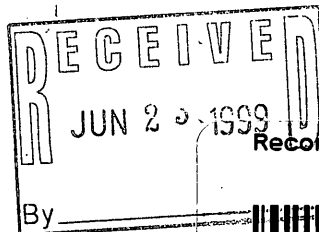


After Recording, return to:
City of Newberg
Engineering Division
Mail: P.O. Box 970
Street: 719 E. First Street
Newberg, Oregon 97132



CITY OF NEWBERG
CITY RECORDER INDEX NO. 1671

Recorded in Official Yamhill County Records
CHARLES STERN, COUNTY CLERK



35.00

199912739

10:06:25 AM 06/18/1999

DMR AGRDMR 1 -
25.00 10.00

2 ANITA

SUBDIVISION COMPLIANCE AGREEMENT

Oak Knoll 9

Tract "A" of Oak Knoll 6

Planning Division File #:S-16-98

THIS AGREEMENT made and entered into this 17th day of JUNE, 1999, by and between the **CITY OF NEWBERG**, a municipal corporation in the County of Yamhill, State of Oregon, hereinafter referred to as **CITY** and **ATM RESOURCES, LTD.**, hereinafter referred to as **SUBDIVIDER**.

RECITALS

1. **SUBDIVIDER** has petitioned the **CITY** to accept a subdivision plat known as "Oak Knoll 9" located in the City of Newberg, Oregon.
2. The **CITY**'s subdivision ordinance and applicable ordinances and laws of the **CITY**, require that the **SUBDIVIDER** execute and file with the **CITY** an agreement providing for, among other things, the period within which all required improvements shall be made within said subdivision and that if such work is not completed within the period specified, the **CITY** may complete the same and recover the full cost and expenses thereof from the **SUBDIVIDER**.
3. The **CITY** is agreeable to acceptance of said subdivision plat upon the execution of this agreement and compliance by the **SUBDIVIDER** with the provisions of the **CITY** subdivision ordinance, as amended.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements of the parties, it is agreed as follows:

1. The **SUBDIVIDER** agrees to install all of the required public improvements as provided in the **CITY** subdivision ordinance and binds itself to use such materials and to so construct all of the improvements according to **CITY** standards as defined by the applicable ordinances, the approved construction plans, and the rules and regulations of the **CITY** as shown on the subdivision plat.
2. The **SUBDIVIDER** agrees to provide for the restoration of any monuments erected or used for the purpose of designating a survey marker or boundary of any town, tract, plat or parcel of land which monument is broken down, damaged or obliterated, removed or destroyed, whether willfully or not, by the **SUBDIVIDER**, its agents, employees or contractors.

3. If the subdivision plat is recorded prior to completion and acceptance of all improvements and conditions of approval: The **SUBDIVIDER** agrees that all of remaining public improvements shall be completed on or before the **1st** day of **September, 1999**; the **SUBDIVIDER** agrees that in case it shall abandon the work or fail to make satisfactory progress on the work, the **CITY** may cause the work to be completed by contract or by its own forces; the **SUBDIVIDER** shall be liable to the **CITY** for any and all loss and damage from such default, either from the greater expense of so completing or repairing faulty or damaged work, or from any other related course; and upon execution of this agreement, the **SUBDIVIDER** shall deliver to the **CITY** a bond for the purposes assuring **SUBDIVIDER's** full and faithful completion of the required improvements within said subdivision. The amount of the bond is to be 150% of the \$8,575 estimated cost of the unfinished work which amounts to \$12,862.50.

4. At such time as all required improvements, except sidewalks along the vacant parcels and miscellaneous improvements, within the subdivision, have been completed in accordance with the **CITY's** requirements, the **SUBDIVIDER** shall serve written notification to the **CITY** of the readiness for final inspection. Upon certification by the City Engineer that all requirements of the **CITY** have been met, the **SUBDIVIDER** will submit to the **CITY** a maintenance bond or other such security in a form approved by the **CITY** in the sum of **15%** of the total public improvement costs to provide for the correction of any defective materials or workmanship for a period of one (1) year after final acceptance as defined by **CITY** ordinances.

5. The **SUBDIVIDER** agrees that sidewalks and miscellaneous improvements within said subdivision shall be completed no later than the time that such buildings are erected upon lots in the subdivision and occupancy permits are issued. Occupancy permits for said buildings may be withheld pending completion of sidewalks and miscellaneous improvements.

6. The conditions, covenants and restrictions, if any, shall be approved by the **CITY** and recorded prior to the sale of any lots.

7. The **CITY** agrees to accept the completed required subdivision improvements upon certification by the City Engineer:

- (a) That all required subdivision improvements have been constructed in accordance with applicable **CITY** standards;
- (b) **SUBDIVIDER** has fulfilled the requirements of the **CITY's** subdivision ordinance;
- (c) **SUBDIVIDER** has provided a maintenance bond or other form of security as indicated in paragraph 4;
- (d) The water and sewer development fees will be charged in accordance with the appropriate **CITY** ordinances and resolutions **at the time that the building permits are issued** for each additional lot;
- (e) **SUBDIVIDER** shall provide accurate as-built construction plans to the Engineering Division;
- (f) **SUBDIVIDER** agrees to comply with all the conditions of the Planning Commission approval of the preliminary plat;
- (g) A signalization fee, in the amount of \$205.00, will be charged on each lot at the time that building permits are issued.

- (h) **SUBDIVIDER** agrees to pay an engineering fee to cover final review and inspection requiring connection to the improvements. The estimated cost of the improvement, based on the engineer's estimate dated January 21, 1999, is \$120,311.00. The amount of engineering fees is estimated to be 5% of the total cost of all improvements, which said amount is \$6,015.55.
- (i) **SUBDIVIDER** shall provide to the City a bond in the amount of \$2,000.00 as security for the monumentation of the subdivision.
- (j) There are no additional public improvements required for this subdivision.

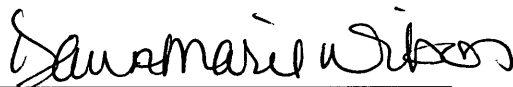
8. The date of this agreement shall be the date the City Manager signs on behalf of the City of Newberg.

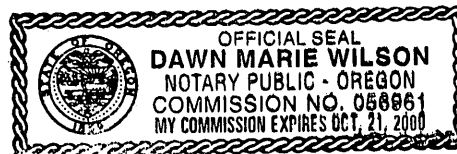
IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above mentioned.

ATM Resources, Ltd.


Michael Hanks, President

This instrument was acknowledged before me on this 17th day of June, 1999, by Michael Hanks, President of ATM Resources, Ltd., by authority of its Board of Directors.

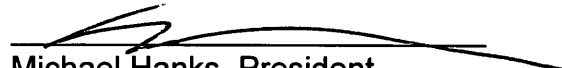

Notary Public for Oregon
My Commission Expires on 10/31/00



OWNERS OF PROPERTY

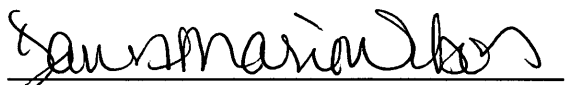
- (A) ATM Resources, Ltd., is the owner of all or a portion of the property known as Oak Knoll 9. Owner agrees to be bound by all terms and conditions of this Subdivision Agreement to the same extent, and under the same conditions as Subdivider. Further, Owner agrees that CITY may enter and remain upon the property that is known as Oak Knoll 9 in order to carry out any terms and conditions of this Subdivision Agreement. Further, Owner agrees to be bound by any amendment or extension of this Subdivision Agreement and waives any notice of such.

ATM Resources, Ltd.


Michael Hanks, President

State of Oregon)
County of Yamhill) : ss

This instrument was acknowledged before me on this 17th day of June, 1999, by Michael Hanks, President of ATM Resources, Ltd., by authority of its Board of Directors.


Notary Public for Oregon
My Commission Expires on 10/21/00



Subdivision Agreement
Oak Knoll 9 Subdivision
Page 6

BENEFICIARIES OF TRUST DEED

- (A) Theodore R. Harris and Betty R. Harris, Beneficiaries of Trust Deed dated January 29, 1999, agrees to be bound by all the terms and conditions of this Subdivision Agreement to the same extent and conditions as Subdivider. Further, Beneficiary agrees that the CITY may enter and remain upon the property that is known as Oak Knoll Subdivision Phase 9 in order to carry out any terms and conditions of this Subdivision Agreement. Further, Beneficiary agrees to be bound by any amendment or extension of this Subdivision Agreement and waives any notice of such.

Theodore R. Harris, Trustee
Theodore R. Harris

State of Oregon)
) s.s.
County of Multnomah)

This instrument was acknowledged before me on this 17th day of June, 1999, by Theodore R. Harris.

Shauna L. Kerwin
Notary Public for Oregon
My Commission Expires 5-3-02



Betty R. Harris, Trustee
Betty R. Harris

State of Oregon)
) s.s.
County of Multnomah)

This instrument was acknowledged before me on this 17th day of June, 1999 by Betty R. Harris.

Notary Public for Oregon
My Commission Expires _____

CITY OF NEWBERG

Duane R. Cole
Duane R. Cole
City Recorder

APPROVED AS TO FORM

Terrence D. Mahr
Terrence D. Mahr
City Attorney

S/S