

MAIL TAX STATEMENTS TO:
No Change

AFTER RECORDING RETURN TO:

City of Stayton
362 N. Third Ave
Stayton, OR 97383

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

Dated: _____, 2026
Between: Direct Party / Grantor - ORS 205.125(1)(b) and 205.160
And: Indirect Party/ Grantee - ORS 205.125(1)(a) and 205.160

THIS DEVELOPMENT AGREEMENT (hereinafter “**AGREEMENT**”) is entered into on the last date executed by the parties below (the “**Effective Date**”) by and between CITY _____, an Oregon municipal corporation (hereinafter the “**CITY**”) and _____, an Oregon __ (hereinafter the “**DEVELOPER**”).

*** WITNESSTH***

WHEREAS, the Planning Commission of the CITY has granted approval {Insert Case No., Case Type, and Date} (hereinafter the “**APPROVAL**”) for that certain development described therein and known as PHILLIPS ESTATES PHASE III (hereinafter the “**DEVELOPMENT**”), with the understanding that the DEVELOPER agrees to comply with all planning conditions contained in the APPROVAL;

HEREAS, the DEVELOPER submitted proposed construction plans on or about {Insert Date} (collectively the “**Plans**”);

WHEREAS, the Approval requires the execution of a this Development and Reimbursement Agreement between the DEVELOPER and the CITY covering the financial responsibilities of each party and the coordination of construction of Public Improvements, which are defined below.

AGREEMENT:

NOW THEREFORE, the DEVELOPER and the CITY (collectively herein the “**Parties**”) agree to the following terms and conditions to wit:

1. The DEVELOPER agrees to complete the following public improvements: {Insert Public Improvements from Conditions} (collectively herein the “**Public Improvements**”).

2. The CITY agrees that the Public Improvements have been determined to be Qualified Public Improvements eligible for System Development Charges (SDC) Credits pursuant to ORS 223.304(4) and that upon completion, the CITY will financially compensate DEVELOPER for all Public Improvement Costs, as that term is defined in section 6.
3. DEVELOPER agrees that the Public Improvements shall be constructed in accordance with the land use approvals and the construction plans approved by the CITY, with conditions as outlined in the CITY approvals.
4. The DEVELOPER agrees that the Public Improvements shall be done in compliance with all applicable statutes, codes, ordinances and standards and conditions of approval, including, but not limited to, the version of the CITY's Public Works Standards in effect at the time APPROVAL. See ORS 92.040(2).

5. COMPLETION OF THE PUBLIC IMPROVEMENTS

The Parties acknowledge that the Public Improvements are “Substantially Complete,” per ORS 455.175, when CITY, county or other appropriate public body has inspected, tested and found acceptable under applicable code requirements:

- a. The water supply system;
 - b. The fire hydrant system;
 - c. The sewage disposal system;
 - d. The storm water drainage system, excepting any landscaping requirements that are part of the system;
 - e. The curbs;
 - f. The demarcating of street signs acceptable for emergency responders; and
 - g. The roads necessary for access by emergency vehicles.
6. Upon Substantial Completion of the Public Improvements, as set forth in Section 5 of this Agreement, the CITY shall financially compensate the DEVELOPER within thirty (30) days for:

{Insert Public Improvement Costs}

These Public Improvements Costs, which the City agrees is fair and reasonable compensation to the DEVELOPER are set forth in *Exhibit A*, attached hereto and incorporated herein. If the CITY does not financially compensate DEVELOPER for the Public Improvement Costs within thirty (30) days of Substantial Completion as set forth in Section 5, then the balance due shall bear interest at the default rate of eighteen percent (18%) per annum. If such rate is usurious under governing law, then the default rate shall equal the highest rate permitted by law.

In addition to the aforementioned interest, if the CITY does not financially compensate the DEVELOPER for the Public Improvement Costs within thirty (30) days of completion as set forth in Section 5, the CITY shall be deemed to be default of this Agreement and DEVELOPER may pursue any and all remedies available to it in law or equity.

7. It is agreed between the CITY and the DEVELOPER that no building permits for any structures within the DEVELOPMENT will be issued until all required improvements have been constructed and all planning, engineering and public works conditions of approval have been met by the DEVELOPER and accepted by the CITY, including submittal of bonds or other mutually agreed upon security and record drawings, unless approved by the CITY. ORS 455.175(2).
8. It is further agreed that any amendments to this AGREEMENT or any assignments of responsibilities contained herein shall not be valid without the written consent of the CITY.
9. This AGREEMENT shall be binding on any assigns or successors in interest of the DEVELOPER.
10. This AGREEMENT shall be recorded in the deed records of Marion County, Oregon by the DEVELOPER.
11. Any dispute or claim that arises out of or that relates to this AGREEMENT, or to the interpretation or breach thereof, shall be resolved by arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc. by filing a claim in accordance with the filing rules of the organization, and judgment upon the award rendered pursuant to such arbitration may be entered in a Marion County, Oregon court having jurisdiction thereof. Any arbitration proceedings shall be conducted in Marion County, Oregon, and shall be concluded as to all facets of the arbitration proceeding within 120 days of the filing of the claim. Any Final or Supplemental Award that includes a provision for remediation shall specifically require that any such remediation be in accordance with all city, county, state and federal rules, regulations and statutes. Any work required in any remediation requirement shall be done only after the issuance of all necessary permits for such work.

The owner, the contractor, and all subcontractors, material suppliers, engineers, architects, designers, construction lenders, bonding companies, and all other PARTIES concerned with or involved in the performance of the contract are bound, each to the other, by this arbitration clause, regardless of whether or not such PARTY has signed this AGREEMENT. This arbitration clause shall not preclude any PARTY from filing a statutory construction lien or from commencing suit to foreclose such lien, but the foreclosure suit shall be stayed until the rendering of the arbitration award, which award shall be binding in such foreclosure suit as to all matters determined in arbitration, and the lien may then be foreclosed to the extent permitted by law.

12. The PARTIES hereto agree that should any suit or action be filed to enforce the terms of this AGREEMENT or any breach thereof, the losing PARTY agrees to pay the prevailing PARTY's reasonable attorney fees in an amount to be set by the court, including costs, disbursements and any such attorney fees associated with any appeal therefrom.
13. Any claim, action, or complaint arising out of or otherwise related to this Agreement by a party against the other party to this Agreement, or any successors or assigns whether now known or subsequently discovered shall be brought within one (1) year of the Substantial Completion of the Public Improvements as set forth in Section _ of this Agreement or forever be barred.

IN WITNESS THEREOF, the CITY has caused this AGREEMENT to be signed by its City Administrator and Mayor, and the DEVELOPER has caused this AGREEMENT to be signed, sealed and notarized the same as the date and year first above written.

City of Stayton

By: Julia Hajduk, City Manager

STATE OF OREGON)
) ss.
County of Marion)

On this _ day of _____, 2026, Julia Hajduk personally appeared before me, the above named person who being duly sworn, did say that she is the City Manager of the City of Stayton, an Oregon municipal corporation, and that said Agreement was signed on behalf of said Oregon municipal corporation, and with the authority of its members; and he acknowledged said document to be its voluntary act and deed.

Notary Public for Oregon

