UNOFFICIAL DOCUMENT

202611120033
11/12/2026 09:17 AM Pages: 1 of 12 Fees: $314.50
Skagit County Auditor

FILED FOR RECORD AT THE REQUEST OF/RETURN TO:

Gateway Village LLC and/or assigns
103 N. Township Street
Sedro-Woolley, WA 98284

DEVELOPMENT AGREEMENT –
PAYMENT OF CONNECTION FEE AND IMPACT FEES

Grantor: Gateway Village, LLC, a Washington limited liability company
Grantee: CITY OF SEDRO-WOOLLEY, a Washington municipal corporation
Abb'v Legal: Ptn SE 1/4, SW ¼ Section 23, Township 35, Range 04 E.W.M. Add'l on p. 13.
Assessor's Tax Parcel No.: P37331

Building permit No. BP-2024-070 (1122 Silverbrook Lane; formerly 1010 Hodgin Street) at Skagit County Assessor's Parcel #P37331.

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between CITY OF SEDRO-WOOLLEY, a Washington municipal corporation ("City"), and Gateway Village, LLC, a Washington limited liability company ("Developer"), and/or assigns.

RECITALS

A. The Washington State Legislature has authorized the execution of development agreements between local government agencies and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)).

B. A development agreement must set forth the development standards and other provisions that will apply to, govern and vest the development, use and mitigation of the development of real property for the duration specified in the agreement.

C. For purposes of this development agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3).

D. A development agreement must be consistent with the applicable development regulations adopted by a local government planning under Chapter 36.70A RCW (RCW 36.70B.170(1)).

E. The Developer owns certain real property located at 1122 Silverbrook Lane, Sedro-Woolley, Washington, as more particularly described in **Exhibit A** attached hereto (the "Property").

F. The Developer received approval of its most recent set of plans, and an updated invoice on March 25, 2026 (No. BP-2024-070) for the development of the Property (the "Project"), setting forth the build-out, and required development improvements.

G. This property is being developed under the Urban Village Mixed Use (UVMU) Overlay Zone requirements. This overlay zone anticipates a mix of higher density residential and commercial uses

UNOFFICIAL DOCUMENT

that will assist the City in meeting its obligation to direct urban development in the existing urban areas and ease the pressure to expand the city's urban growth into neighboring agricultural land.

H. This Project aligns with the land use goals and policies of the City's Comprehensive Plan in that it will redevelop underdeveloped land—abandoned formerly agricultural land located within City limits—without triggering the need to annex additional land currently in agricultural production.

I. This Project aligns with the goals of the Comprehensive Plan to support infill and commercial and housing development.

J. The Project site is already served by urban services: public water system, electricity, sanitary/wastewater system, access to transportation infrastructure and public transit, adjacent commercial corridors, and a large athletic field owned by the Sedro-Woolley School District.

K. The Project re-establishes a pedestrian connection between the Batey Square Building (and the Boys & Girls Club) and Janicki Sports Fields, which supports efforts by the School District and the City to provide youth activity programming during after-school hours and evenings.

L. This Project received a grant in the amount of $750,000 from the Skagit County Economic Development fund to construct street frontage improvements and utilities to support the multiple uses designed for this site. This award recognizes the Project's contribution to furthering the City's desire to produce additional higher density housing within the community, while also establishing a community need for childcare services to be provided by the Skagit County Boys & Girls Club.

M. This Project aligns with the 2025 Washington State legislation (SB5509, SB 5655), to support provision of childcare equitably throughout the City by, at least, permitting childcare centers in all non-single family residential land use districts and allow childcare centers near residential and employment centers.

N. This Project also aligns with one of the stated actions of the Comprehensive Plan where the City is to encourage residential development in commercial areas where combining such uses would promote the economic vitality of the area.

O. Because this Project is unique in that it is accomplishing several of the City's priorities and goals, there is a beneficial factor to consider in the review and issuance of all the permitting and construction inspections of the Project through to its completion.

P. A General Facilities Charge will be charged by the City for connection of the Project to the City's sanitary sewer system in the amount determined by the City under applicable law and fee schedules at the time the charge is assessed (the "Connection Fee") which time shall be the date of execution of this Agreement.

Q. A Police Mitigation Fee, a Park Impact Fee, a Fire Impact Fee, a School Impact Fee, and a Transportation Impact Fee will be charged by the City in the amount determined by the City under applicable law and fee schedules at the time the charge is assessed (the "Impact Fees") which time shall be the date of execution of this Agreement.

R. The development regulations pertinent to this agreement are:

a. Sedro-Woolley Municipal Code Section 13.16.035 relating to payment of General Facility Charges ("GFCs") and Sedro-Woolley Municipal Code Section 15.60.110 relating to payment of impact fees. Both sections allow for deferral of fees for single family residential development in exchange for recorded covenants.

b. Sedro-Woolley Municipal Code Section 13.16.036 which allows for agreements for credit against general facility charges and Sedro-Woolley Municipal Code Sections 15.60.060 and 080 which each allow for credits against impact fees.

UNOFFICIAL DOCUMENT

S. City staff is currently in the process of implementing the housing, infill and commercial development elements of its updated Comprehensive Plan, which implementation includes a proposed expansion of the "Exceptions" sections of the SWMC related to the deadline to pay impact fees and GFCs to allow those fees to be deferred to a date certain by Developers for multifamily residential development instead of at time of permit issuance.

T. In addition to the local benefit from the Project at large, the Developer has proposed valuable consideration in exchange for deferral of impact fees and GFCs by agreeing to a cash contribution of $50,000, due at time of permit issuance. The City will place this contribution into a reserve fund to be used for construction activities associated with the relocation of ball fields to Janicki Fields, located at 22400 Cook Road, Sedro-Woolley WA 98284, as illustrated in Exhibit E.

U. Consistent with the intent of the Comprehensive Plan and the above-referenced SWMC to defer residential impact fees and GFCs and to provide credit for City benefits provided by developers, and in lieu of a partial impact fee and GFC credit from the City, and in exchange for the valuable consideration offered by Developer, City and Developer have agreed that, notwithstanding the ordinary timing for payment at building permit issuance, the Deferred Charges as defined in Section 1.3 of this agreement shall be paid on or before the Due Date which is 18 months from the issuance of the Building Permit, and prior to issuance of any temporary or permanent Certificate of Occupancy for the Project, as provided in this Agreement.

V. A public hearing regarding this Agreement and the terms and conditions herein was properly noticed and held during a regularly scheduled public meeting of the Sedro-Wooley City Council on October 28, 2026.

W. It is the intent of the parties that this Agreement shall be binding upon the parties and their successors and assigns, including any successor and/or assign of Developer that takes fee simple title or beneficial possession of the whole of the Project.

NOW THEREFORE, in consideration of the mutual promises set forth here, the City and Developer enter into this Agreement.

AGREEMENT

1. DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

1.1 "Building Permit" means Building Permit No. BP-2024-070 (1122 Silverbrook Lane; formerly 1010 Hodgin Street) at Skagit County Assessor's Parcel #P37331.

1.2 "City" means the City of Sedro-Woolley, a Washington municipal corporation.

1.3 "Deferred Charges" means specific Impact Fees and Connection Fees being deferred pursuant to this Agreement, consisting of the Residential Park Impact Fee, the Transportation Impact Fee, the General Facilities Charge – Sewer Commercial Fee and the General Facilities Charge - Sewer Residential Fee. The Deferred Charges shall be calculated as of the date of execution of this Agreement and shall total $2,325,008.68 as illustrated in Exhibit D, together with any administrative fees, recording fees, release fees, collection costs, attorneys' fees and any other amount arising from this Agreement that are due on or before the Due Date. All Impact Fees and Connection Fees for Building Permit BP-2024-070 which are not included in the Deferred Charges shall be paid at time of permit issuance, which shall occur within six (6) months following execution of this Agreement pursuant to the terms herein.

1.4 "Developer" means Gateway Village, LLC, or its successors and assigns, but not including any lot owner unless such lot owner expressly assumes Developer's obligations under this Agreement.

UNOFFICIAL DOCUMENT

1.5 "Development" means the improvement of the Property for the purposes of completing the structures, improvements, and facilities comprising the Project, including, but not limited to: grading, the construction of infrastructure and any public facilities or improvements related to the Project whether located within or outside the Property, and the installation of landscaping.

1.6 "Due Date" means the date on or before which Deferred Charges are to be paid which is 18 months from the date of issuance of the Building Permit pursuant to the terms of this Agreement.

1.7 "Exhibits" means the following documents, which are attached to and incorporated herein by this reference:

1.7.1 **Exhibit A** – Legal Description of Property

1.7.2 **Exhibit B** – Form of Lien

1.7.3 **Exhibit C** – Form of Release of Lien

1.7.4 **Exhibit D** – Invoice for Building Permit 2024-070

1.7.5 **Exhibit E** – Janicki Ballfields Relocation Project Plans

1.8 "Approval" means the City's approval of the building permit.

1.9 "Project" means the development proposed by Developer for the Property, together with related structures, improvements, facilities, and utility connections. At the time of execution of this Agreement, the proposed Project entails thirteen (13) residential units on the ground floor, and one hundred and forty-four (144) residential units on the upper floors. A total of 157 residential units will be constructed as part of the Project.

1.10 "Connection Fee" means the General Facilities Charge – Sewer - (GFC) for the Project as provided in Sedro-Woolley Municipal Code Section 13.16.035 and any applicable City fee schedule, in the amount reflected in the City fee schedule in effect at the time of the execution of this agreement, as shown in **Exhibit D.**

1.11 "Impact Fees" means the Fire, Park, School and Transportation Impact Fees for the Project, including the Police Mitigation Fee, as provided in Sedro-Woolley Municipal Code Sections 15.60.040 and 15.60.070 and any applicable City fee schedule, in the amount reflected in the City fee schedule in effect at the time the execution of this agreement, as shown in **Exhibit D**.

1.12 "Property" means the real property located at 1122 Silverbrook Lane, Sedro-Woolley, Washington, as more particularly described in **Exhibit A** attached hereto.

1.13 "Deed of Trust" means any deed of trust, mortgage, or other security instrument now or hereafter recorded against the Property (and any renewal, modification, amendment, consolidation, replacement, or refinancing thereof) securing a loan or other financing obtained by Developer for the acquisition, construction, development, or permanent financing of the Project, together with all related security instruments and assignments of leases and rents.

1.14 "Permitted Financing" means the indebtedness and other obligations secured by a Deed of Trust.

1.15 "Lender" means the holder from time to time of a Deed of Trust, and its successors and assigns.

2. PAYMENT OF CONNECTION FEE AND IMPACT FEES.

2.1. Calculation of Fee. The Connection Fee and Impact Fees have been calculated by the City in accordance with Sedro-Woolley Municipal Code Section 13.16.035, 15.60.040, 15.60.070 and any applicable City fee schedule.

2.2. Fee amount. The amount deferred hereby and to be paid by Developer to City on or before the Due Date is $2,325,008.68

2.3. Administrative Fee. The Parties acknowledge that the City may incur additional costs tracking and administering the deferral provided under this Agreement. Developer shall pay any reasonable and applicable administrative fee up to $1,000 required by the City in connection with the deferred payment arrangement at the time the Connection Fee and Impact Fees are paid.

2.4. Timing of Permit Issuance. It is the intent of the Developer and the City that the permit remain active during the negotiation and execution of this Development Agreement. The Developer shall obtain issuance of the permit within six (6) months following execution of this Agreement, or sooner, and shall pay at the time of permit issuance all applicable fees that are not deferred pursuant to this Agreement, in the amounts reflected by the City fee schedule in effect at the time of execution of this Agreement, as shown in **Exhibit D**. If the permit is not issued within six (6) months following execution of this Agreement, the permit shall expire, this Agreement shall become null and void, and any lien recorded against the Property pursuant to this Agreement shall be released.

2.5. Permit Duration. Pursuant to the Master Fee Schedule, the Building Permit shall be issued for the standard two-year duration and shall be renewable with reasonable notice to the City prior to expiration for one six-month term while construction is active upon a written request from the permittee showing that circumstances beyond the control of the permittee have prevented the authorized work from being completed. The permit may not be extended more than once.

2.6. Timing of Payment. Developer and City hereby mutually agree that Developer shall pay the Connection Fee and Impact Fees in full on or before the Due Date and before the City issues any temporary or permanent Certificate of Occupancy for the Project or any portion thereof. The City shall not be obligated to issue, and Developer shall not request or obtain, any temporary or permanent Certificate of Occupancy for the Project or any portion thereof until the Connection Fee and Impact Fees have been paid in full.

Developer shall pay the Deferred Charges in immediately available funds to the City on or before the Due Date. Unless the City agrees otherwise in writing, payments shall be applied first to costs and fees, then to penalties, and then to principal Deferred Charges.

2.7. Recording. This Agreement shall be recorded in the real property records of Skagit County, Washington, at Developer's expense, promptly after execution and before Permit Issuance unless the City approves a different sequence in writing. The City may withhold the deferral and Permit Issuance only until it receives satisfactory evidence that this Agreement has been recorded; the City's lien and this Agreement are subordinate to any Deed of Trust as provided in Section 2.12, and the City shall not condition the deferral or Permit Issuance on the City's lien holding priority over, or on any subordination of, a Deed of Trust.

2.8. Lien on Real Property. To secure payment and performance of all Deferred Charges and obligations under this Agreement, Developer grants to the City a continuing contractual lien against the Property and all Developer interests in permits, approvals, improvements, fixtures, and appurtenances related to the Project. The lien shall secure the principal amount of Deferred Charges, administrative charges, penalties, recording and release fees, costs of collection, litigation costs, and reasonable attorneys' fees to the extent allowed by law. The lien granted under this Section 2.7 is subject and subordinate to each Deed of trust as provided in Section 2.12.

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

The lien is contractual and, subject to Section 2.12, is in addition to, and not in limitation of, any statutory lien, utility lien, assessment lien, withholding remedy, permit remedy, surcharge, collection remedy, restrictive covenant, or other right available to the City under state law, local ordinance, permit conditions, or common law. The parties intend the recorded Agreement to provide constructive notice to all persons dealing with the Property.

Developer must grant and record a deferred impact fee lien against the property in favor of the City in the amount of the deferred impact fee. The lien shall be in the form attached as **Exhibit B**.

If impact fees are not paid on or before the Due Date in accordance with a deferral authorized by this Agreement, and in accordance with the term provisions established in this Agreement, the City may institute foreclosure proceedings in accordance with RCW 61.12.

Upon receipt of final payment of all deferred impact fees for the Property, the City shall execute a release of deferred impact fee lien for the Property. The Property owner at the time of the release, at his or her expense, is responsible for recording the lien release.

The extinguishment of a deferred impact fee lien by the foreclosure of any lien having priority does not affect the Developer's obligation to pay the impact fees as a condition of certificate of occupancy, or at the time of closing of the first sale.

2.9. Binding Covenant. This Agreement shall constitute a binding covenant against the Property that requires payment of any unpaid impact fees due and owed in accordance with this Agreement and any applicable sections of the Sedro-Woolley Municipal Code, by providing for full payment through escrow of the fees due and owed to be paid at the time of closing of sale of the lot or unit. Strict liability for payment of deferred fees shall be borne by Developer. Developer's failure to pay in full by the Due Date shall result in the expiration of the building permit No. BP-2024-070 (1122 Silverbrook Lane; formerly 1010 Hodgin Street) at Skagit County Assessor's Parcel #P37331).Upon expiration of the permit for nonpayment, all construction activity shall cease, and no certificate of occupancy shall be granted, temporary or otherwise, pending receipt of payment in full by the City.

Developer, for itself and for every successor, assign, purchaser, lessee, lender, contractor, occupant, and other person acquiring any interest in or right to use the Property, declares that the Property is burdened by a restrictive covenant running with the land. Until the Deferred Charges are paid in full and the City records a release, no person may obtain final inspection, certificate of occupancy, equivalent certification, utility connection activation, final plat recording, final short plat recording, or other final City approval for the Project or any portion of the Property unless the Deferred Charges attributable to that lot, unit, phase, or improvement have been paid in full or otherwise secured to the City's written satisfaction.

This covenant touches and concerns the Property, benefits the City and the public facilities and utility systems serving the Property, and is intended to bind Developer and all successors in interest whether or not this Agreement is expressly referenced in any deed, lease, permit, contract, assignment, or other instrument.

2.10. Covenants Run with the Land. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever, and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. All of the provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law.

2.11. Successors, Assigns, Contractors, and Notice. This Agreement binds Developer and every successor in interest, including purchasers, transferees, assignees, owners, lenders, contractors,

UNOFFICIAL DOCUMENT

subcontractors, tenants, and any other person claiming by, through, or under Developer. Developer shall disclose this Agreement in writing to each such person before conveyance, assignment, contracting, or commencement of work. No transfer or contract relieves Developer of liability unless the City executes a written release.

2.12. Events of Default and Acceleration. Each of the following is an event of default: (a) failure to pay any Deferred Charge when due; (b) transfer, sale, lease, assignment, or encumbrance of any interest in the Property without required express written consent by the City pursuant to Section 3.11 of this Agreement, other than the grant or recording of any Deed of Trust contemplated herein under Section 2.13, which shall not require assumption, notice, subordination or City consent and shall not constitute an event of default.; (c) failure to record this Agreement or any required amendment, joinder, or subordination; (d) misrepresentation regarding ownership, authority, title, or Project information; (e) insolvency, receivership, bankruptcy, or assignment for benefit of creditors; (f) violation of any permit, approval, mitigation measure, covenant, or City code materially related to the Project; or (g) any act or omission that materially impairs the City's security or ability to collect the Deferred Charges.

Upon default, all unpaid Deferred Charges shall become immediately due and payable at the City's election. The City may pursue all remedies cumulatively, including withholding or revoking inspections, certificates, utility activation, final approvals, and permits to the extent allowed by law; collecting the debt; recording notices of default; foreclosing the contractual lien judicially or by any lawful process; enforcing any statutory lien, restrictive covenant, or utility remedy; seeking injunction, specific performance, or declaratory relief; and recovering costs and reasonable attorneys' fees.

2.13. Subordination to Permitted Financing.

(a) *Subordination.* Notwithstanding anything in this Agreement to the contrary (including Sections 2.6, 2.7, 2.8, 2.9, 2.11, and 2.13), this Agreement, the covenants running with the land created hereby, the restrictive covenant, and the City's contractual lien and all other security interests, charges, and remedies granted to or reserved by the City under this Agreement are and shall at all times be junior, subordinate, and inferior to the lien, terms, and rights of each Deed of Trust and to all amounts secured thereby, including all principal, interest, fees, advances, and protective advances.

(b) *Automatic; further assurances.* The subordination in subsection (a) is self-operative and requires no further instrument to be effective. The City shall, however, within fifteen (15) days after written request from Developer or any Lender, execute, acknowledge, and deliver a subordination agreement, subordination/non-disturbance agreement, estoppel certificate, or similar instrument, in form reasonably acceptable to the Lender, confirming such subordination and the matters described in Section 2.12(d). Developer shall not be in default for obtaining, and no City consent is required for, any Permitted Financing or the recording of any Deed of Trust.

(c) *Effect of foreclosure.* Foreclosure of any Deed of Trust (whether judicial or nonjudicial), or delivery of a deed in lieu of foreclosure, extinguishes this Agreement, the covenants running with the land, the restrictive covenant, and the City's contractual lien as to the portion of the Property so foreclosed or conveyed, and the Lender and any purchaser at or grantee through such foreclosure or deed in lieu (and their successors and assigns) shall take title free and clear of the same, consistent with the priority established by Section 2.12(a).

(d) *Lender protections.* So long as any Deed of Trust remains of record:

(i) the City shall deliver to each Lender that has given the City a notice address a copy of any notice of default under this Agreement concurrently with delivery to Developer, and no exercise of remedies against the Property shall be effective against the Lender unless such notice is given and the Lender is afforded the same cure period as Developer plus an additional thirty (30) days;

UNOFFICIAL DOCUMENT

(ii) the City shall accept performance or cure by a Lender as if made by Developer;

(iii) this Agreement shall not be amended, modified, terminated, or surrendered in any manner that adversely affects a Lender without the Lender's prior written consent; and

(iv) no Lender shall have any personal liability for the Deferred Charges. If a lender acquires and retains fee title to the Property, the lender is responsible only for Charges attributable to the period of its ownership including any and all Impact Fees, General Facilities Charges, or Connection Fees applicable and attributable to the property and the development thereon to be calculated based on the Master Fee Schedule during the ownership period and due on or before the issuance of any Certificate of Occupancy.

3. GENERAL PROVISIONS.

3.1. Upon receipt of payment and satisfaction of all obligations secured by this Agreement for the affected portion of the Property, the City shall execute and record, or deliver for recording, a full or partial release substantially in a form attached as **Exhibit C**, at Developer's expense.

3.2. Relationship of Parties. It is understood and agreed by the parties hereto that the contractual relationship created between the parties hereunder is that Developer is an independent party and not an agent of the City. Nothing contained herein or in any document executed in connection herewith shall be construed as making City and Developer joint-venturers or partners.

3.3. Notices. All notices under this Agreement shall be in writing and shall be effective when personally delivered or 48 hours after deposit in the United States mail first-class, as registered or certified mail, postage prepaid, return receipt requested, to the following representatives of the parties at the addresses indicated below:

To Developer: Gateway Village LLC and/or assigns
103 N. Township Street
Sedro-Woolley, WA 98284

To City: City of Sedro-Woolley
Attn: Community Development-Department 325 Metcalf Street
Sedro-Woolley, WA 98284

With a Copy to: Dan Curtis
Thompson, Guildner & Associates, Inc., P.S.
110 Cedar Avenue, Suite 102
Snohomish, WA 98290

Either party may change its address by giving notice in writing to the other party.

3.4. Entire Agreement. This Agreement, including Exhibits A, B, C, D, and E is complete and sets forth and contains the entire understanding and agreement of the parties. There are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

3.5. Amendments. This Agreement may only be amended in writing signed by the City and the Developer, subject to approval by the City Council at a regular public meeting.

3.6. Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable by a court of competent jurisdiction the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement and the rights and obligations of the parties that have been materially altered or abridged.

3.7. No Waiver of Police Power; Compliance with Law. Nothing in this Agreement waives, limits, or contracts away the City's legislative, regulatory, police power, permitting, inspection, utility, emergency, or enforcement authority. The City reserves authority to impose new or different regulations to the extent required by a serious threat to public health and safety, as contemplated by RCW 36.70B.170. If any provision conflicts with state law, federal law, or a mandatory City code requirement, the provision shall be construed or reformed to the minimum extent necessary to comply with law while preserving the City's security and payment rights.

3.8. Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of Washington without regard to the choice of law provisions of the laws of the State of Washington.

3.9. Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

3.10. Singular and Plural. As used herein, the singular or any word includes the plural.

3.11. The parties acknowledge that Development of the Project may involve sale, conveyance, or assignment of all or portions of the Property to third parties who will own, develop and/or occupy portions of the Property and buildings thereon. Developer shall have the right from time to time to assign or transfer all or any portion of its respective interests, rights, or obligations under this Agreement or in the Property to other parties acquiring an interest or estate in all or any portion of the Property, including a transfer of all interests through foreclosure (judicial or nonjudicial) or by deed in lieu of foreclosure. Written consent by the City shall be required for any assignment or transfer of rights pursuant to this Agreement unless such assignment or transfer is a Deed of Trust contemplated herein under Sections 2.11, 2.12, and 2.13.

In any such transfer or assignment not covered under the Section 2.13 Deed of Trust provision, with the express written consent of the City, if the transferee or assignee agrees in writing to assume the obligations herein pertaining to the Property transferred or assigned, then the transferee or assignee shall be entitled to all interests and rights and be subject to all obligations under this Agreement, and Developer who has so transferred or assigned its rights, shall be thereupon be deemed released of liability under this Agreement for the property transferred or assigned, whether or not such release is expressly stated in such transfer or assignment.

3.12. No Third-Party Beneficiary. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

3.13. Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request: of either party at any time, the other party shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

3.14. Drafting of Agreement. None of the parties hereto shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

3.15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and shall constitute one and the same instrument. All Exhibits hereto are hereby incorporated by specific reference into this Agreement, and their terms are made a part of this Agreement as though fully recited herein.

3.16. Review and Consultation. The Parties acknowledge that they have been afforded an opportunity to consider this Agreement and the terms and conditions set forth herein, and that they have read and understood the terms of the Agreement and have been given an opportunity to consult with their respective legal counsel prior to executing this Agreement.

3.17. Voluntary Agreement. The Parties hereby represent and acknowledge that this Agreement and any consideration included herein is given and executed voluntarily and is not based upon any representation by any of the Parties to another Party as to the merits, legal liability, or value of any claims of the Parties or any matters related thereto.

3.18. Non-Enforcement not Waiver. Failure by any one of the parties to enforce this entire Agreement or any provision of it with regard to any provision contained herein shall not be construed as a waiver by that party of any right to do so.

3.19. Public Hearing and Approval. The City's approval of this Agreement is subject to all procedures required by chapter 36.70B RCW, including any required public hearing before approval of a development agreement, City Council approval, and any additional approval procedures required by City ordinance, municipal code, published policy or resolution. This Agreement is not effective until approved by the City Council and executed by the Mayor.

3.20 Authority, Representations and Warranties. Developer represents and warrants that: (a) Developer owns or controls the Property and has full authority to enter into this Agreement; (b) all required entity approvals have been obtained; (c) execution and recording of this Agreement will not violate any agreement, court order, loan document, title restriction, or law; (d) all persons with a record interest required by the City have joined in or consented to this Agreement, except that any Lender's Deed of Trust shall remain senior to this Agreement as provided in Section 2.12; and (e) Developer has had the opportunity to consult independent legal counsel. The undersigned hereby covenant and represent that they are fully authorized to enter into and to execute this Agreement on behalf of the City and the Developer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 9th day of November, 2026.

GRANTOR:
Gateway Village, LLC

By: _____
ROB JANICKI, Manager

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this 9th day of November, 2026, before me personally appeared ROB JANICKI to me known to be the Manager of the corporation that executed the within and foregoing instrument, and acknowledged 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 he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Sandra Renee Hepworth
[Legibly print name of Notary Public]
NOTARY PUBLIC in and for the State of Washington,
Residing at Whatcom County
My commission expires: 06/30/2030

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

ACCEPTED BY GRANTEE:
CITY OF SEDRO-WOOLLEY

By: _____
JOELLEN KESTI, Mayor

Attest:

By: Kelly Kohnken
KELLY KOHNKEN, Director of Finance

Approved as to Form:

By: Dan Curtis
DAN CURTIS, City Attorney

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

On this 6th day of November, 2026, before me personally appeared JOELLEN KESTI to me known to be the Mayor of the City of Sedro-Woolley that executed the within and foregoing instrument, and acknowledged 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 he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

SERENA RENEE MYNATT
APPOINTMENT EXPIRES October 18, 2029
NOTARY PUBLIC
COMM # 21034825
STATE OF WASHINGTON

Serena R Mynatt
Serena R Mynatt
[Legibly print name of Notary Public]
NOTARY PUBLIC in and for the State of Washington,
Residing at Sedro-Woolley, Skagit County
My commission expires: 10-18-2029