

**-THE VILLAGES MASTER PLANNED DEVELOPMENT  
DEVELOPMENT AGREEMENT  
BETWEEN  
CITY OF BLACK DIAMOND, WASHINGTON and  
BD VILLAGE PARTNERS, L.P.**

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**Exhibits**

- Exhibit “A” – Project Boundaries and ~~Land Use Map~~MPD Site Plan
- Exhibit “B” – Legal Description- and Parcel Map
- Exhibit “C” – MPD Permit Approval
- Exhibit “D” – Summary of Prior Agreements
- Exhibit “E” – City of Black Diamond Municipal Code & Other City Standards
- Exhibit “F” – Traffic Monitoring Plan
- Exhibit “G” – Constraint Maps
- Exhibit “H” – MPD Project Specific Design Standards and Guidelines
- Exhibit “I” – High Density Residential Supplemental Design Standards and Guidelines

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Exhibit "J" – Construction Waste Management Plan

Exhibit "K" – ~~Phases Map and~~MPD Phasing ~~Plans~~Plan

Exhibit "L" – ~~INTENTIONALLY OMITTED~~Excerpts from Chapter 3 of MPD Permit Application

Exhibit "M" – Mine Hazard Release Form

Exhibit "N" – Villages MPD Funding Agreement

Exhibit "O" – Stormwater Monitoring

Exhibit "P" – Green Valley Road Measures

Exhibit "Q" – Maple Valley Transportation Mitigation Agreement

Exhibit "R" – Covington Transportation Mitigation Agreement

Exhibit "S" – Potential Expansion Areas

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**A. Parties, Date, Recitals, and Mutual Consideration**

This Development Agreement is entered into this \_\_\_ day of \_\_\_\_\_, 2011, by and between the CITY OF BLACK DIAMOND, a non charter code city in the State of Washington, operating under the provisions of ~~chapter~~Chapter 35A RCW (“Black Diamond” or “City”) and BD Village Partners, L.P., a Washington limited partnership (“Master Developer”).

**RECITALS**

- A. The City includes large areas of undeveloped lands, and the City has spent many years evaluating and planning for future coordinated development of those lands.
- B. To strengthen the public planning process, encourage private participation and comprehensive planning, and reduce the economic cost of development, the legislature of the State of Washington enacted RCW 36.70B.170 through 36.70B.210 (the “Development Agreement Statute”), which authorizes a local government to enter into a development agreement with the owner of real property within its jurisdiction. Under the Development Agreement Statute, “A development agreement must set forth the development standards and other provisions that shall apply to and govern and vest the development, use, and mitigation of the development of the real property for the duration specified in the agreement. A development agreement shall be consistent with applicable development regulations adopted by a local government planning under chapter 36.70A RCW.” In addition, RCW 36.70B.170(3) defines “development standards” for a development agreement as including:
  - (a) Project elements such as permitted uses, residential densities, and nonresidential densities and intensities or building sizes;
  - (b) The amount and payment of impact fees imposed or agreed to in accordance with any applicable provisions of state law, any reimbursement provisions, other financial contributions by the property owner, inspection fees, or dedications;
  - (c) Mitigation measures, development conditions, and other requirements under chapter 43.21C RCW;

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(d) Design standards such as maximum heights, setbacks, drainage and water quality requirements, landscaping, and other development features;

(e) Affordable housing;

(f) Parks and open space preservation;

(g) Phasing;

(h) Review procedures and standards for implementing decisions;

(i) A build-out or vesting period for applicable standards; and

(j) Any other appropriate development requirement or procedure.

Pursuant to state law, development agreements are not development regulations but are required to be and this Agreement is, in fact, consistent with the City of Black Diamond's adopted development regulations.

C. The City has adopted a process for review and approval of applications for a Master Planned Development Permit ("MPD Permit"), which process is contained in the City's MPD Permit development regulations codified at Black Diamond Municipal Code ("BDMC") Chapter 18.98 (attached as Exhibit "E"). The City's process for review and approval of ~~an~~ MPD Permit includes the requirement for a ~~Development Agreement~~ which development agreement that shall be binding on all MPD property owners and their successors, and shall require that they develop the subject property only in accordance with the terms of the MPD Permit approval.

D. The City has also adopted a process for review and approval of development agreements, which process is codified at BDMC Ch. 18.66- (Exhibit "E"). This ~~Development~~ Agreement has been processed, considered and executed in accordance with the City's development regulations in BDMC Chapter 18.66- (Exhibit "E"), and state law requirements, including RCW 36.70B.170 through .210.

E. The Master Developer owns certain real property consisting of approximately 1,196 acres located in the City of Black Diamond, as generally diagrammed in Exhibit "A," the

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**Parties, Date, Recitals, and Mutual Consideration**

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~~Land Use Map~~ MPD Site Plan, and more particularly described in Exhibit "B" (the "Villages Property").

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F. ~~The~~ Consistent with BDMC Chapter 18.98 and the City's adopted MPD Framework Design Standards and Guidelines, the Master Developer designed The Villages MPD on the Villages Property to utilize the natural land forms, including protection of wetlands and open space areas, to define a compact and clustered development pattern. The City's MPD Permit process allows the Villages Property to be developed in a thoughtful and fully integrated manner and provides certainty to the City, existing and future residents, and the Master Developer. The Villages MPD community design includes a wide variety of housing, shopping and recreational opportunities. The Villages MPD also includes a comprehensive system of Parks, Open Spaces and ~~Fra~~trails that will further connect and integrate the clusters of development and promote the natural beauty of the Project Site.

G. The City ~~has~~ approved the Master Developer's MPD Permit Application subject to certain conditions and desires to enter into this Agreement. This Agreement will, among other things, provide for the conditions of MPD Permit Approval to run with the land that is the subject of the MPD Permit Approval and bind the Master Developer's heirs, successors and assigns; provide greater certainty about the character and timing of residential and commercial development within The Villages MPD; provide for the orderly development of The Villages MPD on a comprehensive basis consistent with the MPD Permit Approval (copy attached as Exhibit "C"); allow for timely mitigation of probable significant adverse environmental impacts; provide services appropriate for development of The Villages MPD; encourage an economic and employment base within the City; contribute to the City's fiscal performance; and otherwise achieve the goals and purposes for which the MPD ~~Permit~~permit development regulations (BDMC Ch. 18.98) (Exhibit "E") and the ordinance approving the MPD Permit Application were enacted.

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H. The Master Developer desires to enter into this Agreement in exchange for the benefits to the City described in Recital G, together with other public benefits that will result from the development of The Villages MPD. Moreover, entering into this Agreement provides assurance to the Master Developer and its successors and assigns that: (i) any and all Implementing ~~Approvals~~Projects necessary to build out ~~the~~The Villages MPD will be processed under the terms and conditions of The Villages MPD Permit Approval and

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this Agreement; (ii) that all Implementing ApprovalsProjects will be vested to and processed in accordance with the standards described in this Agreement and otherwise applicable federal law; (iii) that this Agreement and its standards will be in effect for 15 years with the possibility of further extension; (iv) that mitigation measures for the Implementing ApprovalsProjects, including protections to the natural environment and improvements to the built environment necessary to appropriately mitigate probable, significant adverse impacts and accommodate the build out of ~~the~~The Villages MPD, are fully described in this Agreement; and (v) that cost recovery mechanism are in place to assist the Master Developer with construction of public infrastructure when appropriate.

NOW THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the adequacy, sufficiency, and receipt of which are hereby acknowledged, the parties hereby voluntarily mutually agree as follows:

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**B. Terms**

**1.0 ~~MPD PROJECT GOALS~~ DEFINITIONS AND OBJECTIVES CONSISTENCY**

**1.1 DEFINITIONS**

All capitalized terms in this Agreement shall have the meaning set forth in Section 14, or, if not defined in Section 14, capitalized terms shall have the meaning set forth in the City of Black Diamond Municipal Code ("BDMC") as attached hereto and incorporated herein as Exhibit "E". If there is a conflict between the capitalized terms used in this Agreement and the terms defined in the BDMC, the definition set forth in the BDMC ~~shall prevail unless this Agreement expressly indicates that the meaning of a particular capitalized term herein is intended to control over any contrary particular term defined in the BDMC~~(Exhibit "E") shall prevail.

**1.2 CONSISTENCY WITH LAW**

The Villages MPD is consistent with the City of Black Diamond Comprehensive Plan and City's MPD Permit development regulations. This ~~Development~~ Agreement is consistent with the terms and conditions of The Villages MPD Permit Approval.

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~~Section 1— Project Goals and Objectives~~

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~~February 2011~~

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