After Recording return to:
City of Langley
P.O. Box 366
Langley, WA  98260-0366

ANNEXATION AGREEMENT

BETWEEN IP FORESTRY, LLC AND THE CITY OF LANGLEY

Property Description:

Assessor’s Parcel # R32904-194-4850 described as the Northeast ¼ of the Southeast ¼ of Section 4, Township 29 North, Range 3 East WM. The property is 40 acres more or less in size.
ANNEXATION AGREEMENT

This Agreement is between IP Forestry, LLC and its successors and/or assigns ("IPF") and the City of Langley, a Washington Code City ("City").

WHEREAS, IPF owns 40 acres contiguous with the corporate boundaries of the City of Langley and described in Exhibit A ("Real Property").

WHEREAS, the Real Property is located with the City’s Urban Growth Boundary.

WHEREAS, pursuant to RCW 35.14.140, IPF initiated proceedings for the annexation of the Real Property by the City by filing a Notice of Intent to Commence Annexation Proceedings with the City Council.

WHEREAS, pursuant to RCW 35A.14.120, the City Council held a meeting with IPF on July 27, 2004 and August 18, 2004, to determine whether the City would (i) accept or reject the Notice of Intent to Commence Annexation Proceedings; (ii) require the assumption of all or a portion of the existing City indebtedness, (iii) require the simultaneous adoption of proposed zoning regulations.

WHEREAS, on August 18, 2004, the City Council voted to accept the Notice of Intent to Commence Annexation proceedings and authorize circulation of an annexation petition subject to the adoption of RS 15,000 zoning consistent with the City of Langley Comprehensive Plan; assumption of the debt imposed by ULID # 8 in the amount of $1,200.91 per lot; execution of an annexation agreement containing at minimum, the eight elements listed in the correspondence from Gordon Iverson date July 10, 2004 and other requirements and conditions that may be imposed by the City as reflected in the minutes of the August 18, 2004 City Council meeting.

WHEREAS, IPF submitted a petition for annexation on September 15, 2004.

WHEREAS, the City of Langley Planning Advisory Board conducted a public hearing on the matter of the annexation on October 21, 2004 and after closing the hearing and deliberating on the matter, recommended to the City Council approval of the annexation request.

WHEREAS, on December 15, 2004, pursuant to RCW 35A.14.140, the City Council held a public hearing to consider the recommendation of the Planning Advisory Board.
WHEREAS, the City Council voted to approve the annexation subject to the following conditions: the adoption of RS 15,000 zoning, the assumption of debt imposed by ULID # 8 in the amount of $1,200.91 per lot or dwelling unit and the execution of this Annexation Agreement and the provisions contained herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants made herein, the City and IPF agree as follows:

Section A. Compliance with Applicable Ordinances and Other Requirements

IPF shall comply with all City ordinances, as may be amended from time to time, in the development of the Real Property. An application for development of any portion of the Real Property shall be subject to the City Comprehensive Plan and the City’s development regulations and rate structures in effect at the time a complete application, as defined by the City, has been submitted to the City.

Section B. Maximum Allowable Number of Dwelling Units

Future development of the Real Property shall be limited to single-family detached residences and approved community facilities. The maximum number of dwelling units that may be authorized in any future development of the Real Property, upon review and processing in accordance with City development regulations, shall be twenty-four (24).

Section C. Open Space Required

All future development of the Real Property shall provide open space as follows:

Public open space to be dedicated and transferred to the City—a minimum of fifteen (15) acres. This shall include in its entirety, the parcel located on the west side of Coles Rd. The remainder shall be identified as distinct tracts or parcels on future development plans.

Private open space for the use, enjoyment and ownership of residents and owners of this property—a minimum of thirteen (13) acres.

In the event that the Real Property is developed in phases, all open space tracts shall be dedicated and recorded in the initial phase of development.

The removal of trees and under-story vegetation in the open space tracts shall be limited to areas for public and private trails or walkways, approved recreational or community facilities in the private open spaces, or landscaping, and areas needed for utility easements and/or stormwater management facilities. There shall be no removal of vegetation from any open space tracts without the prior written approval of the City of Langley and only in accordance with approved development or improvement plans.
Future development shall include provisions, satisfactory to the City, for the preservation of the open space areas in perpetuity.

Section D. Roadway Buffer

There shall be a buffer of at least forty (40) feet with an overall average of fifty (50) feet wide, as measured from the easterly edge of the Coles Road right of way, extending the full length of the Real Property located east of and parallel to Coles Road. Removal of vegetation within the buffer shall be prohibited, with the exception of a single entrance to the future development and where necessary for the trails/walkway described in Section F and for emergency access. Utilities shall not be installed in the buffer area.

Section E. Buffer From Canyon Ridge Development

Future development of the Real Property shall include a buffer having a minimum width of one hundred and fifty (150) feet between the Real Property and the contiguous property to the south.

Section F. Trail Construction

IPF shall construct the following trails/pathways for use by the residents of the future development and the public:

1. Parallel to and extending the full length of Coles Road and located within the Roadway Buffer as described in Section D.
2. From the trail/walkway described in 1. above and extending the full width of the Real Property to the eastern boundary of the Real Property located between the future development and the south property line of the Real Property.

The general location of the trails is illustrated on Exhibit B attached hereto. The precise locations for all the trails and walkways shall determined in the field by IPF and City staff. Without cost to the City, an as-built survey disclosing the location of the trails shall be prepared by a licensed surveyor and filed of record promptly following the construction of the trails and walkways.

The trails/walkways shall have a minimum corridor width of ten (10) feet and improved trail width of six (6) feet. The trails shall be constructed with four (4) inches of crushed rock over geotextile fabric.

Section G. Trailhead Parking.

IPF shall construct a trailhead parking area in the general location illustrated on Exhibit B. The design of the parking area shall include parking for a minimum of four (4) vehicles. The parking area shall be constructed to the standards specified by the City's Director of Public Works.
Section H.  Design Guidelines

All future residential development of the Real Property shall include the preparation and approval of design and development guidelines. The guidelines shall be reviewed and approved by the City of Langley Design Review Board or other entity that may be appointed by the Mayor. The design guidelines shall be approved by the Design Review Board prior to or concurrent with the approval of a development plan for the Real Property.

The guidelines shall address, at a minimum, the following:

- Architectural style or styles.
- Designs with the orientation of garages away from the street or emphasis of house rather than garages.
- Building materials and composition.
- Landscape materials for private and common areas.
- Provisions for retention of existing trees and vegetation including incorporation of existing trees and landscaping into landscape plans.
- Low impact development concepts to minimize disturbances to the landscape.
- Encourage home construction and site improvements that incorporate Built Green Program elements as contained in the Built Green program of the King and Snohomish County Homebuilders Associations.

Section I.  Stormwater Analysis

All future development of the Real Property will include a stormwater study consistent with the City of Langley’s Stormwater standards and other applicable development regulations. IFP and its successors and/or assigns will take such actions necessary to mitigate negative impacts, if any, identified through this study.

Section J.  Internal Road Network

In order to provide future connections, the internal road system shall include an extension to the east property line that is improved to the same standards as the internal roadway system. Barriers may be installed to prevent access to this extension for residents and others who might otherwise use this area for parking and/or storage. In addition, all roads shall work with the existing terrain to minimize the need for cuts and fills “to balance”.

Section K.  Access Limitation

There shall be only a single point of access from Coles Road serving future development of the Real Property.
Section I. Miscellaneous

(1) **Amendments.** This Agreement may be amended or modified only by a written instrument executed by IPF and the City.

(2) **Enforcement.** In the event a dispute arises concerning the performance, meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and attorney’s fees.

(3) **Severability.** If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

(4) **Execution in Counterparts.** This Agreement may be executed in counterparts by the parties hereto, and shall become binding when all parties have each executed a counterpart hereof, and together such executed counterparts shall constitute this Agreement.

(5) **Applicable Law.** This Agreement shall be governed by Washington law.

(6) **Parties Bound.** This Agreement shall bind the parties and their successors and assigns and shall be recorded with the Island County Auditor at the expense of IPF.

City of Langley

By [Signature]
Mayor

IP Forestry, LLC

By [Signature]

ATTEST:

[Signature]
City Clerk

APPROVED as to form:

[Signature]
City Attorney

Exhibits A and B Attached Hereto
STATE OF WASHINGTON )
COUNTY OF ISLAND )

ss:

I certify that I know or have satisfactory evidence that Neil Colburn and Debbie L. Walker and signed this instrument, on oath stated that they were authorized to execute the instrument, and acknowledged it as the legal representatives of the CITY OF LANGLEY to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 28TH day of January, 2005.

____________________________________
Print Name: Nancy F. Gaston
Notary Public for the State of Washington
Residing at: Clallam
My commission expires: 5/29/08

STATE OF WASHINGTON )
COUNTY OF )

ss:

I certify that I know or have satisfactory evidence that Gordon Iverson is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Manager of IP Forestry, LLC, to be the free and voluntary act and deed of the limited liability company, for the uses and purposes therein mentioned.

SUBSCRIBED AND SWORN to before me on this 26TH day of January, 2005.

____________________________________
Print Name: Ethan A. Potter
Notary Public for the State of Washington
Residing at: Bellingham, WA
My Commission Expires: 8-30-2008
Property Description - Assessor’s Parcel# R32904-194-4850 described as the Northeast ¼ of the Southeast ¼ of Section 4, Township 29 North, Range 3 East WM. The property is 40 acres more or less in size.