

APPLICATION FOR SYSTEM DEVELOPMENT CHARGES (SDC) LOAN OR DEFERRAL

Property Owner(s) Name(s): _____

Property Address: _____

Mailing Address: _____
(if different)

Assessor's Map & Tax Lot ID: _____

The default payment option for SDCs is payment in full at the time the building permit is issued. If this is the option you select, do not return this form.

If you select one of the options below, complete this form and return along with a \$250 deposit to the City of Prineville as part of your permit application. **Parks SDCs are not eligible for these payment methods and must be paid at the time the building permit is issued.**

LOAN OR DEFERRAL OPTIONS

Select One:

- A. 5 year installment loan at ____% interest per annum.
- B. 10 year installment loan at ____% interest per annum.
- C. No payments for _____ months after issuance of the building permit or until a certificate of occupancy is issued. The SDC is due and payable in full at the end of _____ months or issuance of a certificate of occupancy, whichever comes first. Interest shall accrue at the rate of 12% per annum beginning on the day after the end of the _____ month deferral period.

If you select one of these options, we will send you a promissory note for you to sign and return to us with detailed terms and conditions. After signing the promissory note, you cannot convert to a different option (e.g., If you select option C, you cannot apply for a 5 or 10 year installment loan when the SDCs become due and payable under option C).

If you select option A or B, then this payment option is known as the "Bancroft Bond Installment Payment" method available under ORS Chapter 223. These payment options are charged interest at ____% or ____% per annum.

If you select options A, B, or C, all persons holding an ownership interest in the property will need to sign a promissory note and trust deed granting the City of Prineville a first lien on the property to secure payment of the deferred or financed SDCs. As property owner, you will be responsible for the cost of filing a trust deed with the county and paying the applicable recording and reconveyance fees.

If the title report shows that the City of Prineville will not obtain adequate security for repayment of the deferred or financed SDCs, your application may be denied at the sole discretion of the City.

PAYMENT

You will be required to pay for title insurance in favor of the City guaranteeing that the City will be in first lien position on your property. In addition, you will be required to pay fees to record the trust deed and for document preparation. The \$250 deposit will be applied to the total cost for document preparation, title insurance costs, and recording fees. The remainder of the costs and fees after deducting the deposit must be paid at the time the promissory note and trust deed are signed.

NOTICE OF LIEN AND RIGHT TO CONTEST SDC

If you elect to defer payment or make installment payments, the City of Prineville requires that a lien be placed on the related property. **A lien under options A, B, or C above will be given first priority as provided by State statute and City policy. Furthermore, under any of the above options, you will waive all rights to contest the amount and means of calculating the SDCs. You acknowledge that you understand that you would normally have the right to contest the amount, and means for calculating the amount of your SDC obligation, and any irregularities in the imposition of SDCs, but by signing this application, you voluntarily waive all such rights.**

DECLARATION AND SIGNATURE

I agree to pay my SDCs at the time indicated on page 1 of this form. I understand and accept the terms and conditions of these payment options as they are described on page 1, and in City of Prineville Resolution No. _____ and/or Oregon Revised Statutes Chapter 223. I agree to enter into a binding SDC promissory note as a condition of this election. I understand that a properly executed and recorded deed of trust may be required and a promissory note must be received by City of Prineville **at least _____ days prior to permit pick-up.** If I fail to properly execute any of these documents, the full SDCs are due and payable at the time the building permit is issued and I will forfeit my \$250 deposit.

Property Owner Signature

Property Owner Signature
(if jointly owned, all owners must sign)

Printed Name

Printed Name

Property Owner Signature

Property Owner Signature
(if jointly owned, all owners must sign)

Printed Name

Printed Name

Please remember to include with your application:

- \$250 deposit