations down tremendously as we are having to either cut through or trench under large roots that were left during the tree removal process. We also have encountered unanticipated increased scope, in the area between 244th and Kenloch where new drainage was installed; we had to re install the parking strip irrigation working around the multiple crossings in this strip.

To date we have installed the irrigation in the areas that runs from 244th up to the midway point between 245th and SE 37th, this irrigation is now set and ready to go, we shall be installing plants starting early next week 8/16 this planting crew shall start at 244th and continue East along Klahanie Blvd to meet up and follow on behind the irrigation crew.

Northwest landscape services would like to apologize for any inconveniences caused due to the delay of this project.

A handwritten signature in black ink, appearing to read "Leofwin Bate". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Leofwin Bate

Enhancement Supervisor

Northwest Landscape Services