

**After recording, return to:**  
City Recorder, City of Salem  
PO Box 14300  
Salem OR 97309-3986

## Improvement Agreement

This Agreement is made between the City of Salem, Oregon, an Oregon municipal corporation (City), 555 Liberty Street SE, Salem, Oregon 97301-3513, and Landau SFV, LLC, an Oregon limited liability company, 4985 Battle Creek Road SE, Suite 200, Salem, OR, 97302 (Developer):

### RECITALS:

1. Developer wishes to plat and develop certain real property, identified as “Headwaters Subdivision Phase 2” (Development), the boundary of which is described in Exhibit A and shown on the Exhibit B location map.
2. On December 23, 2021, the Planning Administrator granted conditional approval to Subdivision Plat No. SUB-ADJ21-10, which set forth certain Required Improvements that must be constructed as a condition of final plat approval.
3. Developer has not completed construction of the Required Improvements.
4. Developer is required pursuant to *Salem Revised Code (SRC) 70.070 and 77.090* to obtain permit(s) from the City for construction of the Required Improvements.
5. Pursuant to *SRC 205.035*, prior to final plat approval, Developer is required to either construct all Required Improvements or enter into an improvement agreement to provide for the construction thereof.

6. The following Required Improvements have been determined to be Qualified Public Improvements (QPI) and are eligible for System Development Charge (SDC) credits pursuant to SRC 41.160. The SDC-eligible certified costs may be provided to the developer either as true credits or pass-through credits at the discretion of the developer. If the SDC-eligible certified costs exceed the available credits incurred by the development, the Developer is eligible for reimbursement in excess of credits, subject to budgetary appropriation and in accordance with SRC 41.130. Pursuant to Administrative Rule 109-200-2.4(c), the description and SDC Eligibility Ratio(s) of these improvements are as follows:
  - a. Conditions 35 and 36: The SDC Eligibility Ratio for the Fabry Road SE improvements (an internal major arterial street) is 90.91 percent of the certified costs, based on the determination that the Developer's share of the improvements is 9.09 percent as stated in the Traffic Impact Analysis (TIA) that was submitted with the Developer's land use application.
  - b. Condition 41: The SDC Eligibility Ratio for the master plan water main in Fabry Road SE is 100 percent of the certified costs because it does not provide direct service to the proposed development.
  - c. Condition 42: The SDC Eligibility Ratio for the natural area park improvements is 100 percent of the certified costs. Natural area parks are primarily left in a natural state and improvements are limited to passive recreation pursuant to the Salem Comprehensive Parks System Plan. The Fabry Natural Area Park improvements are limited to improvements listed in Exhibit C.
7. Projects that receive reimbursement of funds of a public agency of \$750,000 or more are subject to Prevailing Wage requirements pursuant to ORS 279C.800 through 279C.870. The Developer's engineer has submitted preliminary cost estimates for Qualified Public Improvements that exceed \$750,000 of direct public fund reimbursements and "Pass-Thru" System Development Charge credits, as defined in SRC 41.100. The developer is required to comply with ORS 279C.800(6)(a)(B) if reimbursements are requested. SDC-eligible certified costs that exceed the available credits incurred by the development will not be available for reimbursement without providing certified payroll reports to the City on a monthly basis and prior to reimbursement.
8. Developer has indicated it intends to keep the construction of private improvements and Required Improvements separate to ensure that construction of the private improvements remain not subject to Prevailing Wage requirements. Developer and City have a good faith belief that construction of the private improvements are not subject to Prevailing Wage, and that Developer's planned separation of the construction of the private improvements and Required Improvements is not for the purpose of avoiding compliance with ORS 279C.800 to 279C.870. In the event that the Oregon Bureau of Labor and Industries or a court of proper authority determines that construction of the private improvements was improperly divided from construction of the Required Improvements

or is otherwise subject to Prevailing Wage, Developer agrees to indemnify and hold harmless the City of Salem, its officers, employees, and agents from any claims, demands, penalties, fines, actions, suits, damages, liabilities, orders, or judgments arising out of Developer's failure to pay Prevailing Wage for construction of the private improvements.

NOW THEREFORE, as consideration for final plat approval prior to the completion of construction of all improvements required as a condition of development, Developer agrees to the following:

1. Developer shall complete or cause to be completed the Required Improvements according to the specifications and standards on file in the office of the City of Salem Public Works Director, and as detailed on the approved construction plans under Permit Number 25-103335-PC. In the event of an apparent conflict between the specifications and standards and the construction plans, the specifications and standards shall control.
2. Developer shall cause Developer's engineer(s) to provide all surveying necessary for the Required Improvements prior to and during construction, and to prepare and furnish acceptable as-built drawings to the City upon completion of the Required Improvements, all in conformance with City Standards.
3. Developer shall complete or cause to be completed the Required Improvements within 18 months of the date of final plat approval. Upon written request by Developer, this agreement may be extended for an additional period of time, not to exceed an additional 18 months, by mutual written agreement of Developer and City.
4. Should it be determined, during preparation of plans or during construction, that additional easements are necessary to construct any of the Required Improvements, Developer shall comply with the City's replat requirements in *SRC 205.025* and all other relevant City requirements at Developer's expense and within the time covered by this Agreement. If easements are required outside of the area subject to Developer's plat, Developer shall furnish the easements to the City, at Developer's expense, and within the time covered under this Agreement.
5. Developer has provided the following performance guarantee to assure performance of these conditions:
  - a. A performance guarantee conforming to any of the types listed in *SRC 110.100(c)(1-5)*, valued at 100 percent of the estimated construction costs of the Reed Lane SE and Landau Street SE portion of the improvements; and
  - b. No building permits for any buildings or structures within the subdivision or partition shall be issued until:
    1. All required improvements have been Substantially Completed, as certified by the Public Works Director;

2. Developer has deposited a cash guarantee with the City valued at 200 percent of the estimated value of incomplete Required Improvements.
3. Developer's Engineer has submitted as-built drawings and they have been deemed acceptable by the Public Works Director; and
4. Developer has filed a maintenance guarantee pursuant to *SRC 77.120* valued in the minimum amount of 40 percent of the Required Improvements.
6. In the event Developer includes more than one person or entity, all such persons or entities shall be jointly and severally liable for all conditions herein.
7. Developer's obligations as set forth herein shall be binding upon Developer and the Developer's heirs, successors, and assigns.
8. Should all Required Improvements not be completed within the term of the improvement agreement or its extension, the City may pursue any and all remedies available to it, including, but not limited to, those set forth in *SRC 205.035*.
9. The provisions of this Agreement shall run with the land described herein on Exhibit A and be binding and inure to the benefit of heirs, personal representatives, successors and assigns of the parties.
10. Upon completion and acceptance by the City of the Required Improvements, the Public Works Director shall provide to Developer a certificate of completion, suitable for recording, releasing the property from the no-build agreement in the deed records of the appropriate county.
11. The developer shall, within 90 days of City acceptance of the Required Improvements, prepare a sworn statement of allowable costs incurred in the construction of the Qualified Public Improvement, and submit the same, together with proof of payment thereof, to the Director. The Director may require developer to provide additional documentation prior to certification by the City. The allowable costs are as set forth in *SRC41.300*.
12. Model Home Exception – Developer is authorized to receive up to four model home building permits prior to substantial completion of the Required Improvements. These homes may only be used as examples of what is intended to be built in the subdivision or for other demonstration purposes. The homes will be issued temporary certificates of occupancy only and may not be sold until all Required Improvements are substantially complete. Developer acknowledges that no final certificates of occupancy will be issued until that time.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the date below.

Landau SFV, LLC, an Oregon limited liability company.

By: John D. Miller

John D. Miller, Manager

STATE OF OREGON )

County of Multnomah ) ss.

This instrument was acknowledged before me on FEB 10, 2026, 20 26, by John Miller, as Manager of Landau SFV, LLC, an Oregon limited liability company.



Trisha R. Derr

Notary Public—State of Oregon

My commission expires: 7/6/2029

CITY OF SALEM, OREGON

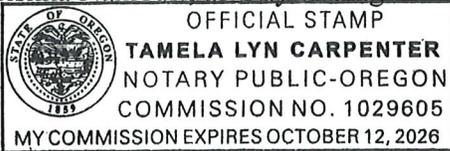
Krishna Namburi

Krishna Namburi, City Manager

STATE OF OREGON )

County of Marion ) ss.

This instrument was acknowledged before me on February 12, 2026, by Krishna Namburi, as City Manager of the City of Salem, Oregon.



Tamele Lyn Carpenter

Notary Public—State of Oregon

My commission expires: October 12, 2026

APPROVED:

Brian D. Martin  
Brian D. Martin, PE, Public Works Director

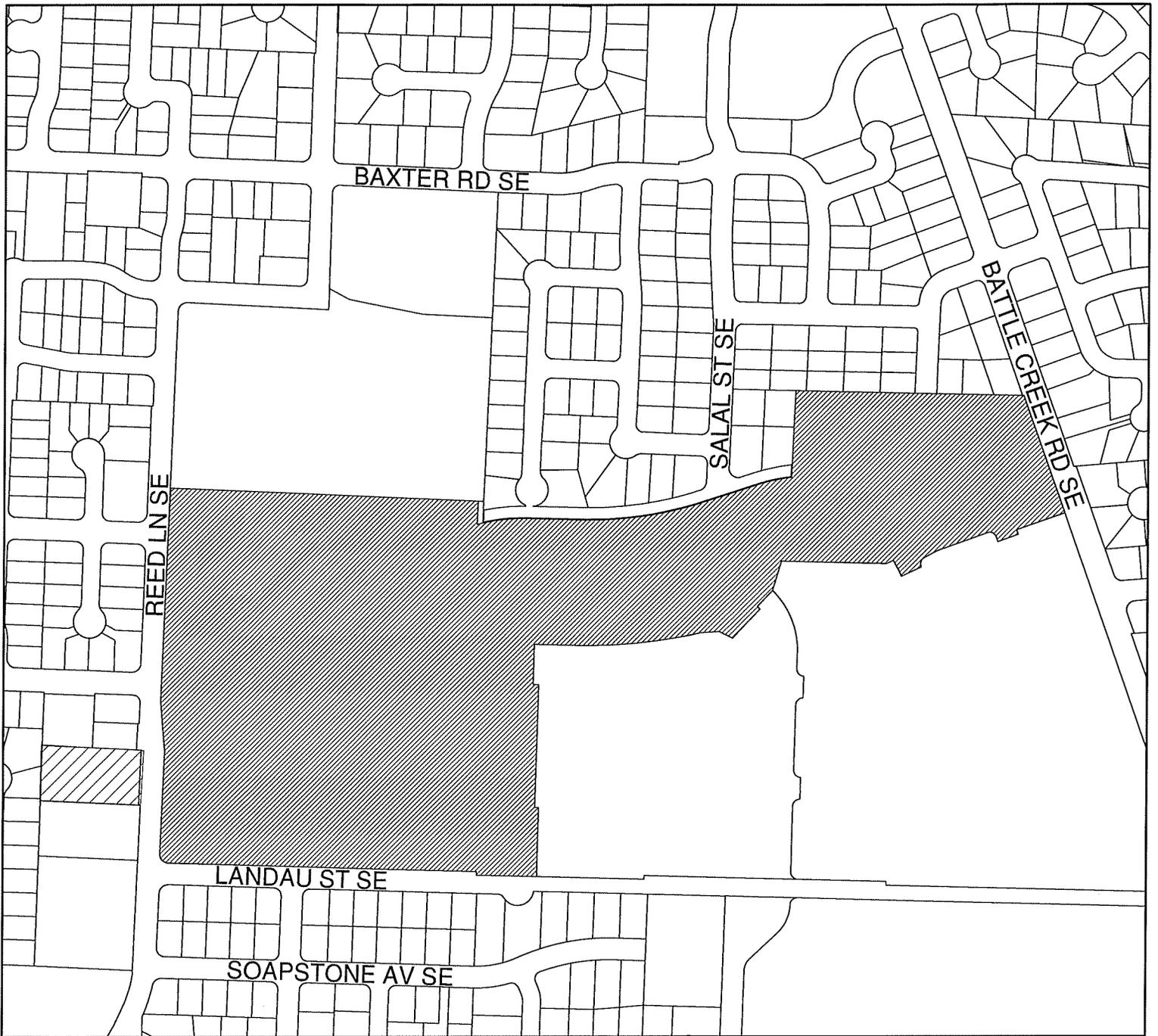
Checked By: NO

Permit Number: 25-103335-PC

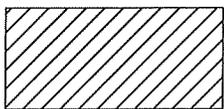
February 10, 2026

## **EXHIBIT A**

Property as described in Statutory Quitclaim Deed, recorded November 14, 2024, as Instrument No. 2024-035407, in the City of Salem, County of Marion and State of Oregon.



5600 BLOCK OF REED ROAD SE  
(TL 083W140000400)  
SALEM, OR 97306



PROPERTY



SCALE: 1' = 400'

# EXHIBIT B

# EXHIBIT C

## Headwaters Subdivision - Phase 2

### PRELIMINARY Cost Estimate for Tracts A and B Park/Natural Area - BOLI

Date: October 29, 2025

Site Furnishings	Unit	BOLI	Estimated Qty	Subtotal
6' Bench - installed midway (Oregon Corrections w/ADA spot)	EA	\$2,400	1	\$2,400
Acorn lighting along path	EA	\$17,200	7	\$120,400
Hard Surfacing (build per State Parks accessibility guidelines)	Unit	BOLI	Estimated Qty	Subtotal
Ped Path A: 10-ft wide path - 3" AC	SY	\$45	809	\$36,405
Ped Path A: 10-ft wide path - 10" of 3/4"-0 crushed rock	SY	\$33	809	\$26,697
Ped Path A: Grading/Excavation/Erosion Control	LS	\$16,550	1	\$16,550
Concrete under 6' bench	SF	\$56	40	\$2,240
Landscaping	Unit	BOLI	Estimated Qty	Subtotal
Lawn Grass Seed (non-irrigated)	SF	\$0.30	41952	\$12,586
Landscape Boulders, Small (24"-36")	EA	\$595	30	\$17,850
Landscape Boulders, Medium (36"-42")	EA	\$675	10	\$6,750
Invasive Species Removal during Phase 2 construction only (subsequent years by City) Includes Weed Whacking of Invasives (leaving debris in place), spot spray 4 times over a 12 month period	Ac	\$5,000	4.5	\$22,500
Soft Costs	Unit		Estimated Qty	Subtotal
Engineering & Survey, 7.5%	EA		1	\$19,828
Contingency, 5%	EA		1	\$14,210
<b>Total</b>				<b>\$298,416</b>