
ORDINANCE NO. 05-2608

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON, AMENDING ORDINANCE NO. 96-2228 APPROVING AN AMENDED DEVELOPMENT AGREEMENT FOR THE REAL PROPERTY COMMONLY KNOWN AS "THE EAST BLAINE ANNEXATION.

WHEREAS, On or about January 22, 1996, the City Council for the City of Blaine passed Ordinance No. 96-2228 providing for the approval of the East Blaine Development Agreement pursuant to RCW 36.70B.170-.210; and

WHEREAS, the conditions of said Ordinance No. 96-2228 where also the conditions and requirements of the annexation of the East Blaine area approved by Ordinance No. 96-2224; and

WHEREAS, one of the parties to said Development Agreement has requested that the terms of the conditions to said Development Agreement has been modified to reflect current development plans, capital facility planning and other issues; and

WHEREAS, in order to effect such changes to the Development Agreement, Ordinance No. 96-2228, as well as, the conditions to Ordinance 96-2224 must be amended and/or deleted; and;

WHEREAS, the City Council held public hearings on February 28, 2005, March 14, 2005, and March 28, 2005, following public notice of said hearing as required by law on the proposed amendments to Ordinance Number 96-2228; and

WHEREAS, the City SEPA Administrator issued a SEPA Determination of Non Significance on February 16, 2005 (SEP-1-05); and

NOW, THEREFORE, IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON as follows:

Section 1: The Development Agreement approved by Ordinance 96-2228 should be amended said Development Agreement and replacing and approving the same with two separate Amended Development Agreements, one for each property developer, as set forth in two separate agreements-one for Blossom Development Company, and one for Doug and Louise Connelly, both attached hereto as Exhibit A-1 and A-2, hereto.

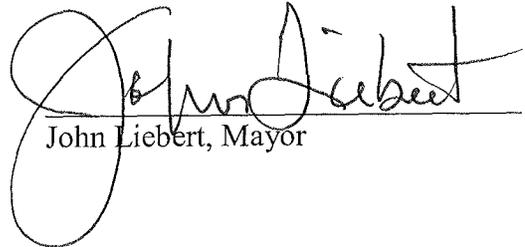
Section 2: This amendment shall be effective only upon the effective date of Ordinance Number 05-2607, amending Ordinance Number 96-2224.

Section 3: If any section, subsection, clause or phrase of this ordinance, or Ordinance Number 05-2607 amending Ordinance Number 96-2224 is for any reason held to be invalid, without force or effect, or unconstitutional, then the terms and conditions of Ordinance Number 96-2224 and Ordinance No. 96-2228 shall apply as if this Ordinance was never passed.

Section 4: Subject to the terms and conditions of Section 3 above, this Ordinance shall take effect and be in force from and after its passage by the City Council and approval by the Mayor, if approved, otherwise as provided by law, and five days after the date of posting for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON on the 11th day of April, 2005 and approved by the Mayor on the same day.

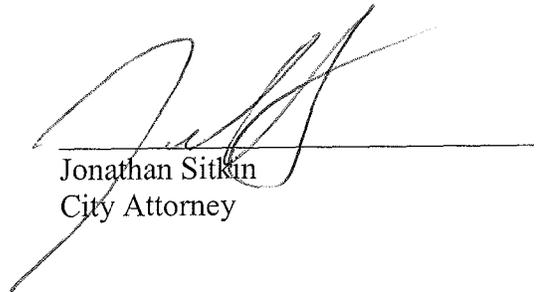
CITY OF BLAINE, WASHINGTON


John Liebert, Mayor

ATTEST/AUTHENTICATE:


Sheri Sanchez
City Clerk

APPROVED AS TO FORM:


Jonathan Sitkin
City Attorney



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Page: 1 of 23
9/12/2005 2:40 PM
AMAG \$54.00
Whatcom County, WA

Request of: CHMELIK SITKIN & DAVIS

Filed for Record at Request of:

CHMELIK SITKIN & DAVIS P.S.
1500 Railroad Avenue
Bellingham, WA 98225
(360)671-1796

DOCUMENT TITLE(S):

AMENDED DEVELOPMENT AGREEMENT

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

NOT PREVIOUSLY RECORDED

Additional reference numbers found on page N/A of document.

GRANTOR(S) (Last name, First name and MI):

CITY OF BLAINE

Additional grantors found on page N/A of document.

GRANTEE(S) (Last name, First name, and MI):

**KEN HERTZ AND KATH HERTZ
KENNETH B. SCHORR
SONJA SCHORR**

Additional grantees found on page N/A of document.

ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat or section, township, range):

GOV'T LOTS 1 AND 2, SECTION 33, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

Additional legal is on Exhibit "A" of this document.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER(S):

410133-333288; 410133-462214; 410133-458148; 410133-495100; 410134-025284; 410134-032225; 410134-034164; 410134-034106; 410134-016034; 410134-111284; 410134-099184; 410134-099148; 410134-170200; 410134-285286; 410134-287199; 410134-376287; 410134-364199; 410134-464203; 410135-070195; 410135-070285

File #57.1.002
Date 5/31/05 #pg. 23

DEVELOPMENT AGREEMENT

THIS AMENDED DEVELOPMENT AGREEMENT (herein "Amended Development Agreement") is between the City of Blaine, a municipal corporation, (herein "City") and Ken Hertz and Kathy Hertz as to an undivided 75% interest and Kenneth B. Schorr and Sonja Schorr as to an undivided 25% interest) referred to (herein as "Developers"), amending the Original Development Agreement, approved by Ordinance No. 96-2228 ("Original Development Agreement"). Subject to the terms, conditions, and limitations herein, this Amended Development Agreement is effective upon the effective date the ordinance approving this Agreement by the City (herein "Date of Agreement"), and the contemporaneous execution and recording of a agreement between Douglas W. Connelly and Louise B. Connelly (herein "Connelly") and the City of Blaine, amending the Original Development Agreement, approved by Ordinance No. 96-2228.

RECITALS

1. The City has annexed approximately 1,182 acres known as the East Blaine Annexation (herein the "Annexation Area") and which is more particularly described in City of Blaine Ordinance Number 96-2224.
2. The Developers are owners of large development properties constituting approximately 450 acres within the Annexation Area. The real estate owned by the Developers is more particularly described on Exhibits "A", referred to herein as the "subject property" or as the "Development Property".
3. Developers are desirous of amending the Original Development Agreement approved by the City of Blaine by Ordinance Number 96-2228, and the City has negotiated certain changes with the Developer related thereto which would permit the Developers to

plan and develop the Development Property in a comprehensive and predictable manner consistent with City goals.

4. RCW 36.70B.170-.210, authorizes the City and the Developers to enter into this Amended Development Agreement.

5. The provisions of this Amended Development Agreement are consistent with applicable development regulations adopted pursuant to Chapter 36.70A RCW.

6. Following public notice as required by law, a public hearing on whether to consider amendments to the Original Development Agreement was held on January 24, 2005.

7. Following public notice as required by law, public hearings were held on February 28, 2005, March 14, 2005, and March 28, 2005 regarding the proposed amendments to the Original Development Agreement.

8. The City SEPA official issued a SEPA Determination of Non-Significance on February 16, 2005, which was published on February 18, 2005.

9. The Developers represent and warrant to the City of Blaine that they hold Fee Simple title to the property described in Exhibit "A".

NOW THEREFORE, the parties covenant and agree as follows:

INTRODUCTION

The Original Development Agreement was approved by the City by Ordinance No. 96-2228 was entered into by the predecessor's in title to the Developers, and a third party, Douglas and Louise Connelly. It is the desire of the parties to the Original Development Agreement that both Connelly and the Developers herein each have a separate agreement. The Original Development Agreement is amended in its entirety hereby.

1. **ZONING**. Subject to the limitations and exceptions set forth herein, the subject property shall be subject to, vested in and entitled to the Planned Residential rules and development regulations adopted by Ordinance Number 96-2229, and shall be considered a Major Development, under BMC 17.64. The City specifically reserves the authority as allowed by RCW 36.70B.170 to impose new or different regulations to the extent required by a serious threat to public health and safety. Further, the Developer acknowledges that SEPA review was not performed for the Original Development Agreement, and that the SEPA done for this Amended Development Agreement was a non-project SEPA review. Subsequent development permit applications such as plat, or other applications will require and be subject to project based SEPA review.

2. **DEVELOPER'S OBLIGATIONS**. Developers agree as follows:

a. The Developers shall pay \$20,875.00 contemporaneously with the execution of this Amended Development Agreement. This fee shall be used by the City to partially fund the City developed Subarea Plan (also referred to herein as the Master Plan) for the East Blaine Annexation area. Upon the payment of such fee the City shall release any bond, deed of trust or other surety that has been provided by the Developers or their predecessors in title.

b. A one-time mitigation fee will be collected from the building permit applicant at the time of each building permit approval to support police for a two-year period after construction until property taxes are collected to support these services. This mitigation fee will be based on the formulas and cost information from the February 9, 1995, FISCAL IMPACT ANALYSIS FOR EAST BLAINE ANNEXATION by Richard Trottier Associates, as updated, and may be replaced by a City-wide impact mitigation fee upon the adoption of an impact mitigation ordinance. The Developer's vested rights herein are limited such that any future impact fee ordinance shall be applicable to the Developers and the subject property.

c. To dedicate aquifer protection areas of sufficient size and location to protect the aquifer recharge function of this area, the exact size and location of these areas shall be determined prior to the approval of any subdivisions or Planned Unit Developments within the Annexation Area. Any aquifer recharge areas, wetlands and wildlife habitat located on the subject property shall be required to be protected in accordance with provisions of Title 17 of the Blaine Municipal Code, and the City's critical areas ordinance as they exist as of the date of this Amended Development Agreement.

d. The Developers shall be responsible for the design, extension, development and expansion of the necessary utility infrastructure to support development of the subject property within Annexation Area, including without limitation, the extension of all sewer and water facilities, and road infrastructure to serve the subject property which may be sized to serve the whole Annexation Area if required by conditions of approval attached to the development or the applicable developer extension agreement. In this regard it is agreed that the Developer shall be required to design any required utility infrastructure to service Developer's property, sized to serve the whole Annexation Area. Further, the Developer shall be required to construct the utility infrastructure sized to serve the whole annexation area, where any component of such facilities are reasonably required by the City to serve the development in accordance with RCW 82.02.020, except as otherwise provided for in this Agreement. In the event that the City Public Works Director and the Developer, are not able to agree on whether any component of such facilities are reasonable required to serve development, then such shall be determined by the City Council in accordance with RCW 82.02.020. As part of the foregoing requirements, the Developer shall design the transportation and road infrastructure required to service Developer's property with sufficient capacity to serve the whole Annexation Area, and may construct transportation and road improvements in phases to serve the phases of the Developer's development. The

Developer shall not be required to construct on-site infrastructure for properties other than the Developer's property. The Developer shall provide for the planning of the transportation system for the whole Annexation Area, and further shall be required to design and install those portions of the system same if required by the City Council upon demonstration that such facilities are reasonably necessary as a direct result of the development of the property in phases corresponding to the off-site and on-site transportation impacts of each phase of development. In addition the following shall apply:

1) The Developers shall set forth a schedule of improvements for extension of and expansion of the necessary infrastructure to support the proposed development, all subject to approval by the City's Director of Public Works.

2) Each development application shall, at a minimum, include plans and specifications for all on-site utilities and street improvement. Stormwater management and treatment facilities shall be designed in compliance with currently adopted State of Washington Department of Ecology Stormwater Manual requirements in effect as of the date of this Amended Development Agreement. Street, water, sewer, electrical facilities improvements shall be designed in compliance with Blaine Municipal Code provisions applicable to Planned Residential zones, and SEPA mitigation conditions imposed on the proposed development as part of the project based SEPA review. In this regard, it is further agreed as follows:

i) All utility facilities and road improvements shall be designed by a professional engineer registered in the State of Washington. Design and installation of the improvements shall be the property owners' responsibility.

ii) Design for on-site and off-site infrastructure constructed and/or paid for by the Developer shall, in addition to the requirements above, shall also be subject to the applicable Departments of Health and Ecology regulations, American Public

Works Association/Washington State Department of Transportation standard specifications, City of Blaine Municipal Code, and related professional construction standards in effect as of the date of this Amended Development Agreement.

iii) The Developer shall dedicate to the City the required off-site improvements as may be required by the conditions of approval attached to the development or applicable City of Blaine Public Facilities Construction Agreement together with the necessary easements to the City to provide for egress/ingress and maintenance and repair of the proposed improvements and public infrastructure. Drainage facilities shall either be dedicated to the City, subject to a maintenance agreement approved by the City, provision of necessary easements for maintenance and payment of the fee as required by the City, or retained by the Developer with a private maintenance guaranty in a form approved by the City as may be required by the conditions of approval attached to the development.

3) Prior to PUD or final plat approval, as determined by the City, the Developers shall construct or pay the identified shares of improvements or phased improvements as listed in the schedule of each design report approved by the City, all applicable fees to construct the required improvements or bond for 150% of the cost of improvements as may be permitted and/or required by applicable City of Blaine Codes.

4) The Developer shall provide on-site infrastructure to service the development of Developer's property. The Developer's responsibility shall include providing the design of the on-site and off-site infrastructure improvements required by the Development with a capacity to service the whole Annexation Area, as well as the Developer's property.

5) The Developer may request a latecomer agreement (aka a developer's reimbursement agreement under the Blaine Municipal Code) with the City of

Blaine. The City agrees to approve a latecomer's agreement upon the request of the Developer in a form consistent with the applicable City ordinances and the terms and conditions of this Amended Development Agreement, provided that such facilities are designed, installed and accepted by the City, and conveyed to the City after completion. Any future latecomer agreement will provide for collection and reimbursement of the pro rata share of design and installation costs from the owners of property who seek to develop their property in the future within the service area of the developer installed City owned utilities where such developments are to be connected to the applicable City system.

Notwithstanding the foregoing, any existing single-family residences as of the date of this Amended Development Agreement shall not be subject to fees charged as part of a developer reimbursement or latecomer agreement except in those instances when they voluntarily seek to connect to such systems, but are not compelled by City Code or state law to connect to such system. "Existing single family residences" includes those properties where a complete building permit application for a single-family residence has been filed with the City prior to April 11, 2005.

6) Sewer lateral improvements: The Developer will construct sewer pipe lateral and main line stubs to City Standards that extend from the Developer-constructed main to the edge of the City right-of-way at locations approved by the City to serve abutting properties and future mainline extensions within the City limits only. The cost of installing stubs that will benefit future development is eligible for latecomer fees.

7) Notwithstanding any other provision of this Amended Development Agreement, following the completion of the City's Master Planning (also referred to herein as Subarea Planning) process for the Whole Annexation Area, and the City Council's adoption of said Master Plan (also referred to herein as Subarea Plan), the City Public Works Director shall not require the Developer to provide detailed engineering design

for that portion of the utility infrastructure that does not have any benefit to the Developer's property or development.

3. **CITY'S OBLIGATIONS.** City agrees as follows:

a. Subject to the terms, conditions and limitation in this Amended Development Agreement, to permit the Developers utilization of the Latecomer's Agreement in order to recoup their costs of developing required infrastructure.

b. To give reasonable consideration to the utilization of local improvement districts and/or utility local improvement districts as a vehicle to assist the Developers in the construction of the utility infrastructure required for the Annexation Area.

c. In the event that the Developer engages in reasonable efforts to seek to identify matching funds, state and federal grants that may provide additional funds to the City in the construction of sewer, roads, water services, open space, trails, parks and related infrastructure and/or plans related to such City owned infrastructure for the entire Annexation Area, the City agrees to reasonably cooperate with the Developer in making application for said funds, which may include sponsoring such requests where the action is consistent with existing City plans; provided however, nothing herein obligates the City to accept any such grant or funds, expend any funds, exercise it's power of eminent domain, or take any other action.

4. **TERM.** The term of this Amended Development Agreement is twenty (20) years from the Date of the Amended Development Agreement.

5. **CONDITIONS OF DEVELOPMENT FROM PROJECT APPROVALS.** Any conditions of approval of the development of Developer's shall bind and obligate the development of the property as if fully set forth herein.

6. **RESERVED.**

7. **RESERVED POWERS.** City hereby reserves its authority to impose new or different regulations on the Annexation Area to the extent required by a serious threat to public health and safety.

8. **BINDING EFFECT.** After recording with the Whatcom County Auditor, this Amended Development Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.

9. **NOTICES.** All notices or demands to be given by each party to the other pursuant to this Amended Development Agreement shall be in writing and either personally delivered or deposited in the United States mail, postage prepaid, and addressed as follows:

City of Blaine
Attn: City Manager
374 H Street
Blaine, WA 98231

DEVELOPERS:

Blossom Management Corp.
112 Ohio Street
Ste. 102
Bellingham, WA 98225

10. **ENTIRE AGREEMENT.** This Amended Development Agreement is a result of extended negotiations and series of proposals and counter-proposals. Each party has been represented by legal counsel. Each party agrees that this Amended Development Agreement constitutes the entire agreement between the parties with respect to subject matter hereof. This Agreement may be amended and modified by a subsequent written agreement following a public hearing as required by RCW 36.70B.170-.210.

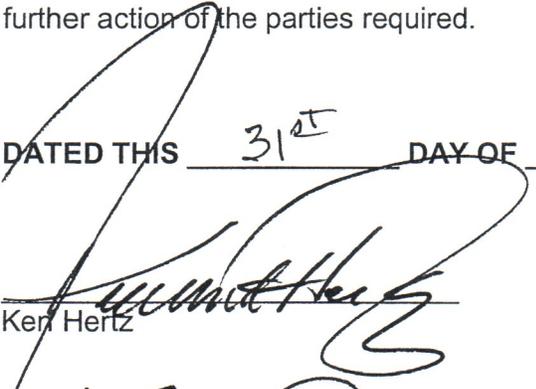
11. **SEVERABILITY.** If any provision of this Agreement shall be deemed to be null and void or unenforceable by the action of a court of law, such provision shall be

severable and not affect the balance of this Agreement, which shall remain in full force and effect.

12. **APPLICABLE LAW.** This Amended Development Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington and the parties agree that the Superior Court of Whatcom County shall be the appropriate venue of any suit or proceeding brought with respect to this Agreement.

13. **RELATIONSHIP TO ORDINANCE AMENDING ORDINANCE 96-2224.** A material condition of this Amended Development Agreement that Ordinance 96-2224 is amended to eliminate the conditions of annexation prior to the City Council's approval of this Amended Development Agreement . If Ordinance No. 96-2224 is not amended or if such amendment is found to be void or otherwise without effect, then this Amended Development Agreement shall be void and the Original Development Agreement shall be revived without further action of the parties required.

DATED THIS 31st DAY OF May, 2005


Kerri Hertz


Kathy Hertz

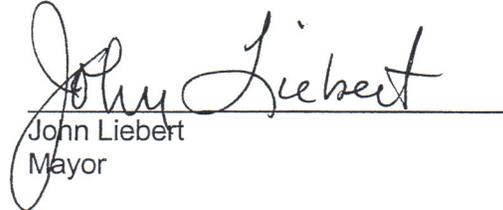

Kenneth B. Schorr


Sonja Schorr

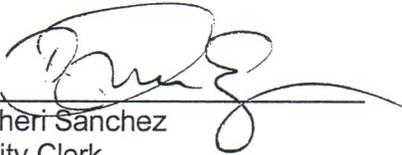
CITY OF BLAINE:

CITY OF BLAINE:


Gary R. Tomsic
City Manager

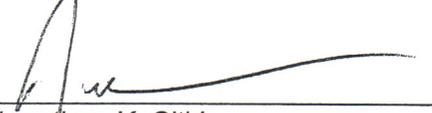

John Liebert
Mayor

ATTEST:



Sheri Sanchez
City Clerk

APPROVED AS TO FORM:



Jonathan K. Sitkin
City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me **KEN HERTZ** to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 28th day of April, 2005.



Delia A. White
Print Name: Delia A. White
NOTARY PUBLIC in and for the
State of Washington, residing at Bellingham

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me **KATHY HERTZ** to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 28th day of April, 2005.



Delia A. White
Print Name: Delia A. White
NOTARY PUBLIC in and for the
State of Washington, residing at Bellingham

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me **KENNETH B. SCHORR** to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 3 day of May 2005.



Deborah Turk
Print Name: DEBORAH TURK
NOTARY PUBLIC in and for the
State of Washington, residing at Bellingham

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me **SONJA B. SCHORR** to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 3 day of May 2005.



Deborah Turk
Print Name: DEBORAH TURK
NOTARY PUBLIC in and for the
State of Washington, residing at Bellingham

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this 31st day of May 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **GARY TOMSIC** and **JOHN LIEBERT**, known to me to be the City Manager and Mayor, respectively, of the **CITY OF BLAINE**, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument on behalf of the corporation.

Given under my hand and official seal this 31 day of May, 2005.



Cheryl M. Fischer
Print Name: CHERYL M. FISCHER
NOTARY PUBLIC in and for the
State of Washington, residing at Blaine

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL A:

GOVERNMENT LOTS 1 AND 2 IN SECTION 33, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE EAST LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL B:

THE NORTH THREE-QUARTERS OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE EAST LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL C:

THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE EASTERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL D:

THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 33, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT RIGHT-OF-WAY FOR COUNTY ROAD NO. 78 LYING ALONG THE SOUTHERLY LINE THEREOF AND EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE EASTERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL E:

THE WEST 440 FEET OF GOVERNMENT LOT 4 IN SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR MILL ROAD (COUNTY ROAD NO. 430) LYING ALONG THE WESTERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL F:

THE NORTH 60 FEET OF THE FOLLOWING DESCRIBED TRACT:

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE WEST LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL G:

A TRACT OF LAND SITUATED IN SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M., DESCRIBED AS FOLLOWS:

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION. EXCEPT THE NORTH 60 FEET THEREOF. EXCEPT RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE WEST LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL H:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE WESTERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL I:

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE WEST LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL J:

THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE WEST LINE THEREOF. AND EXCEPT ALSO THE RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTH LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL K:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. ALSO LOTS 3 AND 4, EXCEPT THE WEST 880 FEET OF LOT 4, SAID SECTION 34.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL L:

THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL L-1:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES, OVER, ACROSS AND UNDER A STRIP OF LAND 30 FEET IN WIDTH, THE CENTERLINE OF SAID STRIP BEING THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT RIGHT-OF-WAY FOR COUNTY ROAD NO. 430 LYING ALONG THE WEST SIDE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL M:

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL N:

THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER. EXCEPT THE SOUTH HALF OF THE SOUTH HALF THEREOF, IN SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL N-1:

A 30-FOOT EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS CREATED BY DOCUMENTS RECORDED AUGUST 7, 1987, UNDER AUDITOR'S FILE NOS. 1580151 AND 1580152, RESPECTIVELY.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL O:

THE WEST HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTHERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL P:

THE EAST HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTHERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL Q:

THE WEST 20 ACRES OF THE EAST ONE-HALF OF THE EAST ONE-HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.. EXCEPT RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTH LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL R:

THE WEST 440 FEET OF GOVERNMENT LOT 2, SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL S:

THE EAST 20 ACRES OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M., LESS RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTHERLY LINE THEREOF. TOGETHER WITH THE WEST 40 ACRES OF THE WEST 80 ACRES OF THE SOUTHEAST QUARTER OF SAID SECTION 34, LESS RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTHERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL T:

GOVERNMENT LOTS 1 AND 2, EXCEPT THE WEST 440 FEET OF LOT 2, SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL T-1:

TOGETHER WITH A PERMANENT RIGHT-OF-WAY EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY:

THE EAST 30 FEET OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.; AND THE WEST 30 FEET OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT H STREET ROAD, AS CREATED BY INSTRUMENT RECORDED OCTOBER 12, 1987, UNDER WHATCOM COUNTY AUDITOR'S FILE NO. 1585838.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL U:

THE EAST 40 ACRES OF THE WEST 80 ACRES OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. EXCEPT THE RIGHT-OF-WAY FOR H STREET ROAD LYING ALONG THE SOUTHERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL V:

THE NORTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL V-1:

TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS 100 FEET IN WIDTH EXTENDING SOUTH FROM THE SOUTH LINE OF THE PROPERTY HEREIN DESCRIBED TO H STREET ROAD, THE CENTERLINE BEING THE LINE COMMON TO SECTIONS 34 AND 35.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL W:

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, ALL IN SECTION 35, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL W-1:

AN EASEMENT FOR INGRESS AND EGRESS, 100 FEET IN WIDTH, EXTENDING SOUTH FROM THE SOUTH LINE OF THE PROPERTY HEREIN DESCRIBED TO H STREET ROAD, THE CENTERLINE BEING THE LINE COMMON TO SECTIONS 34 AND 35.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL X:

GOVERNMENT LOT 4, IN SECTION 35, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Continued on next page

LEGAL DESCRIPTION, continued

PARCEL X-1:

EASEMENT FOR INGRESS AND EGRESS, 100 FEET IN WIDTH, EXTENDING SOUTH FROM THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M. TO H STREET ROAD, THE CENTERLINE BEING THE LINE COMMON TO SECTIONS 34 AND 35.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL X-2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY:

THE EAST 30 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M., AND THE WEST 30 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

... END OF EXHIBIT "A" ...



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Page: 1 of 14
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Whatcom County, WA

Request of: CHMELIK SITKIN & DAVIS

Filed for Record at Request of:

CHMELIK SITKIN & DAVIS P.S.
1500 Railroad Avenue
Bellingham, WA 98225
(360)671-1796

DOCUMENT TITLE(S):

AMENDED DEVELOPMENT AGREEMENT

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

NOT PREVIOUSLY RECORDED

Additional reference numbers found on page N/A of document.

GRANTOR(S) (Last name, First name and MI):

CITY OF BLAINE

Additional grantors found on page N/A of document.

GRANTEE(S) (Last name, First name, and MI):

DOUGLAS W. CONNELLY AND LOISE B. CONNELLY

Additional grantees found on page N/A of document.

ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat or section, township, range):

PTN. SE/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

Additional legal is on Exhibit "A" of this document.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER(S):

410132-403162; 410132-400035; 410132-370100; 410132-477076; 410132-540101; 410132-500190

DEVELOPMENT AGREEMENT

THIS AMENDED DEVELOPMENT AGREEMENT (herein "Amended Development Agreement") is between the City of Blaine, a municipal corporation, (herein "City") and Douglas W. Connelly and Loise B. Connelly (herein "Connelly" or as "Developers"), amending the Original Development Agreement, approved by Ordinance No. 96-2228 ("Original Development Agreement"). Subject to the terms, conditions, and limitations herein, this Agreement is effective on the effective date of the City Ordinance approving this Amended Development Agreement (herein "Date of Agreement"), and the contemporaneous execution and recording of a agreement between Kathy and Ken Hertz and Ken and Sonja Schorr (herein "Blossom") and the City of Blaine, amending the Original Development Agreement, approved by Ordinance No. 96-2228.

RECITALS

1. The City has annexed approximately 1,182 acres known as the East Blaine Annexation (herein the "Annexation Area") and which is more particularly described in City of Blaine Ordinance Number 96-2224.
2. The Developers are owners of large development properties constituting approximately 89 acres within the Annexation Area. The real estate owned by the Developers is more particularly described on Exhibits "A", referred to herein as the "subject property" or as the "Development Property".
3. Developers are desirous of amending the Original Development Agreement approved by the City of Blaine by Ordinance Number 96-2228, and the City has negotiated certain changes with the Developer related thereto which would permit the Developers to plan and develop the Development Property in a comprehensive and predictable manner consistent with City goals.

4. RCW 36.70B.170-.210, authorizes the City and the Developers to enter into this Amended Development Agreement.

5. The provisions of this Amended Development Agreement are consistent with applicable development regulations adopted pursuant to Chapter 36.70A RCW.

6. Following public notice as required by law, a public hearing on whether to consider amendments to the Original Development Agreement was held on January 24, 2005

7. Following public notice as required by law, public hearings were held on February 28, 2005, March 14, 2005, and March 28, 2005 regarding the proposed amendments to the Original Development Agreement.

8. The City SEPA official issued a SEPA Determination of Non-Significance on February 16, 2005, which was published on February 18, 2005.

9. The Developers represent and warrant to the City of Blaine that they hold Fee Simple title to the property described in Exhibit "A".

NOW THEREFORE, the parties covenant and agree as follows:

INTRODUCTION

The Original Development Agreement was approved by the City by Ordinance No. 96-2228 was entered into by the predecessor's in title to the Developers, and a third party, Douglas and Louise Connelly. It is the desire of the parties to the Original Development Agreement that both Connelly and the Developers herein each have a separate agreement. The Original Development Agreement is amended in its entirety hereby.

1. **ZONING**. Subject to the limitations and exceptions set forth herein, the subject property shall be subject to, vested in and entitled to the Planned Residential rules and development regulations adopted by Ordinance Number 96-2229, and shall be considered a Major Development, under BMC 17.64. The City specifically reserves the

authority as allowed by RCW 36.70B.170 to impose new or different regulations to the extent required by a serious threat to public health and safety. Further, the Developer acknowledges that SEPA review was not performed for the Original Development Agreement, and that the SEPA done for this Amended Development Agreement was a non-project SEPA review. Subsequent development permit applications such as plat, or other applications will require and be subject to project based SEPA review.

2. **DEVELOPER'S OBLIGATIONS.** Developers agree as follows:

a. The Developers shall pay Four Thousand One Hundred and Twenty Five Dollars (\$4,125.00) contemporaneously with the execution of this Amended Development Agreement. This fee shall be used by the City to partially fund the City developed Subarea Plan (also referred to herein as Master Plan) for the East Blaine Annexation area. Upon the payment of such fee the City shall release any bond, deed of trust or other surety that has been provided by the Developers or their predecessors in title.

b. A one-time mitigation fee will be collected from the building permit applicant at the time of each building permit approval to support police for a two-year period after construction until property taxes are collected to support these services. This mitigation fee will be based on the formulas and cost information from the February 9, 1995, FISCAL IMPACT ANALYSIS FOR EAST BLAINE ANNEXATION by Richard Trottier Associates, as updated, and may be replaced by a City-wide impact mitigation fee upon the adoption of an impact mitigation ordinance. The Developer's vested rights herein are limited such that any future impact fee ordinance shall be applicable to the Developers and the subject property.

c. To dedicate aquifer protection areas of sufficient size and location to protect the aquifer recharge function of this area, the exact size and location of these areas shall be determined prior to the approval of any subdivisions or Planned Unit Developments within the Annexation Area. Any aquifer recharge areas, wetlands and wildlife habitat

located on the subject property shall be required to be protected in accordance with provisions of Title 17 of the Blaine Municipal Code, and the City's critical areas ordinance as they exist as of the date of this Amended Development Agreement.

d. The Developers shall be responsible for the design, extension, development and expansion of the necessary utility infrastructure to support development of the subject property within Annexation Area, including without limitation, the extension of all sewer and water facilities, and road infrastructure to serve the subject property which may be sized to serve the whole Annexation Area if required by conditions of approval attached to the development or the applicable developer extension agreement. In this regard it is agreed that the Developer shall be required to design any required utility infrastructure to service Developer's property, sized to serve the whole Annexation Area. Further, the Developer shall be required to construct the utility infrastructure sized to serve the whole annexation area, where any component of such facilities are reasonably required by the City to serve the development in accordance with RCW 82.02.020, except as otherwise provided for in this Agreement. In the event that the City Public Works Director and the Developer, are not able to agree on whether any component of such facilities are reasonable required to serve development, then such shall be determined by the City Council in accordance with RCW 82.02.020. As part of the foregoing requirements, the Developer shall design the transportation and road infrastructure required to service Developer's property with sufficient capacity to serve the whole Annexation Area, and may construct transportation and road improvements in phases to serve the phases of the Developer's development. The Developer shall not be required to construct on-site infrastructure for properties other than the Developer's property. The Developer shall provide for the planning of the transportation system for the whole Annexation Area, and further shall be required to design and install those portions of the system same if required by the City Council upon demonstration that

such facilities are reasonably necessary as a direct result of the development of the property in phases corresponding to the off-site and on-site transportation impacts of each phase of development. In addition the following shall apply:

1) The Developers shall set forth a schedule of improvements for extension of and expansion of the necessary infrastructure to support the proposed development, all subject to approval by the City's Director of Public Works.

2) Each development application shall, at a minimum, include plans and specifications for all on-site utilities and street improvement. Stormwater management and treatment facilities shall be designed in compliance with currently adopted State of Washington Department of Ecology Stormwater Manual requirements in effect as of the date of this Amended Development Agreement. Street, water, sewer, electrical facilities improvements shall be designed in compliance with Blaine Municipal Code provisions applicable to Planned Residential zones, and SEPA mitigation conditions imposed on the proposed development as part of the project based SEPA review. In this regard, it is further agreed as follows:

i) All utility facilities and road improvements shall be designed by a professional engineer registered in the State of Washington. Design and installation of the improvements shall be the property owners' responsibility.

ii) Design for on-site and off-site infrastructure constructed and/or paid for by the Developer shall, in addition to the requirements above, shall also be subject to the applicable Departments of Health and Ecology regulations, American Public Works Association/Washington State Department of Transportation standard specifications, City of Blaine Municipal Code, and related professional construction standards in effect as of the date of this Amended Development Agreement.

iii) The Developer shall dedicate to the City the required off-site improvements as may be required by the conditions of approval attached to the development or applicable City of Blaine Public Facilities Construction Agreement together with the necessary easements to the City to provide for egress/ingress and maintenance and repair of the proposed improvements and public infrastructure. Drainage facilities shall either be dedicated to the City, subject to a maintenance agreement approved by the City, provision of necessary easements for maintenance and payment of the fee as required by the City, or retained by the Developer with a private maintenance guaranty in a form approved by the City as may be required by the conditions of approval attached to the development.

3) Prior to PUD or final plat approval, as determined by the City, the Developers shall construct or pay the identified shares of improvements or phased improvements as listed in the schedule of each design report approved by the City, all applicable fees to construct the required improvements or bond for 150% of the cost of improvements as may be permitted and/or required by applicable City of Blaine Codes.

4) The Developer shall provide on-site infrastructure to service the development of Developer's property. The Developer's responsibility shall include providing the design of the on-site and off-site infrastructure improvements required by the Development with a capacity to service the whole Annexation Area, as well as the Developer's property.

5) The Developer may request a latecomer agreement (aka a developer's reimbursement agreement under the Blaine Municipal Code) with the City of Blaine. The City agrees to approve a latecomer's agreement upon the request of the Developer in a form consistent with the applicable City ordinances and the terms and conditions of this Amended Development Agreement, provided that such facilities are

designed, installed and accepted by the City, and conveyed to the City after completion. Any future latecomer agreement will provide for collection and reimbursement of the pro rata share of design and installation costs from the owners of property who seek to develop their property in the future within the service area of the developer installed City owned utilities where such developments are to be connected to the applicable City system.

Notwithstanding the forgoing, any existing single-family residences as of the date of this Amended Development Agreement shall not be subject to fees charged as part of a developer reimbursement or latecomer agreement except in those instances when they voluntarily seek to connect to such systems, but are not compelled by City Code or state law to connect to such system. "Existing single family residences" includes those properties where a complete building permit application for a single-family residence has been filed with the City prior to April 11, 2005.

6) Sewer lateral improvements: The Developer will construct sewer pipe lateral and main line stubs to City Standards that extend from the Developer-constructed main to the edge of the City right-of-way at locations approved by the City to serve abutting properties and future mainline extensions within the City limits only. The cost of installing stubs that will benefit future development is eligible for latecomer fees.

7) Notwithstanding any other provision of this Amended Development Agreement, following the completion of the City's Master Planning (also referred to herein as Subarea Planning) process for the Whole Annexation Area, and the City Council's adoption of said Master Plan, the City Public Works Director shall not require the Developer to provide detailed engineering design for that portion of the utility infrastructure that does not have any benefit to the Developer's property or development.

3. **CITY'S OBLIGATIONS.** City agrees as follows:

a. Subject to the terms, conditions and limitation in this Amended Development Agreement, to permit the Developers utilization of the Latecomer's Agreement in order to recoup their costs of developing required infrastructure.

b. To give reasonable consideration to the utilization of local improvement districts and/or utility local improvement districts as a vehicle to assist the Developers in the construction of the utility infrastructure required for the Annexation Area.

c. In the event that the Developer engages in reasonable efforts to seek to identify matching funds, state and federal grants that may provide additional funds to the City in the construction of sewer, roads, water services, open space, trails, parks and related infrastructure and/or plans related to such City owned infrastructure for the entire Annexation Area, the City agrees to reasonably cooperate with the Developer in making application for said funds, which may include sponsoring such requests where the action is consistent with existing City plans; provided however, nothing herein obligates the City to accept any such grant or funds, expend any funds, exercise it's power of eminent domain, or take any other action.

4. **TERM.** The term of this Amended Development Agreement is twenty (20) years from the Date of the Amended Development Agreement.

5. **CONDITIONS OF DEVELOPMENT FROM PROJECT APPROVALS.** Any conditions of approval of the development of Developer's shall bind and obligate the development of the property as if fully set forth herein.

6. **RESERVED.**

7. **RESERVED POWERS.** City hereby reserves its authority to impose new or different regulations on the Annexation Area to the extent required by a serious threat to public health and safety.

8. **BINDING EFFECT.** After recording with the Whatcom County Auditor, this Amended Development Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.

9. **NOTICES.** All notices or demands to be given by each party to the other pursuant to this Amended Development Agreement shall be in writing and either personally delivered or deposited in the United States mail, postage prepaid, and addressed as follows:

City of Blaine
Attn: City Manager
344 H² Street
Blaine, WA 98231

DEVELOPERS:

Doug and Louise Connelly
9070 Custer School Road
Custer, WA
98230

10. **ENTIRE AGREEMENT.** This Amended Development Agreement is a result of extended negotiations and series of proposals and counter-proposals. Each party has been represented by legal counsel. Each party agrees that this Amended Development Agreement constitutes the entire agreement between the parties with respect to subject matter hereof. This Agreement may be amended and modified by a subsequent written agreement following a public hearing as required by RCW 36.70B.170-.210.

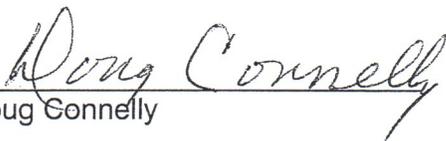
11. **SEVERABILITY.** If any provision of this Agreement shall be deemed to be null and void or unenforceable by the action of a court of law, such provision shall be severable and not affect the balance of this Agreement, which shall remain in full force and effect.

12. **APPLICABLE LAW.** This Amended Development Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington and the

parties agree that the Superior Court of Whatcom County shall be the appropriate venue of any suit or proceeding brought with respect to this Agreement.

13. **RELATIONSHIP TO ORDINANCE AMENDING ORDINANCE 96-2224.** A material condition of this Amended Development Agreement that Ordinance 96-2224 is amended to eliminate the conditions of annexation prior to the City Council's approval of this Amended Development Agreement . If Ordinance No. 96-2224 is not amended or if such amendment is found to be void or otherwise without effect, then this Amended Development Agreement shall be void and the Original Development Agreement shall be revived without further action of the parties required.

DATED THIS 29 DAY OF April, 2005



Doug Connelly

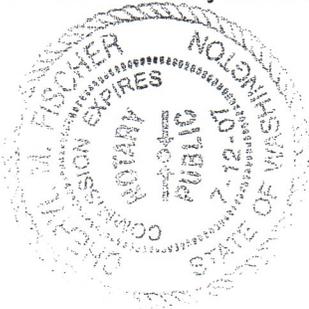


Louise Connelly

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me **LOUISE CONNELLY** to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 2nd day of May 2005.



Cheryl M. Fischer
Print Name: CHERYL M. FISCHER
NOTARY PUBLIC in and for the
State of Washington, residing at Blaine

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this 31st day of May 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **GARY TOMSIC** and **JOHN LIEBERT**, known to me to be the City Manager and Mayor, respectively, of the **CITY OF BLAINE**, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument on behalf of the corporation.

Given under my hand and official seal this 31st day of May, 2005.



Cheryl M. Fischer
Print Name: CHERYL M. FISCHER
NOTARY PUBLIC in and for the
State of Washington, residing at Blaine

**EXHIBIT A
LEGAL DESCRIPTION**

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 32,
TOWNSHIP 41 NORTH, RANGE 1 EAST OF W.M.

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 32,
TOWNSHIP 41 NORTH, RANGE 1 EAST OF WILLAMETTE MERIDIAN;
THENCE NORTH 00°15'44" EAST, 661.59 FEET TO THE POINT OF
BEGINNING; THENCE SOUTH 88°28'19" EAST, 834.36 FEET; THENCE
SOUTH 00°23'21" WEST, 635.25 FEET; THENCE SOUTH 88°38'38" EAST,
155.02 FEET; THENCE NORTH 00°23'21" EAST, 634.79 FEET; THENCE
SOUTH 88°28'19" EAST, 329.82 FEET; THENCE SOUTH 00°25'43" WEST,
3.71 FEET; THENCE SOUTH 88°38'38" EAST, 330.04 FEET; THENCE
SOUTH 00°25'43" WEST, 630.08 FEET; THENCE SOUTH 88°38'38" EAST,
328.68 FEET; THENCE NORTH 00°30'38" EAST, 633.35 FEET; THENCE
SOUTH 88°36'23" EAST, 639.64 FEET; THENCE NORTH 00°35'32" EAST,
662.92 FEET; THENCE NORTH 88°34'09" WEST, 397.46 FEET; THENCE
NORTH 00°35'32" EAST, 417.46 FEET; THENCE SOUTH 88°34'09" EAST,
397.46 FEET; THENCE NORTH 00°35'32" EAST, 368.15 FEET; THENCE
NORTH 88°36'50" WEST, 188.73 FEET; THENCE NORTH 00°35'32" EAST,
208.73 FEET; THENCE NORTH 88°36'50" WEST, 1115.26 FEET; THENCE
SOUTH 00°25'42" WEST, 331.12 FEET; THENCE NORTH 88°35'56" WEST,
1122.99 FEET; THENCE SOUTH 00°15'44" WEST, 800.16 FEET; THENCE
NORTH 88°35'56" WEST, 200.04 FEET; THENCE SOUTH 00°15'44" WEST,
523.03 FEET TO THE POINT OF BEGINNING.

SUBJECT TO : PERPETUAL EASEMENT FOR WATER LINE IN FAVOR OF
CITY OF BLAINE RECORDED UNDER AF #900809012.