Exhibit K

MPD Phasing Plan

Chapter Nine

PHASING PLAN

Lawson Hills
Master Planned Development

OVERVIEW

The infrastructure needed to serve the proposed MPD at build-out is substantially more than will be needed to serve the development expected in the first half of the project, and cannot reasonably be funded years ahead of the development it serves. Since development is expected to occur incrementally, this phasing plan provides a framework and thresholds for providing the infrastructure necessary to serve development as it occurs.

Full build-out of the Lawson Hills MPD is estimated to take approximately 15 years, beginning in 2010 and ending in 2025. Additional extensions of the timeframe may be requested for final project completion activities. The estimated absorption of units per year is approximately 80 units per year. However, this is an average and the ultimate absorption rates will vary based on market conditions. For Lawson Hills, the North Triangle is likely to occur earlier in the build-out period. The remaining site development is likely to occur in the second half of the build-out period. Thus, thresholds for the construction of infrastructure are tied to phasing areas, not timeframes.

Development is expected to begin in the center of the project site, in the area east and west of the Lawson Road/Botts Drive intersection and progress outward from that point. The last area developed will likely be the East Annexation area.

PHASING PLAN SUBJECT TO CHANGE

The following phasing plan is an estimate of the improvements that will be needed for the project. It may change as a result of final mitigation agreements resulting from the MPD and EIS process.

PHASING PLAN

For the purposes of infrastructure phasing, there is one phasing plan for both Lawson Hills and The Villages MPDs. It is anticipated, but not required, that Lawson Hills will develop after the initial phases of The Villages MPD. The phasing plan includes four phases: 1A, 1B, 2, and 3. These phases represent the likely sequence of development, with 1A being the first phase and 3 being the last phase. The order is not intended to be absolute and represents likely phases based on current market conditions.

In general, the infrastructure necessary for each phase for each MPD is dependent on the infrastructure built in preceding phases for that MPD. For example, in order to build The Villages Phase 1B, the infrastructure projects listed for The Villages Phase 1A would also be needed. These two phases could be built simultaneously or The Villages Phase 1A could be built first. Development within the Lawson Hills MPD is not dependent on infrastructure required for The Villages.

Finally, the off-site transportation improvements shown are a general estimate of what will likely be needed for each phase. Monitoring of the off-site intersections will determine the actual timeframe for these improvements.

Figure 9-1 shows the phases in relation to development parcels. Each phase is described and the infrastructure necessary for each is shown in accompanying tables and maps.

CONSTRUCTION OF IMPROVEMENTS

On and off-site infrastructure facilities are necessary for development to occur on both MPD sites. These facilities are illustrated on the Circulation, Conceptual Water, Sewer, Stormwater and Phasing Plans and described in the tables within this Chapter. Some facilities serve only the MPDs, while other facilities will serve both the MPDs and the rest of the City of Black Diamond. The Applicant/Master Developer is responsible for the design and construction of those facilities that only serve development within the MPD boundaries or that are only necessary as a result of the MPDs. The facilities that serve the MPDs as well as development in areas outside of the MPD project boundaries will be a shared responsibility between the City and Master Developer, with the Master Developer contributing a proportionate share. The column labeled “City Project ID” in the phase improvement lists have numbers corresponding to improvements listed in the “City of Black Diamond Comprehensive Plan dated June 2009 for reference.

COST RECOVERY MECHANISMS

A. LOCAL IMPROVEMENT DISTRICTS

The Master Developer will provide infrastructure facilities necessary for both The Villages and Lawson Hills MPDs at its cost, but the City may consider formation of one or more local improvement districts and shall allow credits, offsets or other financing provisions to the extent authorized by law and approved by the City.

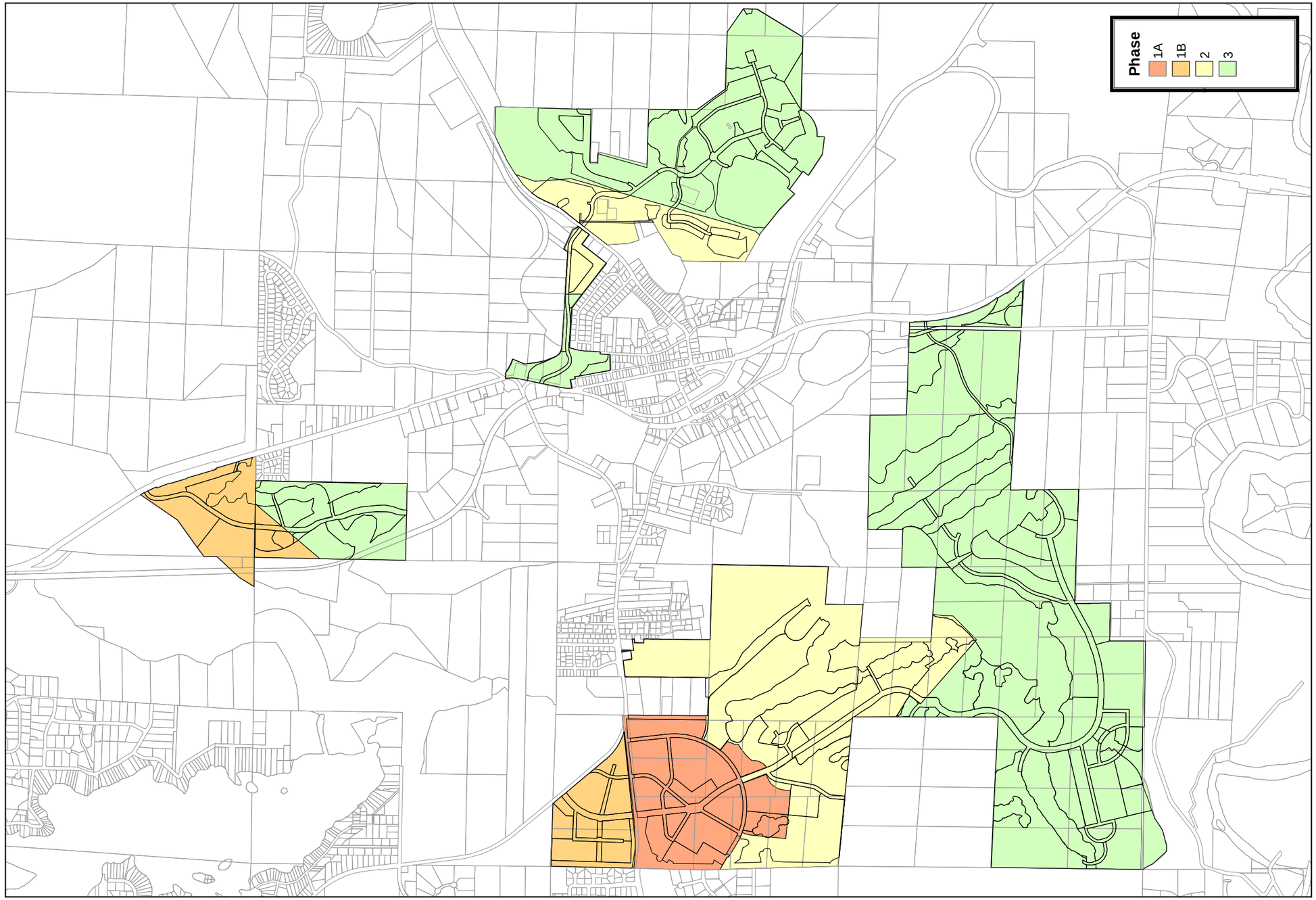
B. LATECOMER AGREEMENTS

At the Master Developer’s request, the City shall agree, as authorized by law, to a latecomer reimbursement system whereby the City will collect a latecomer fee from those persons and properties which connect to or use the facilities installed by the Master Developer and remit those funds to the Master Developer.

C. OTHER FINANCING MECHANISMS

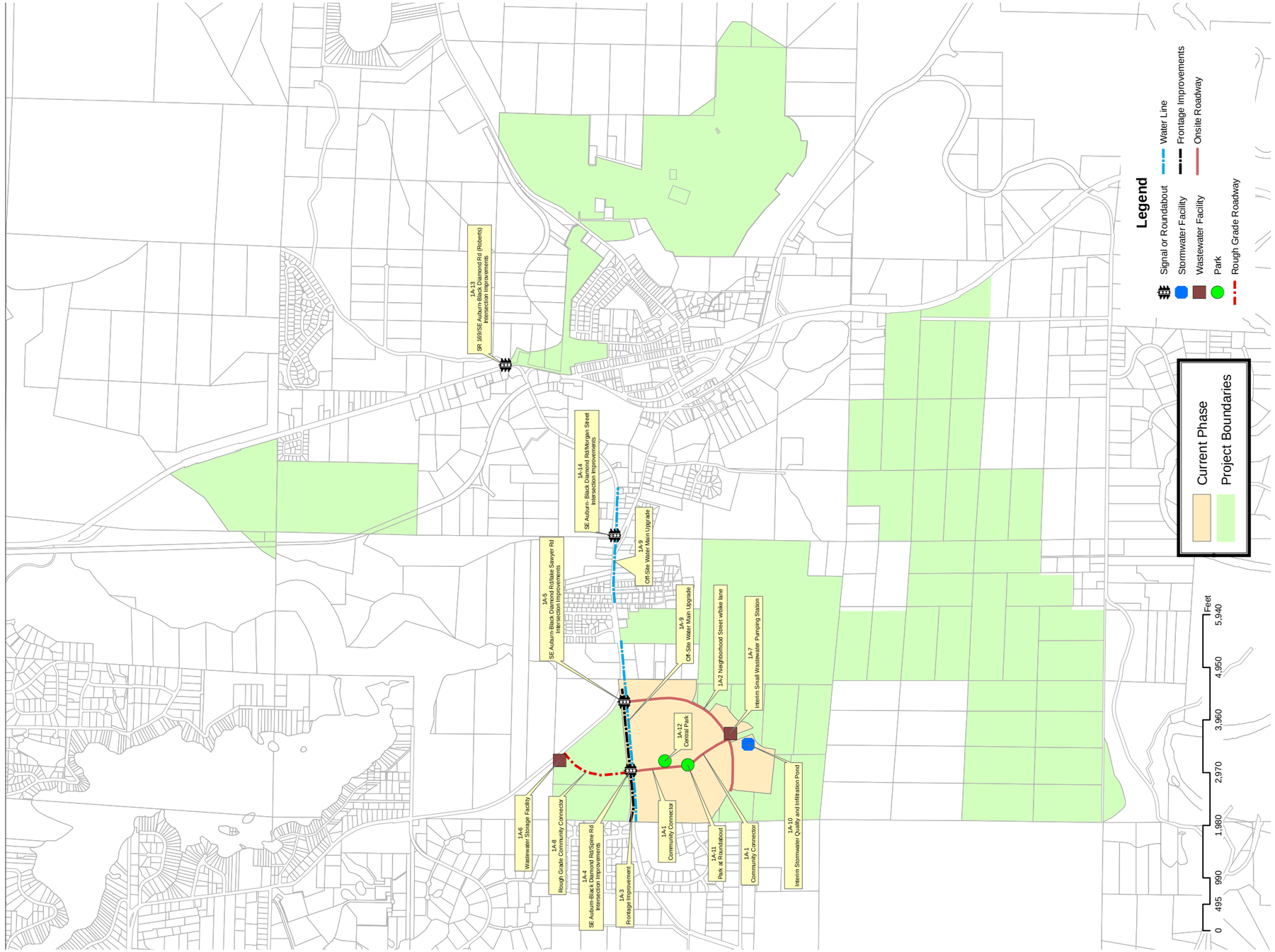
At the Master Developer’s request the City shall agree to implement other financing mechanisms to recover costs similar to community facility districts to the extent allowed by State Law.

DEVELOPMENT PHASES FIGURE 9-1



PHASING PLAN

PHASE 1A FIGURE 9-2



TIMING OF IMPROVEMENTS

TIMING OF REGIONAL FACILITIES

Preliminary design of Regional Facilities (an on or off-site infrastructure facility that supports development throughouth the MPD and is shown on the Conceptual Circulation, Water, Sewer, Stormwater or Phasing Plans) must be submitted concurrent with or prior to the first preliminary subdivision, preliminary Binding Site Plan or building permit that requires the facility. Final design must be approved and constructed[redacted] prior to Occupancy of any structure relying on the facility. Model Homes are exempt from this requirement.

TIMING OF PROJECT-LEVEL FACILITIES

Preliminary design of project-level facilities (a street or utility facility that is necessary to serve a specific proposal or development parcel and that is not a regional facility) must be submitted concurrent with or prior to the preliminary subdivision, Binding Site Plan or building permit served by the facilities. Final design and construction plans must be approved and on-site improvements constructed [redacted] prior to final subdivision, final Binding Site Plan approval or occupancy, whichever comes first. Model Homes are exempt from this requirement.

TIMING OF OFF-SITE TRANSPORTATION IMPROVEMENTS

The off-site transportation improvements shown in the Phasing Plan are required when warranted based on the Traffic Monitoring Plan. Pursuant to this Plan, monitoring is triggered for specific facilities identified in the plan based on the number of ERUs issued. The threshold for Master Developer's requirement to perform the required transportation mitigation is when the monitoring shows that level of service (LOS) (as defined in the Highway Capacity Manual, TRB, 2000) of the identified intersections falls below the adopted LOS (as defined in the City of Black Diamond's Comprehensive Plan, 2009) set for each identified facility or, in the event that the LOS is already below the applicable threshold set for a facility, the trigger is when the LOS falls below the pre-development LOS. The Master Developer is required to file applications to initiate the construction of the facility within 6 months of when the monitoring plan shows that any one or more of the transportation facilities has met the designated trigger.

PHASE 1A

Phase 1A includes approximately 130 acres containing approximately 850 dwelling units in the central portion of The Villages Parcel D. It includes development parcels V10-19, V21 and V24.

Table 9.1
Lawson Hills and The Villages Phase 1A Improvements

Project ID	Project Description	City Project ID
IA-1	Community Connector which is the first segment of roadway providing access and utilities to the Phase 1A Development.	A1
IA-2	Neighborhood street with bike lane providing secondary Phase 1A access.	
IA-3	Frontage improvements in SE-Auburn-Black Diamond Road. These will be constructed in phases as Phase 1A develops.	
IA-4	Intersection improvements at the intersection of Community Connector and SE Auburn-Black Diamond Road.	B9
IA-5	Intersection improvements at Auburn-Black Diamond Road/Lake Sawyer Road and neighborhood street.	
IA-6	Wastewater storage facility – King County Metro facility funded by Metro.	
IA-7	Small interim wastewater pumping station.	
IA-8	Rough grade community connector across parcel C to provide access to wastewater storage facility. Includes construction of sewer force main.	
IA-9	Water main upgrade/extension in SE Auburn-Black Diamond Road.	
IA-10	Interim stormwater pond and infiltration facility.	
IA-11	Park at roundabout.	
IA-12	Central park.	
IA-13	Intersection improvement at intersection of SR 169/Roberts Drive.	A8
IA-14	Intersection improvement at intersection of Morgan Street/Roberts Road.	

PHASE 1B

Phase 1B includes approximately 120 acres, 66 within The Villages and 54 within Lawson Hills and approximately 200 dwelling units in The Villages. It includes Parcel C and a portion of Parcel B of The Villages along with the North Triangle of Lawson Hills and development parcels V1, V2, V3, V4, V5, V6, V7, V8, V9, V68 and L27-L30.

Table 9.2
Lawson Hills and The Villages Phase 1B Improvements

Project ID	Project Description	City Project ID
IB-1	Community Connector between Lake Sawyer Road and Auburn-Black Diamond Road through Parcel C.	A1, T21, PN6
IB-2	North connector serving North Triangle and Parcel B	A5, PN16
IB-3	Frontage improvements along Lake Sawyer Road	
IB-4	Frontage improvements along SR 169	
IB-5	Intersection improvements at SR169/North Connector	A5
IB-6	Small, interim wastewater pumping station	
IB-7	Wastewater storage facility, if required	
IB-8	Wastewater force main and rough grade access	
IB-9	Off-site water main extension in SR 169	PN11,PN16
IB-10	Off-site water main loop – 850 PZ	PN6,PN16
IB-11	PRV to complete loop on 750 PZ	
IB-12	Intersection improvements at SR 169/SE 288th St	
IB-13	Intersection improvements at SE 288th St/216th Ave SE	
IB-14	Intersection improvements at SE Auburn-Black Diamond Rd/218th Ave SE	

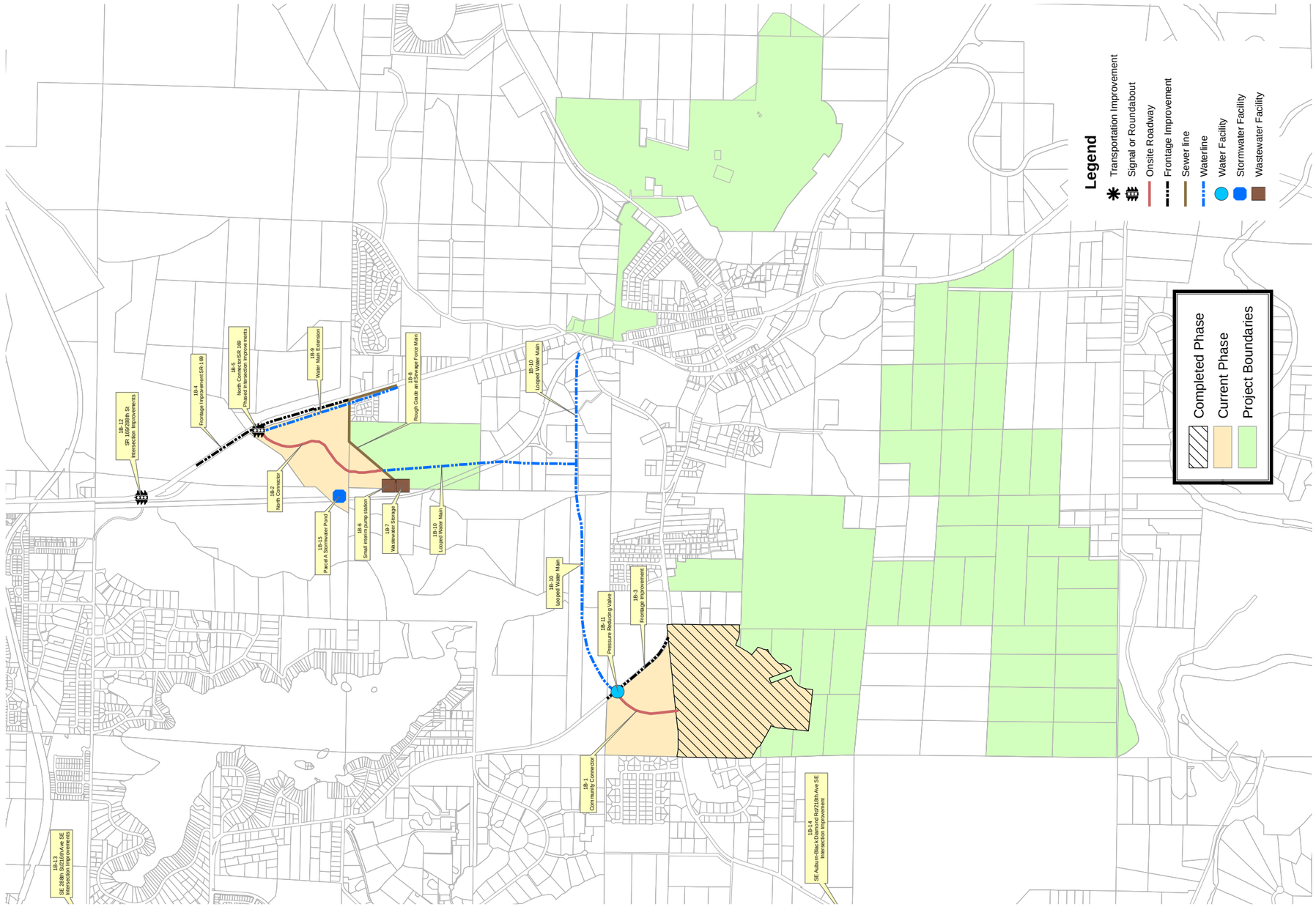
PHASE 2

Phase 2 consists of approximately 394 acres, 73 acres in the Lawson Hills MPD and 321 acres in The Villages MPD, with approximately 1500 total dwelling units.

Lawson Hills Phase 2 includes approximately 150 dwelling units. The portion of Lawson Hills included in this phase is Lower Lawson Hills within the 965 Pressure Zone and the Lawson Hills MPD North Triangle. Lawson Hills Phase II development consists of Parcels L3, L4, L5, L22, L23, L24, L25 and L26.

The portion of The Villages MPD included in this phase contains approximately 1,350 dwelling units on the remainder of parcel D, all of Parcel E, a small part of Parcel B, and the northern portion of parcel BDA. The Villages development parcels consists of V20, V22, V23, V25 - V33.

PHASE 1B FIGURE 9-3



PHASING PLAN

PHASE 2 FIGURE 9-4

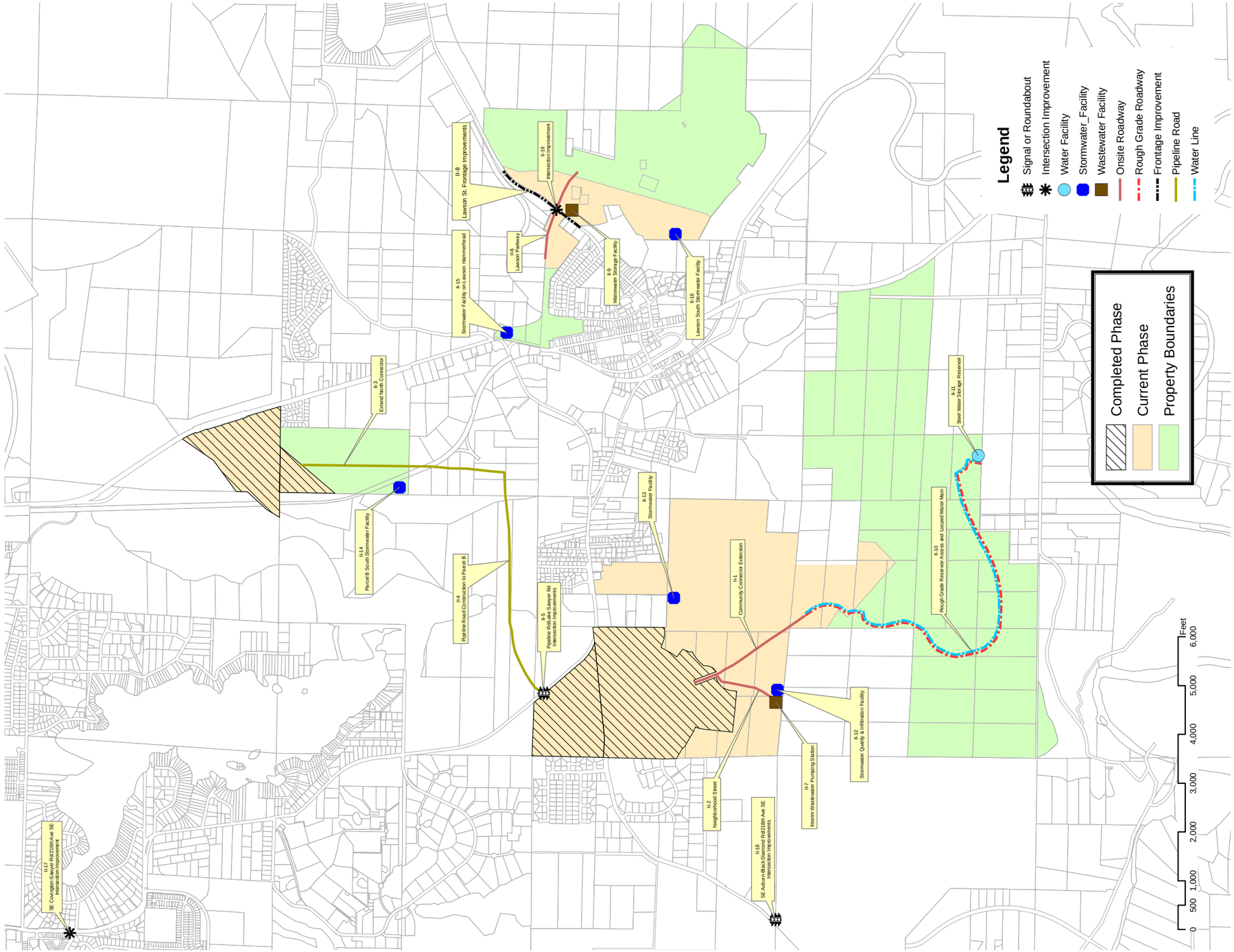


Table 9.3
Lawson Hills and The Villages Phase 2 Improvements

Project ID	Project Description	City Project ID
II-1	Extend Community Connector on South to serve Phase II development area	A1,PN12
II-2	Construct neighborhood street from community connector to interim pumping station	TL1,FM1
II-3	Construct north connector through Parcel B	A5
II-4	Construct Pipeline Road from Lake Sawyer Rd. to Parcel B	A6
II-5	Intersection improvements at the intersection of Pipeline Rd./Lake Sawyer Rd	A6
II-6	Lawson Parkway serving Lower Lawson	A3,A9
II-7	Interim wastewater pumping station	
II-8	Lawson street frontage improvements	
II-9	Wastewater storage facility, if required	
II-10	Rough grade Community Connector for reservoir access	PN12
II-11	Construct water storage facility	PN12
II-12	Stormwater quality and infiltration pond	
II-13	Stormwater detention and water quality pond	
II-14	Stormwater detention and water quality pond	
II-15	Stormwater facility on Lawson Hills hammerhead	
II-16	Stormwater detention and water quality pond	
II-17	SE Covington-Sawyer Road/216th Avenue SE intersection improvements	
II-18	SE Auburn-Black Diamond Road/218th Avenue SE intersection improvements	
II-19	Intersection improvements at Lawson Parkway/Lawson Street/Botts Drive intersection	

PHASE 3

Phase 3 consists of approximately 926 acres, 247 acres in the Lawson Hills MPD and 679 acres in The Villages MPD , approximately 3500 total dwelling units.

Lawson Hills Phase 3 contains approximately 1,100 dwelling units. Portions of Lawson Hills included in this phase are the Lawson Hills Hammerhead and Upper Lawson . This phase consists of development parcels L1, L2, L6, L7, L8, L9, L10, L11, L12, L13, L14, L15, L16, L17, L18, L19, L20, and L21.

The Villages MPD included in this phase includes 679 acres containing approximately 2,400 dwelling units on the remaining portions of Parcels B, BDA and F. The Villages development parcels V34, V35, V36, V37, V38, V39, V40, V41, V42, V43, V44, V45, V46, V47, V48, V49, V50, V51, V52, V53, V54, V55, V56, V57, V58, V59, V60, V61, V62, V63, V64, V65, V66, V67, V68, V69 , V70 and V71.

PHASE 3 FIGURE 9-5

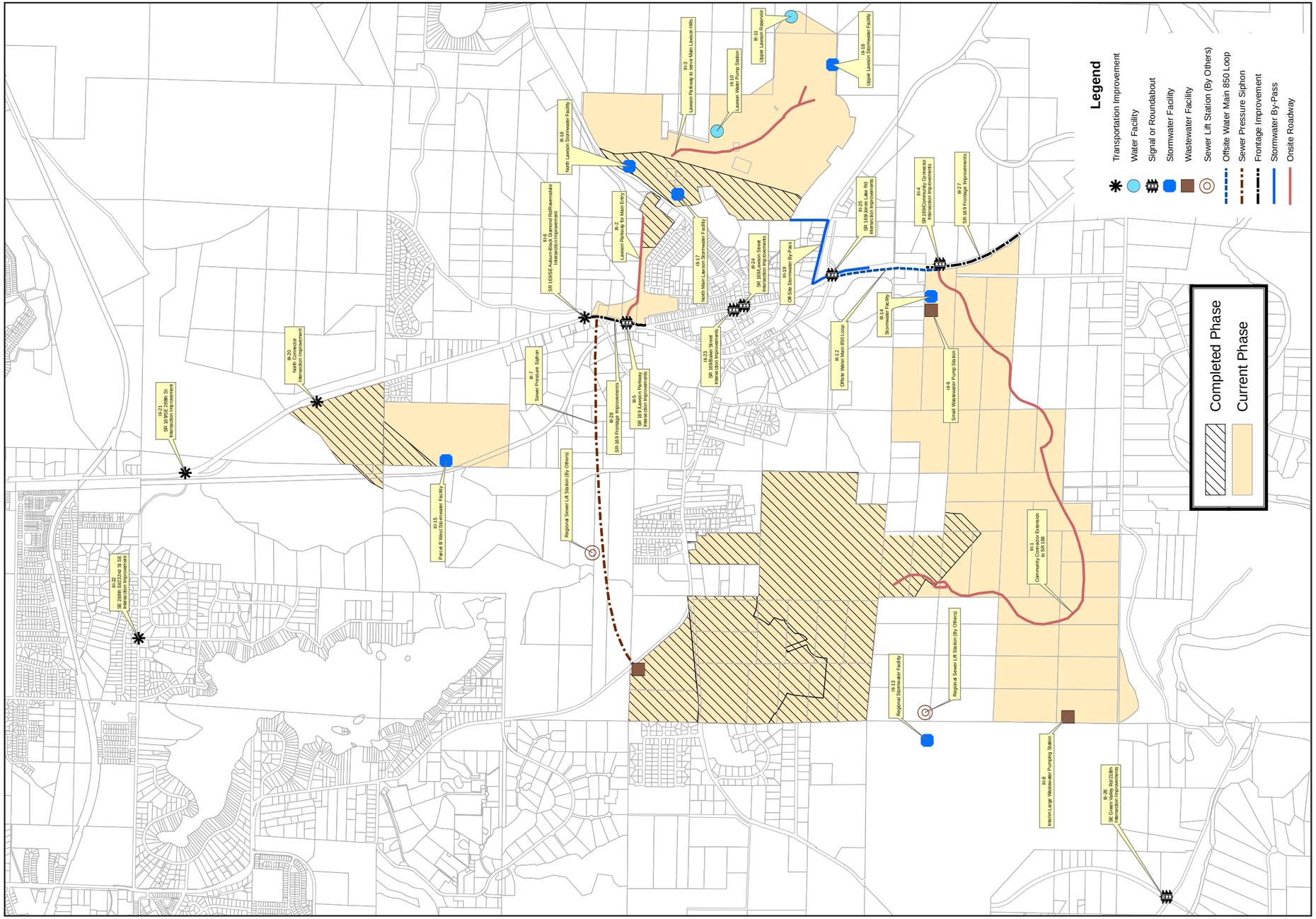


Table 9.4
Lawson Hills and The Villages Phase 3 improvements

Project ID	Project Description	City Project ID
III-1	Community Connector extension and water line extension to SR 169	A1, A8,TL4
III-2	Community Connector for Lawson Hills main entry	A3, TL2
III-3	Community Connector for Main Lawson Hills	A8
III-4	Intersection improvements at intersection of SR 169/ South Connector	A3
III-5	Intersection improvements at SR 169/Lawson Parkway	A4
III-6	Intersection improvement of SR 169/SE Auburn-Black Diamond Rd/Ravensdale Rd	FM2
III-7	Sewer pressure siphon to Metro storage facility	
III-8	Interim large wastewater pumping station	
III-9	Small wastewater pump station	
III-10	Lawson water pump station	PN51
III-11	Upper Lawson reservoir	PN51
III-12	Offsite water main to complete 850 PZ loop	PN50
III-13	Regional Stormwater Facility	
III-14	Stormwater facility for The Villages east basin	
III-15	Parcel B west stormwater facility	
III-16	North Lawson stormwater ponds	
III-17	North Main Lawson stormwater facility	
III-18	Upper Lawson stormwater pond	
III-19	Offsite stormwater bypass to Jones Lake tributary	
III-20	Intersection improvement at SR 169/North Connector	A5
III-21	Intersection improvement at SR 169/SE 288th St	
III-22	Intersection improvement at SE 288th/232nd St SE	
III-23	Intersection improvements at intersection of SR 169/ Baker Street	
III-24	Intersection improvements at intersection of SR 169/ Lawson Street	
III-25	Intersection improvements at intersection of SR 169/ Jones Lake Rd	A9
III-26	Intersection improvements at intersection of SE Green Valley Rd/218th	
III-27	SR 169 frontage improvements	
III-28	SR 169 frontage improvements	

PHASING OF PARKS

Parks within Phases 1A, 1B and 2 will be built by phase, with construction triggered no later than 60% occupancy of the phase within which the park(s) is located. Construction of parks within Phase 3 will be triggered when certificates of occupancy or final inspection have been issued for 40% of the dwellings on lots located within 1/4 mile of the park. The Master Developer may elect to build parks in advance.