

PRELIMINARY DRAFT

EXHIBIT B

SNOCADIA PRELIMINARY PLAN MEETING

November 14, 2007

Meeting held in the Offices of the Department of Community Development

Darryl Piercy, Director presiding

SNOCADIA PROJECT DESCRIPTION

Preliminary Draft

November 12, 2007

Location

SnoCadia is a Commercial Lodging Development conceived and designed to support the lodging requirements of year round recreational and weekend travelers and home owners interested in winter sports and summertime activities associated with the abundant natural resources of the Snoqualmie Pass area and the foothills of the Cascades.

SnoCadia is located in an Alpine environment within a 45 to 50 minute drive time from downtown Seattle, Bellevue and other major residential communities in the Seattle-Everett-Tacoma Standard Metropolitan Statistical Area. (SMSA). In addition to having 4 major ski areas and Keecheles Lake nearby, SnoCadia, through which Gold Creek flows, bounds on and is a gateway to the Gold Valley. This 10,000-acre valley is well known for its winter and summer recreational activities and scenic beauty. Staying in SnoCadia one has to drive but 45 more minute's time further to the east to SunCadia, a major Master Planned Resort Development, which has two golf courses dedicated to public play. The east side of the Cascades offers more sun-days than the Puget Sound basin.

Increasing numbers of condominiums and apartments are being occupied in downtown Seattle, Bellevue and the west side of the Cascades. These residences offer no trees, grass, nor mountain fresh air. High-income individuals and families, who experience this urban residential life style during the workweek, don't plan to spend the majority of their weekends gazing out the window of their condo at the urban street scene. No when—in less time than it takes to watch the evening news—they can be, literally, living at the doorstep of the Pacific Northwest Cascadian Outdoors.

Having a fractional ownership, or a time-sharing management company that is organized to rent out, if one chooses, their living unit when they are not there, makes this type of “condo escape plan” not only desirable—but also economically feasible. Given an almost guaranteed 45 minute commute time in the spring, summer and fall months, people may choose to drive their family to SnoCadia Thursday night, spend the night and drive to work Friday morning while leaving their significant other and kids to begin their long weekend” in the mountains. Friday evening, after driving “home” from work the family has the whole weekend together at SnoCadia. After an early start on Monday morning, the family is dropped off at home and it's on to work and on time to start a new week.

Recreational lodging of this type, to accommodate the burgeoning population growth in the Puget Sound Region and the state, is not available in this nearby and important regional recreational area. If this area is to be accessible, appreciated and enjoyed by all, other than as a passerby looking at it through the windshield while driving Interstate 90, or as a part of a one-day outing with a return to home in the evening, SnoCadia offers the means to enjoy this beautiful area in home style comfort.

Many people interested in participating in the beauty of this area are not disposed to or, in some cases, able to stay in a tent or camp out while on Snoqualmie Pass even during non-winter months. SnoCadia brings this area within their reach and life style for year round, all season comfort.

History of Site Development

The 76.8-acre site has been in the comprehensive plan for the Snoqualmie Public Utility District (SPUD) since 1970. The Bosie Cascade Home and Land Corporation (BCHLC) purchased this land from Nettleton Timber Company who logged and clear-cut the entire property as a part of their timber operations. In 1977 BCHLC brought the property into the SPUD sewer district #1 and paid for and received 38 sewer connections, imputing a 2-acre lot size on the property. The SPUD on September 28, 1977 annexed the property as a part of Sewer District N^o 1. At that time all parties in Kittitas County became aware of the fact that this property was no longer forestland, but that it had entered the planning boundary of SPUD for receipt of urban water and sewer infrastructure.

In 1977 Michael Graff Von Holnstein purchased the property from BCHLC. In 1978 a 100-lot subdivision plan was prepared by Mr. Jerold D O'hare, PLS for Mr. Von Holnstein and submitted to Kittitas County for approval. All perk tests on the property passed inspection. The plan was based on septic drain fields and a community well system. A community well system was proposed to provide water to the subdivision.

The subdivision plan did not receive Kittitas County Planning Commission approval. The Planning Commission recommended that the County Commissioners not approve the plan as it *"..was not in the best interests of the public."* The Planning Commission's fundamental objection to the approval of the subdivision and the reason for rejection was based on the position of a member of the planning commission. She was concerned that the development could be seen from the highway and from hiking trails in the area. This planning commissioner was an employee of the United States Forest Service (USFS).

The County Commissioners held a public hearing on the subdivision plan on September 18, 1978. Planning Commissioners determined that the motivation for rejection by the Planning Commission was based on a *"..value judgment.."* and gave preliminary approval to the 100 lot subdivision plan subject to the conditions that:

1. *Access road to the development from the frontage road shall be dedicated 60-foot right-of-way.*
2. *Original route S.R. N^o 2, as shown was vacated by Kittitas County on March 4, 1941*

3. *Provision shall be made to allow access to original Route, S.R. 2 from Gold Cree Road to the easterly boundary of the Plat.*
4. *All roads shall be designed to not exceed 14% grade. Plan and profile of the roads must be approved prior to plat approval, as lot boundaries may change.*
5. *The subdivision shall be serviced with community water and the final approval shall not be given until the sewer system is hooked up with the Sewer District #1 on the District's expanded plan. The subdivision roads shall be constructed according to recreation standards recommended by the County Engineer.*

Sewer District #1 was service was never brought to the boundary of the 76.8-acre property by the SPUD to provide the sewage service set as an approval condition by the County Commissioners. Michael Von Holnstein could not connect to SPUD service that Bosie Cascade purchased and therefore could not it undertake development of his subdivision and meet conditions on the approval of the 100-lot subdivision plat. This lack of sewer service and a plan to obtain it remained the condition until the litigation against SPUD brought by Mr. Darland in 1995.

In 1987, over the objections of Mr. Von Holnstein, SPUD made his property a part of water district #87. Instead of assessing 100 water hookups to his 100 lot conditionally approved plan which had adequate aquifer supply at that time to support his community water system, or to agree to complete the sewer line to his property boundary as assessed the property under sewer district#1, SPUD assessed 230 water hookups to his property.

The comprehensive plan of the SPUD when updated has been and continues to be reviewed and adopted by reference by all relevant local, state and federal governments and agencies. When SPUD assessed, as per their comprehensive plan, 230 water hookups to Mr. Von Holnstein's property, they imputed a 3 dwelling unit per acre density for development on the property. Mr. Von Holnstein objected strenuously, on various occasions to being included in the assessment for water. He did not require water for completion of his 100-lot subdivision. What he needed was the sewer line delivered to the boundary of his property. Unfortunately that sewer line remains where it was in 1978. Mr. Darland in his agreement with SPUD has agreed to bring it to his property boundary.

The assessment on Von Holnstein's property comprised over ten (10) per cent of the total water hookup assessments in the Pass Wide Snoqualmie Water District #87. Mr. Von Holnstein could not meet the costs of the assessment. By 1989, SPUD notified Mr. Von Holnstein that his property was being placed in foreclosure to so that SPUD could to obtain the unpaid interest and principal on the 230 water hookups assessment.

In April of 1989 Mr. Von Holnstein sold the property to Miller Shingle and their joint venture associate Mr. Louis Leclezio. As a condition of the sale, Miller and Leclezio agreed to assume all back interest and assessments on the property from sewer district #1 and water district #87 that were due and owing. These water assessment costs ultimately totaled \$500,000 which Miller and Leclezio paid into the Kittitas County Treasures Office.

Prior to purchase of the property and assumption of the outstanding debt, Miller and Leclezio received assurances that they could gain access into the property for both water and sewage. Mr. Richard Kloss, the then superintendent of SPUD, assured them that the SPUD would work with them to obtain access necessary to bring the water and sewer trunk lines to the property boundary.

On February 2, 1993, on behalf of the SPUD, the Board of County Commissioners, Kittitas County directed a letter to Mr. John Lowe, Regional Forester, U.S. Forest Service, in Portland, Oregon in order to clarify outstanding issues related to access off of the USFS road into the property. This was in response to the agreement of Mr. Lowe to grant the access in his December 23, 1992 letter in which he agreed to begin processing the easement to Kittitas County. (Copies of these documents are in Mr. Darland's files).

Mr. Kloss and the SPUD continued to work on obtaining an access across properties between the USFS road and the 76.8 acre property which still did not have trunk lines stubbed to the property line. This included several Quit Claims from adjoining property owners that were acquired by SPUD. (Copies of these Quit Claims are in Mr. Darland's files.)

Finally an additional 40-foot access was obtained from the Washington State Department of Transportation (WSDOT). Mr. Sid Morrison, the WSDOT Secretary of Transportation on September 2nd, 1994, executed a Quit Claim Deed in favor of SPUD. This provided a complete 60-foot right-of-way for transportation and utility purposes from the USFS frontage road into the property.

This Quit Claim Deed placed terms and conditions upon the SPUD as related to the time granted to SPUD to complete the right-of-way necessary for the installation of utilities and access into the property. This is the same access, which the SPUD is now trying, unsuccessfully, to acquire from WSDOT. Specifically:

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF WASHINGTON, for and in consideration of MUTUAL BENEFITS, AS HEREINAFTER SET FORTH, hereby conveys and quitclaims unto SNOQUALMIE PASS SEWER DISTRICT, a municipal corporation, all right, title, and interest under the jurisdiction of the Department of Transportation, in and to the following described real property situated in Kittitas County, State of Washington (full signature copy in Mr. Darland's files)

1. Reserving unto the grantor an easement for ingress, egress and all utilities, including telephone service, over, under, upon and across the above described premises. Said easement shall terminate upon completion of construction of the road to be constructed on subject premises and transfer of said road to, and acceptance thereof by, Kittitas County, Washington. In the event that said road has not been so constructed, transferred and accepted on or before September 1, 2004, all right and title and interest in and to subject premises conveyed by this deed then held by the within named grantee, its successors and assigns shall revert to and revest in the State of Washington.

2. All costs associated with the construction, maintenance and repair of said road shall be the sole responsibility of the grantee, its successors and assigns.
3. All costs associated with the construction, maintenance and repair of all utilities within said road shall be the sole responsibility of the grantee, its successors and assigns. All utilities will be stubbed out to the adjoining property line of the grantor at a point (or points) mutually acceptable to the grantor and the grantee, or to their assessors and assigns.

Mr. Kloss was in discussions with Mr. Greg Gifford of the Kittitas County Public Works Department regarding the road standard required to connect with the USFS frontage road. In a memorandum on Public Works Memo Stationary dated 2/6/95, Mr. Gifford indicates that since this project will not have primary access off of a county road, there is some question of just what standards actually apply to the road since it is not a County Road.

On September 12th 1998, SPUD had gained sufficient information and Quit Claim deeds to file a legal description of the proposed right-of-way granted by WSDOT to SPUD. The Auditor's Certificate ARN#19980512D02D was filed for record on the 12th day of May 1998 at 2:37PM in Book 23 of Surveys at Page 1451 of Records Of Kittitas County Washington. It was signed by Beverly M. Allenbaugh, County Auditor and by the Deputy Auditor L. Flack. It is noted that this survey supercedes survey filed in Book 19 of Surveys, Page 105, Records of Kittitas County, Washington.

This should have solved the access problem and given the SPUD the right-of-way necessary to bring service to the property boundary and to give the property access sufficient to utilize the 230 water hookups which had been assessed.

Unfortunately, there was a survey problem with a small encroachment on to the take line of the Department of Natural Resources that required a resurvey, a complete title search and a re-filing of the ROW. This was not undertaken. When the September, 2004 deadline for the Quit Claim terms and conditions to have been fulfilled SPUD had failed to complete the roadway into the property which would provide for their trunk lines to be stubbed off at the property line of WSDOT and the at the southern boundary of the 76.8 acre property. At the same time the full 60-foot access provided the means for future residents to use the roadway for access to the development employing the 230 water and sewer hookups assigned to the property. During this time period, Mr. Darland and the District were involved in litigation. The right-of-way reverted back to the WSDOT.

SPUD will other things in its Agreement with Mr. Darland use, if necessary, its powers of eminent domain to obtain necessary access to fulfill the purposes of its plan and to allow Mr. Darland to use his 230 water and sewer hookups. The access activity with WSDOT has been put on temporary hold based on WSDOT's request to undertake an MAI appraisal of the property.

Simultaneously with the WSDOT request to undertake an appraisal of the property, the Kittitas County Department of Community Development has been undertaking activities, which have resulted in one nearby property owner having been recommended for

removal from what appears to be the designation of a LAMRID. There has also been suggested that a new zoning classification overlain on the entirety of this new LAMRID. The classification is called Mixed Use. This is a non-existent and undefined category in the adopted Kittitas County Zoning Code, but it is being put forth as what might actually be assigned on the property.

At the present time, Mr. Darland has a number of unanswered letters and public document requests addressed to the Community Development Department and to the Director Mr. Darryl Piercy specifically to clarify, in writing, the existing land use classification on his 76.8-acres which is currently shown in the adopted Land Use Plan as Commercial—Lodging. He has also requested a conformation that the 76.8 acre property comprised of four tax lots is has an official zoning classification, as set forth in Ordinance 89-Z-1, as Planned Commercial.

He has requested information, if these are not the current Land Use and Zoning classifications, why they are not, what notices, what professional studies and official acts have taken place since these classifications were granted. Also, how the infrastructure of water and sewer are being overlooked as relevant in suggestions that his and other properties north of I-90 in the vicinity of Exit 54 have been put up for discussion, of removal from what is evolving into a LAMRID, beginning with the first Agenda, which was not handed out, but prepared for the first Sub-Area Meeting. This refers to the Agenda Item in the SNOQUALMIE PASS SUB AREA PLAN UPDATE for the August 21, 2007 meeting.

Topic number four is:

Discussion: Gold Creek Area – remain in the plan or remove it?

This is a substantial concept given the major land use PUD projects approved in the area beginning with the Mountain Grandeur project and the 76.8 acre SnoCadia Project. This is not my understanding of how land use law and private property rights and zoning ordinances that have been granted by official acts of Kittitas County Government are determined. Especially since under direct questioning and in written minutes of the meetings attendees were assured several times that there were no land use or zoning changes being considered in this plan update.

My decision to present this development plan at this time, while premature by my planning time line, is being driven by the actions of the WSDOT and the Kittitas County Community Development Department. It appears that there are a large number of interests that have already decided that the answer to the Discussion question about Gold Creek, even though this was never presented to any of the public attendees at any of the meetings to date, is a resounding yes, lets remove those land use classifications and zoning classifications even though years of private planning and investment have taken place since the initial sewer caused the property to be annexed into the SPUD, 30 years ago.

Twenty years ago, the SPUD assigned 230 water hookups to the property and as a result of their annexing this property into the SPUD district, over 10 per cent of the Pass Wide water system was paid for by the assessment collected on this 76.8-acre property, which still does not yet have water service, a condition that will soon be corrected by Mr. Darland's litigation. Unfortunately, for Michael Von Holstein, unlike Mr. Darland, he did not litigate and lost his property to foreclosure even though he had a preliminary approval for development, which he was unable to realize, due primarily to actions and inactions by the SPUD.

I can assure all interested parties that several ad hoc "meetings, open houses, and public meetings" will not be the legal basis on which 30 years of public actions ordinances and commitments which were backed up by studies having documents prepared by professionals set forth in reports made available prior to the public meetings and explained therein.

This submittal is not our best and final effort. It is the result of work accomplished since the meeting date was granted last Friday the 9th of November for a meeting in Ellensburg on Wednesday, November the 14th.

SnoCadia Development

SnoCadia is a planned development on a Commercial – Lodging zoned 76.8 acre site suitable and well situated for this type of land use. Mountain Grandeur, a PUD planned commercial and residential area is located on the western boundary of SnoCadia. High-level access via Interstate-90 and freeway Exit 54 provides which gives way to a graveled USFS road with a half-mile of the SnoCadia development.

Mr. Darland will finance, develop and bring the sewer and water trunks to the property boundary. The Snoqualmie Public Utility District has granted 230 certificates of availability for water and sewer hookups good for a period of 15 years beginning with the completion of access for the water and sewer and transportation.

The SnoCadia plan anticipates using more than 230 water and sewer hookups. The Director of the Kittitas County Community Development Department, Mr. Darryl Piercy stated several times that the implementation of a LAMRID boundary will not preclude SPUD from assigning more water and sewer hookups than were originally assessed to existing land holders. We anticipate being able to purchase more hookups when they become necessary, and thus did not assign any hookups to the commercial lots, as we have not yet sought lease tenants for them.

Mr. Darland will install all of the water and utilities to the planned building clusters to the edge of the ROW. All of the utilities will be installed prior to any lot being developed. Roadways will be completed in development stages that have not yet been finalized. Mr. Darland will offer and provide finance for the purchase of lots to buyers.

Mr. Darland will select six architectural firms and six construction firms as the eligible design and construction firms for SnoCadia. These firms will be responsible to design

and build all structures in the development. Each firm will provide several typical architectural plans and costs to construct that will conform to the CC and R's of the development. Purchasers of SF style lots may also specify custom design and build for their SF lots. Such designs must conform to the CC and R's

Condominiums will be constructed in minimum groups of units. These may be constructed and put up for sale by the one or more of the construction firms selected by the Mr. Darland. Individuals and/or corporate structures that are financially qualified may select and contract with an architect and builder to construct in blocks of 10 units. The management group selected by SnoCadia to provide rental services consistent with the SnoCadia rental policies may be contracted to rent these units on behalf of their owner or they may be sold to individual owners.

All rentals shall be conducted under the aegis of the firm contracted to maintain and provide a high level of quality and service when any unit is rented to the public on other than an occasional ad-hoc basis.

The issue of access to the property and establishment of a main entrance into the development has not been finalized. As will be noted in the *Final Settlement Agreement between SPUD and Michael Darland*, SPUD has certain responsibilities to provide access into the development, including the use of their powers of eminent domain and to obtain the necessary permits to make this access possible. Recent changes in access policy in Kittitas County require a second access route having a 60 right of way within which there is a 20-foot paved surface connecting to a public roadway.

At this time, it is not clear where the main entrance will be located. The current 20-foot ROW into the property has its pluses and minuses. From the standpoint of maintaining maximum development quality, this may not be the main entrance to the development. It will serve as the entrance for the commercial properties and businesses that can serve, when needed, SnoCadia residents but also those who are traveling in the I-90 corridor.

Discussions have been held with Mountain Grandeur regarding utilizing a planned ROW in their development into which Mr. Darland brings the water and sewer trunks in this alignment and surfaces a 26 foot road way. This could serve as the private entrance for the SF development in the SnoCadia development. These residents in the highland would have a card driven gated entrance and also have access to Gold Creek Road to access the commercial land use activities as well as having a secondary escape route as required. Conversely, the condo development and the commercial development could use the western exit as an emergency escape route. Obviously, this roadway would also satisfy any requirement that might be imposed on Mountain Grandeur's development to provide a secondary access.

An electric vehicle or golf cart will be provided each buyer of a building lot. This vehicle will be delivered to the property owner once an occupancy permit is issued for the residence. Policies will encourage use of an off-site parking facility (described below) to store guest's vehicles and to use these electric vehicles to the greatest extent possible

within the development. This vehicle will operate on special trails established within the development, preferably within the undeveloped portion of the ROW.

Further development on the internal circulation options will be undertaken before final development takes place.

No solid waste collection plan has been established. It is planned to contract with the solid waste collection service on the pass prior to the initiation of construction.

At this time no detailed engineering studies have been undertaken to establish the final routing of the water and sewer trunk lines to the property. The main water trunk line is near the road passing underneath Exit 54 and the sewer trunk line is in or near Coal Creek.

It is also important to note that no Environmental Impact Statement (EIS) has been conducted on this project. It was announced and expected that the EIS being conducted by the WSDOT for the I-90 project would be available as promised in the summer of 2007. It was not. It is not planned to be available until the summer of 2008. We had planned to wait until that document was completed and available for review and comment. It will provide a base document for our work. We will use what we can from that document and develop further what we find necessary and particular to our development.

It is safe to say that when it comes to environmental impacts in the vicinity of SnoCadia, (and I-90 is less than ¼ mile away from our southern boundary), whether those be on the flora, fauna, water air quality, noise, economic impacts on adjoining properties, the potential impact of SnoCadia pales by comparison to the current operations of I-90 and the forecasted 50,000 estimated Average Daily Traffic (ADT) that is expected to pass by our development daily.

Much of this traffic will be long haul diesel trucks. We anticipate having to look long and hard to find any impacts related to our project that we couldn't mitigate relative to the I-90 corridor impacts. We most likely will be commenting on needed mitigation measures required from WSDOT in order to alleviate certain impacts that will result from the planned elevation on to bridge structures as related to I-90's current altitude. Mr. Darland has personally experienced and learned from the many unanticipated effects resulting from the elevation of the I-90 highway bridge crossing between south Bellevue and Mercer Island.

We did not believe it prudent to undertake a separate study replicating much of what we believe will be accomplished, at a very high level by public funds, as it relates to our sub area in that project. We do not prejudge their study. We look forward to using it as a point of departure for our own studies should such EIS work become required.

A homeowners association will be formed to provide oversight and policy guidance to the overall functioning of the development. No specifics on this organization have been

developed at this stage. The Developer will provide the initial CC & R's for the development and these will be a requirement provided to the homeowners association until all of the residential style lots are sold and the homeowners association is then fully authorized to direct subsequent policy decisions.

Land Use Overview

A brief summary of the major planned land uses at this preliminary stage is as follows:

Open Space

Gold Creek

Gold Creek flows through the eastern boundary of the development. Gold Creek is environmentally sensitive from a number of standpoints as discussed in the SEPA document for the development. It also has a 100-year flood plain, which must be respected from a development standpoint. As a result, the Gold Creek wetlands and associated 100 year flood plain area has been set aside as a SnoCadia Community open space and a private amenity of the development.

Our neighbor on the east boundary of the property is the USFS. USFS operates a public access and parking facility for trailheads on their property. They have built asphalted pathways to the boundary of the SnoCadia property line. Steps will be taken to assure that access by the general public to Gold Creek does no harm to the many aspects of Gold Creek that are environmentally sensitive. It is highly likely that we will have to install fencing on our eastern and northern boundary around the sensitive Gold Creek 100 year flood plain.

Elk style fencing will assure that the current high level of unsupervised public access to SnoCadia private property will not harm the sensitive Gold Creek drainage in any manner. It is possible that the WSDOT will finance some of the costs of this fencing as a means of mitigating the entry of large mammals into the SnoCadia development as a result of their improving the migration path of these animals.

This fencing will also reduce substantially the existing amount of general public foot traffic that enters, from USFS land, the drainage running through the SnoCadia property. Adequate public lands exist on USFS property to allow animal migration to take place through their land holdings. If necessary, it is possible for the forest service to close down their public access, to provide a more natural setting 24 hours per day through which the animal migrations may take place as their property is directly in alignment with the largest of the two proposed bridges in the I-90 corridor improvement project.

It is also likely that the protected Bull Trout population will be less threatened when this property is secured for private use of SnoCadia residents and guests. We cannot control individual behavior with respect to the protection of this sensitive area. However, we will have the opportunity to educate the residents and owners of SnoCadia properties how to become a part of the protection of what is their valuable resource.

Signage will be developed cooperatively with state and federal agencies, which are charged with enforcement of environmental matters in the area of Gold Creek. All residents and guests will be made aware of the importance of this natural resource.

Fifteen plus (15.31) acres have been set-aside for the Gold Creek community area of SnoCadia. This represents approximately 19.9 percent of the total land area of SnoCadia. These open space areas will be deeded, with deed restrictions, to the overall SnoCadia development and placed under the management aegis of the SnoCadia homeowners association.

Mardee Lake

Lake Mardee touches the Northwestern corner of SnoCadia. A small 20 foot wide trail has been set aside together with a small public open space of approximately one-fifth of an acre .27 acres with a 200 foot frontage on Lake Mardee to assure that all members of the community have access to that small lake.

SnoCadia Outlook

The highest spot on the property is a small plateau at an elevation of 2,750 feet. It is approximately ½ acre in size. A 20 foot wide trail has been set aside from a planned street end to access a dedicated 1,600 planned public open view space which will be surrounded by native forest and shared community open space.

Gold Creek Road Access

A 60-foot wide access has been planned for the end of Gold Creek Road providing access into the public lands of the USFS. This access will assure that those interested in stepping across the property line into the beginning of the Gold Valley public lands, can do so on community dedicated rights of way.

The overall total acreage dedicated to designated open space for SnoCadia residents is (15.75 acres) twenty percent (20 percent) of the total land area of SnoCadia.

Landscaping Plan

No formal landscaping plan has been developed at this time. The primary focus of the project's landscaping plan will be to develop policies and procedures to preserve as much of the natural landscaping as possible on the site. To the greatest extent possible, the introduction of no other than plants other than those endemic to the area will be encouraged. The development envelope policy establishes the firm first steps in this plan. Construction policies and requirements will also contribute to "preservation landscaping" policies.

Mr. Darland formerly owned a large nursery business that served the U.S. market and was responsible for developing and automating greenhouse software systems sold throughout the United States. He also has an organic farm. His interests in this subject matter will be a strong influence on the development of the final landscaping plans, policies and procedures. This plan will become a part of the initial documents used in the formation of the homeowners associations and guild their operations.

Dedicated Community Open Space	Area
Gold Creek, 100 year flood plain and surrounds:	666,700 sq. ft. or 15.31 acres
Lake Mardee Area:	11,690 sq. ft. or 0.27 acres
Mountain Top Overlook:	6,065 sq. ft. or 0.20 acres
Street End Forest Access:	1,640 sq. ft. or 0.04 acres
Total:	684,455 sq. ft. or 15.75 acres
Percent of Total SnoCadia Area:	20.0 Percent

Condominiums

Condominiums will be developed on approximately thirteen (13.34) acres set aside for condominium development. This area will lie east of Gold Creek road and west of the 15.3-acre community open space on Gold Creek. Acreage not included within building envelopes will be held in common by the condo owners. This 15.3-acre area will be deeded to the owners of the development envelopes in the project and will be reflected in their title documents. Actual management of the open space will come under the SnoCadia homeowners association.

This open space will be the visual back yard to the condominiums. USFS land is on the northern boundary of this area and on the south is commercial land use activity, most probably, one of the major land uses will be a high quality restaurant of the type that Mr. Darland has developed in Chile and some high quality rental overnight lodge rooms.

To preserve the native plant material and soils and to maintain the visual beauty of the alpine forest, building envelopes will be located, specified and documented once the tree inventory, view plane analysis and up-to-date lot-by-lot surveys are completed to establish the specific building envelopes for construction. No movement of materials will be allowed outside of specified building envelopes. It is contemplated that 750 square feet per condo unit will be provided in the envelope.

One hundred and twenty (120) condo units are planned for SnoCadia. These units will be massed in groups of ten (10). No design work has been accomplished on these grouping or designs at this stage.

These condo units will be located at the lower elevations of SnoCadia. The condo units will comprise the closest construction to Gold Creek. Based on current surveys, the road alignment of Gold Creek Road, will allow all condo units to be constructed more than 200 feet from Gold Creek. Should later surveys demonstrate this not to be the case, then the alignment of Gold Creek Road will be shifted further to the west to assure that is the case.

There will be some construction to the east of the condo building as it is contemplated that some sort of run-off catchments arrangement be placed along all of the eastern perimeter of what is designated the western boundary of the Gold Creek common area set aside. This catchment will intercept site water run-off and provide a filtering system to assure that the waters of Gold Creek and Lake Keecheles are not impacted any more than

is the accepted case for the I-90 project. This has not been designed but recognized as necessary.

As will be mentioned below, it is possible that additional condo type or hotel type rental units may be designed and built on one or more of the 5 commercial lots. However, no market studies or discussions with parties interested in this type of land use have been conducted. Therefore we have not included any additional estimates for this use.

Condo/Multi-Family Ownerships:	Areas
East side of Gold Creek Road	581,060 sq. ft. or 13.34 acres
Total:	581,060 sq. ft. or 13.34 acres
Percent of Total SnoCadia Area:	17.4 Percent
Individual Condo development envelope:	750 sq. ft.
120 condo envelope footprints	87,000 sq. ft. or 2 acres
Percent of condo development area	15 percent
Percent of Total SnoCadia Area:	2.6 percent

Single Family Lot Clusters

Single Family Lot Clusters will be developed on approximately thirty-three and one-half (33.40) acres set aside for Single Family Style housing. This area lies west of Gold Creek road and west of the 15.3-acre community open space on Gold Creek separated by the Condo land use previously described. The high ground provides an elevation change of up to 140 feet from the condo area. This provides view planes into the surrounding area of open space and mountains. The visual back yard to this residential area includes the wetlands of Mardee Lake, which will not be developed and of the USFS lands to the north. WSDOT owns a several acre parcel on the southern boundary, which they state that they will not use for a source of rock and that they are going to employ for mitigation purposes. This indicates that the tree cover to the south will remain, acting as a partial noise screen to I-90 and as a visual amenity.

To preserve the native plant material and soils and to maintain the visual beauty of the alpine forest, building envelopes will be located, specified and documented once the tree inventory, view plane analysis and up-to-date lot-by-lot surveys are completed to establish the specific building envelopes for construction. No movement of materials will be allowed outside of specified building envelopes. This land use pattern will assist in maintaining the maximum amount of existing native vegetation and tree cover. It is contemplated that 2400 square feet per SF unit will be provided in a development envelope. Acreage not included within building envelopes will be held in common by the SF envelope owners.

One hundred and twelve (112) SF building envelopes are planned for SnoCadia. The envelopes will be massed, primarily, in groups of four (4). Since no design work has been accomplished on these grouping or designs at this stage it is possible that this grouping could be modified if there is a desirable way to increase the open space without inducing a feeling and/or look of buildings impinging on one another.

None of these envelopes will be within 200 feet of Gold Creek. An analysis will need to be accomplished on the western boundary of the development regarding any potential water run-off into Mardee Lake or Coal Creek waters. Downward sloping topography could possibly require some sort of run-off catchments arrangement be placed along the western perimeter of the property. A catchments system has not been designed but recognized as a possible necessity.

Single Family Style Structures:	Area
West side of Gold Creek Road	1,452,914 sq. ft or 33.40 acres
Total:	1,452,914 sq. ft. or 33.4 acres
Percent of Total SnoCadia Area:	43.5 percent
Individual SF development envelope:	2400 sq. ft.
112 SF envelope footprints:	268,800 sq. ft. or 6.2 acres
Percent of SF development area developed:	18.5 percent
Percent of Total SnoCadia area developed	8.1 percent

Commercial Lots

There are 5 commercial lots on the southern boundary of the property. No discussions or firm plans currently exist for buildings in this area. Mr. Darland has tentative plans to develop a 10,000 square foot restaurant on one of these sites similar in construction characteristics and architectural style to his highly acclaimed Latitude 42° Restaurant in Southern Chile.

Additional plans include a Lodge offering high quality rooms and spa facilities along the lines of Mr. Darland's well known Yan Kee Way Lodge which is located in the Chilean Patagonia. The Lakes Region of Patagonia is very similar in look and feel to the Pacific Northwest. German immigrants settled the area in the mid 1800's. They brought with them and utilize, in that part of Patagonia an architectural style similar to that of the Cascadian style that has been recommended for use in the Snoqualmie area. Yan Kee Way Lodge was developed to harmonize with that style and has been well received by visitors from all over the world, including many from the Pacific Northwest.

Commercial Non-Fractional Ownerships or Time Share Uses	Areas
East Side of Gold Creek Road Commercial Lots 1 & 2 :	194,742 sq. ft. or 4.5 acres
West Side of Gold Creek Road Commercial Lots 3,4 & 5	66,238 sq. ft. or 1.52 acres
Total:	260,980 sq. ft. or 6.0 Acres
Percent of Total SnoCadia Area:	7.8 Percent

Additional information will be provided to supplement this section.

Roadways and Circulation

Main Access Roads

A main access road will be constructed to required Kittitas County Standards on a 60-foot ROW suitable for acceptance by Kittitas County. A secondary 20 paved, gated, emergency access road located in a 60-foot ROW will be provided which will connect to an existing public roadway. In the event it is decided to provide to entrances one being for access to the business and condo development and another private gated entrance, then both access roads will be built to 26 foot widths. This dual entrance design would accommodate private access to the SnoCadia highlands, yet emergency exits for both the condo area and the Mountain Grandeur development.

Access issues, as previously discussed are not yet finalized.

Internal Circulation

Internal circulation will be provided on a north/south axis on a 60-foot ROW utilizing a 26-foot wide surfaced roadway constructed to required standards suitable for acceptance by Kittitas County.

A central spine traverses SnoCadia from south to north. This road way carries the temporary name of Gold Creek Road. The northern end terminates in a cul-de-sac with a 45-foot radius. There are two spurs that climb westerly off of the main spine. The southern and longer of the two provides access to the southwesterly quadrant of the development. A second entrance and/or secondary access will link to this spur. in lieu of a cul-de-sac

The northern spur provides access to the northwest quadrant of SnoCadia and has two termini ending in cul-de-sacs.

Given that no expansion of these roadways will be necessary given the surrounding government lands, the development envelopes can be place very near by benefiting from the additional 17 feet on either side of the roadway which can be used to plant screening from the roadway while leaving internal land areas open and with greater separation among the SFR clusters.

The total internal circulation system ROW consumes a total of 9.3 acres of land. Of that acreage, 4.03 acres are actually paved to provide the 26 foot paved right of way. There are 6,650 feet or 1.3 miles of internal roadways contemplated

This ROW consumes 12.2 percent of the total SunCadia land area. Of that ROW which is actually paved, the percentage of the total land area in the Suncadia development is 5.25 percent. There is room to explore whether or not this roadway width is actually needed given that this is a limited access dead end roadway system. There will not be and expansion and connection to a broader system of collectors and arterials.

We would like to keep the dedication of a 60-foot ROW utilizing it for the separated movement of cross country skiers and snowmobiles in the winter and separate paths for bicycles, joggers and electric carts in the warmer months. These pathways could be designed and constructed to percolate rather than sheet-off rainwater and snow melt.

Driveways and Local Access

More analysis has to be accomplished in this area. It is desirable to limit the amount of impervious surfaces in the development to mitigate water run-off. It is necessary to provide access from the paved road surfaces to the development clusters but at the same time not pave over the forest floor.

We do not have a final position on this at this time and this work needs to be coordinated with the development of the snow management plan.

Onsite Parking

Onsite parking around residences shall be limited to no more than two (2) automobiles per unit. Guest parking facilities will be developed adjacent to each condominium. This limited number of guest parking stalls has not been established.

Each Condo unit will be required to have an enclosed garage with a minimum of 400 sq. ft. for the enclosed parking of one vehicle and parking space on a garage apron for a second vehicle.

Each SF unit will be required to have an enclosed garage with a minimum of 900 sq. ft for the enclosed parking of two vehicles and a parking space on a garage apron for parking one additional vehicle.

Total Internal Street Circulation ROW	Area
60 foot wide Right of Way:	404,999 sq. ft. or 9.3 Acres
Actual 26 ft. Paved Right of Way:	175,500 sq. ft or 4.03 Acres
Lineal feet of ROW:	6,750 feet or 1.3 miles
No current estimate in shared local access	
No current estimate on off-street parking	
Total ROW:	404,999 sq. ft. or 9.3 acres:
Percent of Total SnoCadia Area:	12.2 percent
Actual Paved Right of Way:	175,500 sq. ft or 4.03 Acres
Percent of Total SnoCadia Area:	5.25 percent

Water Supply and Sewage Disposal

The SPUD shall provide water and sewage supply. As mentioned previously, I have in hand, 230 Certificates of Availability for water and sewer hookups. These have a 15-year life with a tolling provision, which starts once the water, and sewer trunk lines and access to the property are in place.

Final trunk line sizing has not been determined and the final word on that belongs to the SPUD as per the *Final Settlement Agreement between SPUD and Michael Darland* (attached as Exhibit B).

Water and sewer hookups will be installed in the street ROW to the boundary of the ROW closest to each development cluster. It will be the responsibility of lot owners to bring the lines to their dwelling unit.

Other Utilities

It is planned that the installation of all other utilities will be accomplished simultaneously with the installation of the water and sewer lines.

Off Site Parking

Mr. Darland has an agreement with an adjacent property owner to acquire a portion of property to provide for off-site parking of sports equipment and vehicles over the allotted number of parking areas in both the condo and SF development.

This off site parking will reduce the visual pollution resulting from too many vehicles on the inside of the development.

Residents will be encouraged to leave extra vehicles of friends and guests in the special parking area. Provision will be made for golf carts storage and charging in the warmer and non-snowy months and snowmobiles in the winter months.

An additional advantage of this type of storage is that it allows the design and operation of a catchments system to control any waste products that emanate from the vehicles that are stored therein.

More work and detailing of this aspect of the development needs to be accomplished.

Construction Timing and Installation of Improvements

As was explained in the section, *History of Site Development*, nothing about this project throughout its history has been easy. The only forward progress that has resulted on the project has been through litigation to protect fundamental property rights and performance by those failing to perform. I have no reason to believe, given current facts and information that the future will be much, if any different.

As a result any firm commitment to actual timing will have to be conditioned on an assumption of the sequencing of events. Therefore, I will outline general expectations for the actual timing of certain tasks without the benefit controlling exogenous events by third parties.

Some of these events that most likely could take place over which I have no control are:

- WSDOT's stated desire that I not develop my property.
- WSDOT's stated commitment to appraise my property.

- WSDOT's ability to offer an acceptable purchase price for my property.
WSDOT's willingness to decide that they do not actually need my property.
- WSDOT's willingness to enter into an eminent domain proceeding if we cannot come to an agreement on a purchase price and the time that will take.
- The time it takes for SPUD to fulfill their legal obligations regarding required access into my property.
- Any time required for return to court to cause SPUD to fulfill its legal obligations on my property as our agreement remains under court supervision.
- Attempts by Kittitas County to institute major land use and zoning changes that substantially damage my property values without having a defensible legal basis to do so that would require legal action on my part to defend my property rights.
- WSDOT's further extension of the completion of their EIS study beyond the summer of 2008 as this is a baseline starting point for any EIS work required of us.
- Litigation against me by one or more of the 22 groups that oppose development of my private property and the time necessary in the litigation.
- This type of litigation may come prior to, during or after the decision on the part of the County Commissioner's to approve development of SnoCadia.
- These groups may litigate the findings of EIS studies that we do
- These groups may litigate the standards and means that we intend to use, once fully identified, to mitigate any project development effects that require mitigation.

That is a list that is just for starters. There may be more. However, this project is of sufficient merit and economic worth and it has a fact pattern and history that will lead to prevailing in the long run. Mr. Darland has the financial resources to defend his rights. He also believes in the rights of others to seek fair solutions to obtain their desires.

The clear facts are that there are no legal restrictions on private property owners who undertake and accomplish an excellent job of meeting ALL laws and ALL requirements in the development of their private property. This is what Mr. Darland will propose and what he will commit to do.

With that as background as to matters that will change or influence the timeline and remove it from the project manager's control, a general schedule in the ordering of macro tasks is as follows:

- Obtain subdivision approval by Kittitas County Commissioners.
- Obtain, with or without SPUD eminent domain proceedings, necessary accesses for utilities and transportation into the project boundaries.
- SPUD obtains all permits and meets all requirements for extending the water and sewer trunk lines.
- Charter engineering studies for the construction of the water and sewer trunk lines in the SnoCadia access right-of-way(s) to be stubbed out at the property boundaries.

- Provide a post contract work plan and schedule on next available construction season.
- Obtain bids and let contracts for construction of water and sewer trunk lines to the property boundary
 - Make arrangement with all other utilities for the installation of their infrastructure to the property boundaries.
- Charter survey work to:
 - Complete a tree inventory and log on in a GIS system
 - Complete a view inventory and view corridor study and locate these radii and their view targets on a GIS system.
 - Complete a survey of major and minor drainages and develop and quantify the drainage mitigation solutions available taking into consideration all estimated impervious surfaces that will be added to the entire site and calculate all season estimated run-offs and identify these on a GIS system.
 - Complete a fine grained analysis of the configuration and placement of the development envelopes for the three land use types of development as influenced by the terrain and topography and identify these on a GIS system.
- Charter an analysis of the variables collected in the survey work to recommend a final location and orientation of each of the building envelopes
 - Perform an analysis of these orientations as regards lighting and sun location by eliminating, on the GIS model, those trees in the tree inventory which can be removed from:
 - The recommended building envelopes
 - Any select others that will open up view planes and light while maintaining maximum existing tree cover.
- Recommend and provide the detailed building envelope plan
- Survey in and locate the approved building envelopes corners with bronze medallions at each corner containing the lot number and the physical location by latitude and longitude stamped in.
- Conduct a study to determine the most efficient and least environmentally disruptive means of providing access to the massed development envelopes from the internal collector streets
- Charter an engineering study and implementation plan to install water, sewer and all other utilities to the right-of-way boundary so that these may be carried to the finished construction with the development envelopes.
 - Provide a suggested means to advance all of these utilities at once for four units to a distribution system that is most proximate to the units so that there is minor disruption to the development clusters.
 - Allow for any costs, incurred by an early implementation by one property owner to become an interest-bearing lien against the other properties in the cluster.

Addresses of neighbors

More To Come

Additional information will be provided as it is developed.