

JANUARY 20, 2006

FOR IMMEDIATE RELEASE

FOR MORE INFORMATION, CONTACT

MARK MAZZAFERRO, CITY OF VALLEJO (707) 649-5462

JASON KEADJIAN, FOR LENNAR MARE ISLAND, (510) 368-1600

PETE CERIBELLI, WESTON SOLUTIONS, (610) 701-3459

City, Weston, Lennar Announce Agreement on Mare Island Dredge Ponds Vallejo City Council to consider approval of agreement at next meeting

VALLEJO, CALIF. – The City of Vallejo, Weston Solutions, Inc. and Lennar Mare Island, LLC announced an agreement today that, if approved by the Vallejo City Council, would withdraw a proposal to develop the former Navy dredge ponds as a commercial dredge disposal facility on Mare Island and will permanently remove the potential for a dredge pond disposal facility as a land use on Mare Island.

The agreement would end environmental review, consideration and discussions over the proposal to reopen the ponds as an upland disposal facility for dredging materials collected from the greater San Francisco Bay Area. The City Council is scheduled to vote on the agreement at the January 24, 2006 council meeting.

The Mare Island dredge ponds are owned by the state of California and leased to the City of Vallejo. In October 2002, the City of Vallejo entered into a Memorandum of Understanding with Weston whereby Weston would pursue the development and operation of the dredge disposal facility. As part of their project, Weston had an exclusive agreement with the City to develop and operate seven of ten existing dredge ponds.

Under the terms of the Settlement Agreement, Lennar Mare Island will donate \$2.7 million to the City and others. The company will pay \$2,000,000 in cash to the City of Vallejo, \$250,000 to the Mare Island Historic Park Foundation, \$250,000 to the Greater Vallejo Recreation District to be used for capital improvements on Mare Island and \$200,000 (or in-kind services) to the Vallejo City Unified School District to be used on Mare Island.

LMI will also pay an undisclosed amount to Weston in exchange for giving up their rights to develop and operate the dredge disposal facility. “We support the agreement and will now concentrate our efforts on our continuing important environmental cleanup responsibilities as well as assisting Lennar in executing their remaining early transfers and future development on Mare Island,” said Peter Ceribelli of Weston.

In addition, a redwood fence that was constructed earlier this year on top of the levees and that was required as part of the Western Early Transfer Parcel (WETP) will be removed, and relocated to the base of the levee by Weston.

“We believe that this agreement is in the best interest of Mare Island, and the City and community of Vallejo,” stated Jason Keadjian, spokesperson for LMI.