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Page 1 of 118

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Amendment LATHROP
Kittitas County Auditor



REVIEWED BY

KITTITAS COUNTY TREASURER

DEPUTY

DATE

K. Boyer
4/16/09

After recording return to:

F. STEVEN LATHROP
Lathrop, Winbauer, Harrel, Slothower & Denison, L.L.P.
PO Box 1088
Ellensburg, WA 98926

Document Title: Amended And Restated Development Agreement By And Between Kittitas County, Washington, Suncadia LLC Relating To The Development Commonly Known As Suncadia Master Planned Resort

Grantor: Suncadia LLC, a Delaware limited liability company

Grantee: Kittitas County, a Washington municipal corporation

Legal Description:

Ptn Sections 11, 13, 14, 15, 23, 24, & 25, Township 20 N, Range 14 E.W.M
Ptn Sections 18, 19, 20, 21, 28, 29, 30 & 31, Township 20 N, Range 14 E.W.M
MountainStar Phase 1, Division 1 (an Alteration of MountainStar Division 1A), Bk 10, pg 12-45
MountainStar Phase 1, Division 2 (Plat Alteration), Book 9, pages 157-187
Suncadia, Phase 1 Division 3, Book 9, pages 94-120
Suncadia Resort Services Parcel Short Plat, Kittitas SP No. SP-06-124, Book I Short Plats, pages 198-199
Suncadia Phase 1 Division 4, Book 10, pages 50-73
Suncadia - Phase 1 Division 5, Book 10, pages 103-109
The Lodge at Suncadia Master Condominium, Book 11 of Plats, pages 26-38
The Lodge at Suncadia Residential Condominium, Book 11 of Plats, pages 39-67
Suncadia - Phase 1 Division 9, Book 11, pages 78-82
Suncadia - Resort Core Binding Site Plan No. 1, Book K of Short Plats, pages 44-48
Suncadia - Phase 1 Division 12 (A Binding Site Plan), Book 11 of Plats, pages 155-158
Suncadia, Phase 1 Division 13A, Book 11, pages 163-168
Suncadia Phase 2 Division 2, Book 10, pages 170-183
Suncadia - Phase 3 Divisions 1 To 5 (Tumble Creek), Book 9, pages 51-78
of Suncadia - Phase 3 Divisions 6 To 9 (Tumble Creek), Book 9, pages 190-220
Suncadia - Phase 3 Division 11 (Tumble Creek), Book 9, pages 245-251
Phase 3 Division 12 (Tumble Creek), Book 10, pages 121-126

Assessor's Tax Parcel Nos.:

20-14-11000-0007, 20-14-11000-0008, 20-14-11000-0009, 20-14-11000-0010, 20-14-11000-0005, 20-14-11000-0013,
20-14-11000-0006, 20-14-11000-0014, 20-14-11000-0004, 20-14-11000-0015, 20-14-11000-0003, 20-14-11000-0012,
20-14-13000-0001, 20-14-13000-0007, 20-14-14000-0001, 20-14-14000-0009, 20-14-14000-0002, 20-14-14000-0010,
20-14-14000-0005, 20-14-14000-0013, 20-14-14000-0006, 20-14-14000-0007, 20-14-14000-0008, 20-14-15000-0001,
20-14-15000-0003, 20-14-15000-0002, 20-14-15000-0005, 20-14-23000-0004, 20-14-23000-0008, 20-14-23000-0003,
20-14-25000-0006, 20-14-25000-0013, 20-14-25000-0007, 20-14-25000-0014, 20-14-25000-0008, 20-14-25000-0015,
20-14-25000-0002, 20-14-25000-0003, 20-14-25000-0010, 20-14-25000-0004, 20-14-25000-0011, 20-14-25000-0005,
20-14-25000-0012, 20-15-30000-0007, 20-15-30000-0017, 20-15-30000-0009, 20-15-30000-0018, 20-15-30000-0010,
20-15-30000-0019, 20-15-30000-0012, 20-15-31020-0003, 20-15-31020-0002, 20-15-18040-0013, 20-15-18040-0003,
20-15-18030-0001, 20-15-18030-0007, 20-15-18030-0006, 20-15-29050-(all), 20-15-19050-(all), 20-15-20058-(all),
20-15-21060-(all), 20-15-29051-(all), 20-15-19051-(all), 20-15-19000-0021, 20-15-19052-(all), 20-15-19053-(all),
20-15-19054-(all), 20-15-19057-(all), 20-15-19055-(all), 20-15-19056-(all), 20-14-13050-(all), 20-14-24050-(all),
20-14-24051-(all), 20-14-14050-(all), 20-15-30000-0002, 20-15-30000-0006, 20-15-30000-0016, 20-15-30000-0008,
20-15-30000-0011, 20-15-30000-0003, 20-15-30000-0013, 20-15-30000-0004, 20-15-30000-0014, 20-15-30000-0005,
20-15-30000-0015, 20-15-30040-0001, 20-15-30040-0011, 20-15-30040-0003, 20-15-30040-0004, 20-15-30040-0008,
20-14-23050-(all), 20-14-23051-misc

Reference Number Of Document Amended: 200010240006

After Recording Return To:

Lathrop, Winbauer, Harrel, Slothower & Denison LLP
Attn: F. Steven Lathrop
P.O. Box 1088
201 West Seventh Ave.
Ellensburg, Washington 98926

AMENDED and RESTATED DEVELOPMENT AGREEMENT

BY

AND

BETWEEN

KITTITAS COUNTY, WASHINGTON

AND

SUNCADIA LLC

RELATING TO THE DEVELOPMENT COMMONLY KNOWN AS

SUNCADIA MASTER PLANNED RESORT

(SUNCADIA)

**AMENDED AND RESTATED DEVELOPMENT AGREEMENT BY AND BETWEEN
KITTITAS COUNTY, WASHINGTON, SUNCADIA LLC
RELATING TO THE DEVELOPMENT COMMONLY KNOWN AS
SUNCADIA MASTER PLANNED RESORT**

THIS AMENDED AND RESTATED DEVELOPMENT AGREEMENT (“Agreement”) is dated, for reference purposes, the 2nd day of December, 2008, by and between SUNCADIA LLC, a Delaware limited liability company (“Suncadia”) as successor in interest to Trendwest Resorts, Inc., an Oregon Corporation, Trendwest Investments, Inc., a Washington corporation, and MountainStar Development, LLC, a Delaware limited liability company (Trendwest Resorts and Trendwest Investments are sometimes collectively referred to herein as “Trendwest”; references hereinafter to Trendwest, MountainStar and/or the “Resort” shall be deemed to refer to Suncadia), and KITTITAS COUNTY (the “County”), a Washington municipal corporation, pursuant to RCW 36.70B.180 - .210 and Chapter 15A.11, *Development Agreements*, of the Kittitas County Code (“County Code”). Trendwest and the County are sometimes referred to herein individually as “Party” and collectively as the “Parties.”

RECITALS

A. To strengthen the public planning process and to reduce the economic costs of development, the Legislature of the state of Washington enacted RCW 36.70B.170 - .210 (the “Development Agreement Statute”), which authorizes the County to enter into an agreement regarding the development of real property located within the County’s jurisdiction with any person having an ownership interest or control of such real property. The County adopted Chapter 15A.11, *Development Agreements*, of the County Code to authorize development agreements under the Development Agreement Statute for large, complex or phased developments within the County.

B. Suncadia is the owner of the Resort consisting of approximately 6,217 acres located within Kittitas County, the outer boundary of which property is more particularly described in the legal description attached as EXHIBIT A (Rev. 1) and incorporated herein by reference (the "Trendwest Property"). Trendwest Investments purchased the Trendwest Property on June 21, 2000 from JELD-WEN, INC. ("JELD-WEN"), an Oregon corporation registered to conduct business in the state of Washington. Trendwest Investments is a wholly-owned subsidiary of Trendwest Resorts.

C. Trendwest Resorts is a public company in which JELD-WEN owns a controlling interest.

D. Trendwest desires and intends to develop the Trendwest Property pursuant to RCW 36.70A.360 as the MountainStar Master Planned Resort ("MountainStar" or "Resort"), including, but not limited to, (i) golf courses and other on-site indoor and outdoor recreational amenities, (ii) conference centers, (iii) hotels, condominiums, time-share units, resort chalets and single-family residences (including vacation and second homes), (iv) an equestrian facility, (v) an interpretive center, and (vi) open space, as more particularly described in Trendwest's MountainStar Resort Conceptual Master Plan set forth in the County's Final Environmental Impact Statement and as thereafter amended (more particularly described in Recital I(6) below).

E. The County has determined that this Agreement is appropriate for MountainStar and, therefore, desires to enter this Agreement. This Agreement establishes planning principles, development standards and procedures to eliminate uncertainty in planning and to guide the orderly development of MountainStar consistent with the County's Comprehensive Plan (the "Comprehensive Plan") and Master Planned Resort Zoning District (as defined in Recital I(8) below); to mitigate probable significant, adverse environmental impacts; to ensure installation of

necessary on-site and off-site infrastructure and improvements; to provide for the preservation of permanent open space; to make provision for trail facilities and other on-site recreational amenities; to provide proportionate funding for traffic improvements and other public improvements; to provide for services appropriate to the development of MountainStar; and to otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. Furthermore, development of MountainStar pursuant to this Agreement would result in substantial fiscal benefits to the County.

F. Trendwest is entering into this Development Agreement to provide certainty for planning and development of MountainStar, to provide certainty with respect to environmental and fiscal conditions imposed on the development of MountainStar, and to guarantee the Comprehensive Plan designation, zoning designation and development standards for the development of MountainStar so that Trendwest can justify a major financial investment in MountainStar and the surrounding area, an investment that must be amortized over several decades of sales and operations at MountainStar. Trendwest could not undertake development of MountainStar without the assurances provided through this Agreement.

G. It is understood by the Parties that MountainStar is a private development and that Trendwest shall have full power over and exclusive control of MountainStar, subject only to the limitations and obligations of Trendwest under the County's Comprehensive Plan, the MountainStar Subarea Plan (as defined in Recital I(8) below), the County's Master Planned Resort Zoning District (as defined in Recital I(8) below), the MountainStar Resort Conceptual Master Plan, as amended (as defined in Recital I(6) below), the Rezone (as defined in Recital I(8) below), the MPR Project Development Permit and MountainStar MPR Conditions (as defined in Recital I(10) below), the Applicable Law (as defined in Section 4.1(c) below), and this

Agreement. The Parties further understand that neither this Agreement nor Trendwest's development of MountainStar shall be construed as creating any form of agency relationship, joint venture or partnership between Trendwest and the County.

H. In exchange for the benefits to the County described in Recital E above, together with the other public benefits that will result from the development of MountainStar, Trendwest will receive by this Agreement assurance that it is obtaining vested rights and may proceed with development of MountainStar in accordance with the Applicable Law (defined in Section 4.1(c) below), and, therefore, Trendwest desires to enter into this Agreement.

I. The Parties have undertaken various environmental review and planning actions relating to the development of MountainStar. These actions include, without limitation, the following:

1. Under the Growth Management Act ("GMA"), Ch. 36.70A RCW, counties "may permit master planned resorts which may constitute urban growth outside of urban growth areas as limited by this section." RCW 36.70A.360. On December 11, 1996, the County amended its Comprehensive Plan through Ordinance No. 96-20 to adopt planning policies to guide the development of Master Planned Resorts (the "Original MPR Policies") in Kittitas County. The Eastern Washington Growth Management Hearings Board ("Eastern Board") subsequently concluded by order dated March 28, 1997, that the Original MPR Policies did not comply with the GMA. By Ordinance No. 97-20 adopted by the Kittitas County Board of County Commissioners ("BOCC") on December 30, 1997, the BOCC adopted revised MPR policies (the "Revised MPR Policies") on remand from the Eastern Board. The Eastern Board concluded by order dated April 16, 1998 that the Revised MPR Policies complied with the requirements of the GMA except for RCW 36.70A.100. On remand the BOCC adopted

Ordinance No. 98-20 on September 18, 1998, further amending the Revised MPR Policies on remand from the Eastern Board to meet the requirements of RCW 36.70A.100. By order dated November 18, 1998, the Board held that the Revised MPR Policies, as amended, fully complied with the GMA. The Eastern Board's November 18, 1998 order was not appealed.

2. On March 5, 1997, the County and Trendwest executed a "Development Agreement Relating to Processing Master Planned Resort Application." To the extent there is a conflict between the March 5, 1997 Development Agreement and the 2000 Agreement (hereinafter defined), the 2000 Agreement shall control.

3. On March 7, 1997, Trendwest submitted to the County a complete "MPR Application" seeking approval to develop MountainStar on the Trendwest Property. Under Washington law, Trendwest's MPR Application vested to those policies and regulations, including the County's Original MPR Policies in effect on March 7, 1997. The MPR Application requests the following approvals necessary for the development of MountainStar: (a) a site-specific amendment to the County's Comprehensive Plan land use designation map changing the designation of the Trendwest Property to Master Planned Resort (the "Comprehensive Plan Amendment"); (b) a site-specific rezone of the County zoning map for the Trendwest Property to a Master Planned Resort Zoning District (the "Rezone"); and (c) a MPR Project Development Permit for the MountainStar Conceptual Master Plan. The comprehensive plan amendment to the land use designation map may include the adoption of a subarea plan for the Trendwest Property to implement the County's Master Planned Resort Comprehensive Plan policies described in Recital I(1) above (the "MountainStar Subarea Plan").

4. On March 12, 1997, at the request of Trendwest, the County issued a Determination of Significance under the Washington State Environmental Policy Act, Ch.

43.21C RCW ("SEPA"), for Trendwest's MPR Application, thereby requiring preparation of an Environmental Impact Statement.

5. On July 28, 1999, the County published a Draft Environmental Impact Statement (the "MountainStar DEIS") pursuant to SEPA analyzing the environmental impacts of the proposed MountainStar Master Planned Resort.

6. On April 10, 2000, the County issued a Final Environmental Impact Statement for the MountainStar Master Planned Resort (the "MountainStar FEIS") pursuant to SEPA. The MountainStar FEIS includes the "MountainStar Conceptual Master Plan," which Trendwest has amended from time to time as planning and environmental review of MountainStar has progressed and to meet the requirements of the MountainStar MPR Conditions. A true and correct copy of the MountainStar Resort Conceptual Master Plan, as amended, (EXHIBIT B) is incorporated herein by reference.

7. The adequacy of the MountainStar EIS was appealed to the BOCC by RIDGE, Rebound, the City of Roslyn, the Yakama Nation and the Washington State Department of Fish and Wildlife ("WDFW"). Prior to the public hearing on the appeals, the appeals of the Yakama Nation and WDFW were withdrawn. A public hearing on the remaining appeals was heard by the BOCC on July 5, 6, 7 and 11, 2000. On July 12, 2000, the BOCC continued its public deliberations on the remaining appeals and voted 3-0 to deny the appeals. The BOCC found and concluded that the MountainStar EIS satisfied all applicable legal requirements by Resolution No. 2000-79 dated July 24, 2000.

8. The County concurrently reviewed and processed the proposed: (a) Master Planned Resort Zoning District ordinance, implementing the County's Master Planned Resort Policies in the Comprehensive Plan; (b) Trendwest MPR Application; (c) MountainStar Subarea

Plan; (d) Rezone; and (e) ordinance to process MountainStar as a "Planned Action" under SEPA (the "Planned Action Ordinance").

9. Beginning on July 5, 2000, the BOCC and the County's Planning Commission jointly conducted a series of public hearings regarding Trendwest's MPR Application, the MountainStar Subarea Plan, the Rezone, the proposed Planned Action Ordinance, and the adoption of this Agreement as required by RCW 36.70B.200. EIS appeal hearings were conducted before the BOCC as detailed Recital I(7) above. Consolidated public hearings were conducted by the BOCC and the Planning Commission on July 12, July 13, July 17, July 20, July 24, and August 8, 2000. The Planning Commission conducted public meetings in connection with the foregoing on August 21 and August 22, 2000. The Planning Commission issued its written Recommendation and Findings of Fact at a public meeting on August 28, 2000. The Planning Commission recommended that the BOCC approve the Master Planned Resort Zoning District, MountainStar Subarea Plan and Rezone. The Planning Commission also recommended: (a) approval of an MPR Project Development Permit for the MountainStar Conceptual Master Plan, subject to the conditions recommended by the Planning Commission (the "MountainStar MPR Conditions"); (b) adoption of the proposed Planned Action Ordinance for MountainStar; and (c) adoption of this Agreement.

10. The BOCC formally accepted receipt of the Planning Commission's Recommendation and Findings of Fact at a public meeting on August 29, 2000. On September 18 and 20, 2000, the BOCC held continued public hearings to consider the Planning Commission's recommendations regarding the Master Planned Resort Zoning District, Trendwest's MPR Application, the MountainStar Subarea Plan, the Rezone, and the Planned Action Ordinance. The BOCC approved the MountainStar Subarea Plan and Master Planned

Resort Zoning District on October 10, 2000, by Ordinance Nos. 2000-12 and 2000-13, respectively, (EXHIBITS C and D) are incorporated herein by reference. On that same date, the BOCC effected the Rezone through Ordinance No. 2000-14, (EXHIBIT E) is incorporated herein by reference. On that same date, the BOCC issued an MPR Project Development Permit for the MountainStar Resort Conceptual Master Plan, as amended, subject to (a) the MountainStar MPR Conditions recommended by the Planning Commission, as amended by the BOCC, and (b) the execution of a Development Agreement between the County and Trendwest on terms and conditions satisfactory to the County, by Ordinance No. 2000-15 (EXHIBIT F) is incorporated herein by reference. Finally, by Ordinance No. 2000-17 adopted on that same date, the BOCC approved the Planned Action Ordinance, authorizing MountainStar to be processed as a Planned Action under SEPA. A true and correct copy of Ordinance No. 2000-17 (EXHIBIT G) is incorporated herein by reference. (The MountainStar Resort Conceptual Master Plan (as amended), the Rezone, the MPR Project Development Permit and MountainStar MPR Conditions, the MountainStar Subarea Plan, and the Planned Action Ordinance are sometimes collectively referred to herein as the "MPR Approvals.")

J. On October 10, 2000, concurrent with the BOCC's consideration of the Master Planned Resort Zoning District, Trendwest's MPR Application, the Rezone, the MountainStar Subarea Plan and the Planned Action Ordinance, the BOCC conducted a duly noticed public meeting regarding the proposed adoption of this Agreement. The BOCC authorized execution of that certain Development Agreement by and between Trendwest and the County dated October 10, 2000 (the "2000 Agreement") by Ordinance No. 2000-16 adopted on October 10, 2000.

K. By developing MountainStar in accordance with this Agreement, such development shall be in compliance with the GMA, the County's Comprehensive Plan, the

County's Master Planned Resort Zoning District, and all other growth management ordinances, resolutions, rules, regulations, policies, standards, and directives of the County.

L. Each Party acknowledges that it is entering into this Agreement voluntarily.

M. Section 1.3 of the Development Agreement requires the parties to review its provisions within two years of the Effective Date and every five years thereafter, which reviews have not heretofore taken place; provided that, pursuant to Section 6, the Parties have previously entered into the following amendments:

- Ordinance 2001-14, dated September 4, 2001, amending C-34
- Resolution 2006-170, dated December 5, 2006, allowing for the use of binding site plans
- Resolution 2007-11, dated February 12, 2007, amending C-42
- Resolution 2007-119, dated September 18, 2007, amending C-45 and C-46

N. Pursuant to Section 6 hereof, the Parties desire to amend and restate the 2000 Agreement.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions set forth herein, the receipt and adequacy of which consideration is hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. EFFECTIVE DATE AND TERM

1.1 Effective Date. The 2000 Agreement became effective upon the date the BOCC approved the MPR Approvals as defined in Recital I(10) of this Agreement, specifically, October 10, 2000 (the "Effective Date"). The "Applicable Law" to which MountainStar shall be subject

to and vested is set forth in Section 4.1(c) below. The effective date of the amendments contained in this Agreement shall be the date first above written.

1.2 Term. The term referenced in this Agreement (the "Term") shall commence upon the Effective Date and continue for a period of thirty (30) years, ending October 9, 2030. The date of this Agreement shall have no effect on the Term.

1.3 Review and Modification. Trendwest and the County shall review the terms of this Agreement within two (2) years from the Effective Date and every five (5) years thereafter to consider possible amendments thereto. This Agreement may be modified, extended or terminated upon the written agreement of Trendwest and the County.

Section 2. DEFINITIONS

Unless the context requires a different meaning, any term or phrase used in this Agreement that has its first letter capitalized shall have that meaning given to it by this Agreement. Certain such terms and phrases are defined below; others are defined where they appear in the text of this Agreement, including its Exhibits.

"Affected Jurisdiction or Public Body" shall mean a public entity whose public service facilities are impacted by the development of MountainStar. As of the Effective Date, Affected Jurisdictions and Public Bodies to which this Agreement applies are as follows: Kittitas County, Kittitas County Sheriff, the City of Cle Elum, the City of Roslyn, the Town of South Cle Elum, the Consolidated Communications Agency for Kittitas County (KITTCOM), Kittitas County Fire Protection District No. 7, the Cle Elum-Roslyn School District, Hospital District No. 2 and the Washington State Department of Transportation (WSDOT). Additional Affected Jurisdictions and Public Bodies may be added to this Agreement only with the mutual agreement of the Parties.

“Agreement” and “Development Agreement” shall mean this *Amended and Restated Development Agreement by and Between Kittitas County, Washington, and Suncadia LLC Relating to the Development Commonly Known as Suncadia Master Planned Resort*, as set forth in the Preamble of this Agreement.

“Applicable Law” shall have the meaning set forth in Section 4.1(c) of this Agreement.

“BOCC” shall mean the Board of County Commissioners for Kittitas County, Washington.

“CC&Rs” shall mean covenants, conditions and restrictions.

“County” shall mean Kittitas County, Washington, as set forth in the Preamble of this Agreement.

“Comprehensive Plan” shall mean the Kittitas County Comprehensive Plan, as set forth in Recital E of this Agreement.

“Critical Areas Regulations” shall mean Chapter 17A, *Critical Areas*, of the Kittitas County Code, (EXHIBIT I) of this Agreement.

“Design Guidelines” shall mean the general design goals the County and Trendwest have agreed upon for the MountainStar Master Planned Resort as described in EXHIBIT J (Rev. 1) attached hereto and incorporated herein by this reference, as amended from time to time.

“Design Review Committee” or “DRC” shall mean the committee established by Trendwest pursuant to EXHIBIT J (Rev. 1) to administer and enforce various Development Standards and Design Guidelines set forth hereunder and in applicable CC&Rs for MountainStar.

“Developed On-Site Recreational Facilities” means indoor and outdoor recreational facilities and uses, and may include, but are not limited to, golf courses (including accessory

structures and facilities, such as clubhouses, practice facilities, and maintenance facilities), tennis courts, swimming pools, sports complexes, cross country skiing, hiking and nature trails, bicycle paths, equestrian facilities, skating arenas, bowling alleys and theaters.

“Development Agreement Statute” shall mean RCW 36.70B.170 through .210, as set forth in Recital A of this Agreement.

“Development Standards” shall mean the standards controlling development of the MountainStar Master Planned Resort, as more specifically described in Section 4.1(d) of this Agreement.

“Director of Community Development Services” or “Director” shall mean Planning Director.

“Division” means a smaller area within a Phase, may include one or more parcels or subdivisions of land, and can also be described as a “subphase.”

“Eastern Board” shall mean the Eastern Washington Growth Management Hearings Board, as set forth in Recital I(1) of this Agreement.

“Effective Date” shall have that meaning set forth in Section 1.1 of this Agreement.

“General Site Plan” shall have that meaning set forth in Section 5.1(a) of this Agreement.

“GMA” shall mean the Washington State Growth Management Act, Ch. 36.70A RCW, as set forth in Recital I(1) of this Agreement.

“Infrastructure” shall mean all Utilities, as defined in this Agreement, and roads and bridges.

“JELD-WEN” shall mean JELD-WEN, iNC., an Oregon corporation registered to conduct business in the state of Washington, as set forth in Recital B to this Agreement.

“Master Planned Resort” means a self-contained and fully integrated planned unit development, located in a setting of significant natural amenities, with a primary focus on destination resort facilities consisting of short-term visitor accommodations associated with a range of developed on-site indoor or outdoor recreational facilities, but which may include other residential uses within its boundaries if such other residential uses are integrated into and support the on-site recreational nature of the resort. A Master Planned Resort may also enter into agreements for shared capital facilities and utilities with outside service providers, including municipalities and special purpose districts, in accordance with the provisions of RCW 36.70A.360, 1998 c 112 § 2.

“Master Planned Resort Accommodation Units” means resort accommodations of any kind whatsoever with the exception of (i) campgrounds and (ii) recreational vehicles sites without power and water. Master Planned Resort Accommodation Units includes, but is not limited to, (i) Short-Term Visitor Accommodations (as defined below), and (ii) all individually-owned chalets, cabins, condominiums, single-family detached and multi-family attached residences or other accommodations not meeting the definition of Short-Term Visitor Accommodations as defined below.

“Master Planned Resort Zoning District” shall mean the development regulations adopted by the BOCC through Ordinance No. 2000-13 as set forth in Recital I(8) of this Agreement.

“MountainStar,” “MPR” or “Resort” shall mean the MountainStar Master Planned Resort (now the Suncadia Master Planned Resort) and all improvements to be constructed thereon as described in the MountainStar Resort Conceptual Master Plan, the Rezone, the MPR Project Development Permit and MountainStar MPR Conditions, and the Subsequent Actions.

“MountainStar EIS” shall mean collectively the Draft Environmental Impact Statement (“DEIS”) prepared by the County for MountainStar pursuant to SEPA and published on July 28, 1999 and the Final Environmental Impact Statement (“FEIS”) prepared by the County for MountainStar pursuant to SEPA and published on April 10, 2000, as set forth in Recitals I(5) and I(6) of this Agreement.

“MountainStar MPR Conditions” shall mean those conditions of approval on the MPR Development Permit for MountainStar imposed by the BOCC through Ordinance No. 2000-15 as set forth in Recital I(10) of this Agreement, as amended herein and attached to this Agreement as EXHIBIT F-1.

“MountainStar Resort Conceptual Master Plan” shall mean the conceptual master plan for the MountainStar Master Planned Resort (EXHIBIT B), as set forth in Recital I(10) of this Agreement, as amended.

“MountainStar Subarea Plan” shall mean the subarea plan to the Kittitas County Comprehensive Plan to implement the County’s Master Planned Resort policies for the development of MountainStar on the Trendwest Property, as set forth in Recital I(3) of this Agreement.

“MPR Application” shall mean Trendwest’s development application submitted March 7, 1997, requesting County approval to develop the Trendwest Property as a Master Planned Resort, as set forth in Recital I(3) of this Agreement.

“MPR Approvals” shall mean collectively the (a) MountainStar Resort Conceptual Master Plan, (b) the Rezone; (c) the MPR Project Development Permit and MountainStar MPR Conditions, (d) the MountainStar Subarea Plan, and (e) the Planned Action Ordinance, as set forth in Recital I(10) of this Agreement.

“MPR Project Development Permit” shall mean Ordinance No. 2000-15 (EXHIBIT F), approving Trendwest’s MPR Application together with the MountainStar MPR Conditions associated therewith, as described in Recital I(10) of this Agreement.

“Open Space” means any land that is retained in a substantially natural condition (including road right-of-ways retained in a substantially natural condition) or that is improved for outdoor recreational uses, such as golf courses, cross country skiing, hiking or nature trails, equestrian and bicycle paths, or land that is specifically required to be preserved pursuant to (i) the MountainStar Resort Conceptual Master Plan, or the MPR Project Development Permit and MountainStar MPR Conditions; (ii) permanent conservation easement; (iii) deed covenant, condition or restriction running with the land on residential lots; or (iv) a similar method. Open Space includes water bodies such as ponds, rivers and streams, lands protected as important natural features, such as vegetation cover or slopes, and lands used as buffers. Open space also includes land that is managed by Trendwest for recreational, habitat enhancement and forestry purposes in accordance with a land stewardship plan developed by Trendwest and approved by the BOCC; provided, however, that such plan may be limited by the terms of conservation easements or other appropriate instruments conveyed by Trendwest to third parties to further restrict the use of specified open space areas, such as the Cle Elum River Corridor (Planning Area 11 in the MountainStar EIS). Open Space does not include: (i) those portions of residential lots not specifically protected by a permanent conservation easement, deed covenant, condition or restriction, or similar method; (ii) streets; and (iii) parking areas.

“Original MPR Policies” shall mean those Comprehensive Plan policies relating to the development of Master Planned Resorts adopted by the BOCC through Ordinance No. 96-20, as set forth in Recital I(1) of this Agreement.

"Permitted and Conditional Uses" shall mean those uses that are permitted or permitted with conditions within MountainStar set forth in Section 4.1(d)(2) of this Agreement.

"Phase" means one of the three phases within which the resort is being developed and, together, comprising the area encompassed by the MountainStar Resort Conceptual Master Plan and identified by specific boundaries which are to be developed on a coordinated basis and used as a major element of MountainStar. It may include different land uses and one or more Divisions.

"Planned Action Ordinance" shall mean Kittitas County Ordinance No. 2000-17 (EXHIBIT G), by which the BOCC authorized MountainStar to be processed as a planned action under SEPA, as set forth in Recital I(10) of this Agreement.

"Planning Commission" shall mean the Kittitas County Planning Commission; provided, however, reference herein to future acts by the Planning Commission shall be deemed to mean either the Planning Commission or the Hearings Examiner as designated or authorized by the BOCC.

"Planning Director" shall mean the Director of Community Development Services, or his or her designee.

"Processing Fees" shall have that meaning as set forth in Section 4.1(g)(3) of this Agreement.

"Proportionate Share" shall mean that share as defined in the MountainStar MPR Conditions.

"Revised MPR Policies" shall mean those Comprehensive Plan policies relating to Master Planned Resorts adopted by Ordinance Nos. 97-20 and 98-20, as set forth in Recital I(1) of this Agreement.

"Rezone" shall mean the site-specific rezone of the County zoning map for the Trendwest Property to the Master Planned Resort Zoning District, pursuant to Ordinance No. 2000-14 as set forth in Recital I(3) of this Agreement.

“SEPA” shall mean the Washington State Environmental Policy Act, Ch. 43.21C RCW, as set forth in Recital I(4) of this Agreement.

“Short-Term Visitor Accommodations” means the following Master Planned Resort Accommodation Units: (i) hotel or motel units; (ii) time-share and fractionally-owned units; (iii) recreational vehicle sites with power and water; and (iv) vacation and second homes as defined below. A vacation or second home is a Short-Term Visitor Accommodation for all purposes under this Agreement unless its owner(s) or occupant(s), or any one of them, is either (i) registered to vote at such unit’s MountainStar address or (ii) receives its/their Kittitas County annual property tax assessment for such unit at such unit’s MountainStar address, in which case such unit shall be considered a permanent residence for all purposes under this Agreement.

“Site Development Plan” shall have that meaning set forth in Section 5.1(a) of this Agreement.

“Subphase” or “Division” means a smaller area within a Phase, and may include one or more subdivisions of land.

“Subsequent Actions” shall have that meaning set forth in Section 4.1(e) of this Agreement.

“Term” shall mean thirty (30) years commencing upon the Effective Date, as set forth in Section 1.2 of this Agreement.

“Transfer Agreement” shall have the meaning set forth in Section 9 of this Agreement.

“Trendwest” shall mean Suncadia and/or collectively Trendwest Resorts, Inc. and Trendwest Investments, Inc., as set forth in the Preamble of this Agreement.

“Trendwest Investments” shall mean Trendwest Investments, Inc., a Washington corporation, as set forth in the Preamble of this Agreement.

“Trendwest Property” shall mean the property located within the boundary of the Resort and more particularly described in the legal description attached as EXHIBIT A (Rev. 1), as set forth in Recital B of this Agreement.

“Trendwest Resorts” shall mean Trendwest Resorts, Inc., an Oregon corporation registered to conduct business in the state of Washington, as set forth in the Preamble of this Agreement.

“Utilities” shall include, but not be limited to, all (i) stormwater and drainage systems and facilities, (ii) sewer systems and facilities, (iii) water systems and facilities (including, but not limited to, pumping and treatment stations, storage reservoirs or tanks, and transmission lines), (iv) electrical substations and transmission lines, (v) telecommunications systems and facilities (including, but not limited to, telephone exchanges and lines, cable, and fiber optic), and (vi) natural gas.

“Vesting Date” shall have the meaning set forth in Section 4.1(a) of this Agreement.

“Visitor-Oriented Amenities” means the following uses designed to support the users of MountainStar: (i) restaurants, cafes, delicatessens, pubs, taverns and cocktail bars, and entertainment associated with such uses, (ii) meeting facilities for meetings of all types, conferences, and religious worship and church uses, (iii) on-site retail and commercial services limited to those types and levels of use designed to support the recreation and convenience needs of the users and employees of MountainStar and which do not duplicate the full range of retail and commercial services available in adjacent communities, and (iv) recreation businesses and facilities. The retail sale of gasoline and diesel fuels shall be prohibited at MountainStar and therefore does not constitute a Visitor-Oriented Amenity or a permissible on-site retail or commercial service for any purpose under this Agreement.

Section 3. OBLIGATIONS OF TRENDWEST AND THE COUNTY

3.1 Obligations of Trendwest.

(a) **Generally.** The Parties acknowledge and agree that the County's agreement to perform and abide by the covenants and obligations of the County set forth herein is material consideration for Trendwest's agreement to perform and abide by the covenants and obligations of Trendwest set forth herein.

(b) **MPR Project Development Permit and MountainStar MPR**

Conditions. Except as otherwise specifically agreed to by the County, Trendwest shall comply with all conditions as set forth in the MPR Project Development Permit and MountainStar MPR Conditions, as approved by the BOCC, and attached as EXHIBIT F-1 to this Agreement.

3.2 Obligations of County. The Parties acknowledge and agree that Trendwest's agreement to perform and abide by the covenants and obligations of Trendwest set forth herein is material consideration for the County's agreement to perform and abide by the covenants and obligations of the County set forth, herein.

Section 4. STANDARDS, LAWS AND PROCEDURES GOVERNING MOUNTAINSTAR

4.1 Permitted Uses; Applicable Law.

(a) **Vested Rights.** Trendwest shall have the vested right to develop MountainStar pursuant to the Applicable Law as set forth in Section 4.1(c). Trendwest's rights shall vest as of the Effective Date (the "Vesting Date"); provided, however, that nothing herein shall limit the County's authority to require additional SEPA review in connection with applications for Subsequent Actions, including General Site Plans and Site Development Plans, pursuant to Sections 4.1(i) and 5.1 of this Agreement; provided further, however, that the County shall reserve authority to impose new or different regulations on Trendwest's development of

MountainStar to the extent required by a serious threat to public health and safety; and provided further, however, the parties agree that Trendwest's vested rights under this Agreement may be modified, and that the County may modify the MountainStar MPR Conditions or impose mitigation as part of a Subsequent Action based on statutes, rules, regulations, official policies, and standards other than the Applicable Law, under the following circumstances:

(1) When the County reasonably believes in good faith that County approval of a Subsequent Action for MountainStar under the terms of this Agreement would result in a decision by a State or Federal administrative agency, or a Court of competent jurisdiction, that the County eligibility for funding, grants, program eligibility or other resources sought by the County would be impaired (for example, if approval of any portion of development would prohibit the County from being eligible under the National Flood Insurance Program or result in higher premium rates to the County or its property owners);

(2) When the County reasonably believes in good faith that County approval of a Subsequent Action for MountainStar under the terms of this Agreement would result in a decision by a State or Federal administrative agency, or a Court of competent jurisdiction, that the County unlawfully failed to comply with the Endangered Species Act or other State or Federal laws or regulations in approving the Subsequent Action; or

(3) When a State or Federal statute or regulation would impose cumulative standards for compliance on an area wide or countywide basis. Modifications under this section shall only be to the extent necessary to address the applicant's proportionate share of such cumulative standard (for example, if new federal water quality standards are adopted with cumulative in-stream standards, stormwater standards for

MountainStar may be adjusted to reflect Trendwest's proportional share for correction of the diminished water quality, if any).

(The parties acknowledge that the examples included in the preceding exceptions are illustrative only and that review of the MountainStar proposal and the MountainStar EIS disclose no problem such as those described in the examples. Since the MountainStar proposal precludes development in the geomorphic floodplain, since there is no "taking" of a listed species or its habitat, and since the Master Drainage Plan for MountainStar avoids discharges to streams, the examples included in the exceptions are used solely to describe the type of issue to which the exception could apply.)

The County's modification actions under the exceptions listed above shall be limited to the minimum necessary to avoid the consequences described in the exceptions. The parties agree that the County shall advise Trendwest when the County believes any such circumstances arise and consult with Trendwest regarding the proposed modifications. The parties agree to pursue the dispute resolution procedures provided for in this Agreement and the MountainStar MPR Conditions to resolve any dispute regarding modifications under these exceptions to Trendwest's vested rights. For any of these exceptions to Trendwest's vested rights to the Applicable Law under this Agreement, Trendwest shall have the right, at its sole discretion and expense, to contest any claim or allegation, or to appeal any administrative decision or judicial determination, that would authorize or require the County to modify Trendwest's vested rights under this Agreement. Trendwest may also, at its discretion, agree to indemnify the County for the financial consequences of any final and binding decision of an administrative agency or court

of competent jurisdiction in lieu of the County modifying Trendwest's vested rights under this Agreement in response to any such final and binding decision.

(b) Permitted Uses and MPR Approvals for MountainStar. The (i) Permitted Uses of MountainStar, (ii) the density and intensity of the use of the Trendwest Property, (iii) the maximum height, bulk and size of proposed buildings, (iv) the provisions for reservation or dedication of land for open space and other common purposes, (v) the location of public utilities, (vi) and other terms and conditions of development applicable to MountainStar shall be as set forth in the MPR Approvals and this Agreement, including the Development Standards set forth in Section 4.1(d) of this Agreement.

(c) Applicable Law. The rules, regulations, official policies, standards and specifications applicable to MountainStar shall be those set forth in the MPR Approvals and this Agreement, including the Development Standards set forth in Section 4.1(d) of this Agreement (“Applicable Law”). To the extent not addressed by the MPR Approvals or by this Agreement, the Applicable Law shall also include approved Subsequent Actions, those provisions of Chapters 36.70A (Growth Management) and 58.17 RCW (Plats, Subdivisions, and Dedications) and the Kittitas County Code, EXHIBITS K, L and H, respectively, are incorporated herein, the County’s Comprehensive Plan (including Chapter 2.4 related to Master Planned Resorts), all uncodified County ordinances and resolutions, as well as all other federal, state and County rules, regulations, official policies, standards and specifications in force and effect on the Vesting Date. Except as otherwise specifically provided herein, all references in this Agreement to federal, state and County laws, rules, regulations, official policies, standards and specifications shall be governed by and construed as Applicable Law in accordance with this section to which Trendwest is vested pursuant to Section 4.1(a) above.

(d) Development Standards. The Development Standards set forth below shall apply to the development of MountainStar. Trendwest may choose to impose additional, more restrictive development standards through CC&Rs or other methods. The following Development Standards shall apply to the development of MountainStar:

(1) Consistency With Applicable Law and Development

Agreement. Development of MountainStar shall comply with (i) all Applicable Law and (ii) the terms and conditions of this Agreement.

(2) Permitted and Conditional Uses. The following uses are

permitted and conditional uses within MountainStar:

(a) The following are permitted uses within MountainStar:

(i) Short-Term Visitor Accommodations as defined herein;

(ii) Master Planned Resort Accommodation Units as defined

herein;

(iii) Developed On-Site Recreational Facilities as defined

herein;

(iv) Campgrounds and recreational vehicle sites with power and

water;

(v) Visitor-Oriented Amenities as defined herein;

(vi) Cultural and educational facilities of all kinds, including,

but not limited to, interpretative centers and exhibits, and indoor and outdoor theaters;

(vii) Roadways and bridges, including privately owned and

maintained roadways and bridges;

(viii) Industrial uses and capital facilities, utilities and services to the extent necessary to maintain and operate MountainStar;

(ix) Temporary and/or permanent structures to serve as MountainStar sales office(s); and

(x) Any other like or similar uses deemed by the Planning Director to be consistent with the purpose and intent of the MPR Approvals and RCW 36.70A.360.

(b) The following is a conditionally permitted use within MountainStar, which use shall be reviewed and approved in accordance with Chapter 17.60 of the Kittitas County Code, *Conditional Uses*:

(i) Campgrounds and recreational vehicle sites without power and water.

(3) **Phasing.** The development of MountainStar and all associated infrastructure, including roads and bridges, and capital facilities, utilities and services (including water supply and wastewater treatment facilities and services), may be approved and constructed and/or bonded in Phases or Subphases. Development may be reviewed, approved and permitted individually through the General Site Plan and Site Development Plan approval processes set forth in Section 5.1 of this Agreement. All development approvals shall be consistent with the MPR Approvals and this Agreement.

(4) **Open Space Required.** A cumulative total of at least eighty percent (80%) of the Trendwest Property shall be preserved as Open Space. Pursuant to Site Development Plans approved under Section 5.1 of this Agreement, fifty percent (50%) Open Space shall be met for each Phase. These cumulative and individual Phase Open Space

percentage requirements do not need to be satisfied within the boundaries of any particular Phase. Instead, the land provided to meet such Open Space requirements may be located within, contiguous to, or adjacent to land proposed for development within one or more Phases. For example, Open Space provided in the Cle Elum River Corridor may be used to satisfy Open Space requirements for one or more Phases that do not themselves contain at least at least fifty percent (50%) Open Space or a cumulative total of eighty percent (80%) Open Space. The initial Phase of development shall include the designation of the Cle Elum River Corridor as Open Space.

(5) **Visitor-Oriented Amenities.** Visitor-Oriented Amenities shall be provided with the first Phase of MountainStar in an amount approved through a General Site Plan and/or Site Development Plan under Section 5.1 below to serve Short-Term Visitor Accommodations and Master Planned Resort Accommodation Units constructed with such first Phase.

(6) **Short-Term Visitor Accommodations.** Trendwest will market MountainStar as a Master Planned Resort. A minimum of two hundred (200) units of Short-Term Visitor Accommodations, as defined in Section 2 above, shall be provided with the first Phase of MountainStar. Short-Term Visitor Accommodations shall constitute more than seventy percent (70%) of all built and occupied Master Planned Resort Accommodation Units at full build-out of MountainStar. A cumulative total of more than 50% of all built and occupied Master Planned Resort Accommodation Units shall be Short-Term Visitor Accommodations during the build-out of MountainStar. Subject to the foregoing, individual development Phases or Subphases of MountainStar, with the exception of the first Phase, may include Master Planned Resort Accommodation Units of which less than fifty percent (50%) are Short-Term Visitor

Accommodations if such Phase is consistent with the MountainStar Resort Conceptual Master Plan and the MPR Project Development Permit and MountainStar MPR Conditions. This responsibility shall include monitoring and reporting practices and procedures determined acceptable to the Planning Director.

(7) **Developed On-Site Recreational Facilities.**

(i) **First Phase.** Developed On-Site Recreational Facilities must be included with the first Phase of the development of MountainStar in accordance with a General Site Plan and/or Site Development Plan approved pursuant to Section 5.1 below. The construction of such Developed On-Site Recreational Facilities shall be completed pursuant to a staging plan approved as part of the Site Development Plan for the first Phase.

(ii) **Subsequent Phases.** Developed On-Site Recreational Facilities associated with subsequent Phases of MountainStar shall be constructed in accordance with the staging plan of a Site Development Plan(s) approved pursuant to Section 5.1 below.

(iii) **Developed On-Site Recreational Facilities Built Over Multiple Phases/Subphases.** The Parties recognize that certain Developed On-Site Recreational Facilities (e.g., golf courses) may be proposed for construction to begin with a particular Phase or Subphase of development and completed in a subsequent Phase or Subphase. The construction of such Developed On-Site Recreational Facilities shall be completed consistent with a staging plan in a Site Development Plan approved by the County under Section 5.1 below.

(8) **Retail/Commercial Services.** Retail and commercial services shall be limited to those types and levels of use designed to support the recreation and convenience needs of the users and employees of MountainStar and shall not duplicate the full

range of retail and commercial services available in adjacent communities. Retail and commercial services offered on the resort shall be designed to discourage use from non-resort users by locating such services well within the site rather than on its perimeter.

(9) **Compatibility With Site and Adjacent Land Uses.** The County shall ensure that MountainStar is compatible with the site and adjacent land uses through implementation of the following measures and guidelines:

(i) Development of MountainStar must comply with all County development regulations for critical areas set forth in Title 17A, *Critical Areas*, of the Kittitas County Code (the "Critical Areas Regulations"), (EXHIBIT I) is incorporated herein by reference.

(ii) To the maximum extent feasible, vegetation within riparian corridors, and wetlands regulated under the Critical Areas Regulations, shall be retained in their natural form; provided, however, that roads and bridges, utilities and trails may pass through riparian corridors and regulated wetlands provided that any such crossings of regulated wetlands are subject to appropriate requirements for restoration or replacement of impacted wetlands.

(iii) Improvements and activities within MountainStar shall be located and designed to minimize any significant adverse effects on other uses in the surrounding area through establishing and maintaining on-site buffers between MountainStar and adjacent areas consistent with the Revised MPR Policies. Trails, utilities, passive recreational uses and private open space may be included within buffers.

(10) **Additional Development Standards and Design Guidelines.** Additional Development Standards and Design Guidelines associated with the construction of MountainStar are attached hereto as EXHIBIT J (Rev. 1).

(11) **Density.** The overall density (the average number of Master Planned Resort Accommodation Units per acre) of the Trendwest Property shall not exceed one (1) Master Planned Resort Accommodation Unit per acre; provided, however, that it is anticipated that the developed portions of the Trendwest Property will achieve much higher densities than set forth above in order to maximize Open Space.

(e) **Subsequent Actions.** Trendwest may apply for other land use actions, approvals, agreements, permits or entitlements (collectively, the "Subsequent Actions") necessary or desirable to the development of MountainStar. Except to the extent additional environmental review has resulted in the imposition of new conditions pursuant to Sections 4.1(i) or 5.1(c), applications for Subsequent Actions shall be vested pursuant to Section 4.1(a) to Applicable Law as set forth in Section 4.1(c) of this Agreement. Subsequent Actions include County approval of General Site Plans and/or Site Development Plans for individual Phases or Subphases of the development of MountainStar to implement the MountainStar Resort Conceptual Master Plan. The specific processes for review and approval of General Site Plans and Site Development Plans are set forth in Section 5.1 below. Subsequent Actions also include, without limitation, the following: building permits; certificates of occupancy; lot line or boundary adjustments; subdivisions (including preliminary and final plat approval); resubdivisions; amendments to, or repeal of, this Agreement, the MPR Approvals or Subsequent Actions; forest practice permit applications; and shoreline substantial development permits pursuant to the Shorelines Management Act, Ch. 90.58 RCW. The County reserves the right to deny or condition applications for Subsequent Actions that are inconsistent with Applicable Law or this Agreement.

(f) **No Conflicting Enactments.** Except as otherwise specifically set forth in

this Agreement, the County, including but not limited to the exercise by the BOCC of the County's police power or its taxing power, shall not apply to MountainStar or the Trendwest Property any ordinance, resolution, rule, regulation, standard, directive, condition or other measure (each, individually, a "County Law") that is in conflict with the Applicable Law (including this Agreement) or that reduces the rights provided by this Agreement unless agreed to in writing by Trendwest or imposed by the County through the exercise of its substantive SEPA authority pursuant to Sections 4.1(a) and 4.1(i) of this Agreement. Without limiting the generality of the foregoing, any County Law shall be deemed to conflict with Applicable Law, including this Agreement, if it would accomplish any of the following results, either through any Subsequent Action or through the imposition of any condition of approval, by specific reference to MountainStar in any other enactment, or as part of a general enactment that applies to or affects MountainStar:

- (1) otherwise limit or reduce the density of MountainStar, or any part thereof;
- (2) otherwise change any land use designation or Permitted or Conditionally Permitted Use of the Trendwest Property;
- (3) limit or control the location of buildings, structures, clearing, grading, or other improvements of MountainStar in a manner that is inconsistent with or more restrictive than the limitations in the Applicable Law;
- (4) limit or control the availability of public utilities, services or facilities or any privileges or rights to public utilities, services or facilities (e.g., water rights, water connections, sewage capacity rights, sewer connections) for MountainStar, provided that nothing in this subsection shall be interpreted to limit the authority of any public utility, service

or facility provider that is not a party to this Agreement to require anything legally necessary or appropriate prior to any commitment to provide such utilities, facilities and/or services;

(5) require the issuance of additional permits or approvals by the County other than those required by the Applicable Law;

(6) establish, enact, or increase in any manner applicable to MountainStar, whether directly by the BOCC or other County election, or impose against the development of MountainStar, any fees, taxes (including, without limitation, general, special and excise taxes), assessments, liens or other financial obligations other than (i) those specifically permitted by this Agreement, and as provided in the MPR Project Development Permit and MountainStar MPR Conditions, and (ii) any County-wide taxes or applicable taxing district and assessments (including an authorized County-wide tax or assessment on master planned resorts generally if there are two or more master planned resorts approved pursuant to RCW 36.70A.360 in Kittitas County); or

(7) limit the processing of applications for, or the obtaining of, Subsequent Approvals.

(g) **Exceptions to “No Conflicting Enactments.”** Notwithstanding the “no conflicting enactments” provisions of Section 4.1(f) above, the following provisions shall apply:

(1) **Uniform Codes.** The County may apply the then-current Washington State Building Code, Chapter 19.27 RCW, and other uniform construction codes to new applications for building permits necessary for the development of MountainStar throughout the Term of this Agreement, provided that any such uniform code shall apply to MountainStar only to the extent that the code has been adopted by the County for application on a county-wide basis.

(2) **Life/Safety Road Standards.** The County may impose the then-current road standards necessary to address life/safety issues and concerns in accordance with the provisions of EXHIBIT J (Rev. 1), provided that any such life/safety road standard shall apply to MountainStar only to the extent such standard has been adopted by the County for application on a county-wide basis.

(3) **Processing Fees.** Fees charged by the County which solely represent the reasonable costs to the County for County staff time and resources spent reviewing and processing Subsequent Approvals are referred to in this Agreement as "Processing Fees." The County may charge Trendwest the applicable Processing Fees that are operative and in force and effect at the time such fees are customarily required by the County to be paid. In addition, Trendwest and the County shall enter into a staffing and cost reimbursement agreement(s) which provides for Trendwest funding of additional County staff or consultant services necessary to permit the expeditious processing of applications for Subsequent Actions without adversely affecting the timely review of other approvals requested by third parties unrelated to this Agreement.

(4) **Results of Monitoring.** The County may impose additional mitigation, may revise required timeframes or scopes of required mitigation, or may otherwise impose additional conditions reasonably necessary to address the significant impacts identified in the various monitoring reports required by the MPR Project Development Permit and MountainStar MPR Conditions. If the results of monitoring demonstrate that impacts which are the subject of mitigation conditions required by the MPR Project Development Permit or MountainStar MPR Conditions no longer require such mitigation conditions, or that such

impacts could be satisfactorily addressed through less stringent mitigation conditions, the County may waive or modify such mitigation conditions or required timeframes as appropriate.

(h) No Restrictions or Limitations on the Rate or Timing of Development.

Except as provided in the MPR Project Development Permit and MountainStar MPR Conditions, and Applicable Law, the County shall have no authority to restrict or limit the rate and/or timing of development for MountainStar. In the event a County Law (as defined in Section 4.1 (f)) is enacted, whether by action of the BOCC, the Planning Commission or County staff, or by initiative or referendum, issuance of a Subsequent Action or any other means, which relates to growth rate, timing, phasing or sequencing of new development or construction in the County or, more particularly, development and construction of all or any part of MountainStar, such County Law shall not apply to MountainStar or any portion thereof.

(i) Further SEPA Review. In accordance with the Planned Action

Ordinance, the County's environmental review of any Subsequent Action pursuant to SEPA shall utilize the MountainStar EIS to the fullest extent permitted by law. Under the Planned Action Ordinance, the County retains substantive SEPA authority to address probable significant adverse environmental impacts not analyzed in the MountainStar EIS. In addition, further SEPA review may be required in connection with General Site Plans and Site Development Plans submitted by Trendwest which propose deviations from the MountainStar Resort Conceptual Master Plan or from approved General Site Plans or Site Development Plans in accordance with Section 5.1 below. Conditions resulting from such further SEPA review may be based on then-current adopted County SEPA policies. Costs associated with any additional SEPA review required by the County pursuant to this Agreement shall be borne by Trendwest.

4.2 Timing of Construction and Completion. Except as provided in a Site Development Plan approved pursuant to Section 5.1 below or Applicable Law, there is no requirement that Trendwest initiate or complete development of MountainStar within any particular period of time, and the County shall not impose such a requirement on any Subsequent Action. Subject to the foregoing, the Parties agree that Trendwest shall be able to develop MountainStar in accordance with Trendwest's own time schedule in light of market conditions, and that Trendwest shall determine the order in which Phases of MountainStar shall be developed.

Section 5. COOPERATION-IMPLEMENTATION

5.1 General Site Plan and Site Development Plan Process.

(a) **Purpose.** The planning and approval process for the development of MountainStar is intended to proceed from the general to the specific, generally in the following sequence: (i) MountainStar Resort Conceptual Master Plan; (ii) General Site Plan; (iii) Site Development Plan(s); and (iv) platting (if required). The MountainStar Resort Conceptual Master Plan, as approved and conditioned through the MPR Project Development Permit and MountainStar MPR Conditions, together with the Development Agreement, are intended to provide the general, conceptual development plan for MountainStar. It is anticipated that field conditions, market factors, environmental constraints and opportunities, design considerations and other similar factors will cause the MountainStar Resort Conceptual Master Plan and Development Agreement to change and be refined from time to time. Such changes and refinements may be included in implementing the General Site Plans and Site Development Plans described below, as well as in preliminary and final plats and building permits.

The MountainStar Resort Conceptual Master Plan, Development Agreement and the MPR Project Development Permit and MountainStar MPR Conditions shall be implemented through submission to and approval by the County of General Site Plans and Site Development Plans in accordance with this Section 5.1.

General Site Plans may be submitted to the County in the discretion of Trendwest, but shall not be a prerequisite to the submittal by Trendwest of a Site Development Plan for County approval. The boundaries of a General Site Plan shall be determined by Trendwest, and may encompass a Resort area which includes one or more proposed Phases, a group of Subphases, a Subphase, or a discrete element of the Resort. A General Site Plan may be geographically broader than a subsequent, related Site Development Plan (e.g. a General Site Plan may encompass an entire Phase while a subsequent, related Site Development Plan may encompass only a single Subphase within such Phase). A General Site Plan is a planning tool which provides a frame of reference that is more detailed than the MountainStar Resort Conceptual Master Plan, but is less detailed than a subsequent, related Site Development Plan. An approved General Site Plan provides the County with additional information with which to evaluate a subsequent, related Site Development Plan(s), while also providing Trendwest with County approval and planning certainty with respect to matters such as areas and types of land use, general location of roadways, open space, recreational facilities and amenities, and overall relationship to adjacent areas of MountainStar.

A Site Development Plan may address an area covered by a General Site Plan, or a smaller area. General Site Plans and Site Development Plans shall be submitted to, reviewed and approved by the County in accordance with this Section 5.1.

(b) General Site Plan Which Is Consistent With Conceptual Master Plan and the Development Agreement. A General Site Plan that is consistent with the approved MountainStar Resort Conceptual Master Plan and the Development Agreement shall be submitted to the Planning Director and reviewed and approved by the Planning Director in accordance with this Section 5.1(b). Before approving a General Site Plan, the Planning Director shall provide public notice and submit such proposed General Site Plan to the Environmental Health Director, Building Inspector, Fire Marshall, County Engineer, Sheriff, Solid Waste Department and any other County offices or officials deemed appropriate for their review and comment. A General Site Plan shall be approved by the Planning Director if the Planning Director finds that such General Site Plan is consistent with: (i) the MPR Approvals, including the MountainStar Resort Conceptual Master Plan; (ii) this Agreement; and (iii) Applicable Law.

(c) General Site Plan Which Deviates From Conceptual Master Plan or the Development Agreement. In recognition that site-specific implementation of the MountainStar Resort Conceptual Master Plan and the Development Agreement will be affected by market, environmental and field conditions, or other factors, throughout the Term of this Agreement, the BOCC may approve a General Site Plan that includes deviations from the Conceptual Master Plan and the Development Agreement in accordance with the provisions of this Section 5.1(c). A General Site Plan that does not deviate significantly from the Conceptual Master Plan or Development Agreement may be reviewed and approved by the BOCC in the manner set forth in Section 5.1(b) above. For all purposes under this Section 5.1, insignificant deviations from the Conceptual Master Plan or the Development Agreement proposed in a General Site Plan may include, but shall not be limited to: (i) the location of roads, trails and utilities, (ii) Developed On-Site Recreational Facilities and Visitor-Oriented Amenities, provided

the overall scale and intensity of such facilities and amenities shall not significantly exceed the scale and intensity of such facilities and amenities analyzed in the MountainStar EIS, (iii) the location, quantity and type of Master Planned Resort Accommodation Units, provided overall housing density at full build-out shall not exceed 4,650 Master Planned Resort Accommodation Units, and (iv) changes allowed under Section 4.1(g)(2) and Section 6.1. If, notwithstanding the foregoing, the BOCC determines that a proposed General Site Plan deviates significantly from the Conceptual Master Plan or the Development Agreement, then the General Site Plan shall be reviewed and acted upon by the BOCC following Community Development Services review and recommendations and, should the BOCC so elect, the review and recommendation of the Planning Commission. In order to approve a deviation from the Conceptual Master Plan or Development Agreement proposed in a General Site Plan, the BOCC shall find that the probable significant adverse environmental impacts associated with such deviation are the same as, or are not significantly greater than, those impacts analyzed in the MountainStar EIS. In the event the BOCC finds that any such significant deviation is likely to have new, probable significant adverse impacts that are not mitigated, or impacts significantly greater than those analyzed in the MountainStar EIS, the County shall conduct further environmental review under SEPA and may impose additional mitigation conditions as deemed necessary, consistent with the Planned Action Ordinance. All approved deviations shall be documented by the County, and, unless such documentation indicates to the contrary, shall be allowed for Subsequent Actions without further review or approval or statements required under Sections 5.1(g)(3) or 5.1(h)(11) or amending action under Section 6.2.

(d) **Review and Approval of Site Development Plan.** A Site Development Plan shall be reviewed and approved by the County in the same manner as General Site Plans

pursuant to Sections 5.1(b) and 5.1(c) above; provided, however, that: (i) a Site Development Plan which is consistent with the MountainStar Resort Conceptual Master Plan and the Development Agreement or an approved General Site Plan and a Site Development Plan which deviates from the Conceptual Master Plan or the Development Agreement or, alternatively, and if applicable, from an approved General Site Plan in an insignificant way(s) may be reviewed and approved by the BOCC without Planning Commission review; and (ii) a Site Development Plan which deviates from the Conceptual Master Plan or the Development Agreement or, alternatively, and if applicable, from an approved General Site Plan in significant way(s) shall be reviewed and acted upon by the BOCC following the process set forth in Section 5.1(c) above.

(e) **Amendment to Conceptual Master Plan, Development Agreement or Approved General Site Plan or Site Development Plan.** Proposed amendments to the MountainStar Resort Conceptual Master Plan, the Development Agreement or an approved General Site Plan or Site Development Plan shall be submitted and reviewed as set forth in Sections 5.1(b), (c) and (d) and in Section 6.

(f) **Effect of Approval.** Approval by the County of a General Site Plan will constitute County approval of the general site plan set forth in such General Site Plan, including but not limited to matters such as areas and types of land use, general location of roadways, open space, recreational facilities and amenities, and overall relationship to adjacent areas of MountainStar. Approval by the County of a Site Development Plan will constitute County approval of the specific site plan set forth in such Site Development Plan, and shall serve as authorization to construct Utilities provided for in that Site Development Plan and other improvements that do not require building or construction permits under the County Code. Approval of a Site Development Plan shall also serve as authorization for the submission of

building permit applications for structures that do not require approval of a plat application, if such plat application was not submitted for review and approval concurrent with the Site Development Plan. Approved General Site Plans and Site Development Plans which include deviations from the MountainStar Resort Conceptual Master Plan shall be deemed to have amended such Conceptual Master Plan to the extent of such deviations.

(g) **Submittal Requirements for General Site Plan.** A proposed General Site Plan shall include the following:

(1) A vicinity map showing the planning area and its relationship to surrounding areas;

(2) A map of the applicable site drawn to an appropriate scale depicting the following:

(i) Arrangement of land uses by type (Master Planned Resort Accommodation Units, including Short-Term Visitor Accommodation Units, Visitor-Oriented Amenities, Developed On-Site Recreational Facilities, Open Space and other Permitted and Conditionally Permitted Uses);

(ii) Elevation contours at intervals appropriate for site terrain;

(iii) The location and type of any Developed On-Site Recreational Facilities;

(iv) The location of Open Space areas; and

(v) The general location of road right-of-ways.

(3) A statement identifying any deviation(s) between such plan and the MountainStar Conceptual Master Plan or the Development Agreement;

(4) Any appropriate environmental documentation; and

(5) At the option of Trendwest, preliminary boundaries and lot lines for parcels and lots.

(h) **Submittal Requirements for Site Development Plan.** A proposed Site Development Plan for the entire MountainStar project, or Phase or Subphase thereof, shall include the following:

(1) A vicinity map showing the location of the Resort area encompassed within such plan;

(2) A map of the applicable site drawn to an appropriate scale depicting the following:

(i) Arrangement of land uses by type (Master Planned Resort Accommodation Units, including Short-Term Visitor Accommodation Units, Visitor-Oriented Amenities, Developed On-Site Recreational Facilities, Open Space and other Permitted Uses), including descriptions of land use and approximate percentage of land in each use category;

(ii) Boundaries and lot lines for all parcels and lots;

(iii) Elevation contours at intervals drawn to an appropriate scale for the Resort area encompassed within the plan;

(iv) Names and dimensions of public roads bounding or near the site;

(v) Preliminary engineering plans, including site grading, road improvements, drainage and public utilities extensions;

(vi) Location of all buildings identified by type of use;

(vii) Location and number of off-street parking areas, including type of surfacing; and the approximate number of spaces to be provided;

(viii) The location, type and dimensions, and names of roads and driveways;

(ix) The location, type and dimensions of Developed On-Site Recreational Facilities;

(x) The locations and calculations of the total area of Open Space and percentages; and

(xi) Proposed location of fire protection facilities.

(3) A statement describing the development plan in relationship to adjacent development and natural features;

(4) A description of the Master Planned Resort Accommodation Units (including Short-Term Visitor Accommodation Units), Visitor-Oriented Amenities, Developed On-Site Recreational Facilities, Open Space and other Permitted and Conditionally Permitted Uses proposed by Trendwest for the Resort area encompassed within the Site Development Plan;

(5) A description of plans for landscaping (including tree planting) and restoring natural areas affected by construction and the preserving Open Space;

(6) Provisions to ensure permanence and maintenance of Open Space (a sample format for addressing Open Space requirements is attached hereto as EXHIBIT M (Rev. 1) and incorporated herein);

(7) A description outlining future land ownership patterns within the development, including any planned homeowners' associations, and proposed CC&Rs, if any;

(8) Proposed plans for: (i) water supply, including demand and supply assumptions and methodologies used to develop such plan; (ii) water supply storage and

distribution systems; (iii) sewage collection, treatment and disposal; (iv) surface water management; and (v) solid waste management;

(9) A staging plan describing the timing or sequence of construction for all the elements of the Site Development Plan, including Developed On-Site Recreational Facilities and Visitor-Oriented Amenities;

(10) Results of monitoring as required by the MountainStar MPR Conditions and Section 4.1(g)(4) above as of the date of submittal of the Site Development Plan;

(11) A statement identifying any deviation(s) between such plan and the MountainStar Resort Conceptual Master Plan or the Development Agreement or, alternatively, and if applicable, an approved General Site Plan; and

(12) Any appropriate environmental documentation.

(i) **Application for Building Permit Accompanying Proposed Site Development Plan.** If a proposed Site Development Plan (or an amendment to an approved Site Development Plan) also includes an application for a building permit for a building requiring potable water, satisfactory evidence pursuant to RCW 19.27.097(1) of an adequate water supply for the intended use of each such building shall be provided to the County, which evidence may be in the form of a water right permit from the Department of Ecology, a letter from an approved water purveyor stating the ability to provide water, or another form the Environmental Health Director deems sufficient to verify the availability of an adequate water supply; provided, however, that building permits may be issued without proof of permanent potable water for structures other than Master Planned Resort Accommodation Units that will not be occupied full-time (e.g. model homes constructed for marketing purposes and sale(s) office), which may, if necessary, be served by temporary sources of water.

5.2 Subdivision Applications.

(a) Applications to subdivide property within MountainStar shall be submitted consistent with this Agreement and the requirements of Title 16 KCC, *Plats, Subdivisions, Dedications*, and Ch. 58.17 RCW. Plat applications may be submitted and processed concurrently with review of a Site Development Plan under Section 5.1 above. Plat applications may be submitted for all or a portion of the proposed MountainStar development covered by a Site Development Plan.

(b) Notwithstanding any provision of Title 16 KCC, *Subdivisions*, seemingly to the contrary, a plat application submitted to implement development of all or a portion of a Site Development Plan seeking preliminary and/or final plat approval shall be approved by the BOCC upon a finding that any such application is consistent with: (i) the MPR Approvals; (ii) an approved Site Development Plan; (iii) the requirements of Chapter 58.17 RCW regarding plats, subdivisions and dedications; and (iv) the terms and conditions of this Agreement. In the event the BOCC determines that any plat application submitted to implement the development of all or a portion of Site Development Plan is inconsistent with the terms and conditions of (i) the MPR Approvals; (ii) an approved Site Development Plan; (iii) the requirements of Chapter 58.17 RCW regarding plats, subdivisions and dedications, or (iv) the terms and conditions of this Agreement, then the BOCC shall require Trendwest to revise such plat application, MountainStar Resort Conceptual Master Plan, the Development Agreement, General Site Plan or Site Development Plan as may be necessary to ensure consistency. Approval of any subdivision application related to MountainStar shall include written findings as required by RCW 58.17.110.

(c) A preliminary plat application may be approved by the BOCC without evidence of an adequate water supply to meet the needs of such proposed subdivision, provided that such evidence must be provided to the BOCC prior to final plat approval. Appropriate provisions shall have been made for the public health, safety and general welfare, including with respect to proposed sewage disposal and water supply systems, including potable water supplies, in accordance with RCW 58.17.110 with respect to any final plat that is consistent with Applicable Law, this Agreement and the MountainStar MPR Conditions.

5.3 Infrastructure, Surety Bonding or Other Assurances. Infrastructure identified by Trendwest in an approved Site Development Plan must be provided and available for use before the issuance of the first certificate of occupancy for Master Planned Resort Accommodation Units included within such plan. For purposes of final plat approval or issuance of building permits, infrastructure may be guaranteed through surety bonding or other financial assurance device (e.g. letter of credit) acceptable to the County. The estimated costs of providing all such guaranteed Infrastructure shall be reviewed and approved by the County Public Works Director or designee. Surety bonding or other acceptable financial device (e.g. letter of credit) provided to the County shall be in an amount equal to at least one hundred ten percent (110%) percent of such estimated costs as determined by Trendwest's architects and engineers. The County shall have the right, at its expense, to retain its own architects and engineers to verify Trendwest's estimated costs hereunder.

5.4 Permit Issuance. Building permits and other Subsequent Actions required for the development of MountainStar shall be issued only after the County building official confirms with the Planning Director that the work to be performed under the building permit or Subsequent Action substantially conforms with an approved Site Development Plan.

5.5 Processing of Subsequent Actions.

(a) Upon submission by Trendwest of all appropriate applications and processing fees for any Subsequent Action necessary for MountainStar, the County shall promptly and diligently commence and complete all steps necessary to act on the application for a Subsequent Action including, without limitation, (i) the notice and holding of all required public hearings, and (ii) granting the Subsequent Action application as set forth below.

(b) The County's obligations under Sections 4.1(e) and 5.1 of this Agreement are conditioned on Trendwest's timely provision to the County of all documents, applications, plans, and other information necessary for the County to meet such obligations and Trendwest entering into a staffing and cost reimbursement funding agreement pursuant to Section 4.1(g)(3) above. It is the express intent of Trendwest and the County to cooperate and work diligently and in good faith to obtain any and all Subsequent Actions.

(c) The County may deny an application for a Subsequent Action only if (i) such application does not comply with Applicable Law, (ii) such application is inconsistent with the MPR Project Development Permit and MountainStar MPR Conditions, or (iii) the County is unable to make all findings related to the Subsequent Action required by state law. The County may approve an application for such a Subsequent Action subject to any conditions necessary to bring the Subsequent Action into compliance with Applicable Law or to make the Subsequent Action consistent with the MountainStar Resort Conceptual Master Plan, and the MPR Project Development Permit and MountainStar MPR Conditions, so long as such conditions comply with Section 4.1(c) of this Agreement. If the County denies any application for a Subsequent Action, the County must specify in making such denial the modifications required to obtain approval of the application. Any such specified modifications must be consistent with

Applicable Law (including Section 4.1(c) of this Agreement), and the County shall approve the application if subsequently resubmitted for the County's review if it complies with the specified modifications.

5.6 Eminent Domain Power. The County shall cooperate with Trendwest in implementing the MountainStar Resort Conceptual Master Plan, the MPR Project Development Permit and MountainStar MPR Conditions, and the Subsequent Actions. If the following conditions are met, the County's obligation to cooperate with Trendwest to allow it to comply with a MountainStar MPR Condition, provision of Applicable Law, or requirement in connection with an application for a Subsequent Action shall include the lawful use by the County of its eminent domain power: (i) the use of such power shall be limited to conditions related to traffic impacts (e.g. required improvements to a public road); (ii) Trendwest shall have first made every reasonable effort to comply with such condition, law or application requirement without the exercise by the County of its power of eminent domain; (iii) Trendwest shall have considered reasonable modifications to the development of MountainStar that could eliminate the need for the County to exercise its power of eminent domain in connection with such condition, law or application requirement; and (iv), if applicable, the County has chosen not to waive or amend the requirements of such condition, law or application requirement. Trendwest shall be responsible for its Proportionate Share of any and all costs (including real property acquisition costs) incurred by the County in the exercise of its power of eminent domain hereunder.

5.7 Other Governmental Permits. Trendwest shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental agencies in connection with the development of, or the provision of services to, MountainStar. The County shall cooperate with Trendwest in its efforts to obtain such permits and approvals.

Section 6. AMENDMENT

This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the Parties or their successors in interest, in accordance with this Agreement as follows, provided that, except to the extent any amendment pertains to any Parcel Obligation(s) which has been assigned or transferred by Trendwest, "successors in interest" shall not include and shall not require the consent of any person or entity acquiring property or rights within the MPR:

6.1 Insubstantial Amendments. Any amendment to this Agreement that does not relate to (i) the Term of this Agreement, (ii) Permitted or Conditionally Permitted Uses for MountainStar and the Trendwest Property, (iii) provisions for reservation or dedication of land, (iv) conditions, terms, restrictions, or requirements for discretionary decisions in connection with Subsequent Actions, (v) the density or intensity of use of MountainStar, (iv) the development standards for MountainStar, or (vii) monetary contributions by Trendwest, shall not, except to the extent otherwise required by law, require notice or public hearing before the Parties may execute an amendment to this Agreement. The County retains the authority to review and approve insubstantial amendments in an open public meeting.

6.2 Amendments of the MPR Approvals or Subsequent Actions. No amendment of the MPR Approvals or any Subsequent Action shall require amendment to this Agreement. Instead, any such amendment automatically shall be deemed to apply to MountainStar and made subject to this Agreement. Nothing in this subsection shall modify the limitations applicable to such amendments established by this Agreement.

6.3 Parties Required to Amend. Where a portion of Trendwest's rights or obligations have been transferred pursuant to a "Transfer Agreement" as defined in Section 9

below, the signature of the person to whom such rights or obligations have been transferred shall not be required to amend this Agreement unless such amendment would materially alter the rights or obligations of such transferee; provided, however, that any such transferee shall be provided with thirty (30) days' prior written notice of any amendment to this Agreement.

Section 7. COOPERATION IN THE EVENT OF LEGAL CHALLENGE

7.1 Cooperation. In the event of any administrative, legal or equitable action or other proceeding instituted by any person not a party to this Agreement challenging the validity of any provision of the MPR Approvals, this Agreement, or any Subsequent Action, the Parties shall cooperate in defending such action or proceeding to settlement or final judgment, including all appeals. Each Party shall select its own legal counsel and retain such counsel at its own expense; provided, however, that Trendwest will reimburse the County for the costs of its legal defense of any claim in court (as opposed to administrative or quasi-judicial administrative body) that the County lacked authority to enter into this Agreement or any material provision thereof.

Section 8. DEFAULT

8.1 Defaults. Any failure by either Party to perform any term or provision of this Agreement, which failure continues uncured for a period of sixty (60) days following written notice from the other Party (unless the Parties have mutually agreed in writing to extend this period) shall constitute a default under this Agreement. Noncompliance by Trendwest with the MountainStar MPR Conditions or any one of them shall not constitute a default hereunder. Noncompliance by Trendwest with any MountainStar MPR Condition shall be resolved in accordance with the processes and procedures for same set forth in such MountainStar MPR Conditions. Any notice of default shall specify the nature of the alleged default and, where appropriate, the manner in which the alleged default may be satisfactorily cured. If the nature of

the alleged default is such that it cannot reasonably be cured within the 60-day period, then the commencement of actions to cure the alleged default within the 60-day period, and diligent prosecution of actions necessary to complete the cure of the alleged default after the 60-day period, shall be deemed to be a cure within the 60-day period. Upon a default of this Agreement that is not cured as provided above, the non-defaulting Party may institute legal proceedings to enforce the terms of this Agreement. If the default is cured, then no default exists and the noticing Party shall take no further action.

8.2 Enforced Delay; Extension of Time of Performance. Notwithstanding anything to the contrary contained herein, neither Party shall be deemed to be in default where delays in performance or failures to perform are due to war, insurrection, strikes or other labor disturbances, walk-outs, riots, floods, earthquakes, fires, casualties, acts of God, restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, extended appeals, or similar basis for excused performance which is not within the reasonable control of the Party to be excused. Upon the request of either Party, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon. In the event such delays preclude development of MountainStar in an economically feasible manner consistent with the MountainStar Resort Conceptual Master Plan and the other MPR Approvals, the parties agree to negotiate in good faith to revise or terminate this Agreement.

Section 9. ASSIGNMENT; TRANSFER; NOTICES

9.1 Assignment of Interests, Rights and Obligations. Trendwest shall have the right to assign or transfer all or any portion of its interests, rights, obligations or responsibilities under this Agreement, including the MPR Approvals and the Subsequent Actions, to third parties

acquiring an interest in MountainStar or the Trendwest Property, or any portion thereof, including, without limitation, purchasers or long-term ground lessees of individual lots, parcels, or any lots, condominiums, timeshares, homes or facilities comprising a portion of MountainStar. Such assignments or transfers shall be made pursuant to a written agreement ("Transfer Agreement") with consent as described in Section 9.2 below, or, if applicable, without consent as described in Section 9.3 below.

9.2 Transfer Agreements Requiring Consent.

(a) Trendwest may enter into a written agreement ("Transfer Agreement") to transfer or assign all or any portion of Trendwest's interests, rights, obligations and responsibilities under this Agreement, including the MPR Approvals and the Subsequent Actions, and to release Trendwest from its obligations and responsibilities pursuant to this Agreement, and the MPR Approvals and Subsequent Actions, but only after obtaining written consent from the County as described in this section, unless such transfer falls within those types of transfers not requiring consent pursuant to Section 9.3 below. Such Transfer Agreement may: (i) release Trendwest from obligations under this Agreement, including the MPR Approvals and Subsequent Actions, that pertain to that portion of MountainStar being transferred, provided the transferee expressly assumes such obligations and responsibilities; (ii) transfer to the transferee vested rights to improve that portion of MountainStar being transferred, and (iii) address any other matter deemed by Trendwest or the County to be necessary or appropriate in connection with the transfer or assignment.

(b) Such Transfer Agreement shall not take effect unless and until the County has consented in writing to such transfer. The County's consent shall not be unreasonably withheld, conditioned, or delayed. To the extent any Transfer Agreement relates to mitigation

measures designed to specifically benefit an Affected Jurisdiction or Public Body, the County shall not give its consent to such transfer until it has first consulted with such Affected Jurisdiction or Public Body regarding such transfer. Written notice of the proposed Transfer Agreement shall be mailed, first-class, to the County and any Affected Jurisdiction or Public Body in the matter set forth in Section 9.4 below at least forty-five (45) days in advance of the proposed date of transfer. Failure by the County to respond within forty-five (45) days after receipt of a request made by Trendwest for such consent shall be deemed to be the County's approval of the Transfer Agreement in question. The County may refuse to give its consent to a Transfer Agreement only if there is a material reason for such refusal, including without limitation, (i) the transferee's failure to perform under a similar development agreement or (ii) a failure to demonstrate adequate financial capability to perform the obligations proposed to be assumed by such transferee. The County shall be entitled to contract at Trendwest's expense with third parties to assist with a reasonable due diligence review of a proposed Transfer Agreement. County determinations shall be made by the BOCC and are appealable to the Kittitas County Superior Court by Trendwest or an Affected Jurisdiction or Public Body. The effective date of a Transfer Agreement that is subject of an appeal to the Kittitas County Superior Court by an Affected Jurisdiction or Public Body shall not be stayed unless the Affected Jurisdiction or Public Body has timely secured appropriate judicial relief enjoining such Transfer Agreement from becoming effective.

(c) Any Transfer Agreement shall be binding on Trendwest, the County and the transferee. Upon approval of a Transfer Agreement by the County, Trendwest shall be released from those obligations and responsibilities assumed by the transferee therein.

(d) Trendwest shall be free from any and all liabilities accruing on or after the date of any assignment or transfer with respect to those obligations assumed by a transferee pursuant to an approved Transfer Agreement. No breach or default hereunder by any person that assumes any portion of Trendwest's obligations under this Agreement pursuant to an approved Transfer Agreement shall be attributed to Trendwest, nor may Trendwest's rights hereunder or under the MPR Approvals be canceled or diminished in any way by any such breach or default.

(e) No breach or default hereunder by Trendwest shall be attributed to any person succeeding to any portion of Trendwest's rights or obligations under this Agreement, nor shall such transferee's rights be cancelled or diminished in any way by any such breach or default.

9.3 Transfer Agreements Not Requiring Consent.

(a) The provisions of Section 9.2 above notwithstanding, a Transfer Agreement shall not require County consent or County consultation with an Affected Jurisdiction or Public Body if such agreement relates to the transfer of: (i) any single residential parcel conveyed to a purchaser, (ii) any condominium, time-share or fractionally-owned unit conveyed to a purchaser, (iii) any property transferred as fewer than twenty (20) lots in a single transaction to a single builder, or (iv) any property that has been established as a separate legal parcel for a golf course, commercial, open space, park, hotel, or other use agreed to by Trendwest and the County as long as Trendwest or its assigns retain all obligations and responsibilities pursuant to this Agreement, and the MPR Approvals and Subsequent Actions, except for those obligations and responsibilities that can be fulfilled exclusively within the boundaries of, and by the development upon, the parcel or parcels transferred ("Parcel Obligation"). Parcel Obligations include, by way of illustration and without limitation, such items as individual lot landscaping or

buffering requirements, building setback, height or design requirements, wood-burning stove prohibitions, and access and infrastructure to be constructed solely within the boundaries of the parcel and intended to serve only the building(s) or uses located within that parcel. To be eligible for a transfer without consent pursuant to this subsection, Trendwest or its assigns shall retain all obligations and responsibilities pursuant to the MPR Approvals and Subsequent Actions (other than those that can be fulfilled exclusively within the boundaries of, and by the development on, the individual parcel), including, by way of illustration and without limitation, such items as overall project impact monitoring, public facility and fiscal impact mitigation (except for parcels transferred to a single builder hereunder), overall infrastructure necessary to serve more than one parcel of the Resort development, and offsite traffic mitigation.

(b) The transferee in such a transaction and its successors shall be deemed to have no obligations under this Agreement other than the Parcel Obligations, provided that the transferee shall be bound by all conditions in the MPR Project Development Permit and MountainStar MPR Conditions deemed applicable by Trendwest and the County and embodied in CC&Rs, and shall continue to benefit from the vested rights provided by this Agreement for the duration of the Term. Nothing in this section shall exempt any property transferred from payment of applicable fees and assessments or compliance with applicable conditions of approval.

9.4 Notices. Any notice or communication required by this Agreement between the County and Trendwest must be in writing, and may be given either personally, electronically with evidence or receipt or by express delivery service, return receipt requested. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below

as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or if delivery is made electronically or by express delivery service, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any Party may at any time, by giving ten (10) days written notice to the other Party, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the County, to: Kittitas County Board of Commissioners
Kittitas County
Kittitas County Courthouse
205 West 5th, Room 110
Ellensburg, Washington 98926
Telephone: (509) 962-7508
Facsimile: (509) 962-7679
Email: bocc@co.kittitas.wa.us

With copies to: Director of Community Development Services
Kittitas County
411 N. Ruby Street, Suite 2
Ellensburg, Washington 98926
Telephone: (509) 962-7506
Facsimile: (509) 962-7697
Email: cds@co.kittitas.wa.us

Prosecuting Attorney
Kittitas County
Kittitas County Courthouse
205 West 5th, Room 213
Ellensburg, Washington 98926
Telephone: (509) 962-7520
Facsimile: (509) 962-7022
Email: prosecutor@co.kittitas.wa.us

If to Suncadia, to:

Suncadia LLC
4244 Bullfrog Road, Suite 1
Cle Elum, Washington 98922

Attn: Managing Director
Telephone: (509) 649-3000
Facsimile: (509) 649-3059
Email:

With copies to:

Hillis, Clark, Martin & Peterson, P.S.
500 Galland Building
1221 Second Avenue
Seattle, Washington 98101
Attn: Steven R. Rovig
Telephone: 206-623-1745
Facsimile: 206-623-7789
Email: srr@hcmp.com

Lathrop, Winbauer, Harrel, Slothower & Denison LLP
201 W. 7th
P.O. Box 1088
Ellensburg, WA 98926
Attn: F. Steven Lathrop
Telephone: (509) 925-6916
Facsimile: (509) 962-8093
Email: steve@lwhsd.com

Section 10. MISCELLANEOUS

10.1 Incorporation of Recitals and Introductory Paragraph. The Recitals contained in this Agreement, and the preamble paragraph preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

10.2 Severability. If any term or provision in this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties. Notwithstanding the foregoing, if any material provision of this Agreement, or the application of such provision to a

particular situation, is held to be invalid, void or unenforceable, Trendwest may, in Trendwest's sole discretion, terminate this Agreement by providing written notice of termination to the County.

10.3 Other Necessary Acts. Each Party shall execute and deliver to the other all other further instruments and documents that are reasonably necessary to carry out and implement the MPR Approvals and the Subsequent Actions and that are necessary to provide to the other Party the full and complete enjoyment of its rights and privileges under this Agreement.

10.4 Other Miscellaneous Terms. The singular shall include the plural, the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.

10.5 Covenants Running with the Land. Subject to Section 9 of this Agreement, all of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to Washington law. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon MountainStar, as appropriate, runs with the Trendwest Property and, subject to Section 9 of this Agreement, is binding upon each successive owner of all or a portion of the Trendwest Property during its ownership of such property.

10.6 Remedies. In addition to the remedies set forth in the MountainStar MPR Conditions, either Party may, in addition to any other rights or remedies, institute an equitable action to cure, correct, or remedy any default; enforce any covenant or agreement herein; enjoin any threatened or attempted violation thereof; enforce by specific performance: the obligations and rights of the parties hereto; or obtain any remedies consistent with the foregoing and the purpose of this Agreement. In no event shall either Party be entitled to recover from the other

Party, either directly or indirectly, damages, costs or attorneys' fees in any legal or equitable action.

10.7 Washington Law. This Agreement shall be construed and enforced in accordance with the laws of the state of Washington.

10.8 Attorneys' Fees. In the event of any litigation or arbitration between the Parties regarding an alleged breach of this Agreement, neither Party shall be entitled to any award of attorneys' fees.

10.9 Covenant of Good Faith and Fair Dealing. Each Party shall use its best efforts and take and employ all necessary actions to ensure that the rights secured by the other Party through this Agreement can be enjoyed and neither Party shall take any action that will deprive the other Party of the enjoyment of the rights secured through this Agreement.

10.10 No Third-Party Beneficiaries. Except as expressly provided for and limited in (i) Section 4.1(g)(4), *Results of Monitoring* and (ii) Section 9.2, *Transfer Agreements Requiring Consent*, conveying certain limited rights upon Affected Jurisdictions and Public Bodies, this Agreement is for the benefit of the Parties hereto only and is not intended to benefit any other person or entity, and no person or entity not a party to this Agreement shall have any third-party beneficiary or other rights whatsoever hereunder.

10.11 Conflicts. In the event of a conflict, the terms and conditions set forth in the MountainStar MPR Conditions shall prevail over the terms and conditions of this Agreement, and the terms and conditions of this Agreement shall prevail over the terms and conditions of other MPR Approvals and Applicable Law.

Section 11. ENTIRE AGREEMENT, COUNTERPARTS AND EXHIBITS

11.1 Counterparts. Two copies of this Agreement shall be signed by each party, each of which copy is deemed to be an original.

11.2 Entire Agreement. This Agreement is an amendment and restatement of the 2000 Agreement, and the 2000 Agreement shall survive only to the extent not superseded by this Agreement. To the extent there is a conflict between the 2000 Agreement (including its exhibits) and this Agreement, this Agreement and its exhibits shall control. This Agreement consists of sixty-three (63) pages, including two (2) notary acknowledgement pages, 13 Exhibits attached to the 2000 Agreement, and 4 Exhibits attached hereto, which, collectively, constitute in full, the final and exclusive understanding and agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of the County and Trendwest.

11.3 Exhibits.

11.3.1 2000 Exhibits. The following exhibits are attached to the 2000 Agreement (the "2000 Exhibits"), are not attached to this Agreement, but are incorporated herein for all purposes, subject to the amendments thereto contained in Section 11.3.2 hereinbelow:

- Exhibit A Legal Description for Trendwest Property
- Exhibit B MountainStar Resort Conceptual Master Plan dated September, 2000, as amended per Section 5.1(f)
- Exhibit C MountainStar Subarea Plan (Ordinance No. 2000-12) , as amended
- Exhibit D Master Planned Resort Zoning District (Ordinance No. 2000-13)
- Exhibit E Rezone (Ordinance No. 2000-14)

- Exhibit F MPR Project Development Permit and MountainStar MPR Conditions
(Ordinance No. 2000-15)
- Exhibit G Planned Action Ordinance (Ordinance No. 2000-17)
- Exhibit H Kittitas County Code
- Exhibit I County Critical Areas Regulations
- Exhibit J Development Standards and Design Guidelines
- Exhibit K Chapter 36.70A RCW
- Exhibit L Chapter 58.17 RCW
- Exhibit M Sample Open Space Calculation Form

11.3.2 2008 Exhibits. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

- Exhibit A (Rev. 1) Suncadia Master Planned Resort Legal Description (December 2, 2008)
- Exhibit F-1 Suncadia MPR Conditions of Approval (December 2, 2008)
- Exhibit J (Rev. 1) Development Standards and Design Guidelines (December 2, 2008)
- Exhibit M (Rev. 1) Sample Open Space Calculation Form (December 2, 2008)

Section 12. RECORDATION OF DEVELOPMENT AGREEMENT

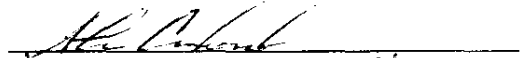
Trendwest shall record an executed copy of this Agreement with the Kittitas County Auditor, pursuant to RCW 36.70B.190, no later than ten (10) days after the County executes this Agreement. Lengthy exhibits to this Agreement, including Exhibit H, *Kittitas County Code*, shall not be required to be recorded together with this Agreement; provided, however, that exhibits not

recorded with this Agreement shall be maintained by the Kittitas County Planning Department and remain available for public inspection and copying during regular business hours throughout the Term of this Agreement. In some instances, ordinances approved by the County may not have been codified as of the Effective Date. In such instances, the codified versions of such ordinances shall be added to Exhibit H and delivered to Trendwest as they are codified by the County.


The remainder of this page left intentionally blank.

IN WITNESS WHEREOF, this Agreement has been entered into by and between
Trendwest and the County as of the day and year first above written.

KITTITAS COUNTY

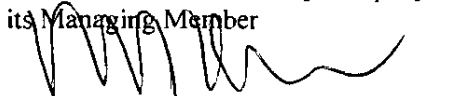

By: alan CRANKOVICH
Its: Chairman
As authorized by Resolution No. 2009- 37

Approved As To Form:

 # 38112
~~Neil A. Caulkins, Deputy Prosecuting Attorney~~
Stephanie Harold

SUNCADIA, LLC, a Delaware limited liability company

By: Easton Ridge Investors, LLC,
a Delaware limited liability company,
its Managing Member

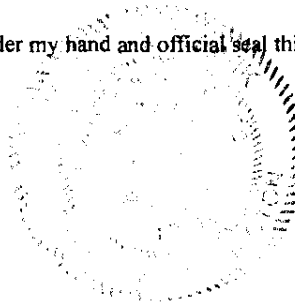

By: Ronald D. Olstad
Its: Managing Director


By: Gary A. Kittleson
Its: Vice President – Controller Real Estate

STATE OF WASHINGTON)
) ss.
County of Kittitas)

I certify that I know or have satisfactory evidence that ~~MARK MOULAN~~ ^{alan crankovich} is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman of the Kittitas County Board of County Commissioners, to be the free and voluntary act of such county for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 17th day of April, 2009.

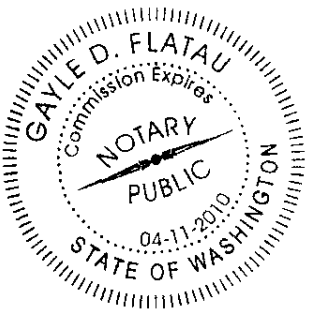


Julie A. Kiersvik
Printed Name: Julie A. Kiersvik
Notary Public in and for the State of Washington
My commission expires: 2/19/10

STATE OF WASHINGTON)
) ss.
County of Kittitas)

On this day, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared RONALD D. OLSTAD, to me known to be the Managing Director of Easton Ridge Investors, LLC, a Delaware limited liability company, the Managing Member of Suncadia, LLC, a Delaware limited liability company, the company that executed the foregoing instrument, and acknowledged that the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 10th day of April, 2009.

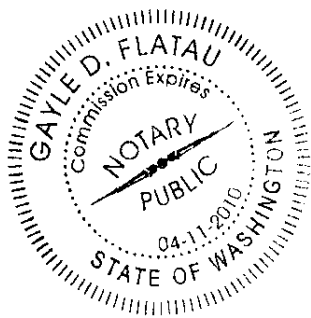


Gayle D. Flatau
Printed Name: Gayle D. Flatau
Notary Public in and for the State of Washington
My commission expires: 4-11-2010

STATE OF WASHINGTON)
) ss.
County of Kittitas)

On this day, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GARY A. KITTLESON, to me known to be the Vice President - Controller Real Estate of Easton Ridge Investors, LLC, a Delaware limited liability company, the Managing Member of Suncadia, LLC, a Delaware limited liability company, the company that executed the foregoing instrument, and acknowledged that the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 10th day of April, 2009.



Gayle D. Flatau
Printed Name: Gayle D. Flatau
Notary Public in and for the State of Washington
My commission expires: 4-11-2010

EXHIBIT A (Rev. 1)
Suncadia Master Planned Resort Legal Description
December 2, 2008

LEGAL DESCRIPTION
FOR
SUNCADIA LLC

That portion of Sections 11, 13, 14, 15, 23, 24, and 25 all in Township 20 North, Range 14 East, Willamette Meridian, and that portion of Sections 18, 19, 20, 21, 28, 29, 30, and 31 all in Township 20 North, Range 15 East, Willamette Meridian, in the County of Kittitas, State of Washington and described as follows:

BEGINNING at the Northeast corner of said Section 19 as shown on the Plat of SUNCADIA PHASE 2 DIVISION 2 as recorded in Book 10 of Plats, Pages 170 through 183, under Auditor's File Number 200609280020, records of Kittitas County, Washington;

Thence Southerly along the East line of said Section 19 to the North line of MOUNTAINSTAR PHASE 1, DIVISION 2 (Plat Alteration) as recorded in Book 9 of Plats, Pages 157 through 187, under Auditor's File Number 200506160038, records of Kittitas County, Washington;

Thence Easterly, Northerly, and Easterly along said North line to the Northeast corner of said Plat;

Thence South along the East line of said Plat to the Northwest corner of the Plat of SUNCADIA PHASE 1 DIVISION 3 as recorded in Book 9 of Plats, Pages 94 through 120, under Auditor's File Number 200505040001, records of Kittitas County, Washington;

Thence Easterly and Southeasterly along the North line and the Northeasterly line of said Plat of SUNCADIA PHASE 1 DIVISION 3 to the Westerly margin of Bullfrog Road;

Thence Southerly and Southwesterly along said Westerly margin to the Northerly margin of SR 90, said point also being the Southeast corner of Lot 2 as described and/or delineated on the face of that certain Survey recorded June 13, 1995 under Auditor's File No. 582256 and filed in Book 21 of Surveys, Pages 46 and 47;

Thence Westerly along the South line of said Lot 2 and said Northerly margin to the East line of the Blue Connection of the Good Luck Lode Mining Claim and the Good Luck Lode Mining Claim, U.S. Mineral Survey No. 998;



Thence Northeasterly along the Southeasterly line and Northwesterly along the Northeasterly line of said Mineral Survey No. 998 to the East line of the Southwest quarter of said Section 30;

Thence South along said East line to the South quarter corner of said Section 30;

Thence West along the South line of said Southwest quarter to the Northwesterly line of said U.S. Mineral Survey No. 998;

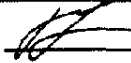

Thence Southwesterly along said Northwesterly line and Southeasterly along the

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Page 1 of 3

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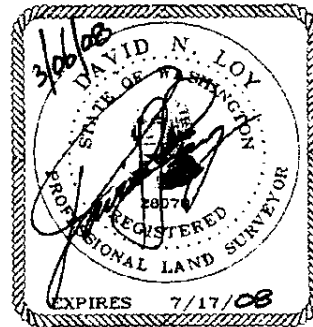
Southwesterly line of said U.S. Mineral Survey No. 998 returning to the Northerly margin of SR 90;
 Thence Westerly along said Northerly margin to the Easterly line of that property conveyed to the State of Washington by deed recorded under Auditor's File No. 199903120019;
 Thence Northerly along said Easterly line and Westerly along the Northerly line of said property to the West line of said Section 31;
 Thence North along said West line to the Northwest corner of said Section 31;
 Thence West along the South line of the Southeast quarter of said Section 25 to the South quarter corner thereof;
 Thence North along the West line of said Southeast quarter and the West line of the Northeast quarter of said Section 25 to the Southeast corner of the Northeast quarter of the Northwest quarter of said Section 25;
 Thence West along the South line of said Northeast quarter of the Northwest quarter to the Southwest corner thereof;
 Thence North along the West line of said Northeast quarter of the Northwest quarter to the Northwest corner thereof;
 Thence North along the East line of the Southwest quarter of the Southwest quarter of said Section 24 to the Northeast corner thereof;
 Thence West along the North line of the said Southwest quarter of the Southwest quarter to the West line of said Section 24;
 Thence South along said West line to the Southwest corner of said Section 24;
 Thence West along the South line of said Section 23 to the Yakima River;
 Thence Northwesterly along said river to the West line of said Section 23;
 Thence North along the West line of said Section 23 to the Northwest corner thereof;
 Thence West along the South line of said Section 15 to the Southwest corner thereof;
 Thence North along the West line of said Section 15 to the Northwest corner thereof;
 Thence East along the North line of said Section 15 to the Northeast corner thereof;
 Thence North along the West line of said Section 11 to the Northwest corner of Lot 1A of that Tract Segregation Survey recorded in Book 21 of Surveys, Pages 44 and 45, under Auditor's File Number 582255, records of Kittitas County, Washington;
 Thence Easterly and Southerly along the Northerly and Easterly lines of said Lot 1A, and Lot 2A, and Lot 4A of said Tract Segregation Survey, to the South line of said Section 11;
 Thence East along the South line of said Section 11 to the West line of Lot 4B of said Tract Segregation Survey;
 Thence North and West along the West line of said Lot 4B, and Lot 3B, and Lot 1B of said Tract Segregation Survey, to the North line of said Section 11;
 Thence East along the North line of said Section 11 to the Southwesterly margin of SR 903;
 Thence Southeasterly along said Southwesterly margin to the West line of the Northeast quarter of the Northeast quarter of said Section 11;
 Thence South along said West line to the Southwest corner thereof;
 Thence East along the South line of said Northeast quarter of the Northeast quarter to the East line of said Section 11;
 Thence South along said East line to the Southeast corner thereof;
 Thence East along the North line of said Section 13 to the Northeast corner of said Plat of SUNCADIA PHASE 2 DIVISION 2;
 Thence South and East along the Easterly line thereof, to the West line of said Section 18;

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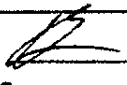
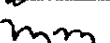


Thence South along said West line to the North line of the South half of said Section 18;
Thence East along said North line to the Northeast corner of Parcel A of that certain
Survey as recorded January 29, 1999, in Book 24 of Surveys, Page 10 under Auditor's File No
199901290041, records of Kittitas County, Washington;
Thence Southeasterly along the Northeasterly line of said Parcel A to the East line
thereof;
Thence South along said East line to the Northerly line of said Plat of SUNCADIA PHASE
2 DIVISION 2;
Thence Southeasterly along said Northerly line to the East line of said Section 18;
Thence South along said East line and the East line of said Plat to the POINT OF
BEGINNING;

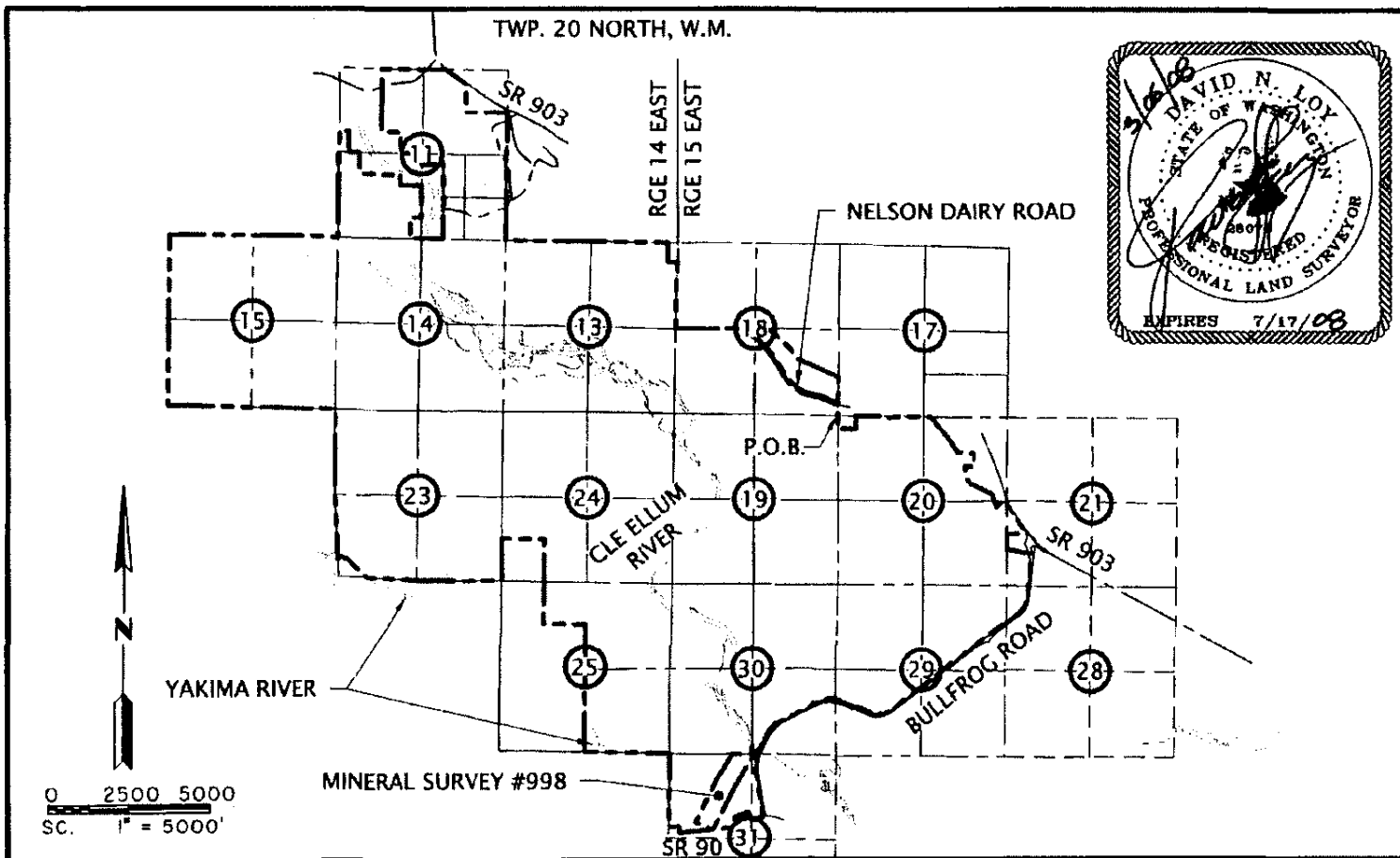
EXCEPT any portion thereof within Nelson Dairy Road.



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Page 3 of 3

Prepared by: 
Checked by: 





<p>GOLDSMITH & ASSOCIATES! Engineering - Land Use Planning - Surveying P.O. Box 3566, Bellevue, WA 98009 (425) 462-1080 FAX: (425) 462-7719</p>		SUNCADIA LLC		JOB NO: 02036
SCALE: 1" = 5000' APR: BY: RNIX PSSF: DATE: Feb 29, 2008		SUNCADIA MASTER PLANNED RESORT (MARCH 18, 2008)		1
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Exhibit F-1
Suncadia¹ MPR Conditions of Approval

1. (a) Based on the foregoing analysis, this staff report concludes that the proposal can be conditioned so as to be compatible with applicable policies and regulations and to mitigate probable significant adverse environmental impacts identified in the EIS. The subarea plan amending the Comprehensive Plan land use map, rezoning of the site, and approval of the MountainStar Resort Conceptual Master Plan (Exhibit B to the Development Agreement Relating to the Development Commonly Known as MountainStar Master Planned Resort Between Trendwest Resorts, Inc. and Kittitas County) are recommended for approval subject to the Conditions set forth below. The Conditions identified herein are based on the proposed MPR master plan and design identified in the Final EIS, and probable significant adverse environmental impacts and mitigation measures identified in the Draft and Final EISs. Pursuant to the authority provided by WAC 197-11-655(3)(b), additional conditions based on the foregoing findings and conclusions are also identified.

(b) The County shall review any proposed changes to the MPR in terms of their consistency with the significant impacts and mitigation measures identified in the EIS. As warranted, the County may require supplemental environmental review, and may impose appropriate mitigation measures, if it determines, in its sole discretion, that such additional review and/or mitigation is required by SEPA.

(c) The Conditions set forth below include numerous references to federal, state and county laws, rules, regulations, official policies, standards and specifications applicable to the development of MountainStar. All such references herein shall be governed by and construed in accordance with the vesting and Applicable Law provisions set forth in Sections 4.1(a) and 4.1(c) of the Development Agreement.

A. MASTER PLANNED RESORT CONCEPTUAL MASTER PLAN/LAND USE.

The EIS discusses adverse impacts to land and shoreline use, and the relationship of the proposal to relevant Growth Management Act and Comprehensive Plan policies relating to Master Planned Resorts, and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), the policies in Comprehensive Plan Section 2.4, Shoreline Master Program goals, policies, use regulations and environment designations, and KCC 17A, the following mitigation measures will be required.

A-1 The MountainStar Resort Conceptual Master Plan (Exhibit B to the Development Agreement) shall be used to indicate the types, general layout and densities of uses within the MPR. The MPR will be developed in phases, each of which may contain one or more subphases. Development applications for phases or subphases shall be measured against the land uses indicated on the Conceptual Master Plan. Proposed changes to the Conceptual Master Plan shall follow the procedures identified in the Development Agreement. All land uses shall be

¹ Suncadia LLC, a Delaware limited liability company, is the successor in interest to Trendwest Resorts, Inc. and Trendwest Investments, Inc., and the name of the resort has been changed from "MountainStar Master Planned Resort" to "Suncadia Master Planned Resort." All references herein to Trendwest and MountainStar shall now be deemed to mean Suncadia.

consistent with the Comprehensive Plan and Zoning Code, including any amendments adopted for the MPR Subarea Plan and Zoning District, adopted at the time of MPR Approval.

A-2 (a) Required Infrastructure and Utilities, as defined in the Development Agreement, shall be installed and completed or bonded or other financial guaranties or accommodations made for their completion prior to final plat approval of each subphase.

Infrastructure and Utilities required to serve any Phase or Division of development shall be completed concurrent with approval of occupancy of the subject Phase or Division.

(b) The phasing of projects shall be in a way that fire protection can be maintained to protect the previous phase or phases. Water supplies for fire fighting and roads must be made available at the earliest point to allow the sites to be protected. As roads and paths become the established fire department/emergency access, maps should be kept up to date, with street names posted. Each development application shall specify how it relates to the overall MPR phasing program.

A-3 The amount of land developed for specific land uses (i.e., residential, recreation) shall be as indicated in the MPR Development Application, as updated in the Development Agreement and the MountainStar Resort Conceptual Master Plan attached to the Development Agreement as Exhibit B. Specifically, the Resort may include up to: 327 hotel/lodge units; 1070 condominium units; and 3253 single family lots for a total of 4650 accommodation units. The nomenclature and criteria of Table 2-1 of the MPR FEIS no longer apply. Open space shall be governed by Conditions A-4, A-5 and A-6. Consistent with the nature of long-term master planned development projects, changes may be proposed in response to market conditions, economic/financial or conditions or for other unanticipated reasons. As noted in the County's August 8 Staff Report in paragraph 8 of its Findings, the amount of land shown in the application and Final EIS to be developed for specific land uses is considered a maximum "budget" for those uses; flexibility is intended in regard to the siting of approved land uses. Changes in the amount of land allocated to approved uses, if proposed in subsequent general site plans or site development plans, or any proposed deviation from the Conceptual Master Plan, shall be reviewed and determined based on applicable procedures in MPR Development Agreement. Any changes to the locations, type or intensity of land uses shall be consistent with applicable MPR Policies and shall be considered in the context of any minimums or maximums established by these Conditions and consistency with environmental conditions.

A-4 Open space lands within the MPR shall at a minimum include the following identified in the MountainStar EIS: Natural and Managed Lands that are retained in a substantially undeveloped state, which may include forested lands that are managed for habitat (approximately 2,700 acres); Perimeter Buffers around the perimeter of the MPR site (approximately 250 acres); Internal Buffers within the MPR site (approximately 1,300 acres); and Golf Courses (approximately 300 acres). Open space lands shall be segregated from other lands and shall be subject to a deed restriction, conservation easement or other mechanism ensuring permanent maintenance as open space. Prior to approval of the first site development plan for a phase or subphase, the applicant shall create one or more legal entities (e.g., conservation trust, homeowners associations or Trendwest management entity) which shall be responsible for maintaining open space lands on the site for their intended purpose.

A-5 Open space lands shall be managed to buffer sensitive environments from intensive development or activities; to retain and restore native plant communities and to maintain and enhance habitat; and, for developed areas, to provide an aesthetically pleasing landscape, provide habitat connections, and minimize risk of fire.

To document and achieve these landscape planning objectives, Trendwest will finalize and submit to the County for approval the existing conceptual Land Stewardship Plan and a Noxious Weed Plan for the entire MPR site prior to any construction and/or land clearing activities for the first phase or subphase of MPR development. An amendment to the Land Stewardship Plan and Noxious Weed Plan shall be submitted to the County for approval with a general site plan or site development plan for any phase or subphase of MPR development if the general site plan or site development plan is inconsistent with such Land Stewardship Plan and/or Noxious Weed Plan. Such amendments shall demonstrate how the goals and policies of the Land Stewardship Plan and Noxious Weed Plan will be implemented for the developed area in the phase or subphase of MPR development covered in the general site plan or site development plan.

The Land Stewardship Plan shall include and follow the Department of Natural Resources Backyard Stewardship Program, (Eastern Washington Type) as a model of fire prevention in the interface as a proven working program. The contents of the plan shall be as described in Plants & Animals Conditions B-23 and B-29.

A-6 Open space lands shall be retained in a substantially undeveloped state. Development which may occur shall be limited to recreational trails, golf courses, roads and utility facilities required to meet the needs of the MPR.

A-7 Lands within the geomorphic floodplain of the Cle Elum River shall remain undeveloped, except as provided herein, and shall protect the resources values and natural functions of the shoreline area. Clearing and disturbance shall be minimized. The following proposed activities may be permitted in the geomorphic floodplain, subject to submittal of appropriate development applications: non-motorized pervious trails, utilities, including a water intake, and a bridge and associated roads spanning the Cle Elum River, provided that impervious trails may be permitted on a case-by-case basis. Additional recreational facilities beyond those identified in the Final EIS, if any, shall be consistent with the Shoreline Master Program and other applicable regulations. Appropriate environmental review, or confirmation that adequate environmental analysis is contained in the MountainStar EIS, shall be conducted for any facilities located within the floodplain and all necessary permits will be obtained by the applicant.

A-8 Private Open Space as defined in the MountainStar EIS (approximately 815 acres), which includes the undeveloped portions of lots developed for housing or resort uses may, be included in the calculation of open space for the MPR provided that binding deed restrictions, and/or covenants, conditions and restrictions (CC&Rs) are adopted to limit the amount of clearing and alteration of lots or areas.

The amount of clearing on lots shall be consistent with Condition C-25(b). Single specimens of trees, ornamental shrubbery or similar plants used as plant covers, provided that they do not form

a means of rapidly transmitting fire from the native growth to any structure will be exempt.

A-9 The MountainStar Resort Conceptual Master Plan and the "budget" for land uses include two golf courses on the property. An amendment of the Conceptual Master Plan has been made by the County allowing a third golf course. Supplemental environmental review may be required as provided in the Development Agreement, subject to Kittitas County findings contained in a Planned Action ordinance for the MPR.

A-10 The Cle Elum River Corridor shown in Figure 2-2 of the MountainStar EIS shall be managed as Natural Open Space as identified in the EIS and consistent with the Land Stewardship Plan approved by the County pursuant to Conditions A-5 and B-29.

B. NATURAL ENVIRONMENT

Geology, Soils and Groundwater. The EIS discusses adverse impacts to geology, soils and ground water resources and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200 (d), Comprehensive Plan Policies GPO 2.194, 2.77, 2.78, and KCC 17A.04, 17A.05 and 17A.06, the following mitigation measures will be required.

Erosion

B-1 To mitigate and reduce sheet and channel erosion, the MPR shall employ Best Management Practices (BMPs) as set forth in the Department of Ecology's then current Stormwater Management Manual for Eastern Washington. BMPs shall include the following measures:

- (a) Source-control BMPs for cleared areas shall be applied. Surface water runoff will be directed away from exposed subgrades or into approved temporary and/or permanent stormwater conveyance systems.
- (b) Protective measures for stockpiled soils.
- (c) Temporary sedimentation traps or ponds.
- (d) Rock check dams along roadways and within drainage ditches
- (e) Silt fences shall be established along wetlands, stream and river corridors, open space areas and other sensitive areas.
- (f) Erosion control measures for stormwater discharge points.
- (g) Construction runoff shall be collected and treated by sediment ponds, turf-covered sand filters, temporary filtration or other approved methods.
- (h) Clean water entering construction areas shall not be allowed to mix with construction water.
- (i) A temporary erosion and sediment control plan (TESCP) shall be established and must be approved by Kittitas County prior to beginning major clearing and earthwork activities, including timber harvest.

When a new manual and new BMPs are adopted by Kittitas County, the MPR shall incorporate the new BMPs into the design of any previously unapproved phases of development. Variances may be considered to ensure compatibility between operational and maintenance BMPs

applicable to different phases of development.

B-2 During development, Trendwest shall implement the following erosion control measures:

- (a) Surface water and domestic discharge shall not be directed onto sloping areas or randomly daylight on the site.
- (b) All emergency overflows from infiltration ponds, or other drainage conveyance features, on slopes at grades of 5H:1V or greater shall be tightlined to the base of the slope or to an approved outfall point.
- (c) Temporary TESC and infiltration facilities shall not be used for permanent facilities.
- (d) All proposed fill soils planned for slopes steeper than 5H:1V shall be benched into the hillside and compacted.
- (e) Potential stormwater discharge from detention ponds into Stream C between approximately elevations 2,160 and 2,080 feet shall not exceed flows of 15 cfs.

Landslides

B-3 Minimum setback distances from the top of landslide hazard zones (as shown on Draft EIS Table 6-2) for structures and lined detention ponds, shall be 50 feet for Landslide Hazard Zone 3, 75 feet for Landslide Hazard Zone 2, and 125 feet for Landslide Hazard Zone 1; provided that the setbacks for Landslide Hazard Zone 2 and 3 may be reduced with grading and stormwater measures approved by a geotechnical engineer, and additional site-specific studies might be required. Setbacks for infiltration facilities and unlined detention facilities shall be determined through site-specific geotechnical and engineering analysis, and shall be subject to the recommendation of a licensed geologist, the approval by Kittitas County, and the issuance of any applicable construction permit.

B-4 To minimize landslide risks, the following additional conditions shall be implemented:

- (a) Stormwater from the site shall be collected and tightlined away from the top of Landslide Hazard Zones 1 through 3.
- (b) No fill, topsoil or other debris shall be placed over the top of Landslide Hazard Zone 1. Any fill planned for slopes steeper than 5H:1V shall be benched and compacted into the hillside.
- (c) No cuts shall be made on or at the toe of Landslide Hazard Zone 1 unless approved by a licensed geotechnical engineer and Kittitas County.
- (d) No vegetation shall be removed from Landslide Hazard Zone 1, with the exception of dead or diseased trees, unless approved by a licensed geotechnical engineer and Kittitas County. Vegetation removed from Landslide Hazard Zones 2 and 3 shall be limited to the minimum clearing needed to permit construction.

Seismic Activity

B-5 Uniform Building Code (UBC) guidelines shall be followed for siting and design of any facilities located in seismic hazard areas. Provisions for evaluating seismic issues as currently described in the draft International Building Code 2000 (IBC2000) shall be considered in design. If facilities are sited in areas prone to soil liquefaction, foundation supports shall be designed to extend deeper than the liquefiable soils. The Building and Fire Codes reference any where in

“This Document” shall reflect to the most current code/codes adopted by the Washington State Building Council and Kittitas County. This will allow buildings to be built with the most current codes applicable rather than the code at approval of the Development Agreement.

Flooding. The EIS discusses adverse impacts to lands within the 100-year floodplain of the Cle Elum River and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200 (d), Comprehensive Plan Policies GPO 2.193 through GPO 2.195, Comprehensive Plan Sections 2.2(D) and 2.2(E), Shoreline Master Program goal statements, use activity statements, environment designations and shoreline regulations, Flood Damage Prevention Ordinance 93-18, Comprehensive Flood Hazard Management Plan, and KCC section 17A.05, Critical Areas, the following mitigation measures will be required.

B-6 Consistent with the MountainStar Resort Conceptual Master Plan (Exhibit B to the Development Agreement) and Land Use Conditions identified below, only the following uses may be developed within the geomorphic floodplain: pervious non-motorized trails (except as allowed in A-7) and other recreational facilities permitted by the Shoreline Master Program; utilities, including stormwater management facilities, sewer and water facilities, and other utilities reflected in the MountainStar application and Final EIS, Appendix A; and a bridge spanning the river and the 100-year floodplain along with associated approach roads. Approval for these uses shall be contingent on review of the consistency of site-specific development applications with applicable provisions relating to flooding contained within the SMP, Flood Damage Prevention Ordinance and/or Critical Areas Ordinance, and other applicable Kittitas County regulations. Supplemental environmental review shall be required for the bridge spanning the Cle Elum River, to the extent that significant impacts of this element of the MPR are not fully addressed in the EIS for the Master Planned Resort.

B-7 Applications for any development within the 100-year floodplain, as delineated by FEMA, shall describe how any structures will be designed to protect human life and health, result in no net loss of floodplain storage, and be consistent with applicable setback provisions. The development within the floodplain requires “Floodplain development permits” for any work within the FEMA delineated area, which does not allow structures to be built within the floodway. Any development within the floodway shall result in no net loss of floodplain storage. Applications for any development within the 100-floodplain, as delineated by FEMA, shall describe how any structures will be designed to protect human life and health.

B-8 Clearing for approved development within the 100-year and geomorphic floodplains shall be limited to the minimum necessary to accommodate permitted recreational facilities and to provide access to resort lands on the west side of the Cle Elum River. The design of any approved facilities shall also ensure minimal impacts to the shoreline environment and safe operations during flood events.

Groundwater & Stormwater. The EIS discusses adverse impacts to groundwater and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies 2.194 through 2.195 and 2.210,

Comprehensive Plan section 2.2(E), and Kittitas County storm water regulations, as amended, the following mitigation measures will be required.

B-9 (a) Stormwater runoff shall be controlled according to an approved master drainage plan (MDP) that provides adequate retention/detention, promotes infiltration and provides water quality treatment. The MDP shall be prepared consistent with the standards, or functional equivalents, of the stormwater regulations referenced in these Conditions, and must be approved by the County Engineer prior to commencement of construction of MPR Infrastructure and Utilities as defined in the Development Agreement; provided, however, that this Condition does not preclude Trendwest from conducting lawful activities under its Forest Practice Application No. 2701173 approved by the Washington Department of Natural Resources.

(b) The MDP shall incorporate the following considerations and standards:

- a) Infiltration facilities shall be used to infiltrate water. Facilities shall be located within or as close as possible to the developed sub-basin which would generate the surface water runoff.
- b) For sub-basins underlain by soil having low infiltration rates, runoff shall be routed to detention facilities which discharge either to downstream infiltration facilities or to existing surface water drainage systems.
- c) Surface dispersion and infiltration through roadside ditches in the lower-density residential areas shall be used.
- d) Residential roof runoff shall be infiltrated where permeable subsurface soils are present.
- e) The surface and subsurface drainage systems for the golf courses shall utilize infiltration sumps and trenches to infiltrate water into subsurface soils.

(c) The applicant shall pay its proportionate share of stormwater design and treatment improvements needed on county roads and intersections pursuant to these MPR Conditions of Approval.

Water Quality. The EIS discusses adverse water quality impacts and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies GPO 2.193, 2.194 and 2.210, Shoreline Master Program goals, policies, environment designations and use regulations, and KCC 17A.04-17A.08, Critical Areas Ordinance, the following mitigation measures will be required.

Construction Impacts

B-10 A Temporary Erosion and Sedimentation Control Plan (TESCP) shall be prepared prior to land clearing and construction activities commencing, and as part of the stormwater pollution prevention plan accompanying any NPDES permit application required due to proposed discharges to surface waters of the state. Erosion and sediment control measures shall be as specified in the most current Department of Ecology Storm Water Management Manual for Eastern Washington. Measures shall include best management practices (BMPs) for the control of sediments and pollutants; measures for marking of clearing limits; temporary and permanent cover of exposed soils and stockpiles; silt fencing, construction entry and roadway stabilization; sediment traps and ponds; wet season construction protective measures; controlled and lined

concrete washout areas; waste disposal measures; and an accidental spill control and cleanup plan.

B-11 No earthwork shall occur between November 1 and February 28 in areas with high erosion potential. These dates may be extended by the Planning Director based on dry/wet weather conditions.

Post-Construction Impacts

B-12 The applicant shall monitor water quality as identified in the DEIS, FEIS, and these Conditions. Proposed monitoring programs shall be prepared and submitted to the County for its review and approval prior to approval of initial site development plan. The Water Quality Monitoring Program, which shall be implemented during operation of the MPR to protect water quality, shall include the following:

- (a) a groundwater monitoring program incorporating the parameters identified in the EIS; and
- (b) surface water monitoring program to measure performance of drainage system.

B-13 Additional Conditions to protect water quality include:

- (a) infiltrating stormwater after treatment, excepting some catchments immediately adjacent to Stream C;
- (b) establishing a design criterion for water quality facilities to treat approximately 91 percent of all runoff (on an average annual basis);
- (c) locating, constructing and operating gasoline and diesel fuel storage tanks and fueling areas in accordance with Ecology regulations (Chapter 173-360 WAC);
- (d) providing drainage control for maintenance areas; and
- (e) implementing BMPs for the equestrian centers, which shall include preventing outdoor use of paddocks during the wet season (October through April) and control of sediment in runoff from dirt areas.

B-14 Concurrent with submittal of an application for any site development plan that includes a golf course, the applicant shall prepare and submit for the County's review and approval, a golf course management plan that addresses protection of water quality. The plan shall include provisions regarding proposed design for fairways, greens, tees and water bodies, to ensure appropriate drainage and infiltration; integrated pest management, to reduce use of pesticides; computer controlled irrigation, to reduce water consumption; storage and handling of all chemical substances, consistent with applicable state and federal requirements; a discussion of the toxicity, mobility, persistence and risk associated with use of proposed pesticides, fertilizers, fungicides and other applications; and drainage controls and facilities, to ensure appropriate collection, treatment and release of golf course runoff. Standards shall be as specified in the Development Agreement. The storage of all hazardous materials shall follow the same guidelines as prescribed by the latest codes and regulations from various agencies. The focus on the golf course chemicals shall be part of a total plan for use, containment and disposal of all hazardous materials during construction and operation of the MPR. All chemicals on site will require MSDS sheets at site and construction main office for use in emergency situations.

B-15 All golf course fungicides, herbicides, insecticides and fertilizers shall be stored in an enclosure with a closed sump to prevent chemical release. Mixing areas for golf course chemicals shall be enclosed with concrete curbs or other means for spill containment and a closed sump or collection point.

B-16 The applicant shall prepare a golf course spill prevention and accidental spill response plan consistent with Department of Ecology requirements. Following approval by Ecology, a copy of the plan shall be submitted to Kittitas County.

Water Supply. The EIS discusses adverse impacts to water supply and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies GPO 2.210-2.215, and KCC 16.12, Subdivisions, and RCW 58.17, the following mitigation measures will be required.

B-17 As required by RCW 58.17.110 RCW 19.27.097 and by KCC 16.20.060, the applicant shall submit evidence of the availability of potable water at the time of approval for a final subdivision of land or application for a building permit.

Adequate water supply for purposes of this Condition means quality and quantity of water as required by the Department of Health and Kittitas County Health Department as defined in WAC 246-290, and RCW 43.20, 70.119A and 70.142. Appropriate conditions will be determined and imposed in connection with the County's review of those applications.

The Final EIS indicates that sufficient water to serve the MPR may be permitted by the responsible agencies and that environmental impacts can be satisfactorily mitigated. Approval of the MPR's proposed water supply is subject to decisions by the Department of Ecology and/or the Bureau of Reclamation, and the Department of Health. Those agencies will, therefore, consistent with the mandates of state and/or federal law, determine appropriate conditions that should be imposed on the approval of requested water supply actions. The MPR application and EIS contain sufficient information regarding likely sufficiency of proposed water supply alternatives, and no further conditions relating to water supply by Kittitas County are warranted at this time. However, any conditions imposed by the Bureau of Reclamation, Department of Health, or Department of Ecology shall become part of these Conditions by this reference.

B-18 In coordination with Kittitas County's Health Department, the Department of Health and Washington Utilities and Transportation Commission, the applicant shall prepare and implement a Water System Plan. The applicant shall seek review and certification of the proposed water supply system by the county health officer, who shall certify, prior to preliminary plat approval, his recommendations as to the adequacy of the proposed water supply system facilities as required by KCC 16.12.150 and RCW 58.17.110. The applicant shall obtain written approval from the State Board of Health, Office of Water, prior to any new construction of a public water system as required by RCW 70-119A-060 and WAC 246-290-125. Conditions imposed by Kittitas County on final plat approval shall also reflect the independent planning and environmental analysis being conducted for shared water and sewer facilities by the City of Cle Elum and other parties, and shall adequately mitigate identified significant impacts attributable to water service to the MPR.

B-19 The applicant shall prepare and implement a program of water conservation as part of the project's water system plan approved by the Department of Health and as required under RCW 90.03.005 and 90.54.020(6). Water conservation measures shall be included in the design and irrigation of proposed landscaping and golf courses; plumbing fixtures and building design. The applicant shall equip residential units with water saving devices meeting at least the minimum guidelines established in the Conservation Planning Requirements, Guidelines and Requirements for Public Water Systems Regarding Water Use Reporting, Demand Forecasting Methodology, and Conservation Programs, July, 1994, as revised. Any conditions imposed by the Bureau of Reclamation, Department of Health, or Department of Ecology related to water conservation shall become part of these Conditions by this reference.

B-20 Trendwest shall ensure that all necessary transfers/exchanges of water rights shall be in place, and that water and wastewater facilities shall be completed or bonded, prior to final plat approval or issuance of a building permit. Phasing of water transfers/exchanges and water and wastewater facilities may be allowed.

B-21 Trendwest shall ensure that legal water rights have been obtained and are in force in accordance with the Department of Ecology before supplying potable water supplies to the development.

B-22 Trendwest shall ensure that the Department of Health Drinking Water Division has approved any "Group A" source of potable water in accordance with 246-290 WAC or as amended.

Plants and Animals. The EIS discusses adverse impacts to plants, wildlife, wetlands and fisheries and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies GPO 2.193-2.195, and GPO 2.86-2.91, and KCC 17A.04 and 17A.07, the following mitigation measures will be required.

Plants

B-23 Native plant species shall be used in landscape plantings in developed areas, and to revegetate cleared but open areas, including rights-of-way along MPR roads. A program to control the introduction or spread of noxious weeds or invasive species, using chemical and/or biological means, shall be developed by a professional forester in consultation with the Kittitas County Weed Coordinator, and shall be reviewed and approved as part of or in conjunction with the Land Stewardship Plan pursuant to Conditions A-5 and B-29. The revegetation of open areas and disturbed areas shall be in conformance with the Land Stewardship Plan. Such Land Stewardship Plan shall include provisions relating to: (a) revegetating open and disturbed areas with use of low growing, perennial grass species close to native or cultivars of native species; and (b) using drought resistive species to minimize the risk of transmitting fire. These Conditions shall be addressed by the applicant through adoption of the Land Stewardship Plan and through general site plans or site development plans, and through restrictive covenants applicable to subdivisions and lots.

B-24 Remaining stands of unthinned mature forest habitat within development areas shall, to the extent feasible, be retained and incorporated within open space areas. Any forest management activities within these areas shall comply with applicable local, state, and federal rules and regulations, and with the Land Stewardship Plan adopted pursuant to Conditions A-5 and B-29.

B-25 The potential for salvaging and/or retaining native plants, where feasible and practical, for revegetation of open and disturbed areas shall be considered and addressed through the adoption of the Land Stewardship Plan pursuant to Conditions A-5 and B-29.

Wetlands

B-26 Pursuant to the wetland replacement ratios in the Kittitas County Critical Areas Ordinance, the applicant shall create 1.25 acres of wetlands as compensation for the filling of 0.65 acres of wetlands 18, 36 and 38. Impacts to wetland buffers identified in the EIS shall be mitigated through a combination of buffer width averaging, buffer enhancement and buffer restoration. Site development plans shall attempt to avoid or further reduce these wetland impacts, and impacts to wetland buffers, through realignments of roads or trails, or through use of retaining walls. The applicant shall submit, concurrent with any site development application for a development phase or subphase resulting in wetland fill, a detailed wetland mitigation plan for review and approval by the Kittitas County Planning Director. The mitigation plan shall include the design of proposed mitigation, a monitoring program, and a contingency plan in the event the mitigation is unsuccessful, and a performance bond.

B-27 Any additional wetlands identified during site planning or development shall be classified and delineated by a qualified biologist. Impacts to newly identified wetland functions and values shall be documented and suitable mitigation measures shall be approved by Kittitas County and implemented by the applicant.

Wildlife

B-28 Open Space shall be provided in the MPR consistent with the terms and conditions of the Development Agreement.

B-29 The applicant shall prepare and submit to Kittitas County for approval a Land Stewardship Plan which identifies an overall management framework and wildlife habitat goals and objectives and for the MPR site. The Plan shall also describe the means that the applicant will investigate and implement to achieve wildlife/habitat objectives.

- (a) The Plan may propose differing management objectives for varying portions of the site, based on planned resort activities, habitat value and other considerations. Preparation or implementation of the Plan may include creation of management entities and/or advisory bodies. The Plan shall address how the applicant proposes to consult and coordinate with federal, state and tribal agencies with expertise.
- (b) The Plan shall be submitted and approved consistent with Condition A-5.

(c) The Plan shall consider the potential for achieving a goal of no net loss of elk forage habitat. This shall include a discussion of the implications and habitat trade-offs involved in emphasizing elk habitat relative to other habitat. In considering the goal of no net loss of elk forage habitat, consideration should be given for increasing the quality of such habitat in Managed Open Space areas to compensate for the unavoidable loss of elk habitat in developed areas.

(d) The Plan shall follow the guidelines of:

- The Department of Natural Resources, Backyard Stewardship Program (Eastern Washington Type)
- Recommendations for Fire Safety and Prevention of Forest and Rangeland in Kittitas County including Rural, Commercial and Private Developments as updated March 1999 by the Kittitas County Fire Co-op, a committee of the Kittitas County Fire Chief's Association.

These guidelines shall be used to protect the wildfire interface area, which is being developed. These are proven useful tools in fire protection.

B-30 Except as may otherwise be specifically approved by the BOCC, hunting and the use of firearms shall be prohibited on the MPR site. "Hot hunts" may be permitted if requested by Trendwest and deemed necessary by the Washington State Department of Fish and Wildlife to protect life and property.

B-31 Public access to salmon spawning areas of the Cle Elum River shall be restricted during the spawning period. These areas shall be identified through consultation with the appropriate state, tribal, and federal entities. Public access shall also be controlled where habitat enhancement activities would be undertaken.

B-32 Motorized vehicle use shall be prohibited in the Cle Elum River Corridor, except at the approved bridge and road crossing and for maintenance and public safety purposes.

B-33 Interpretive and educational materials regarding the range and sensitivity of wildlife on the MPR site, including information about potential conflicts with elk, shall be developed by the applicant, made available to resort visitors and/or posted in suitable locations on the property. At the interpretive areas and trail heads, points where telephone service is not readily available, communication devices of a type able to request emergency services shall be placed to allow the users of such devices to be able to call for help. Without such communications wildfires will have a chance to grow to a size that could endanger lives.

B-34 Trail ends and overlooks shall be located, through consultation with appropriate state, tribal, and federal entities, away from salmon spawning areas or otherwise designed to allow viewing without disturbance to wildlife using the river.

B-35 Existing snags and downed woody debris within the Cle Elum River Corridor shall be retained within natural open space areas. Further, large woody debris may be added to areas where natural recruitment is shown to be inadequate.

B-36 Use of trails by cross-country skiers shall be restricted in areas identified as moderate or high use area by winter elk. Winter use of hiking trails in the river bottom area that is used by elk in winter shall be restricted.

Fish

B-37 Best management practices shall be implemented to control sediment and contaminants from entering or impacting aquatic resources.

B-38 Bank armoring in connection with construction of recreational or utility facilities in the shoreline shall be limited to the minimum necessary to protect such facilities from potential flood damage and comply with all applicable county regulations.

B-39 To maintain future recruitment of large woody debris, any trees that must be removed within the floodplain shall be dropped and left on the ground. Cutting of firewood within the floodplain shall be prohibited.

B-40 Public access to the Cle Elum River for fishing or other recreational activities shall be managed to protect fish, fish habitat and the resources of the shoreline. If proposed, specific design and use of new access areas shall conform to the requirements of the Kittitas County Shoreline Master Program.

B-41 Managed access to the Cle Elum River shall continue consistent with the terms and conditions of the Development Agreement. Prior to occupancy of the proposed hotel, the applicant shall submit a plan for the County's review to manage recreational access to the river. This should include consolidation and management of access points and may propose improvement of trails and other facilities, consistent with the requirements of the Kittitas County Shoreline Master Program. Access areas shall be defined and clearly mapped in cooperation with federal, state and tribal agencies with expertise.

Air Quality. The EIS discusses adverse impacts to air quality and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), and Comprehensive Plan Policy 2.194 and Section 4.3(B), the following mitigation measures will be required.

B-42 Wood burning stoves shall be limited to common areas in the resort lodges, conference facilities and similar spaces. No stoves or wood burning devices shall be installed in individual resort units. The restriction of wood burning stoves shall be included to all privately owned units including the single-family residences. This would allow the fire prevention to be implemented from the highest standards and through out the MPR thus lowering the need for fire department response to wood stove related problems and also the problem of wood storage in a wildfire interface area.

Wood storage in the wildland interface area presents a problem of possible fire encroachment into the woodpiles and the radiant heat produced enhancing the fire front and making protecting

the building impossible. In general, people have their wood storage very close to the building being heated.

B-43 Development management practices shall include using well-maintained construction equipment and trucks to reduce emissions. Prolonged periods of vehicle idling and engine-powered equipment shall be avoided. Development Management Practices shall include the following fire safety items:

- (a) All construction and maintenance vehicles on site shall have the industrial fire safety equipment, which includes a fire extinguisher, shovel, and spark arrestor/muffler and other specific per application.
- (b) All smoking shall be controlled in prescribed smoking areas.
- (c) Open flame/spark emitting shall follow the WA State DNR Industrial Precautions.

Any exception of these will be examined on a per case basis by the Fire Chief of the Fire District, Department of Natural Resources and the Kittitas County Fire Marshal.

B-44 During construction, areas of exposed soils shall be sprayed with water or other dust suppressants. A program and schedule for road sweeping shall be submitted concurrent with submittal of an application for the first phase or subphase of MPR development. Cleared area that will be exposed for prolonged periods shall be paved, planted with a vegetation ground cover, or covered with gravel. Truck wheels shall be washed before exiting the site onto local roads. Trucks transporting dusty materials shall be covered.

B-45 Burning of land clearing debris shall be consistent with the County Solid Waste Plan, Fire Protection regulations, and as conditioned by WAC 173-425-030 or otherwise permitted in accordance with the County-approved Land Stewardship Plan.

Noise. The EIS discusses adverse noise impacts and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), and Comprehensive Plan Policy 2.194 and Section 4.3(B), the following mitigation measures will be required.

B-46 Construction activities shall be limited to daytime hours. For the months of November through February construction activities shall be limited to 8:00 AM to 6:00 PM and for the months of March through October to 7:00 AM to 8:00 PM. During the summer months, these may be amended to reflect those hours prescribed by the WA State Department of Natural Resources Industrial Fire Precautions as to hours start and completion per precaution level. In "Hoot owl" level operations it is permissible to work 8 PM to 1 AM to lessen the fire danger. Working outside of the prescribed work hours should be an option with each case being looked at and reviewed by Kittitas County Planning Department as an Administration Decision.

B-47 Construction management practices shall minimize noise by using properly sized and maintained mufflers, engine intake silencers and engine enclosures, and requiring that idle equipment be turned off. Construction contracts shall specify that mufflers be in good working

order and that engine enclosures be used on equipment when the engine is the dominant source of noise.

B-48 Stationary equipment shall be placed as far away from sensitive receiving locations as possible whenever construction occurs within 100 feet of a site boundary. Where this is infeasible, portable noise barriers shall be placed around the equipment with the opening directed away from any sensitive receiving property.

B-49 Use hydraulic or electric models for impact tools, such as jackhammers, rock drills and pavement breakers, to reduce construction and demolition noise. Require operators to lift rather than drag materials wherever feasible.

B-50 Construction in MPR subphases directly adjacent to the Roslyn Memorial Gardens Cemetery shall be scheduled so as to abstain from construction tasks during burials and any scheduled memorial events.

Mine Hazards. The EIS discusses adverse impacts related to mine hazards and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies GPO 2.186-2.187 and GPO 2.81-2.83, and KCC 17A.06.030, the following mitigation measures will be required.

B-51 Mine entries, adits, shafts and existing sinkholes shall be permanently sealed using a controlled backfill and/or grouting, or an approved engineered seal.

B-52 Shallow prospect pits shall be backfilled to the surface using controlled backfill. Surface drainage shall be diverted away from existing sinkholes and prospects.

B-53 Prior to any development in areas identified as high coal mine hazards, sites shall be evaluated by direct subsurface exploration to demonstrate that mine workings either do not exist, or that the workings have fully collapsed so that there is no remaining potential for sinkhole development. Alternatively, a geotechnical report, prepared by a licensed geologist/engineer, may demonstrate that the hazards associated with any voids can be fully mitigated by backfilling, grouting, or other approved means such that the potential for sinkhole development is eliminated.

B-54 No development shall be permitted over workings where surface or subsurface studies indicate the presence of combustion in the underlying seam or seams.

B-55 Prior to development in low coal mine hazard areas, additional geotechnical study shall be conducted to evaluate the effects of regional ground subsidence, including vertical subsidence, ground tilt, and ground strain. Buildings, roadways, storm drainage systems, and underground utilities could be designed and constructed to accommodate the maximum tilts and strains expected.

B-56 Existing piles of mine waste rock shall remain undisturbed. No structures shall be constructed on areas of mine rock fill.

C. BUILT ENVIRONMENT

Land Use. See Conditions under the heading MountainStar Resort Conceptual Master Plan/Land Use.

Transportation. The EIS discusses adverse impacts to transportation facilities and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies 2.217-2.221, Comprehensive Plan sections 4.3, 4.4 and 4.8, and Kittitas County Code Title 12 road standards, the following mitigation measures will be required. In addition, because of the lengthy build out of the proposed resort and the limitations on precise traffic impact predictions when dealing with such long time frames, the mitigation measures include ongoing traffic monitoring requirements to be set out in a Transportation Monitoring Program, presently dated May 3, 2005 (for purposes of this Transportation Section only, the "Effective Date" as used in this Section) as amended from time to time (the "TMP") to better evaluate the predictions made in the EIS and to provide for adjustments to required mitigation and/or its timing, or possible new mitigation measures, if determined necessary to mitigate probable significant adverse impacts of the resort development identified in that subsequent monitoring.

C-1 On-site Transportation Improvements. The applicant shall be responsible for all of the costs associated with the design and construction of all of the on-site transportation improvements necessary to serve the MPR development. Those specific improvements required to serve any particular phase or subphase shall be imposed as conditions of approval of the site development plan and/or preliminary plat for that particular phase or subphase and shall be constructed prior to final plat approval of any phase or subphase or occupancy, whichever is applicable and occurs first. All on-site roads shall be approved by Kittitas County, privately constructed to Kittitas County road standards, as specifically modified by the approved Development Agreement Exhibit J and shall be maintained by the applicant. The applicant shall identify one or more entities (e.g., corporation, homeowners association or other entity) that shall be legally and financially responsible for maintenance of on-site roads. The applicant shall remain responsible until the applicant proposes and the County approves an alternative entity as described in the transfer of obligations section of the Development Agreement.

C-2 MPR Access Improvements. The applicant shall be responsible for all of the costs associated with construction of new intersections with existing County, state and private roads that are constructed for the purposes of providing access to the resort, including, but not limited to any signage or signalization at those accesses, if determined necessary based on the results of traffic monitoring. All such accesses shall include left turn lanes, if warranted. Right turn radii and taper improvements shall be incorporated in the initial design of these entrances to anticipate future needs. Other MPR access improvements as shown on the MountainStar Resort Conceptual Master Plan approval shall be constructed consistent with Exhibit J of the Development Agreement, as amended, and imposed as conditions of approval of the site development plan and/or preliminary plat for that particular phase or subphase requiring the access.

C-3 Signal at Bullfrog Entrance. (Intentionally deleted)

C-4 Bullfrog/SR 903 Intersection. (Intentionally deleted)

C-5 Baseline Traffic Volumes and Initial Annual Background Growth Rate Assumption. The applicant shall conduct traffic volume monitoring on August 25 through September 4, 2000, to determine a baseline traffic volume for purposes of calculating proportionate share. Once this baseline traffic volume data has been collected, it shall be compared to the traffic volume data from the MPR-FEIS, collected in 1997, to determine an the Initial Annual Background Growth Rate Assumption, which will be used in calculating proportionate shares for all traffic impact mitigation assessed on site development plans and/or preliminary plat applications filed within 5 years of the date of this MPR approval, the "Effective Date," as defined in the Development Agreement. The Initial Annual Background Growth Rate Assumption ("IBG") shall be calculated as follows:

$$RBG = \left(\sqrt[3]{\frac{TV_{2000}}{TV_{1997}}} - 1 \right) \times 100\%$$

RBG = initial background growth rate

RBG_{rev} = revised background growth rate after year 5

TV_x = total volume in year x

BV_x = background volume in year x, defined as TV_x - MPRV_x

MPRV_x = master planned resort volume in year x

If the resulting Initial Annual Background Growth Rate Assumption is substantially different than that identified in the MPR-FEIS, then additional evaluation of an appropriate Initial Annual Background Growth Rate Assumption shall be completed by the County for determining proportionate shares.

C-5A Revised Annual Background Growth Rate Assumption. After the first five years of traffic impact mitigation proportionate share calculations based on the Initial Annual Background Growth Rate Assumption determined in Condition C-5, the annual background growth rate assumption shall be revised based on information provided in the monitoring reports required pursuant to Condition C-17. This revised rate shall be calculated for each intersection or road segment monitored based on the change in background traffic at that location over the previous 5 years. The Revised Annual Background Growth Rate ("RBG") shall be recalculated as follows:

$$RBG_{rev} = \left[\frac{1}{5} \sum_{x=1}^5 \left(\frac{BV_{x-1}}{BV_x} \right) - 1 \right] \times 100\%$$

This Revised Annual Background Growth Rate Assumption shall then be applied to determine the County’s share of any off-site traffic mitigation required as conditions of approval of any site development plan and/or preliminary plat application filed after the first five-year period.

C-6 Proportionate Share. The applicant shall be responsible for its proportionate share of any off-site traffic improvements described in Condition C-9, including any additional mitigation measures for off-site improvements identified through the monitoring program described in Condition C-17. Proportionate Share shall be calculated as follows:

- a. First, the Projected Added Traffic Volume for the intersection or road segment shall be calculated by subtracting the baseline traffic volume determined by the traffic counts required by Condition C-5 from the total amount of traffic that is projected to be using the road segment or intersection when the proposed phase or sub phase of the resort development has been constructed and occupied. This projection must include both any Background Growth projected as well as any traffic projections from the proposed phase or sub phase of development based on the method of traffic projection in the EIS as may be modified based on the results of monitoring. Summer weekend PM peak hour (Friday afternoon through Sunday evening) shall be the time period used for measuring and projecting traffic volumes.
- b. Second, the Added Traffic Volumes shall be divided into an MPR share and a County share. The County’s (or public) share shall be the Annual Background Growth Rate Assumption described in Conditions C-5 and C-5A, multiplied by the number of years between the date of this MPR approval (the “Effective Date”, as defined in the Development Agreement) and the year in which the particular traffic improvement is projected to be necessary to maintain the required level of service described in Condition C-14. That Annual Background Growth Rate Assumption shall be determined as described in Conditions C-5 and C-5A. The applicant’s share shall be the difference between the County share and the Total Added Traffic Volume.
- c. Third, these resulting percentages for the County and the Applicant shall then be applied to the total cost of the necessary improvements, including all costs to plan, design, review, permit, obtain funding, inspect and construct the improvement. All identified off-site traffic improvements for which there is identified a public share shall be incorporated, whenever possible, into the County’s Six-Year Transportation Improvement Program to prioritize improvements generally consistent with projected growth and proposed development of the MPR and to make use of available public funding sources. The MPR proportionate share shall be calculated as follows (see also Table A for illustrative purposes only):

$$MPR_{share} = \left(\frac{MPRV_x - MP RV_{x-1}}{TV_x - TV_{x-1}} \right) \times 100\%$$

if $TV_x - TV_{x-1} \leq 0$, then $MPR_{share} = 100\%$

C-7 Concurrency. If the existing and projected traffic from a particular phase or subphase of development being reviewed for site development plan or preliminary plat approval will cause the level of service on affected intersections or road segments to fall below the accepted level of

service described in Condition C-14, and if the necessary improvement is one for which the applicant is only required to pay a proportionate share, as opposed to the full share, and if at the time the applicant proposes to construct and occupy the phase or subphase of development, there is not sufficient public funds available to provide the required public share, the applicant may elect to pursue one of two options:

- a. either the applicant can agree to wait to construct the phase or subphase until public funds are available for the public share of the required transportation improvements; or
- b. the applicant can elect to pay the public share of required transportation improvement and proceed with the phase or subphase. If this option is selected, the County agrees to then consider adoption of such procedures as are legally available to develop a reimbursement mechanism, such as Local Improvement District, latecomers' agreement, or other legal reimbursement mechanism whereby other property owners who develop their property beyond existing uses and benefit from such improvements at a later date will be charged a fair pro-rata share of the cost of such improvements from which they are then benefiting and from which the applicant can then be reimbursed for its payment of the public share of such improvement. Nothing in this section shall be construed to require the County to agree to the establishment of an LID, a latecomer's reimbursement or other legal reimbursement mechanism unless and until the County has complied with all of the constitutional and statutory requirements for consideration of such mechanisms, and then only if the County determines, in its sole discretion, that establishment of the reimbursement mechanism is consistent with those requirements.
- c. If the applicant provides the County with a proposed schedule of MPR development and the resulting offsite traffic mitigation measures for which they expect there to be a County share, The Public Works Department shall include all projected County shares of those off-site traffic improvements in its proposed 6-year capital improvement program, so that the County can plan for funding within that 6-year timeframe.

C-8 Grants and Local Match. Any portion of the improvement costs that may be funded by federal and/or state grants shall be applied to the County's share of the improvement first. The applicant's share of the improvement cost (or a portion thereof) shall be used to pay the "local match" portion of any grants. If the total grant amount exceeds the County's proportionate share of the improvement cost, that excess portion of the grant shall be applied to reduce the applicant's proportionate share of the improvement cost.

C-9 Offsite Improvements. Subject to the provisions of Condition C-6, Proportionate Shares, the following offsite traffic improvements shall be required, at approximately the thresholds of development indicated. These improvements shall be imposed as conditions of approval of the site development plan and/or preliminary plat or binding site plan for that particular phase or subphase that includes the threshold of development indicated for the particular improvement and shall be constructed prior to final plat or binding site plan approval or occupancy, whichever is applicable and occurs first. As described in more detail in Condition C-17, based on the results of the monitoring program, the County may modify traffic improvement mitigation measures at these or other intersections or road segments or may adjust the timing of these offsite mitigation measures if the results of the monitoring justify such changes.

- a. First and Oakes. As a condition of the approval that contains the 1,000th MPR Accommodation Unit, install northbound and southbound left turn pockets on Oakes Street at its intersection with First. The need and timing for a traffic signal at this intersection shall be determined through the monitoring program described in Condition C-17. The parties contemplate that construction of this improvement will require cooperative implementation between Kittitas County, the City of Cle Elum and the applicant.
- b. I-90 EB Ramps and SR 970. As a condition of the approval that contains the 2200th MPR Accommodation Unit, convert the eastbound stop to a southbound stop or all-way stop. The parties contemplate that construction of this improvement will require cooperative implementation between Kittitas County, WSDOT and the applicant.
- c. Traffic Signal at Bullfrog and SR 903. The need and timing for a traffic signal shall be determined through the monitoring program described in Condition No. C-17. The parties contemplate that construction of this improvement will require cooperative implementation between Kittitas County, WSDOT and the applicant.

C-10 County Review Costs. All County Public Works Department costs for labor, equipment, materials and overhead, including any costs associated with additional staff and/or outside consultants (including development review, in-house design, construction inspection, etc.,) shall be included in determining the total cost of the particular improvement. These costs shall either be paid 100% by the applicant, if related to the improvements for which the applicant is fully responsible or paid by the County and the applicant based on the proportionate shares of the improvement determined as described in Condition C-6. The County Public Works department shall, for each improvement, provide the applicant with information that identifies the expected hourly rates and other costs that are anticipated for the particular improvement as part of the Department's comments on the particular site development plan or preliminary plat application.

C-11 Mapping and Addressing. The applicant shall provide to the County all mapping and addressing of the MPR development in a form consistent with the County's existing addressing system and in such GIS or other database format requested by the Public Works Department, consistent with how such information is maintained by the Department. Applicant shall provide City and zip code information for the entire MPR site before final approval of the first phase or subphase.

C-12 Public Use of On-Site Trail and Road System. The MPR trail and road systems are private facilities, a portion of which the applicant will invite the public to use on a limited basis. These trail and road systems may be designed to connect to existing off-site public trails and roads where appropriate. The design of roads shall include necessary safety measures to address trail crossings and road intersections of County, State, and private roads, in conformity with Attachment J of the Development Agreement. In keeping with the general character of a Master Plan Resort, access to those portions of the resort that include visitor oriented amenities and recreational opportunities will be generally open to public access. Other portions of the resort property, however, may be permanently restricted from general access. Nothing in this Condition is intended to constitute a grant or dedication of rights to the public. The applicant may make and enforce reasonable regulations and restrictions relating to the use of the MPR's trails and roads, including, but not limited to, the following purposes:

- a) To ensure an atmosphere compatible with the purpose of a destination resort;
- b) To protect usage rights and property rights of resort guests and property owners;
- c) To promote orderly management and use of the resort property;
- d) To protect habitat, wildlife and the natural features of the property;
- e) To assure conformity with the conditions of the MPR approvals, stewardship plan, and all other resort management plans and governing documents;
- f) To ensure public safety;
- g) To prevent prescriptive easements;
- h) To satisfy pre-existing easements or access rights.

These regulations may also include closures, restrictions and requirements on access consistent with the operation of a Master Planned Resort. Any closures or restriction shall not prevent or hinder access necessary for emergency vehicles and shall be equipped with compatible OPTICOM or equivalent emergency vehicle access devices.

All public use may be structured by the applicant as a limited license to use certain MPR trails and roads subject to resort regulations. The applicant, as property owner, shall continue to have the right to enforce its regulations in a reasonable manner; and, at its sole discretion, determine cases of revocation of this limited license to use its property.

The applicant shall observe all valid, pre-existing easements and access rights and may provide alternate routes or entry points for pre-existing access rights, all as otherwise allowed by law.

If monitoring of off resort recreation impacts by resort guests indicates a need for mitigation, credit shall be given for the recreational usage on the resort so long as it is made available to the public.

The County Public Works Director shall review the MPR road system and any restrictive gates at the time of subdivision application and shall determine the conformity of such application with the above Conditions, Attachment J of the Development Agreement, and public safety requirements.

C-13 Snowmobile Use. The applicant may allow snowmobile use for limited purposes on selected routes within the MPR. These routes will be selected and identified only to allow guests and residents of the MPR to exit the property at certain points to off-site snowmobile trails and roads. The equestrian center located in planning area 7 may serve as a snowmobile staging area and/or snow park and an access to off-site areas where snowmobile recreational use is allowed. It is generally the intent of the applicant not to allow on-site snowmobile use, and the applicant shall have the right to implement rules and regulations to control or prohibit snowmobile use consistent with this Condition.

The applicant will co-operate with local and state and federal agencies and organizations to identify a mutually acceptable route to connect to snowmobile areas of the Teanaway and Cle Elum ridge with the areas of Easton Ridge west of the MPR property.

To the extent snowmobiles are allowed to be used on MPR property, they shall be required to be appropriately muffled and licensed and be operated in a safe manner. Speed limits for snowmobiles shall be in effect and appropriately signed and noticed. Snowmobile use shall be prohibited on road surfaces used for vehicular traffic.

C-14 Level of Service. For purposes of determining when traffic improvements are necessary to mitigate a significant impact to level of service, all traffic Conditions, traffic monitoring and future traffic assessments shall use the summer weekend PM peak hour volumes and, at intersections, shall evaluate both the average intersection level of service drop and the worst lane or movement level of service drop to determine if improvements are required. The County shall use the LOS standard from the 1998 Kittitas Comprehensive Plan (LOS D for urban areas and LOS C for rural areas) for all subsequent actions. Bullfrog Road is currently classified as a rural major collector, requiring LOS C.

C-15 Traffic Signals and Fire/EMS Service. At the point that the LOS requires adding a traffic signal or signals in the Upper Kittitas County, the applicant shall outfit the Fire/EMS vehicles that respond to the MPR and shall equip the traffic signal(s) with appropriate OPTICOM, or other similar equipment or system that is determined appropriate by the County for the safe movement of Fire/EMS equipment through congested intersections.

C-16 Construction Impacts. Prior to commencement of any clearing, grading or other construction activity on the site, the applicant shall provide a video inventory of the existing condition of all transportation routes anticipated to be used by MPR construction traffic, including those located within municipal corporate limits. In conjunction with the site development plan for each phase and subphase of MPR development the applicant shall prepare and submit a construction traffic management plan to the County Road Engineer for approval. This plan shall include, at a minimum, the following:

- a. an update of the video inventory of existing road conditions, if necessary;
- b. the projected number of daily truck trips over 40,000 pounds gross vehicle weight (GVW);
- c. the route between the MPR and local origins/destinations or Interstate 90 to be taken by these construction vehicles making multiple trips for the same purpose;
- d. the type, quantity and duration of temporary traffic controls proposed to ensure that employee and construction truck and equipment traffic is directed on routes and to site entrances that are consistent with any adopted truck haul routes and that otherwise minimizes impacts to existing traffic, road facilities and MPR visitors and residents;
- e. the proposed method to evaluate road conditions shall be consistent with the County's pavement management system after completion of construction to identify any construction-related repairs that must be provided;
- f. any other information the Public Works Department reasonably deems necessary to meet County standards for construction activities on public roads.

A copy of these construction traffic management plans shall be provided to WSDOT and any City or Town through which construction traffic is proposed to be routed for review and comment prior to County approval. The County shall make a decision on appropriate

construction traffic management and mitigation based on any input received from WSDOT and any City or Town. Restoration shall be in accordance with Kittitas County Code, as amended.

C-17 Monitoring Program. On or before June 1, 2001, the applicant shall submit for approval by the County a comprehensive transportation monitoring program to document MPR-generated traffic, background growth-generated traffic and any cumulative traffic impacts from UGA or other significant development and to provide regular and current traffic condition information upon which to base traffic mitigation requirements for all future development approvals for the MPR. This monitoring plan must be approved by the Public Works Department prior to any additional site development plan approvals, or plat approvals after the June 1, 2001 submittal. The monitoring program is intended to provide information both to confirm the appropriate timing and scope of those traffic mitigation measures identified specifically in these Conditions, as well as to establish a mechanism to identify any other unforeseen MPR traffic related impacts that require additional mitigation.

- a. The monitoring program shall provide for annual monitoring, unless the Director of Public Works and the applicant approve an alternate frequency for some or portions of the monitoring requirements.
- b. The monitoring program shall include some method of phasing site development approvals and/or preliminary plat approvals such that any additional mitigation measures determined necessary based on this monitoring program can be imposed as conditions of approval of subsequent phases or subphases of site development plans or preliminary plats.
- c. All costs associated with preparation of the monitoring program, as well as its implementation and data assessment, including but not limited to the costs incurred by the County to review and analyze the monitoring information shall be borne in full by the applicant.
- d. The applicant and the County shall solicit comments from WSDOT, the Town of Roslyn, the Town of South Cle Elum and the City of Cle Elum (hereinafter, "WSDOT and the Cities") on the scope of the monitoring program prior to its approval by the County and its implementation. The County will make a decision on the scope of the monitoring based on any input received.
- e. At a minimum, the monitoring program shall include documentation of traffic volumes for Labor Day weekend and the week and weekend prior to Labor Day at the following locations:
 - i. all proposed MPR accesses to public roads
 - ii. Bullfrog Road/I-90 interchange, including evaluation of queues exiting I-90
 - iii. Bullfrog Road south of its intersection with SR 903
 - iv. Bullfrog Road north of its intersection with the I-90 westbound ramps
 - v. SR 903 east and west of the intersection at Bullfrog Road.
 - vi. The intersection of SR 903 and Pennsylvania Avenue in Roslyn.
 - vii. The intersection of First and Oakes in Cle Elum
 - viii. The intersection of First and South Cle Elum Way in Cle Elum
 - ix. The intersection of Second (SR 903) and South Cle Elum Way in Cle Elum.
 - x. Such other intersections or road segments that the Public Works Department can demonstrate are expected to experience or are experiencing a potential significant

- increase in traffic volumes above year 2000 baseline volumes identified in Condition C-5.
- f. The scope shall also include monitoring of non-holiday summer weekend parking demand in Roslyn and Cle Elum. In addition, local travel patterns of MPR guests will be documented through periodic origin/destination surveys. MPR trips shall be identified as those trips that cross an MPR boundary.
 - g. The monitoring program shall also include a method to reevaluate the background growth assumptions as described in Conditions C-5 and C-5A.
 - h. In addition to the traffic volume monitoring described in subsection (e), the monitoring program shall also include proposed methods to monitor the following potential traffic-related impacts:
 - i. a comparison of the historic road operation and maintenance needs and associated costs prior to MPR construction and development as compared to current road operation and maintenance needs and associated costs (including methods such as review of pre- and post-development pavement management system costs) and the extent to which projected increased revenues from the MPR development are sufficient to cover such increased costs. This assessment may be included either as part of the traffic monitoring program, or as part of a separate fiscal impact monitoring program conducted for government facilities and services more generally;
 - ii. an evaluation, based on accepted guardrail warrant and/or other safety standards, of whether the increased traffic volumes warrant installation of guardrails and/or other safety improvements along portions of Bullfrog road;
 - iii. the need for road segment capacity improvements or new road segments related to MPR traffic at locations other than the intersections previously identified.
 - iv. whether increased traffic volumes or the size or amount of construction traffic related to the MPR development requires improvements to the Cle Elum River Bridge on Bullfrog Road, based on accepted bridge rating standards.
 - v. the increase in airplane use of existing airport facilities (Bowers Field and the Cle Elum airport) by MPR visitors to determine whether MPR visitors are generating a need for facility improvements to accommodate increased aircraft use.
 - i. The monitoring program shall also include a periodic assessment of the pedestrian and vehicular safety at the Cle Elum-Roslyn School campus on SR 903, and shall require mitigation if determined necessary to meet accepted school safety standards. This assessment shall include input from the School District on both the methodology and the results.
 - j. The baseline monitoring information described in Condition C-5 shall be collected on August 25 through September 4, 2000. Subsequent deadlines for monitoring shall be established in the comprehensive traffic monitoring program to be adopted by the County.
 - k. Each required monitoring report shall include, at a minimum, the following information:
 - i. results of any traffic counts
 - ii. development status of the MPR (approved units and occupancy)
 - iii. comparison of MPR development and traffic counts to MPR-FEIS forecasts
 - iv. identification of completed and planned road improvements

- v. identification of intersections or road segments that are approaching Kittitas County LOS standards
 - vi. the results of any of the other monitoring elements beyond traffic volumes that are identified in this Condition or required by the approved monitoring plan
 - vii. recommendations on any changes to the timing or type of traffic mitigation proposed, to maintain acceptable LOS, consistent with accepted transportation planning and engineering practices.
 - viii. Additional information as may be required by Director of Public Works, based on the results and recommendations of previous monitoring reports.
- l. Trendwest, WSDOT and/or the Cities shall receive a copy of any monitoring report that addresses traffic within their jurisdiction and be provided an opportunity to comment. The County shall make a decision on the results of the monitoring program, including any decision to modify any of the traffic mitigation after consideration of input received.

C-18 SR 903 Study. On or before September 30, 2002, the applicant shall study the traffic operations for the segment of SR 903 between Bullfrog Road and Morrel Road, just west of Ronald. The focus of this would be to identify potential improvements to this road segment consistent with goals identified in a community planning process. The scope of this analysis shall first be submitted to WSDOT and the City of Roslyn for review and comment, and opportunity should be given for public comment on this scope prior to commencement of the study or implementation of any recommendations.

C-19 Evaluation of Shuttle Service. Not later than occupancy of 2500 MPR units, the applicant shall investigate the feasibility of operating a shuttle service between Roslyn, Cle Elum and the MPR as a means to reduce MPR generated traffic. This feasibility study shall include an opportunity for public comment on any such proposal, and shall address realistic funding sources. Requirements for traffic improvements will be reconsidered and may be reduced, if this study results in operation of a shuttle program that produces traffic reductions sufficient to support reductions in mitigation requirements.

C-20 Roslyn/MPR Trail Connection. To reduce off-site traffic and parking demand in Roslyn, the applicant may be required to provide a trail linking the MPR trail system to the Roslyn street system. A parking lot sized to accommodate demand may also be required at a trailhead within the MPR to facilitate this pedestrian connection.

C-20A Utility Franchises. No utilities may be installed within public rights of way, except pursuant to the terms of an approved Utility Franchise Agreement and with necessary right of way permits from the County or respective City whose right-of-way is being impacted.

C-20B Right of Way. The applicant shall be required to dedicate without any cost to the County any additional right of way owned by the applicant that is necessary for any of the required access or off-site traffic mitigation improvements that are to be transferred to County ownership. If the necessary right of way is not owned by the applicant, then condemnation costs shall be allocated according to the proportionate share calculations for the particular improvement.

Cultural Resources. The EIS discusses adverse impacts to cultural resources and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policy GPO 2.196, Section 2.2(C) and Policy 2.38, and Shoreline Master Program goals, policies, use regulations and environment designations, the following mitigation measures will be required.

C-21 Mitigation measures available to ensure protection of all significant cultural resources on the MPR site, as identified in the EIS, and the traditional cultural property, include: (1) avoidance; (2) limited testing to determine the significance and extent of properties deemed potentially significant to the National Register of Historic Places; and (3) using approved cultural resources plan, the placement of a protective overburden may be placed on top of known significant properties creating an undisturbed barrier between the resource and development activity; and (4) excavation to recover significant cultural information prior to negatively impacting any National Register eligible properties. Avoidance of impacts to all previously identified significant cultural resources can be obtained by establishing a 150-foot buffer around known resource areas. If it is determined that avoidance of a resource area is not possible, proposed construction or landscape alteration that intrudes into the prescribed buffer area shall be conditioned on the applicant conducting archaeological subsurface testing. This testing will be completed prior to any disturbance to adequately document the extent and potential of the cultural resources for nomination to the National Register of Historic Places. The applicant shall consult with the Washington Office of Archaeology and Historic Preservation (OAHP) and the Yakama Nation to determine whether additional mitigation measures are necessary. The applicant shall notify Kittitas County of the results of such investigation and consultation.

C-22 Prior to any disturbance to known significant resources areas, as identified in the Draft and Final EIS Cultural Resources information, an archaeological permit must be requested from OAHP, State permission granted, and archaeological testing conducted to determine the significance and extent of the cultural resource. Necessary mitigation measures are determined after testing in consultation with the State OAHP and the Yakama Nation.

C-23 Prior to any land disturbing activities within identified cultural constraint areas steps will be taken to ensure the protection of all potentially significant buried cultural resources. These steps include: (1) a series of subsurface test probes shall be completed to ensure the identification and protection of all significant buried cultural resources; or (2) using an approved cultural resources plan, a protective overburden shall be placed on top of the cultural constraint area creating an undisturbed barrier between any potential buried cultural resources and proposed land disturbing activities. All cultural resources identified through such testing shall be protected as outlined in Conditions C-21 and C-22 above.

Aesthetics, Light and Glare. The EIS discusses adverse impacts to aesthetics, light and glare and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies GPO 2.190, 2.191, 2.192, 2.194, 2.196 and 2.197, and the goals, policies, use regulations and environment designations of the Shoreline Master Program, the following mitigation measures will be required.

C-24 Proposed building materials, design and other architectural and landscape features of the MPR, including signage and lighting, shall be designed to help structures fit within the visual setting. The developer shall in consideration of building design and materials address the need for fire resistively in construction. Wildfires are spread via the radiant heat that is produced. The use of fire resistive materials lessens the chance of wildfire spread. The MPR is in a high fire danger area.

C-25 The applicant shall prepare, and submit to Kittitas County for approval, proposed covenants, conditions and restrictions (CC&Rs) applicable to privately owned residential units/buildings within the MPR. The CC&Rs shall address, at a minimum, the following concerns: building material, color and design; limits on clearing open space portions of individual lots; accessory buildings; landscaping requirements and limitations; lighting; policies regarding domestic pets; storage and use of toxic or hazardous materials (e.g. pesticides, herbicides); and maintenance. Some of these elements are expressly addressed in Exhibit J to the Development Agreement. All CC&Rs shall be consistent with such Exhibit J. In addition, the County shall ensure consistency of these elements of the CC&Rs with applicable policies in its Comprehensive Plan; other elements of the CC&Rs are not subject to review by the County. The applicant and County may address the above mentioned standards in the MPR Development Agreement. The applicant shall add to the covenants list the following items:

(a) All building including private SFR single family residence, MFR multi family residence and buildings required under the most current building code adopted, shall have approved fire sprinklers installed, tested and maintained as listed in National Fire Protection Association sections 13, 13D, 13R.

(b) All buildings shall have a defensible space requirement around each structure. Defensible spaces shall be determined by application of formulas found in "Recommendations for Fire Safety and Prevention", dated March 1999, copies of which are available in the office of the Kittitas County Fire Marshal. Defensible space around structures does not constitute a portion of the developed area of a lot or parcel, and shall not be counted against any applicable lot coverage restrictions.

(c) The Wildfire Hazard Severity Rating shall have the following additional adjustment factors"

- Fire sprinklers in structures – subtract three (3) points; and
- External underground sprinklers – subtract one (1) point.

(d) Overall wildfire rating for the MPR:

Point Totals	Defensible space distance from structures
Low = 0-15 points	10 feet
Moderate = 15-30 points	20 feet
High = 30-45 points	25 feet
Extreme = 45+ points	30 feet +

C-26 Concurrent with submittal of the first site development plan, the applicant shall prepare and submit to Kittitas County, a lighting plan for the MPR. The plan shall incorporate the following standards:

- a) Use of full-cutoff shielding on outdoor light fixtures;
- b) Mounting of light fixture luminaries at a height of not greater than 30 feet;
- c) Establishment of roadway lighting standards based on needed light distribution and the luminance of roadway surfaces;
- d) Use of high-pressure sodium (HPS) outdoor lights;
- e) Use of timer controls to regulate when and where lighting would occur;
- f) Avoiding unnecessary lighting of building facades; and
- g) adoption of standards/recommendations for exterior lighting intensity determined by the Illuminating Engineering Society of North America (IESNA).

The applicant and County may address the above mentioned standards in the MPR Development Agreement.

Recreation. The EIS discusses adverse impacts to recreation and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies GPO 2.187, 2.198-2.201, and the goals, policies, use regulations and environment designations of the Shoreline Master Program, the following mitigation measures will be required.

C-27 All on-site trails shall be clearly marked to indicate intended trail uses, and to minimize the potential for user conflicts. Coordinate with neighboring landowners, public and private, to coordinate access management and prevent trespass problems with neighbors.

C-28 Public information such as signs, maps or brochures shall be developed, in coordination with public agencies where possible and provided on the site to describe on- and off-site recreational resources and associated rules.

C-29 The applicant shall conduct periodic surveys of guests and residents to identify on-site and off-site recreational activity patterns. The applicant shall share this information with recreation providers to assist them to monitor use patterns at recreation resources considered to be sensitive and/or subject to use pressures. Modification of on-site recreational programs or facilities shall be considered, if warranted, if excessive off-site recreational use by MPR visitors occurs.

Public Services. The EIS discusses adverse impacts to public services and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), and Comprehensive Plan Policies 2.209-2.215, the following mitigation measures will be required.

C-30 Required conditions for public services are based, in large part, on assumptions and analyses of costs and revenues to Kittitas County and other service providers identified in the Final EIS. The applicant shall verify, monitor and report on costs and revenues accruing to Kittitas County, the Cities of Cle Elum, South Cle Elum, and Roslyn and any other service

providers periodically throughout development of the MPR. Such reports shall be submitted at the end of Year 1, Year 3, Year 5, Year 7, Year 10, and thereafter in 5-year increments until full buildout. The Conditions herein shall be modified, as appropriate, to reflect changes in MPR construction plans or operations that result in significant modifications to expected revenues and costs.

Law Enforcement

C-31 The applicant shall establish an in-house security-EMS-fire response force that provides 24-hour, service on site.

C-32 The applicant shall provide private security personnel, vehicles, and equipment on or near the Trendwest Property to serve the Resort. Prior to the issuance of the final certificate of occupancy for the Suncadia Lodge, the applicant shall provide facilities to Fire District #7 as set forth in C-36 and consistent with County Resolution 2007-11. The applicant shall provide space on-site, or in the immediate vicinity, to the Washington State Patrol and Kittitas County Sheriff for a "substation" and for storage of emergency equipment (such as snow machines and a boat) on a schedule and at location(s) to be agreed upon by the applicant, the Washington State Patrol and the Kittitas County Sheriff. The applicant shall provide funding to Kittcom according to the Cooperative Agreement dated June 8, 2000 as attached to these Conditions.

C-33 (Intentionally deleted)

C-34 (Intentionally deleted)

C-35 Deleted.

Fire Protection

C-36 The applicant shall establish an in-house, multi-service security/fire/EMS unit, appropriately trained and equipped to respond as an initial-attack fire force. The persons in this unit shall be affiliated to each parent organization. Fire District No. 7 and the applicant have entered into an agreement dated July 25, 2006, as approved by the County under Resolution 2007-11, which shall govern the obligations of each. KCHD #2 will require the affiliation to an EMS service within Kittitas County to allow pre-hospital care as directed by the Medical Program Director.

C-37 All principal MPR structures with assembly, business, mercantile, residential, storage, and mixed use occupancies, shall be equipped with automatic fire sprinkler systems designed and installed in accordance with applicable codes and standards. The Kittitas County Fire Marshal shall determine whether additional buildings, not described previously, shall also be required to be sprinklered.

C-38 Trendwest shall establish suitable operating protocols with KITTCOM, the County Sheriff's Office, and the Washington State Patrol, the Kittitas County Search and Rescue Council, and the Roslyn and Cle Elum Police Departments, concerning the pathway for automatic alarms, telephoned alarms, dispatch, radio transmission and related issues relating to MPR emergencies. A UL approved site shall monitor all fire suppression and fire alarm

detection automatic alarms. This is required by nationally recognized Fire Sprinkler codes, NFPA 13, 13D & 13R

C-39 The applicant shall prepare and disseminate a comprehensive, all-hazards emergency action plan for the MPR. The plan, which shall be available by the commencement of construction, shall be incorporated into an employee orientation and training program.

C-40 (Intentionally deleted)

C-41 (Intentionally deleted)

C-42 (Intentionally deleted)

C-43 (Intentionally deleted)

C-44 (Intentionally deleted)

Emergency Response/Aid Services

C-45 (Intentionally deleted)

C-46 (Intentionally deleted)

C-47 (Intentionally deleted)

Utilities. The EIS discusses adverse impacts to utilities and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200(d), Comprehensive Plan Policies 2.210-2.214, the following mitigation measures will be required.

C-48 In coordination with Kittitas County's Solid Waste Department and the Department of Ecology, the applicant shall develop and implement a solid waste management plan for the MPR (the "Plan"). The Plan, as amended, shall address expected waste volumes, waste reduction, recycling and handling considerations for all types of wastes. The Plan shall include a recycling program to reduce solid waste volumes needed for disposal. The Plan shall be submitted in accordance with the 1997 Kittitas County Solid Waste Management Plan, as amended, for consideration as a project specific amendment. The Plan shall complete the approval process in accordance with the 1997 Kittitas County Solid Waste Management Plan, as amended, and, upon approval by the County Commissioners in accordance with the appropriate process, shall become an MPR condition of approval.

C-49 The following Conditions are necessary to mitigate impacts related to the Upper Kittitas County Transfer Station. The applicant shall be responsible for its fair share of costs associated with improvements required to mitigate identified adverse impacts attributable to the proposal. The applicant's fair share contribution is 54% of the total costs for engineering and construction of a new transfer station facility, provided that in the event any future development (including any upper county urban growth area) is required to provide for SEPA mitigation, impact fees, or similar fees to pay for all or a portion of the cost of the new transfer station, then the applicant

shall be entitled to a fair share contribution adjustment (including reimbursement, if applicable) of such cost contribution.

C-50 (Intentionally deleted)

C-51 The following Conditions are necessary to mitigate impacts related to recycling.

As provided in the Plan, the applicant shall establish recycling facilities as provided in the Plan.

C-52 (Intentionally deleted)

C-53 (Intentionally deleted)

C-54 The following Condition is necessary to mitigate impacts related to septage.

The applicant shall install no more than six (6) trailside comfort stations, four (4) golf course comfort stations and a sales office served by septic systems. Pumped septage shall be hauled directly to the Ryegrass Septage Lagoons for final disposal.

C-55 (Intentionally deleted)

C-56 The following Condition is necessary to mitigate impacts related to equestrian wastes.

The applicant shall not send equestrian wastes through the County owned transfer stations. Used bedding and horse manure shall be disposed of in accordance with WAC 246-203 and Board of Health Ordinance #1999-01. All such materials shall be hauled off-site for disposal.

C-57 Trendwest shall ensure that all solid waste generated from resort properties is handled in accordance with Kittitas County Board of Health Regulations 99-01 or as amended regarding solid waste.

Housing. The EIS discusses adverse impacts to housing and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200, Comprehensive Plan Policy 2.205 and Policies 3.1-3.20, the following mitigation measures will be required.

C-58 Trendwest shall develop and implement a program to mitigate MPR housing impacts, as described below. The program shall include a combination of activities that will provide and/or encourage the development of housing to address the demand created by the MPR.

Direct Actions

C-59 Monitoring Program. The applicant -- in cooperation with Kittitas County, and the cities of Cle Elum, South Cle Elum, Roslyn, Kittitas and Ellensburg -- shall establish a monitoring program. The program will compile public and private information about population, employment, housing, land supply and development activity. It will be used to assess how much

housing is available, being produced in the area and/or required to meet anticipated demand. Monitoring shall, at a minimum, address the following elements:

- a) MPR employee demographic information;
- b) land use, population and housing information (population and housing projections, zoned land available for housing, recent sales/rentals, housing vacancy rates, housing cost;
- c) number of housing units in the development pipeline (approved but unbuilt, approved preliminary plats, vested applications, etc.).

The participants shall establish benchmarks to help identify changes attributable to MPR employment, and the thresholds that will trigger housing actions identified in these Conditions.

Monitoring shall commence with approval of the first site development plan for the MPR, and shall proceed in yearly increments through Year 10 (or approximately 2,400 units, 500 hotel rooms, 36 holes of golf, and 150,000 sf of commercial use) after which time a revised schedule will be adopted. Housing monitoring reports shall be prepared semi-annually, or at some other frequency acceptable to the participants, to document housing supply and demand. Reports will be made available to the public.

C-60 Housing Production. To the extent that such housing is not produced in a timely manner by private housing developers, and using the tools identified in Condition No. C-61, Trendwest shall directly provide, as necessary, the amount, type and cost of housing necessary to mitigate direct impacts associated with MPR operations and construction employment. If the supply of new housing, as identified in the monitoring program, lags behind anticipated need -- as identified in the Final EIS, or in future adjustments of the data in the EIS -- then the applicant shall develop, directly or through joint venture, or will cause to be developed, sufficient housing to meet the anticipated need. This housing may be provided on-site or off-site, as permitted by Kittitas County Comprehensive Plan policies.

C-61 The applicant shall prepare and implement a program providing incentives designed to facilitate the planning, financing and development of housing to meet needs created by the MPR. The program shall be developed with input from the county and nearby cities, and shall be submitted to Kittitas County concurrent with submittal of an initial application for development of the MPR. The housing program shall consider and propose one or more of the following elements, as necessary to meet demand:

- (a) low interest loans to employees (subject to credit and employment criteria), guarantees of leases for an agreed-upon percentage of multi-family units built by local developers, and land subordination for construction loans obtained by local builders;
- (b) financial and other support for ongoing planning in local jurisdictions to encourage sufficient, well-planned and designed housing, including support for design guidelines for new housing that is consistent with local character.

- (c) identification of sites on the MPR property that could be used on an interim basis for RV units for construction workers. Such area(s) shall be adequately separated and screened from adjacent neighborhoods.
- (d) master leasing of existing local RV spaces for MPR construction workers;
- (e) issuance of requests for proposals (RFPs) to builders offering incentives (such as construction loan guarantees, master lease agreements for blocks of units and/or participation in land purchases);
- (f) preparation and dissemination of market studies, to help identify the market for local housing production;
- (g) creation of a centralized clearinghouse of information about land supply and demand in the local area, local permitting requirements and similar information.
- (h) appointment of a housing coordinator/manager, to provide housing information to employees and coordinate housing programs with local governments, builders, non-profit organizations and financial institutions. The housing coordinator/manager could also coordinate with the Kittitas County Action Council and Kittitas County Housing Authority to support below-market-rate housing programs and explore the availability of subsidies for low income housing.

Fiscal Conditions. The EIS discusses adverse impacts to fiscal conditions and identifies mitigation measures that should be implemented. Pursuant to Kittitas County SEPA Ordinance Section 15.04.200, and Comprehensive Plan Policies GPO 2.209-2.221, the following mitigation measures will be required.

C-62 Based on analysis in the Final EIS, the MPR is expected to generate a net fiscal surplus to Kittitas County, local cities, the school district, and the State of Washington. No conditions are, therefore, necessary in respect to these service providers at this time. However, the proponent shall verify, monitor, and report on costs and revenues accruing to Kittitas County, local cities, the school district, and the State of Washington periodically throughout development of the MPR. Such reports shall be submitted at the end of Year 1, Year 3, Year 5, Year 7, Year 10, and thereafter in 5-year increments until full buildout.

C-63 The applicant shall support and participate in a program to monitor MPR-related demands for law enforcement, fire protection, emergency medical and hospital services, the response pattern to those service demands by local government service providers, and the costs associated with the respective jurisdictions' responses. The jurisdictions to be included in this program would include Kittitas County agencies, Fire Districts 6 and 7, Hospital Districts 1 and 2, and the municipalities of Cle Elum, South Cle Elum and Roslyn. The applicant will facilitate mutual aid agreements among service providers where appropriate.

C-64 The following measures shall be implemented by the applicant if necessary to ensure that revenue lags to service providers, if any, are identified and mitigated:

- (a) coordinate with School District 404 to monitor MPR population trends, including construction worker and operations employee components, and periodically forecast the school enrollment and associated service costs generated by the MPR and enter into appropriate shortfall mitigation agreements.
- (b) provide funding to the Fire District 7 if necessary to supplement the increased tax revenues available to support the increased service costs.
- (c) in coordination with Hospital District 1 and Hospital District 2, monitor MPR-related revenues and costs to the Districts. The applicant shall reimburse the Districts for any shortfalls between MPR-generated revenues (including fee reimbursements from patients) and costs.
- (d) provide funding to KITTCOM for an additional dispatcher six months prior to occupancy of the proposed hotel in accordance with the attached Cooperative Agreement.

D. HEALTH AND SANITATION CONDITIONS. Kittitas County has identified the following Conditions necessary to properly mitigate impacts related to public health and sanitation.

D-1 Trendwest shall submit for on-site sewage permits, as limited in Condition No. C-54 above, only for the sales building, trailhead, and golf course comfort stations in accordance with 246-272 WAC or as amended. All other structures shall be connected to the sewer treatment plant system.

D-2 Trendwest shall comply with 246-215 WAC or as amended regarding food service establishments.

D-3 Trendwest shall comply with 246-260, 262 WAC or as amended regarding pool and spa regulations.

D-4 Trendwest shall comply with 246- 376 WAC or as amended regarding Camps and Parks for development of such on their properties.

E. MONITORING REPORTS. Kittitas County has identified the following Conditions necessary to properly monitor the MountainStar Resort.

E-1(a) The following Conditions of Approval require Trendwest to monitor impacts of the MountainStar Resort and report the results of that monitoring to the County: B-12 (water quality); C-5, C-5A, C-9, C-14, and C-17 through C-20 (transportation); C-33 (police); C-40 (fire service/EMS); C-46 (emergency medical and hospital services); C-59 (housing); C-30 (costs and revenues accruing to the County); C-38 (fire suppression); C-47 (EMS); C-62 (costs and revenues accruing to the County); C-63 (EMS); C-64(c) (costs and revenues accruing to the County); and C-64(a) (schools). Monitoring reports shall be submitted to the County by

Trendwest pursuant to the timeframes identified in the referenced Conditions with copies provided by Trendwest to any "Affected Jurisdiction or Public Body" (as defined in the Development Agreement).

(b) An Affected Jurisdiction or Public Body shall have an opportunity to submit comments to the County regarding the results of the monitoring reports and the need for any review and adjustment of mitigation required under applicable Conditions of Approval in light of the monitoring results. The County shall review the monitoring reports as to completeness and conclusions, and, with the participation of Trendwest, shall determine the need for additional data or need for adjustments to the mitigation required under the Conditions of Approval based on the monitoring reports. Adjustments to the mitigation required under the Conditions of Approval may include imposing additional mitigation, reducing or eliminating mitigation requirements, or altering the timing of mitigation. The County may also determine that no adjustments to mitigation requirements under the Conditions of Approval are warranted based on the monitoring reports.

(c) The County shall notify Trendwest in writing within thirty (30) days from receipt of a monitoring report whether such report identifies a need for adjustments to mitigation required under the Conditions of Approval. Trendwest shall respond and any adjusted mitigation shall be implemented within sixty (60) days of the date of the County's letter, unless otherwise agreed to by Kittitas County.

F. ENFORCEMENT. Kittitas County has identified the following Conditions necessary to properly enforce the Conditions of Approval for the MountainStar Resort.

F-1(a) In the event the County determines that Trendwest is not in compliance with a Condition of Approval, the County shall provide Trendwest with written notice of non-compliance. The written notice shall identify the specific Condition of Approval and the alleged basis for non-compliance. Trendwest shall have ninety (90) days from the date of receiving a written notice of alleged non-compliance from the County in which to cure the alleged non-compliance. Trendwest and the County shall cooperate in good faith to informally resolve any alleged non-compliance.

(b) If Trendwest and the County are unable to resolve Trendwest's alleged non-compliance with a Condition of Approval, Trendwest may appeal the County's written determination of non-compliance to the Board of County Commissioners ("Board") pursuant to appeal procedures in the Kittitas County Code for appeals of County administrative determinations. The Board shall render a written decision regarding Trendwest's alleged non-compliance with a Condition of Approval following an appeal hearing.

(c) If a dispute continues to exist following a decision by the Board, either Kittitas County or Trendwest may give written Notice of a Demand for Mediation ("Notice of Mediation") to the other party. Within five (5) days of the receipt of a Notice of Mediation, Trendwest and the County shall select a mediator, who must be a licensed attorney with experience as a mediator or arbitrator, and with a minimum of fifteen (15) years of cumulative experience in the areas of municipal law, land use law, and commercial real estate or commercial litigation. A meeting

with the mediator shall be held within fourteen (14) days from appointment of the mediator, on a date and at a time selected by the mediator after consulting with Trendwest and the County. The mediator shall work with Trendwest and the County to produce a suitable compromise. The mediator shall establish the format of the mediation meeting.

(d) The Board's decision on an appeal regarding Trendwest's alleged non-compliance with a Condition of Approval shall be appealable to Kittitas County Superior Court; provided, however, that the Board's decision shall not be final and appealable until the mediation process set forth in Condition F-1(c) is completed. The mediation process shall be deemed completed upon the later of (i) the completion of the mediation meeting or (ii) the date of issuance of a letter from the mediator terminating the mediation process.

(e) Trendwest's alleged non-compliance with a Condition of Approval is not a basis for the County to refuse to process or approve any Subsequent Action (as defined in the Development Agreement), including a Site Development Plan, unless the County reasonably determines that compliance with the disputed Condition of Approval is necessary for the County to conclude that the proposed Subsequent Action is consistent with the Conditions of Approval and the "Applicable Law" as defined in the Development Agreement.

G. FISCAL PROGRAM. Kittitas County has identified the following provision to provide for consistent and on going monitoring of fiscal benefits and impacts generated by the MountainStar Resort.

G-1 Trendwest has agreed to provide funding for the County to hire a fiscal expert with experience analyzing the fiscal impacts to local communities, including increased tax revenues, from new development. That expert, in conjunction with a similar expert retained by Trendwest, shall develop a Fiscal Program for analyzing the fiscal impacts of MPR development on the County, local communities and taxing districts, and other service providers impacted by MPR development. The Fiscal Program shall include provisions for reviewing and adjusting Trendwest's financial obligations under the Conditions of Approval to reflect any changes in tax revenues as a result of MPR development. The County shall as necessary review and adjust Trendwest's financial obligations for the payment of financial mitigation under the Conditions of Approval (including, but not limited to, those provisions relating to Law Enforcement, Fire Protection, Emergency Response/Aid Services, Transportation, Schools and Housing) consistent with the findings and provisions of the Fiscal Program.

This Attachment is intentionally deleted, and its purpose has been replaced by that certain agreement dated July 25, 2006, between Suncadia and Fire District No. 7 as approved by the County under Resolution 2007-11.

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

Section 1 - Introduction

Purpose of Development Standards

The following development standards shall apply to the development and design of the MountainStar Master Planned Resort (MountainStar) to ensure that MountainStar develops in a manner that maintains the value of the project and its distinctiveness over the long-term. The MountainStar development standards establish the construction criteria and design guidelines to implement the MountainStar Conceptual Master Plan. These development standards will provide greater predictability to Trendwest, the County and other reviewing agencies, and the public regarding the standards to be used in implementing MountainStar.

The purpose of these documents is to standardize design and construction elements, where necessary, for consistency and to address the following additional purposes:

- Safety.
- Predictability.
- Pleasant appearance.
- Economical construction and maintenance.
- Provide for facilities that perform over the project's design life.

These standards are also intended to serve as a basis and guideline for County review of specific Site Development Plans and other Subsequent Actions, as defined in the Development Agreement, to implement the MountainStar Conceptual Master Plan.

Changes and Amendments to Development Standards

Changes or amendments to the Development Standards may be necessary during the 30-year Term of the Development Agreement. In the event the County can demonstrate that a Development Standard should be changed due to a specific life/safety issue or concern, then the County staff may recommend, through the condition amendment process, additional reasonable conditions to prospectively address such issue or concern in subsequent phases of the development of MountainStar in keeping with the concept of a master planned resort.

Section 2 - Grading, Erosion and Sedimentation Control

In order to maintain the natural setting of MountainStar, the extent of clearing associated with project construction will be kept to reasonable minimums through project design and implementation. The standards established by this Section shall apply to the design and construction of temporary erosion and sedimentation control (TESC) facilities for MountainStar.

- TESC Best Management Practices (BMPs) will conform to the then current version of the Washington State Department of Ecology Storm Water management Manual for Eastern Washington.

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

Section 3 - Roads and Non-motorized Facilities

The purpose of this section is to provide a foundation for the development of an integrated, fully accessible transportation system that addresses the goals and vision of MountainStar. The components of this transportation system include:

- Roadways.
- Multimodal trails.
- Nature trails.
- Golf course paths.
- Equestrian trails.

These Development Standards address standards for the proposed private roadways, multimodal, nature and equestrian trails, and golf course paths within MountainStar.

All private on-site and public off-site road improvements and paths and trails constructed within or in conjunction with MountainStar shall be in accordance with Kittitas County Code Chapters 12.10, 12.20, and 12.30 of the Applicable Law as set forth in the Development Agreement except as specifically modified herein. Consistent with MountainStar MPR Condition C-12, gates will be allowed to control or close access to roads, trails and paths at the discretion of the Resort and consistent with the MountainStar MPR Conditions. The Resort will establish design criteria and prepare designs for gates.

Paths and trails shall be allowed as shown in Table 2. **General Considerations**

Drainage plans for private roadways within MountainStar are intended to be consistent with the Master Drainage Plan, MountainStar Master Planned Resort, April 1999 (Rev. July 1999).

For all MountainStar purposes hereunder, "Private Street" shall be defined as follows: "A privately owned and maintained access provided by a tract, easement or other legal means."

Roadway Classification and Design Criteria

Notwithstanding any provisions seemingly to the contrary contained within the Road Classification provisions set forth in KCC 12.20.010 and Table 1 below, all roads within MountainStar shall be classified as rural. Thickened wedged asphalt curbs or their functional equivalent may be used to convey stormwater on all such roads in lieu of roadside ditches.

The Design Criteria for Rural Access and Private Streets and Roads table as set forth in KCC 12.20.050 is hereby modified to delete the Row "A" classification provisions regarding "Serving Potential Number of Single Family Units" as set forth in Table 1.

The following provisions of KCC 12.20.080 of the Applicable Law regarding Private Roads shall be inapplicable to MountainStar: KCC 12.20.080(B)(2), (4), (6), (7), (8), (9) and (11) and KCC 12.20.080(D).

The provisions of KCC 12.20.100 of the Applicable Law regarding Cul-de-sacs shall be

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

inapplicable to MountainStar.

Design criteria for MountainStar roadways shall be as set forth in Table 1, or as otherwise approved by Kittitas County Department of Public Works. It is expected that other roadway designs will be proposed by the Applicant to serve distinctive needs of the MPR and unique neighborhood plat designs. Table 1, along with Figures 1 & 2, provide examples of roadway types, and represent typical modifications from standard road types set forth in KC 12.20.050 of the Applicable Law. Modifications are necessary to achieve the low design speed objectives of the resort, minimize impacts on natural features, and support a safe rural and natural theme.

Table 1 - MountainStar Roadway Design Criteria

	<u>Collector (Single Lane Entry Road)</u>	<u>Collector (2-Lane Entry Road, Commercial Access and Major Residential)</u>	<u>Loop (Minor Neighborhood Collector)</u>	<u>Cul-de-sac (Serving 39 Units or Less)^a</u>
Minimum Design Speed	26 mph	26 mph	21 mph	15 mph
Maximum Posted Speed	25 mph	25 mph	20 mph	Not Posted
Maximum Superelevation Rate	6%	6%	6%	6%
Minimum Horizontal Curvature (Radius)	200 ft.	200 ft.	100 ft.	70 ft.
Maximum Grade	12%	12%	15%	15%
Minimum Pavement Width	16 ft ^b	24 ft	20 ft	20 ft.
Minimum Shoulder Width	2 ft.	2 ft.	2 ft.	2 ft.
Minimum R/W Width	40 ft.	60 ft	40 ft.	40 ft.

^aEmergency access shall be required for any cul-de-sac serving 40 units or more.

Access tracts or driveways (whether they are separate tracts, easements over other lots or tracts, or a combination) may serve up to five (5) residential units, provided that overall length does not exceed 2500 feet. Access up to three (3) lots residential units will require a twenty (20) foot right-of-way or easement with twelve (12) feet of pavement and one (1) foot gravel shoulders, the paved portion of which shall be capable of supporting emergency vehicles weighing up to 75,000 pounds. There shall be a vegetation clear zone extending five (5) feet on either side of the gravel shoulders with any encroaching limbs not less than fourteen (14) above pavement grade. For access tracts or shared driveways with distances of 0 to 600 feet from the intersection with a resort road, turnouts and turnarounds shall be required only if site conditions require. Over 600 feet, turnouts and turnarounds shall be required according to the International Fire Code. For access to four (4) or five (5) residential units, all elements such as width, length, turnouts and turnarounds shall be site specific as reasonably determined by the County taking into consideration traffic functions but consistent with the concept that excavation, vegetation removal, pavement and grading widths, and interference with the esthetics of the site are to be

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

minimized. Access tracts which are, or may, be also used as emergency access shall be developed under the standard set forth above for access up to three (3) lots, provided that turnouts and turnarounds shall not be required and the overall length limitation shall not apply if such access is solely for emergency purposes.

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

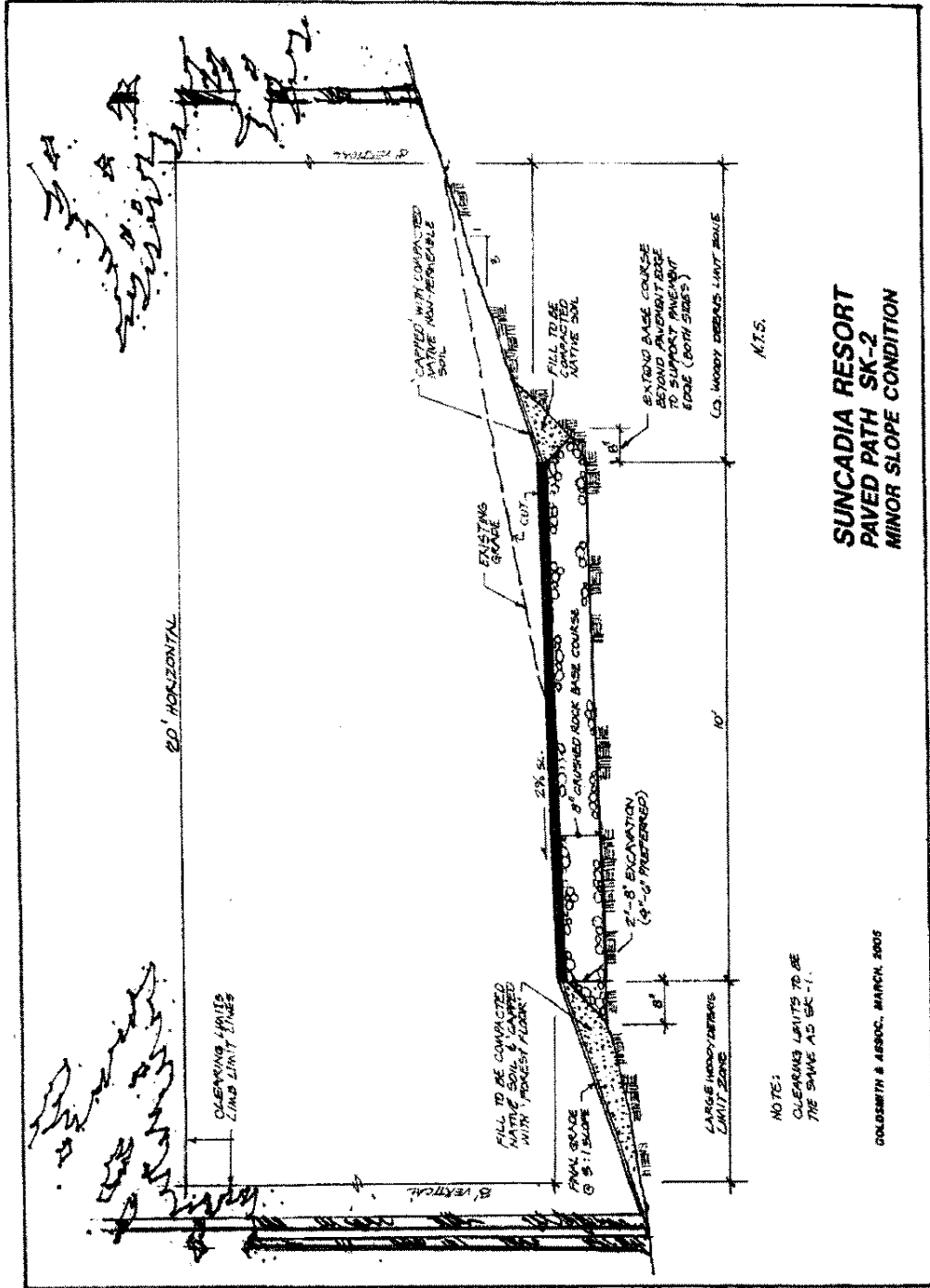
TABLE 2 - SUNCADIA PATH AND TRAIL MATRIX (5/18/07)

	PAVED PATH	TRAIL	NATURE TRAIL	EQUESTRIAN TRAIL
Uses-Summer/Spring/Fall	Pedestrians, wheelchairs, bicycles, strollers, rollerblades, skateboards	(1)Pedestrians, fat tire bicycles, fat tire strollers	(1) Pedestrians	(1) Horses, pedestrians, fat tire bicycles, fat tire strollers
Uses-Winter	Pedestrians, CC skiing and snow shoeing on selected path segments	(1) CC skiing and snow shoeing on selected trails	(1) Pedestrians	(1) Pedestrians, CC skiing and snow shoeing on selected trails
Motorized vehicle use	Maintenance, security, Emergency Services, Mechanized track cutting	Maintenance, security, Emergency Services, Mechanized track cutting	NA	Maintenance, security, Emergency Services, Mechanized track cutting
Max. Percentage Grade	5% (2)	12% max. desired, Exceptions to 20%	<40%	<40%
Width	10' (Pavement)	4'-8'	2'-4'	+/-10' goal, but +/-2' at steep slopes
Shoulder width	1', transitions from asphalt to grade.	NA	NA	NA
Vegetation Clearance, Horizontal	5' to limbs and shrubs. 1'-2' for trees	2'-5' to limbs and shrubs. 1'-2' to trees	0	2'-5' to limbs and shrubs. 1'-2' to trees
Vegetation Clearance, Vertical	10', for a width of +/- 14'	10'	8'	12'
Base material	4" crushed rock, to extend under shoulders	Native/existing soil and binder	Native/existing soil	Native/existing soil Possible gravel
Surface material	2" Asphalt	Depth of 4" ¾ minus Aggregate with binder, or existing if granular/durable	Native/existing soil Possible wood chips Possible limited gravel	Native/existing soil Possible wood chips Possible gravel
Slope for drainage	2% cross slope	2%, fit conditions	2%, fit conditions	2%, fit conditions
Maintenance (Summer)	Powersweep Pruning Surface maintenance Sign maintenance	Pruning Surface maintenance Sign maintenance	Pruning Surface maintenance Sign maintenance	Pruning Surface maintenance Sign maintenance
Maintenance (Winter)	Cut tracks in some segments. Plow some segments.	Cut tracks in some segments	None	Cut tracks in some segments
Detail reference #	PP-1	T-1	NT-1	ET-1

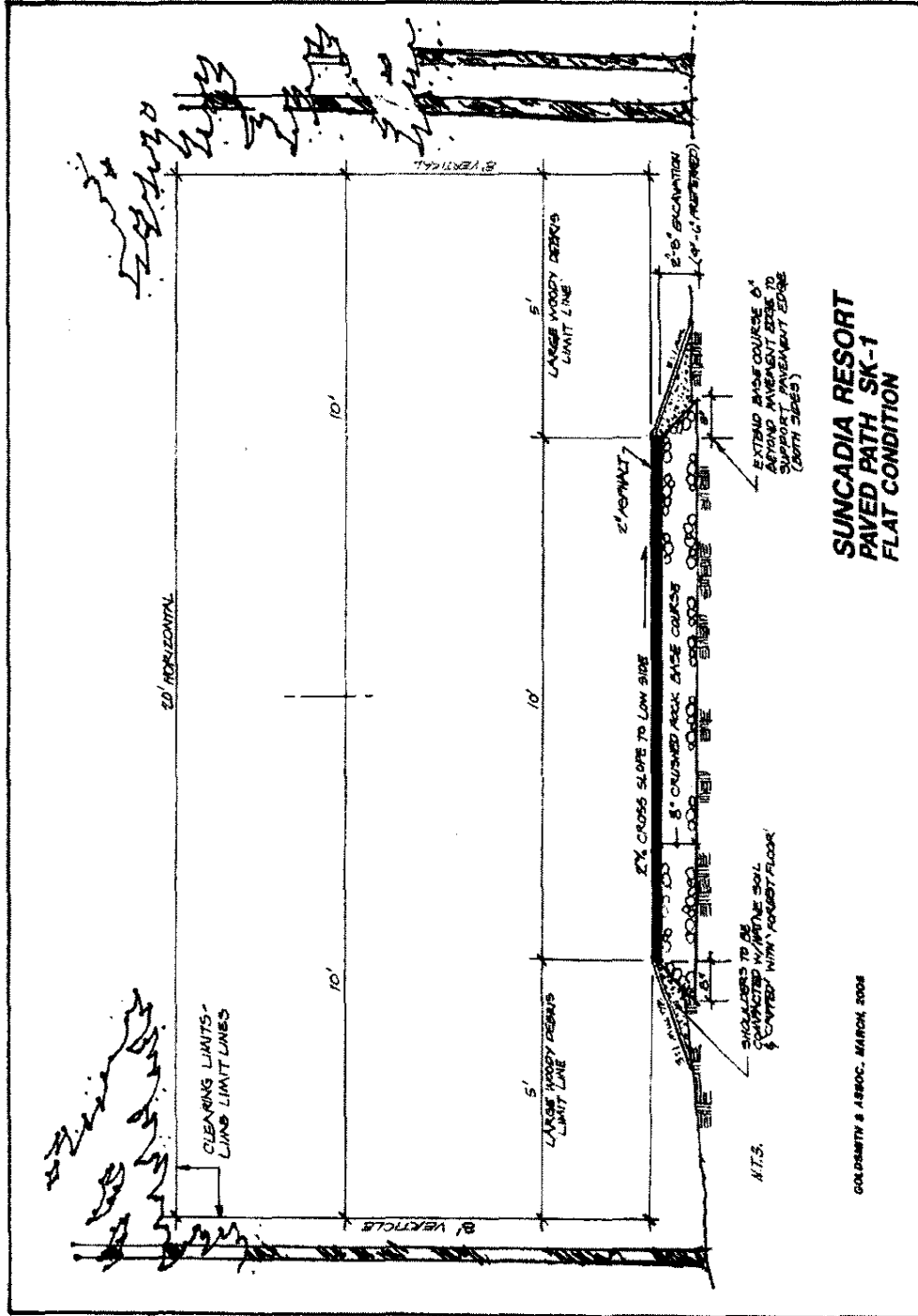
Notes:

- (1) Periodic closures for fish and wildlife.
- (2) Up to 5% is acceptable. Up to 10% over several hundred feet, acceptable on a case-by-case basis, at discretion of Suncadia.

**EXHIBIT J (Rev. 1) to Development Agreement
 Development Standards and Design Guidelines for
 MountainStar Master Planned Resort
 December 2, 2008**



**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**



**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

Section 4 - Stormwater Management

The provisions of Chapter 12.70 KCC, *Storm Water Management Standards and Guidelines*, shall be inapplicable to MountainStar.

Drainage plans for MountainStar shall be consistent with the Master Drainage Plan, MountainStar Master Planned Resort, dated April 1999 (Rev. July 1999). Stormwater retention/detention, infiltration and water quality facilities, as required in the Master Drainage Plan, shall be included in the final drainage plans for each applicable plat or subdivision. Drainage facility locations will be based on future detailed design studies.

The Master Drainage Plan for MountainStar describes in detail the proposed stormwater runoff and water quality control plans for managing stormwater runoff generated by MountainStar. The facilities planned will be designed to minimize the environmental impact of the development on the Cle Elum River, site streams, and groundwater in the area. The stormwater management facilities planned for the resort will be designed to DOE SMM (1992) standards, and the requirements and protocols of the Master Drainage Plan. The DOE SMM for Eastern Washington, current addition, shall be used for BMPs as approved by Kittitas County.

Governing documents for the design and construction of MountainStar stormwater facilities shall include the following:

- Master Drainage Plan, MountainStar Master Planned Resort, W&H Pacific, Inc., April 1999 (rev. July 1999), as may be further amended.
- Stormwater Management Manual for Eastern Washington, Washington State Department of Ecology, current addition.
- Standard Specifications for Road, Bridge, and Municipal Construction, Washington State Department of Transportation (WSDOT); the Highways and Local Programs, American Public Works Association (APWA) general provisions, latest edition; Kittitas County; and MountainStar Resort Development, LLC standards and specifications.

The State standard specifications and plans shall be maintained by the contractor on site during the entire period of the construction. Definitions noted as “state” and “contracting agency” shall be amended to read “owner”.

The construction of storm drainage facilities shall be done in accordance with plans that have been approved by the County Engineer. Driveway culverts shall be a minimum of 12 inches in diameter or the equivalent.

Section 5 - Wastewater Facilities

Within the MPR boundaries, the MountainStar Resort Resources, Inc. utility established by Trendwest will review and approve planning, design and construction documents for wastewater collection and pumping facilities. Governing documents for design and construction of

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

MountainStar wastewater collection and pumping systems shall be as follows:

- *Criteria for Sewage Works Design: Water Quality Program*, Washington State Department of Ecology, Publication No. 98-37 WQ, current addition.
- Standard Specifications for Road, Bridge, and Municipal Construction, Washington State Department of Transportation (WSDOT); the Highways and Local Programs, American Public Works Association (APWA) general provisions, latest edition; Kittitas County; and MountainStar Resort Development, LLC standards and specifications.

Section 6 - Water System

Development standards for the MountainStar water system will be set forth in the Water System Plan for MountainStar, which will be reviewed and approved by the Washington State Department of Health. Governing design criteria and construction specifications include:

- *Water System Design Manual*, Washington State Department of Health, current addition.
- Standard Specifications for Road, Bridge, and Municipal Construction, Washington State Department of Transportation (WSDOT); the Highways and Local Programs, American Public Works Association (APWA) general provisions, latest edition; Kittitas County; and MountainStar Resort Development, LLC standards and specifications.

Section 7 - Building Structures

The construction of building structures at MountainStar shall conform to the latest edition of the International Building Code, Uniform Plumbing Code, International Mechanical Code, International Fire Code, National Electrical Code, Washington State Energy Code, Americans with Disabilities Act, International Residential Code, Washington State Indoor and Ventilation Air Quality Code, and all other governing laws, ordinances and regulations as now or hereafter adopted by Kittitas County Development Standards relating to the various land use categories contained in the MountainStar Conceptual Master Plan shall not require minimums for lot size, lot coverage, or boundary set-backs. All single family residential structures shall have a maximum height of forty (40) feet and provide at least one (1) off-street parking space per unit. All structures shall be not less than ten (10) feet from any other structure plus an additional ten (10) feet to accommodate snow drop from roofs where slopes so require. The additional ten (10) feet to accommodate snow drop is not required if the roofs are designed to either hold snow or continuously melt snow. Structure setbacks shall be absolute distances (without regard to boundaries), provided that eaves may encroach into the setback area.

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

Section 8 - Design Guidelines

General Description and Requirements

The Design Guidelines set forth below shall apply to the development of MountainStar. Trendwest may choose to impose additional design guidelines through appropriate Covenants, Conditions and Restrictions ("CC&Rs") and/or other methods chosen by Trendwest. Trendwest will establish a Design Review Committee ("DRC") through CC&Rs, which Committee shall be responsible for imposing, administering and enforcing all design guidelines in accordance with this Agreement, CC&Rs, and any other instruments utilized by Trendwest.

The purpose of these Design Guidelines is to identify the design goals that the County and Trendwest have agreed upon regarding the development of MountainStar. The Design Guidelines are not intended to be binding in the sense of code or regulations, but rather to reflect an agreed upon set of goals between the County and Trendwest to guide the design and development of MountainStar. The County recognizes that market conditions and public "taste" in design will change over the Term of the Development Agreement for MountainStar build-out. It is agreed by the County and Trendwest that the ability to adapt to these changes is a crucial aspect of innovation and the success of MountainStar. The County and Trendwest intend that Trendwest be given latitude and flexibility in determining how best to achieve the Design Guidelines in connection with the development of MountainStar. Therefore, the Design Guidelines set forth in this Section are intended to express the intent of what the County and Trendwest expect these Design Guidelines, and other guidelines adopted by Trendwest or the DRC, to achieve, while allowing Trendwest to choose the ways in which that intent will be achieved and without any additional required design review of any kind.

Guiding Design Principles

The design of MountainStar will feature a Northwest mountain style that will be designed to blend with the natural environment while reflecting the region's rich mining and logging histories. Trendwest reserves the right to alter this theme as necessary to respond to market considerations. All the buildings will be designed to encourage integrated use of the Resort's many on-site recreational opportunities.

The buildings will be varied in size and shape and feature sloped roofs, generous overhangs, covered porches and walkways, decks and other elements that provide architectural detail. Structures will generally utilize natural materials and colors, and liberal use of wood and stone, and heavy timber or log construction will be emphasized. Roof materials will include; simulated wood shakes, flat concrete or clay tiles, slate or faux slate, oxidized copper or steel, other non-reflective metals, asphalt composition. New materials which may enter the market will be evaluated on a case by case basis. Disallowed roofing materials include wood shakes or shingles and clay barrel. Walls will feature wood siding such as board and batten or shingles.

Most structures will feature a combination of one- and two-story elements. These will likely include the condominiums, chalets, recreational homes, administrative offices, shops, golf facilities and maintenance facilities. Larger structures will likely include three- to six-story resort

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

lodge facilities, a conference center, an indoor health and recreation center, an interpretive center, and an equestrian facility.

All structures will be designed to utilize the natural land contours with a minimum of grading. Careful attention will be paid to the retention of forested areas to provide natural screening of structures. Prescribed allowable building/development envelopes for each cabin site and recreational lot will control clearing and provide screening for privacy between units, while maintaining the forested character of the Resort.

Design Guidelines

The Design Guidelines for the development of MountainStar include the following:

Exterior Colors. Exterior colors will be darker subtle colors that reflect the colors and or hues of the surrounding forest to help buildings recede and blend into the landscape. Building elements (roofs, walls, trim, doors, window cladding) are to generally fall within the following color ranges; brown, gray and/or green in hue. Fences are to be stained to match the house and blend in with surrounding tree trunks. Balconies, decks, porches and railings shall use natural materials consistent with the exterior finish of the Residence. Exterior paints and stains are to have a flat, non-glossy finish. Stains or opaque and semi-opaque paints are to be used to protect wood from weathering, to give it a more refined texture and to achieve a darker hue. Clear finishes and stains may be appropriate on log and natural wood elements.

Exterior Walls and Trims. The predominant materials to be used for exterior walls at Suncadia are to be wood and stone. Stucco is to be used sparingly at Suncadia and only as an accent material. Owners may propose use of other materials for consideration by the DRC. The aesthetic merits of any combination of exterior materials are subject to review and approval by the DRC in order to maintain the architectural consistency of the visual experience at Suncadia.

Site and Landscape Design. Site and Landscape Design on individually owned homes sites will conform to the plans submitted to and approved by the DRC prior to site construction and or landscape installation.

Site and Landscape design will achieve the following:

- Preserve, protect and enhance the existing forest and natural environment.
- Situate homes such that they preserve the integrity of the surrounding forested landscape by maintaining a natural buffer between the house and street, neighboring Homesites, Common Areas and the golf course.
- Limit tree removal to what is necessary to accommodate the home, improve forest health across the entire homesite, create defensible space as may be required under the International Fire Code, and selectively open up views while ensuring that off-site views are protected.

**EXHIBIT J (Rev. 1) to Development Agreement
Development Standards and Design Guidelines for
MountainStar Master Planned Resort
December 2, 2008**

- Design landscape to encourage and promote water conservation.
- Site buildings to minimize grading and maintain a low, subordinate profile against the back drop of the surrounding forests.
- Design landscape that blends the architecture with the natural environment. Incorporate natural and existing landscape features such as rock outcroppings, vegetation and topography into landscape designs to help achieve the transition between the built and natural environments
- Contain storm water and snow melt within the Homesite and encourage natural infiltration on-site through infiltration swales that appear natural.

A Homesite Diagram will be prepared for each Homesite. The diagram will establish the boundaries of the Building Envelope, Secondary Envelope (applicable to some Homesites) and Natural Area within each homesite.

All landscaping shall be completed within one year of completion of construction of the exterior of the residence.

Exhibit M (Rev. 1)
Sample Open Space Calculation Form
 December 2, 2008

Phase, Sub-Phase or Plat Name/Number: Phase 1 Division 9

Land Use	A This Plat	B Prior Plats to Date*	C Subtotal This plat and prior plats (A+B)	D Estimated Future Plats	E Estimated Total Project (C+D)
	Acres	Acres	Acres	Acres	Acres
Developed Areas					
Single Family Lots (1)	0.3	280.8	281.1	530.9	812.0
Multifamily Units (2)	0.0	0.0	0.0	37.0	37.0
Lodge/Commercial/Other (3)	0.0	34.2	34.2	0.8	35.0
Future Development Tracts	49.4	97.0	146.4	-146.4	0.0
Recreation Facilities (3)	0.0	6.1	6.1	23.9	30.0
Roads (4)	6.6	103.9	110.5	56.5	167.0
Total Developed Area	56.3	522.0	578.3	502.7	1081.0
Open Space Areas					
Private Open Space (5)	0.0	381.6	381.6	178.4	560.0
Future Development Tracts	0.0	737.5	737.5	-737.5	0.0
Access Tracts	0.0	3.1	3.1	6.8	10.0
Vegetated ROW Area	6.3	87.6	93.9	40.1	134.0
Community/Recreation	5.0	181.8	186.8	235.2	422.0
Golf Course	0.0	654.0	654.0	-200.0	454.0
Natural Open Space/Cle Elum River Corridor	37.0	276.0	313.0	760.0	1073.0
Natural Open Space/Stream C Corridor	0.0	0.0	0.0	226.0	226.0
Other Natural Open Space	26.9	281.9	308.8	330.2	639.0
Managed Open Space/Easton Ridge	0.0	20.6	20.6	1340.4	1361.0
Perimeter Buffer	0.0	198.9	198.9	161.1	360.0
Total Open Space	75.2	2823.0	2898.2	2340.8	5239.0
Total Plat Area	131.5	3344.9	3476.4	2843.6	6320.0
Open Space Percentage	57.2%	84.4%	83.4%	82.3%	82.9%

- (1) Includes area within Developable Envelope and access drive
- (2) Includes buildings and parking areas.
- (3) Includes buildings, parking areas, and paved pedestrian areas.
- (4) Includes paved road surface and shoulders.
- (5) Includes open space easements on single family lots and multifamily lots

*Prior plats included in total:

- Phase 1-Division 1
- Phase 1-Division 2
- Phase 3 Divisions 1-5
- Phase 1-Division 3
- Phase 3 Divisions 1-5 Adjustment for Phase 3 Divisions 6-9
- Phase 3 Divisions 6-9
- Phase 1 Division 8 SDP Land Use (not a plat)
- Phase 2 Division 2
- Phase 3 Divisions 1-5 Adjustment for Phase 3 Division 11
- Phase 1 Division 5
- Phase 1 Division 4
- Phase 3 Division 11 Adjustment to remove Preliminary Plat areas from the cumulative totals
- Phase 3 Division 11 (Final Plat total areas)
- Phase 3 Division 11 adjustment for Phase 3 Division 12 to remove Tract Z-1 areas
- Phase 3 Division 12
- Phase 1 Division 10
- Phase 1 Division 3 adjusted for Z1 (Phase 1 Division 10)