

ALSO CONTACT THE COUNTY FOR A FULL DISCLOSURE OF DEVELOPMENT STANDARDS AND ZONING CONTROLS WITHIN THIS PLANNED DEVELOPMENT.

**Return Address**

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**Document Title(s)** (or transactions contained therein):

1. Tuscan Village at Lake Chelan Joint Development Agreement
- 2.
- 3.

**Reference Number(s) of Documents assigned or released:** n/a  
(on page \_\_\_ of documents(s))

**Grantor(s)** (Last name first, then first name and initials):

1. TUSCAN VILLAGE AT LAKE CHELAN LLC
2. and Owners as listed on page 1
- 3.
4.  Additional names on page 1 of document.

**Grantee(s)** (Last name first, then first name and initials):

1. CHELAN COUNTY
2. CITY OF CHELAN
3. LAKE CHELAN SEWER DISTRICT
2.  Additional names on page \_\_\_ of document.

**Legal description** (abbreviated: i.e. lot, block, plat or section, township, range)

Lots 1 and 2 of Chelan County Short Plat 2329; portion of Section 16, T27N, R22E; Lots 1-4 of BLA 2008-071, Chelan County.

Full legal is attached to Agreement as Exhibit A.

**Assessor's Property Tax Parcel/Account Number**

272216240260, 272216310100, 272216230075, 272216330050, 272216320150, 272216230200,  
272216320052, 272216230150, 272216410350, 272216420100, 272216240300, 272216420150,  
272216310050, 272216420200

**TUSCAN VILLAGE AT LAKE CHELAN  
JOINT DEVELOPMENT AGREEMENT**

This DEVELOPMENT AGREEMENT (“Agreement”) is entered into by and between the Parties identified below to implement the Planned Development District and Plat of the project known as Tuscan Village at Lake Chelan located in Chelan County and the City of Chelan Urban Growth Area as further described below.

1. PARTIES, PURPOSE, PLANNING CONCEPT and RECITALS

1.1 PARTIES

The Parties to this Development Agreement are:

1.1.1 TUSCAN VILLAGE AT LAKE CHELAN LLC, a Washington corporation, herein referred to as “Developer;”

1.1.2 The following “Owners” of the following parcels of “Property” (see full legal descriptions at **Exhibit A**):

<b>Owner of Record</b>	<b>Property ID</b>	<b>Tax Parcel Number</b>
APRE LLC	45773	272216240260
APRE LLC	45779	272216310100
DENNIS EVANS ORCHARDS LLC	45757	272216230075
DENNIS EVANS ORCHARDS LLC	45783	272216330050
DENNIS EVANS ORCHARDS LLC	45782	272216320150
DENNIS EVANS ORCHARDS LLC	45763	272216230200
DENNIS EVANS ORCHARDS LLC	45781	272216320052
EVANS, DENNIS & JACLYN S.	45762	272216230150
R AND H PARTNERS, L.L.C.	45793	272216410350
FRED ALAN ROSS and LINDA A. ROSS	45802	272216420100
RRJ REAL PROPERTIES LLC	45776	272216240300
RRJ REAL PROPERTIES LLC	45803	272216420150
RRJ REAL PROPERTIES LLC	45778	272216310050
RRJ REAL PROPERTIES LLC	45804	272216420200

1.1.3 CHELAN COUNTY, a Washington municipal corporation (herein referred to as the “County” or the “Approving Authority”); and

1.1.4 The CITY OF CHELAN, a Washington municipal corporation (herein referred to as the “City).”

1.1.5 The LAKE CHELAN SEWER DISTRICT, a Washington municipal corporation.

## 1.2 PURPOSE

The Parties enter into this Development Agreement in furtherance of the approvals given to the project referred to as Tuscan Village at Lake Chelan (the “Development”), which involves the Properties consisting of 273± acres owned by Owners and located within the area known as the South Shore Area recently included into the City’s Urban Growth Area in Chelan County, Washington. The Development includes the Tuscan Planned Development (the “PDD”) and the Tuscan Village Subdivision, which were approved by the Chelan County Hearing Examiner in a Decision described in Section 2 below.

## 1.3 AUTHORITY

The Parties enter into this Agreement pursuant to RCW 36.70B.170 and CCC 14.18, which authorize the County to enter into Development Agreements and the City to be a party to a Development Agreement for property within its Urban Growth Area.

## 1.4 PLANNING CONCEPT AND VALUE

A plan for future build out of the Development promotes growth management and planning objectives of the County and City, including the promotion of tourism for the wine and agriculture assets of the Chelan Basin; innovative and sensitive land development with clustering and resource area tracts; environmental protection; a creative mix of resort, commercial and residential uses; which may provide sustainable economic vitality that promotes the values of both the City and the County Comprehensive Plans and visions for the area.

## 2. THE PDD AND PRELIMINARY PLAT APPROVAL

### 2.1 SEPA REVIEW

The County processed an environmental impact statement for the Development with the scoping notice issued October 6, 2008, the Draft EIS issued June 16, 2009 and the final EIS issued September 16, 2009. No appeal of the EIS was filed.

## 2.2 THE HEARING EXAMINER'S DECISION

2.2.1 The Hearing Examiner's decision approving the PDD and preliminary plat is dated November 16, 2009, with clarifications dated November 23, 2009, and a denial of reconsideration decision dated December 4, 2009, and decision approving the minor modification dated June 1, 2010, all attached hereto as **Exhibit 1** (and collectively referred to as the "Decision"). Certain provisions of the Decision are listed below, in order to call attention to specific requirements of the Decision, but do not modify the Decision of the Hearing Examiner. In the event of conflict between the following provisions and the Decision, the Decision shall prevail. **Exhibit 2** to this Agreement is the preliminary plat approved in November 2009 with the table of uses updated to reflect the minor change. **Exhibit 3** is the new PDD approval showing uses and allocations and phases.

2.2.2 The uses approved by the Examiner's Decision, as modified by the approval of the minor change dated June 1, 2010, are listed by lot as follows:

### RESIDENTIAL

	USE	ACREAGE	RESIDENTIAL UNITS	GLA*
LOT 3	MULTI-FAMILY	3.99	32 (4 8-plexes)	
LOT 4	MULTI-FAMILY/ MIXED-USE/ RETAIL	9.70	40 (5 8-plexes)	5,000
LOT 5	MULTI-FAMILY/ SINGLE-FAMILY	64.45	188 56 sf 42 (21 duplexes) 80 (10 8-plexes) 10 casitas	--
LOT 6	SINGLE-FAMILY/ MULTI-FAMILY/ CASITAS/HOSPITALITY	78.07	384 222 hotel 28 casita 124 (15 8-plexes + 2 duplexes) 10 single family	8,000 (spa etc. internal to hotel considered accessory uses and not counted against stand alone retail numbers)
LOT 7	MULTI-FAMILY/ CASITAS/ HOSPITALITY	4.79	80 66 units hospitality 14 casitas	--
LOT 8	MULTI-FAMILY	13.15	58 48 mf (6 8 plexes) 10 casitas	--
LOT 9	OPEN SPACE	1.91	0	--

	USE	ACREAGE	RESIDENTIAL UNITS	GLA*
LOT 14	SINGLE-FAMILY/ MULTI-FAMILY/ MIXED USE	22.63	170 34 single family 128 mf (16 8-plexes) 8 mixed use MF	5,000
LOT 15	SINGLE-FAMILY	1.17	2	--
TOTALS		199.86	954	--

\*GLA – Gross Leasable Area

#### RETAIL

	USE	ACREAGE	GLA
LOT 1	FARM MARKET	1.01	1,500
LOT 2	TUNNEL HILL WINERY	2.62	1,500
LOT 10	ITALIAN VILLAGE RETAIL	5.28	15,000
LOT 11	TSILLAN CELLARS WINERY	4.52	3,000
LOT 12	COMMERCIAL/RETAIL	1.04	2,000
LOT 13	COMMERCIAL/RETAIL	2.37	4,000

See Final PDD approval Map, **Exhibit 3** hereto, as modified by the minor change approval dated June 1, 2010.

2.2.3 Specific Conditions PDD—Development Agreement. The Decision conditioned the PDD and the preliminary plat on the approval of a development agreement in sections 23-25, as follows, with references to the portions of this Development Agreement in parentheses, specifically addressing the issues identified below and such other issues as provided by RCW 36.70B.170(2)(j) and CCC 14.18.030(1)(H) the Hearing Examiner deems appropriate:

23. A Development Agreement shall be finalized prior to final plat approval and consistent with Chelan County Code Chapter 14.18. Section 14.18.020(4) allows for the Development Agreement to be established prior to, concurrent with, or following approval of the Planned Development. The Development Agreement is required to be consistent with CCC and incorporate the conditions of approval as adopted by or amended by the Board of County Commissioners.

24. The Development Agreement shall be consistent with the application materials and conditions of approval, as modified herein by the Hearing Examiner.

25. The Development Agreement is recommended to the Board of County Commissioners to conform, as appropriate, to the

Conditions of Approval and Final EIS with specifications on the following:

- a. List of permitted uses, residential densities and nonresidential densities, intensities as outlined in the proposal (see § 2.1.2);
- b. Zoning Standards, as outlined in the Draft EIS Appendix 6 with the bulk standard height limit of 50 feet (see **Exhibit 7** hereto, PDD Modified Development Standards);
- c. Design standards (see **Exhibit 9** hereto, Tuscan Village at Lake Chelan Model Architectural and Design Control Manual);
- d. Covenants, Conditions and Restrictions (CC&Rs) necessary to ensure that the future development is maintained and operates consistently with the conditions of approval and adheres to Owners' vision of the Tuscan Village Planned Development (see **Exhibit 8** hereto, Covenants, Conditions, and Restrictions);
- e. Provisions for the movement of permitted uses with in the site (see § 4.4);
- f. Provisions and requirements for future subdivisions and or binding site plans (see § 3.2);
- g. Open space, park and agricultural preservation measures (see § 3.3);
- h. Phasing of development (see § 3.4);
- i. Provisions for amendments to Planned Development to ensure adequate review or reissuance of the Development Agreement (see § 6.6 and 7.7);
- j. Specify a termination date upon which the agreement expires (see § 7.3.1); and,
- k. Reserve authority to impose new or different regulations to the extent required by a serious threat to public health and safety (see § 7.3.2-4).

2.2.4 Specific Condition–Final Plat. Condition of Approval 26 of the Decision identified specific conditions to be met with any final plat filed to implement the approved preliminary plat:

26. The Plat shall meet all requirements stated herein and be subject to the following conditions required in the Final EIS page 4:
- a. All roads, turnarounds and parking shall be reviewed for adherence to CCC standards and approval.
  - b. Traffic impacts for internal trips shall be determined and associated with proposed uses at full build out.

- c. Secondary access requirements shall be reviewed at the time of development and or land division for each parcel.
- d. Demonstrate connectivity and interconnectivity between the Primary Boulevard, secondary roadways, primary and secondary trail systems.
- e. Address turning movement needs along secondary roadways.
- f. Internal trips need to be acknowledged, associated with proposed uses and analyzed against initial traffic volumes for consistency.
- g. Roadway geometric designs shall meet a minimum of 25 mph design speed.
- h. Roadway channelization, illumination, striping and signing shall meet the requirements of the Manual on Uniform Traffic Control Devices (MUTCD).
- i. All non-roadway signing shall adhere to Chelan County Code (CCC).
- j. No road grade shall exceed 12%.

#### 2.2.5 Specific Condition–Water Quality and Environmental Protection.

Condition of Approval 27 of the Decision imposed a specific condition relating to water quality and environmental protection, in connection with the potential application of reclaimed water:

27. Prior to final plat approval, a specific independent study (or studies as may be appropriate), by a person (or persons) or organization (or organizations) selected by the applicant and approved by the County, shall be required to examine the hydrogeologic conditions, the interaction of reclaimed water with the lake and examination of the potential impacts of both nitrogen and phosphorus loadings on lake water quality. Such studies shall specifically address the development of a groundwater monitoring plan and mitigation measures in order to insure the water quality of Lake Chelan is preserved. The applicant shall comply with all recommended mitigation measures.

### 2.3 SPECIFIC CONDITIONS OF THE FEIS

2.3.1 The FEIS. Chelan County published a Final Environmental Impact Statement for the Development in September 2009, which contained mitigating conditions governing future development in the planned development. The FEIS is incorporated in this

Agreement by reference and a summary of mitigating conditions is referenced below. The materials referenced below are intended as a summary of the principal requirements. In the event of conflict or omission, the language of the FEIS shall be controlling.

The primary mitigating conditions were set out in the FEIS in Section III, Proposed and Identified Mitigation, pp. 21-26 (a copy of which is attached hereto as **Exhibit 5**), which addressed specific requirements for the Development.

2.3.2 Additional Mitigation Measures to be Addressed at Each Request for Approval of a Final Plat or Plan. The following mitigation measures shall be addressed at each request for approval of a final plat or plan, SEPA checklists for subsequent development are required to consider elements of the environment and shall build upon the referenced items from the FEIS:

- 2.3.2.1 Earth conditions, items 1-5
- 2.3.2.2 Water and Wastewater conditions, items 1-2
- 2.3.2.3 Stormwater conditions, items 1-4
- 2.3.2.4 Transportation conditions, items 1-12
- 2.3.2.5 Hazardous Substances conditions, items 1-2
- 2.3.2.6 Air Quality conditions, items 1-6
- 2.3.2.7 Archeology and Cultural Resources conditions, items 1-3
- 2.3.2.8 Parks conditions, items 1-4
- 2.3.2.9 Schools condition, items 1
- 2.3.2.10 Police conditions, items 1-3
- 2.3.2.11 Fire conditions, items 1-3
- 2.3.2.12 Electricity conditions, items 1-4
- 2.3.2.13 Solid Waste conditions, items 1-3
- 2.3.2.14 Aesthetics conditions, items 1-4

2.3.3 FEIS Conditions Specific to the Initial Final Plat. The following conditions must be satisfied with regard to the initial final plat:

- 2.3.3.1 Primary road and trail system to be constructed with Phase I.

2.3.3.2 County road standards apply per CCC Title 15.

2.3.3.3 WSDOT frontage improvements to be based on WSDOT standards. Prior to final plat approval for the approved subdivision, the Developer shall provide WSDOT drawings sufficient to show required right of way, stormwater and other necessary frontage improvements to be made as the Development builds out and the final plat shall show frontage “reserved for future dedication” to assure compliance with WSDOT standards as improvements are made in the future. Future dedication and improvement of necessary right of way for any proposed phase or development shall be based on WSDOT requirements for the proposal, and required dedication and right of way improvements shall be made prior to the issuance of building permits for the proposed phase or building.

2.3.3.4 All developed properties to “be served by a connected trail to the primary trail system and road connections consistent with the County Code for both access and emergency services.”

2.3.3.5 The private access through Tsillan Cellars is presently through the Vineyard for Tsillan Cellars and part of the primary trail system. The trail is to be upgraded to provide for emergency access to the R and H property in the south and for emergency services to both R and H and Tsillan Cellars property, but public motorized traffic will not be permitted. The trail is not to be used for “secondary access” to Lots 6-10 and 11-14. Secondary access is to be addressed at the time of development as provided in the Hearing Examiner’s decision, consistent with County requirements in Title 15.

#### 2.4 FUTURE DEVELOPMENT PHASES ON THE RESERVE PARCELS

The following requirements apply to the development of the Reserve Parcels:

2.4.1 All subsequent development shall be consistent with County standards.

2.4.2 As future phases are developed roadways within each development submitted for approval will be either all public or all private, but all roads shall conform to County standards.

2.4.3 Interconnectivity of public and private roads and trails shall be maintained at all times.

2.4.4 Gated developments such as senior housing with private roads must meet County Code requirements for approval of private roads.

2.4.5 All trails shall be non motorized except where specifically authorized by the County.

2.4.6 The final plat shall provide for utility and snow storage locations.

## 2.5 SPECIFIC MITIGATING CONDITIONS REGARDING CORE FACILITIES

In addition to Condition of Approval 27, relating to Water Quality and Environmental Protection set out in Section 2.2.5, above, the follow specific conditions apply to Core Facilities:

2.5.1 Wastewater treatment system will meet all WDOE/WDOH standards for Class A recycled water reliability and redundancy requirements as required by State law.

2.5.2 No on site storage of nontreated or undertreated water shall be permitted

2.5.3 Fire flow is addressed by providing adequate on-site storage at an elevation sufficient to achieve fire flow pressure and storage capacity.

## 2.6 PDD AS A ZONE CHANGE

The PDD illustrated in **Exhibit 3** as implemented through the lots and the approved uses in **Exhibits 3 and 4** hereto, the development standards (**Exhibit 6** to this Agreement), and this Development Agreement are the approved uses for the site.

## 3. PHASING OF DEVELOPMENT

### 3.1 INTERIM LAND DEVELOPMENT AUTHORIZED

Prior to the recording of a final plat, all of the Property in the PDD listed in Section 1.1.2 are legal lots and are presently zoned SUD, the zoning provisions described in Chapter 17.46 of the Chelan Municipal Code, a copy of which is attached as **Exhibit 10**, and properties within 1,000 feet of Lake Chelan are served by existing facilities in the Lake Chelan Sewer District. Preliminary development, within the PDD may be developed under SUD zoning provisions of the Chelan Municipal Code prior to approval of the PDD and Preliminary Plat if the following conditions are met:

3.1.1 The interim development use is specifically authorized as a permitted use, accessory use, or conditional use in Chapter 17.47 of the Chelan Municipal Code.

3.1.2 The interim development has a certificate of water availability and approved sewer service for the interim development from an approved local utility.

3.1.3 The Owners have filed a covenant providing that at the time on-site Core Facilities are developed and approved for use, that the interim development will, within 180 days of such approval, disconnect from the interim system and connect to the Core Facilities constructed for the Development.

## 3.2 FUTURE LAND DIVISIONS ARE AUTHORIZED

3.2.1 Resubdivision Process. The final plat, when approved according to the provisions of Section 3.4, creates a series of lots presently available for development, Lots 1-4, 7, 9, 11-13, 15, and four "Reserve Lots" (Lots 5, 6, 8 and 14). The Reserve Lots are complete within the final plat for the Development, but are subject to further subdivision to achieve the ultimate build out authorized for the PDD, as described in Section 3.6. Such future subdivision may be made by replatting of the individual lots so long as the replat is consistent with the prorata allocation of use, transportation, trail, traffic, and open space conditions for the PDD as a whole, under the conditions noted below. Such redivision furthers the purposes of this Development Agreement.

3.2.1.1 Binding Site Plan. All platted lots, but excluding dedicated agriculture tracts, may be further developed by binding site plans as provided in Chapter 12.20 CCC for projects identified in CCC 12.20.010 as amended and consistent with this Development Agreement.

3.2.1.2 Short Plat. The reserve lots may be redeveloped through the County short plat process where the developed lots and remainder lot within the reserve lot approved in the preliminary plat are consistent with Chapter 58.17 RCW and County codes, and processed in accordance with Chapter 12.12 CCC as amended and consistent with this Development Agreement.

3.2.1.3 Major Subdivision. Where the redevelopment of a remainder lot calls for the creation of five or more lots, proceeding with a plat through the major subdivision process identified at Chapter 12.16 CCC is authorized as amended and consistent with this Development Agreement.

3.2.2 Redivision. The subsequent development of existing lots, consistent with the intent of the PDD and this Development Agreement, is not a "plat amendment" for purposes of this Agreement or County Code. It is the intent of the Parties that redivision of the reserve lots through subsequent platting, and development of the primary lots or commercial areas of the reserve lots through the binding site plan process referenced above shall not be considered a "plat alteration" as detailed in Chapter 12.24 CCC, so long as the actions are consistent with the PDD and this Development Agreement (including provisions for modification and relocation).

3.2.3 Future divisions authorized by this section and otherwise complying with applicable laws are not amendments to this Agreement and are consistent with the provisions of this Agreement.

## 3.3 OPEN SPACE, PARK AND AGRICULTURE PRESERVATION MEASURES

3.3.1 Types of Open Spaces within the Development. The PDD has three types of open space: (1) Agricultural Open Space, (2) Park and Recreation Open Space, and

(3) Buffers and Passive Open Space. (For purposes of this section required yards are not considered open space.)

3.3.2 Agricultural Open Space. Agricultural Open Space shall consist of Agriculture Tracts A-E, described below, which shall in total retain a minimum of 54.3 acres in agricultural activities; and those portions of residential development areas which shall retain a minimum of 20% in agriculture and open space. The Agricultural Tracts are designated in the PDD for future agricultural use and includes dedicated agricultural tracts and future agriculture open space identified in future development of the reserve tracts. In the initial plat, the following tracts are agricultural tracts subject to the agricultural tract regulations in **Exhibit 6** (Development standards).

Tract A	13 acres
Tract B	13 acres
Tract C	20.70 acres
Tract D	4.4 acres
Tract E	3.2 acres

3.3.2.1 Limitations on Agricultural Open Space. Agricultural Open Space, both that dedicated in the original final plat, and that dedicated by future redivision of the reserve tracts, shall be limited in use to commercial agricultural production, and those accessory uses (including farm buildings, warehouses, storage sheds, pump-related facilities, including recycled water basins approved as part of the hydrogeologic study described in Section 27 of the Conditions of Approval of the Decision at Section 2.2.5 above) are all permitted uses on the agricultural tracts. Agricultural tracts may be modified in shape to accommodate future development on the reserve or primary tracts so long as the following conditions are met: (1) there is no reduction in net acreage for Agricultural Open Space, and (2) the lands included in the change are contiguous to existing agricultural tracts and capable of commercial agricultural production.

3.3.3 Park and Recreation Open Space. Reserve lots 5 and 6 shall provide not less than 10% of required open space identified in Section 3.3.4 designed specifically for active recreation purposes consistent with the Tuscan and agriculture theme, but are designed as places for active use. All lots, both present and reserve, are required to participate in the trail program, the completion of which is shown on the approved PDD and addressed in the phasing plan described below.

3.3.4 Buffers and Passive Open Space. All development in the PDD contributes to open space, and in total, the active and passive open space and perimeter and natural area buffers (but not required yards) shall be not less than 20% of the total developable residential acreage.

Residential acreage does not include retail mixed use or hospitality uses and includes the following amounts:

<b>Parcel</b>	<b>Residential Acres</b>
Lot 5	64.45 acres
Lot 6	15 acres (the balance is hospitality)
Lot 9	1.91 acres
Lot 14	22 acres (the rest is mixed use)
Lot 15	1.17 acres
Total residential property	104.53 @ 20% = 20.91 acres open space

The residential properties may be considered as a whole, and residential developments as a whole shall retain a minimum of 20% in agriculture and open space within the PDD, or a total of 20.91 acres, in addition to Agricultural Tracts A-E shown on the final plat. Parks, trails, agriculture, open space, and recreation areas may be included in any open space calculation. As the reserve lots (Lot 5, 6, 8 and 14) develop, proportionate open space shall at all times be equal or greater than the 20% of the developed residential properties.

3.3.5 Satisfaction of Open Space Requirements by Phases, Not Individual Developments. Development on individual lots or future subdivisions on the primary and reserve lots do not have to meet open space requirements within the specific development proposal, so long as the dedicated open space within in the PDD for the developed residential property is not less than 20% of the developed residential property as required by Section 3.3.4 . Maintenance responsibility for all open space shall rest primarily with the owner’s association described in the CC&Rs. The owners may delegate the responsibility to local project associations within which the park is located, but in such event shall have the overall legal responsibility in the event local owners fail to maintain, repair, or replace the landscaping and approved trails and open space as necessary to retain the condition identified in the project approval. Any enforcement action by the County would be directed to and the responsibility of the owner’s association.

### 3.4 PHASING OF FINAL PLAT

3.4.1 Plat and PDD. Pursuant to the Chelan County Code, the conditions of approval for the PDD, including the approval, the CC&Rs, development standards and the filing of the final plat, must all occur within five years (and such extension as may be allowed by State law and County codes) of the final approval of this Development Agreement, which is the “final action” of the County approving the PDD and Preliminary Plat. Upon the recording with the County Auditor of the final PDD and final Plat map for the PDD or any of the phases identified in Section 3.4.2, the PDD shall be considered complete. Phased approval is subject to the phasing conditions below, but upon the recording of the

final plat for any phase, the PDD and preliminary plat shall not thereafter expire as provided in CCC 11.76.080 as the infrastructure filed for the final plat is designed to serve the entire Development and evidence that the Development has not been abandoned.

3.4.2 Final Plat Development: Development of the Properties in the PDD for purposes of securing a final plat for the Development will occur in two phases, East and West, as described below; provided the total ADT does not exceed the current approved amount (West phase 1950 ADT, East phase center (Lots 6, 7, 8, 9 and 10) 3100 ADT, and East phase north (Lots 13 and 14) 1650 ADT.

3.4.2.1 Easterly Phase: The easterly phase involves the Properties owned by R and H Partners, L.L.C., RRJ LLC and Apre LLC, and involve the following lots: Lots, 6, 7, 8, 9, 10, 11, 12, 13 and 14. The improvements necessary to complete the Easterly Phase of the Development shall include the following:

3.4.2.1.1 Frontage improvements, US 97A (easterly boundary to third entrance), including all three entrance upgrades to WSDOT standards and designs as warrants for improvements are met—to be determined by WSDOT as phase drawings are submitted for review)

3.4.2.1.2 Public road and ROW to County standards serving Lots 12-14, with required utilities and snow storage areas. The final plat shall provide a reserve for future dedication line along both US 97 A and the entrance to Lots 12-14 showing the right of way necessary to satisfy County code requirements for secondary access when alternate access points are not available consistent with the requirements of Title 15 Chelan County Code, such right of way to be dedicated and constructed at the time traffic from the lots will exceed 400 ADT.

3.4.2.1.3 Public road and ROW to County standards serving Lots 6-10, 12, 13 and entrance to Lot 14—temporary cul de sac at west end of Lot 6 if westerly phase section not yet complete, with required utilities and snow storage areas

3.4.2.1.4 Private road and entrance serving Lot 11 built from edge of ROW to County and WSDOT standards (ability to lock gates when winery is not open)

3.4.2.1.5 Emergency road linking Lots 12-14 across 11 to Lots 6-10 (this emergency access would be open at all times, is part of the primary pedestrian trail network and built to County standards for emergency vehicle access). This road is a private road and not secondary access for Lots 6-10 and 12-14.

3.4.2.1.6 All public roads serving the final plat for the 15 lots shall be approved for development in the preliminary plat including trails, utilities and drainage to County standards

3.4.2.1.7 Plans for Core Water Facilities and Core Sewer Facilities approved by WDOE and WDOH for the whole Development, with construction of such portion thereof necessary to serve the initial phases of development.

3.4.2.1.8 Potential exception—substitute trail for sidewalk on main road pursuant to CCC 15.30.100(4) and Appendix B, Design Deviations, to facilitate recreational pedestrian movement between resorts and amenities away from the heavily traveled corridor. Any proposed deviations from County standards would be presented at the time of engineering for roads in this phase—reviewed pursuant to County codes.

“Where the developer is proposing a modification that can be allowed under the process allowed under section 15.30.100(4) and Appendix B Design Deviations process note required steps.”

3.4.2.2 Westerly Phase: The westerly phase includes the properties owned by Sunshine Farms, Tunnel Hill Winery and Evans, and involve the following lots: 1-5, 15. The improvements necessary to complete the Westerly Phase of the Development shall include the following:

3.4.2.2.1 Frontage improvements (westerly boundary to phase limit, along US 97A per WSDOT standards and frontage improvements to third intersection limit line as warrants for improvements are met—to be determined as phase drawings are submitted for review)

3.4.2.2.2 Public road and ROW to County standards serving Lots 1-5—temporary cul de sac at east end of Lot 5 if easterly phase section not yet complete, with required utilities and snow storage areas

3.4.2.2.3 All public roads serving the final plat for the 15 lots created in the preliminary plat including trails, utilities and drainage to County standards

3.4.2.2.4 Plans for Core Water Facilities and Core Sewer Facilities plans approved by WDOE and WDOH for the whole Development, with construction of such portion thereof to serve the initial phases of development.

3.4.2.2.5 Potential exception—substitute trail for sidewalk on main road pursuant to CCC 15.30.100(4) and Appendix B, Design Deviations, to facilitate recreational pedestrian movement between resorts and amenities away from the heavily traveled corridor. Any proposed deviations from County standards would be presented at the time of engineering for roads in this phase—reviewed pursuant to County codes.

“Where the developer is proposing a modification that can be allowed under the process allowed under section 15.30.100(4) and Appendix B Design Deviations process note required steps.”

3.4.2.2.6 Lot 15 will be connected to the public road with a driveway easement over the agriculture lands

3.4.2.3 The County may approve final plats in phases, as noted above, provided all Core Facilities described in Section 3.5 below are in place at the time final plat is recorded.

### 3.5 CORE FACILITIES

3.5.1 Core facilities are those facilities or improvements that must be approved and installed in concert with the development of improvements within the Development for purposes of final plat approval. The Core Facilities shall include the initial boulevard and primary access points shown on the plat, and may be phased as provided in the approval of the minor amendment. All Core Facilities serving any proposed subsequent development shall be completed or bonded as provided in Chelan County Code for the development submitted for approval, which shall include the following:

3.5.1.1 Transportation Core Facilities. The Transportation Core Facilities include the four highway access points shown on the preliminary plat, the closing of additional access points required to be closed, and the construction of “Tuscan Boulevard” linking all four properties. The entrances and Tuscan Boulevard may be phased in as intersection demand meets state warrant requirements for specific improvements, to be determined at the time of drawing submission for a specific phase, but at no time will more than 400 ADT be served without having approved secondary access consistent with Title 15.

3.5.1.2 Water Core Facilities. The Water Core Facilities include the connection of the Development to an approved water utility, such as an independent system, Bear Mountain or Little Butte water system, or a combination thereof, as approved by WDOH, sufficient to satisfy all flows and applicable fire codes. The PDD shall at all times have an approved water facility plan approved by WDOE and WDOH in place to serve the uses proposed to be developed within the phase platted. (ERU restrictions may be imposed to limit physical development within the plat to permit gradual installation of utilities consistent with the anticipated demand load to allow for cost-effective phasing.) At all times the infrastructure in place shall be sufficient to serve specific development projects within the final plat, for which permits are requested at the time building permits are requested.

Water main extensions and water system improvements that may be required to serve the Development are part of the Core Facilities of the Development and shall be installed in conformance with the most current approved specifications and requirements of the service provider and the Washington State Department of Health and all other applicable laws, ordinances, rules and regulations in effect at the time of installation. A copy of the applicable plan is attached in **Exhibit 11**, as may be modified through the general water service plan approval process. (**Exhibit 11** is, at present a simple narrative of intent. The Final General Water service plan approved and as may be modified by WDOH shall be attached to this agreement upon approval)

3.5.1.3 Wastewater Core Facilities. Wastewater Core Facilities shall be either a connection to an approved wastewater utility having the capacity or projected capacity to accommodate the waste discharge of the Development or the construction of a wastewater treatment facility on the Properties that is approved by WDOE, and satisfies the mitigation requirements imposed by the hydrogeologic study described in Section 27 of the Conditions of Approval in the Decision, set out in Section 2.2 above. If the Wastewater Core Facilities constitute a connection to the Lake Chelan Sewer District, who delivers wastewater to the City, the provisions of Section 7.4 shall also apply. The Wastewater Core Facilities shall have sufficient capacity to accommodate the wastewater needs for the development project under review. Such facility shall have an approved wastewater treatment facility plan approved by WDOE and WDOH and in place to serve the uses proposed to be developed within the phase platted. The treatment plant may have restrictions imposed to limit physical development within the plat to permit gradual installation of treatment plant phases consistent with the anticipated demand load to allow for cost-effective phasing. At all times the infrastructure in place shall be sufficient to serve specific development projects within the final plat, at the time building permits are requested.

Sewer mains and sewer system improvements required to serve the Development are part of the Core Facilities of the Development and shall be installed in conformance with the most current, approved specifications and requirements of the local service provider, as approved by the Department of Ecology, and all other applicable laws, ordinances, rules and regulations. A copy of the applicable plan is attached in **Exhibit 12**, as may be modified through the general sewer plan approval process. (**Exhibit 12** is, at present, a simple narrative of intent. The Final General Water Service Plan approved and as may be modified by WDOE shall be attached to this Agreement upon approval.)

3.5.1.4 Development Standards. The infrastructure necessary to serve the proposed phase is otherwise consistent with the development standards set forth in Section 4 below.

## 3.6 POST PLAT PHASING

The completion of the planning for the buildout of the Development may be accomplished through the Final PDD map and the Final Plat, as a single plan, or may be phased by each Owner, as provided below.

### 3.6.1 The R and H Partners, L.L.C. Property

3.6.1.1 Description. The R and H Partners, L.L.C. Property consists of 23 acres on the easterly boundary of the Development. The preliminary plat identifies the development of the Core Facilities necessary to secure final plat approval. Core Facilities fronting the R and H Partners, L.L.C. property (Lots 12, 13 and 14) must be in place prior to development of structures. **Exhibit 3** is the PDD map of the proposed final plat for the R and H Partners, L.L.C. property upon completion of required Core Facilities. Development on the lots shall be at the densities and uses indicated in the table accompanying the plat, but,

subject to approved modification, shall in no event violate the densities and uses assigned to the R and H Property in the PDD.

3.6.1.2 Development. Development of future lots shall be by further subdivision, through long plat, short plat or binding site plan as appropriate, within the limits indicated on the final PDD map and subject to the development standards and limitations established by this Agreement. Within the parameters of total development allowed on the R and H Partners, L.L.C. property, the attached map and project description is a guideline and the final location, orientation and configuration of the development and the timing of infrastructure may be cited in any order, location or configuration and timing within the overall guidelines of the Development approval so long as it is consistent with the CC&Rs, this Development Agreement and attachments.

### 3.6.2 The RRJ Property

3.6.2.1 Description. The RRJ Property (Lots 6, 10 and 11) adjoins the R and H property and has several components that provide the core assets of the Development: (1) Tsillan Cellars, which is a winery and commercial retail hub of the Development; (2) The Vineyard tracts, which are part of the dedicated open space within the plat for agriculture and open space purposes; (3) the resort/hospitality commercial areas, which are targeted as short-term stays and related conference, convention, recreation and hospitality services, including spa, food service and entertainment; and (4) a variety of housing styles to fit a variety of tourist, resort, residential and recreational needs. **Exhibit 3** is the PDD map of the proposed final plat for the RRJ property upon completion of required Core Facilities. Development on the lots shall be at the densities and uses indicated in the table accompanying the plat, but, subject to approved modification, shall in no event violate the densities and uses assigned to the RRJ Property in the PDD.

3.6.2.2 Development. Development of future lots shall be by further subdivision, through long plat, short plat or binding site plan as appropriate, within the limits indicated on the final PDD map and subject to the development standards and limitations established by this Agreement. Within the parameters of total development allowed on the RRJ property, the attached map and project description is a guideline and the final location, orientation and configuration of the development and the timing of infrastructure may be sited in any order location or configuration and timing within the overall guidelines of the Development approval so long as it is consistent with the CC&Rs, this Development Agreement and attachments.

### 3.6.3 The APRE LLC Property

3.6.3.1 Description. The Apre, LLC (Precht) Property (Lots 7, 8 and 9) consists of 20 acres in the center of the Development. **Exhibit 3** is the PDD map of the proposed final plat for the Apre LLC property upon completion of required Core Facilities. Development on the lots shall be at the densities and uses indicated in the table

accompanying the plat, but, subject to approved modification, shall in no event violate the densities and uses assigned to the Apre LLC Property in the PDD.

3.6.3.2 Development. Development of future lots shall be by further subdivision, through long plat, short plat or binding site plan as appropriate, within the limits indicated on the final PDD map and subject to the development standards and limitations established by this Agreement. Within the parameters of total development allowed on the Apre LLC property, the attached map and project description is a guideline and the final location, orientation and configuration of the development and the timing of infrastructure may be sited in any order, location or configuration and timing within the overall guidelines of the Development approval so long as it is consistent with the CC&Rs, this Development Agreement and attachments.

#### 3.6.4 The Evans and Dennis Evans Orchards LLC Property

3.6.4.1 Description. The Evans and Dennis Evans Orchards LLC Properties adjoins the RRJ Property and is the western most property in the Development (Lots 1-5 and 15). The Evans Property also contains several components that provide the core assets of the Development: (1) Tunnel Hill Winery, which is a winery and second commercial retail hub of the Development; (2) The Orchard and Vineyard tracts, which are part of the dedicated open space within the plat for agriculture and open space purposes; (3) the market and mixed use commercial areas, which are targeted to specialty retail, organic produce and crafts and related retail and commercial uses; (4) a proposed school and public center serving the community; and (5) a variety of housing styles to fit a variety of hospitality, residential and recreational needs. **Exhibit 3** is the PDD map of the proposed final plat for the Evans and Dennis Evans Orchard LLC Property upon completion of required Core Facilities. Development on the lots shall be at the densities and uses indicated in the table accompanying the plat, but, subject to approved modification, shall in no event violate the densities and uses assigned to the Evans and Dennis Evans Orchard LLC Property in the PDD.

3.6.4.2 Development. Development of future lots shall be by further subdivision, through long plat, short plat or binding site plan as appropriate, within the limits indicated on the final PDD map and subject to the development standards and limitations established by this Agreement. Within the parameters of total development allowed on the Evans and Dennis Evans Orchard LLC Property, the attached map and project description is a guideline and the final location, orientation and configuration of the development and the timing of infrastructure may be sited in any order, location or configuration and timing within the overall guidelines of the Development approval so long as it is consistent with the CC&Rs, this Development Agreement and attachments.

3.6.5 Conditions of Phased Development. The timing of phase development is dependent upon market conditions. In all cases, when approving development for all or a portion of a developed lot, or a future subdivision of a reserve tract, approval shall be

accompanied by a written finding of the approval authority (administrative, hearing examiner or other as applicable) that:

3.6.5.1 The development is connected to a public street with a public street or private street developed to County standards and approved as provided in Chapter 15 CCC. Private streets must be approved by the County as provided in County Code Chapter 15.

3.6.5.2 The development has adequate emergency access as provided in Chapter 15 CCC.

3.6.5.3 The development has provided its prorata share of open space and buffers (in the case of Lots 5 and 6 active open space) and that all trail segments are linked to trail segments existing (or to be built) on adjoining properties; provided however, if the parcel being developed has no link to an existing trail network, that the trail be extended across undeveloped parcels to at least one existing trail link. The final plat shall specifically reserve easements necessary and sufficient to accomplish this result.

3.6.5.4 Core Water Facilities and Core Wastewater Facilities are present and available at the Development site to accommodate the water and wastewater to be generated by the new development at the time a building permit application is filed for any new development on the site after the filing of the final PDD.

3.6.5.5 That all dedicated agriculture tracts associated with the future division are identified and recorded with the new development.

3.6.6 Post plat phasing authorized by this section are not amendments to this Agreement and are consistent with the provisions of this Agreement.

#### 4. DEVELOPMENT STANDARDS

##### 4.1 PERMITTED LAND USES AND DENSITY STANDARDS; ZONING

4.1.1 Approval of the PDD constitutes a change in the zoning of the Property. The authorized uses of the Property are described lot-by-lot in **Exhibit 3** to this Development Agreement. The permitted land uses are outlined in the PDD zoning standards attached as **Exhibit 7**. Except as provided in the PDD zoning standards referenced above, the following County development standards are adopted and incorporated herein:

4.1.2 Chapter 8.24 Construction standards roads and bridges

4.1.3 Chapter 8.26 Utilities

4.1.4 Chapter 8.28 Road Construction requirements bonds and fees permits

4.1.5 Chapter 8.60 Access permits

4.1.6 Chapter 12.40 CCC Subdivision Design Standards as existing as of the date of this Agreement or amended on or before December 31, 2010.

4.1.7 Chapter 13.XX CCC Storm water Management as existing as of the date of this Agreement or amended on or before December 31, 2010.

4.1.8 Chapter 14.16 CCC Bonding

4.1.9 Chapter 14.98 Definitions (except where another definition is specifically provided in this Agreement)

4.1.10 Chapter 15.30 Development standards

4.1.11 Chapter 15.40 Fire protection standards

4.1.12 Chapter 15.50 Landscape Standards

4.1.13 Chapters 11.78, 11.80, 11.82, 11.84, 11.86 Critical Areas

4.1.14 CMC Chapter 17.62, Outdoor Lighting on Public and Private Property

4.1.15 Provided, however, with the exception of the Critical Areas Ordinance, which is always enforceable, in the event of conflict, the more recent enactment will prevail.

4.1.16 Development standards identified in Section 4.1 above are incorporated by reference. Copies of the codes in effect as of the date of this Agreement are attached as **Exhibits 6 and 10** hereto and shall be the governing standards for this PDD during the term of this Agreement. Should CCC Chapter 12.40 (development standards) and Chapters 13.12 and 13.16 (stormwater requirements) be amended prior to December 31, 2010, the Parties agree that such new standards are applicable to this Agreement and may be attached for reference purposes.

## 4.2 THE COVENANTS, CONDITIONS, AND RESTRICTIONS

The Covenants, Conditions, and Restrictions addressed to the PDD and preliminary plat are set forth in **Exhibit 8** to this Development Agreement.

## 4.3 THE DESIGN STANDARDS

The design standards for the development in the PDD shall be Tuscan theme as illustrated and controlled by the Tuscan Village at Lake Chelan Model Architectural and Design Control Manual attached as **Exhibit 9** to this Development Agreement, which is managed by the Tuscan Village owners' committee as described in the CC&Rs referenced above.

#### 4.4 SHIFTING OF USES WITHIN THE PDD

Uses may be shifted from one parcel to another. The FEIS looked to the Development as a whole, which is the PDD approval. The uses approved for the specific lots may be relocated on different lots within the PDD, as a minor change approved by the County Hearings Examiner, subject to the conditions of the CC&Rs (after prior approval of the owners' committee) and so long as the following conditions are met and approved in writing authorizing the change.

4.4.1 There is no increase in total density or impact for residential units or square footage in the case of retail uses. For purposes of this analysis the following conversion factors may be used:

4.4.1.1 Multi-Family may include townhouse or multistory structures up to 8 plexes. Conversion from one type of Multi-Family to another type of Multi-Family may be done at a ratio of 1 to 1. (For traffic purposes the ITE rental "rental rate" shall be used for Multi Family traffic.)

4.4.1.2 Hospitality includes hotels and casitas. A casita is a stand alone structure that may be one unit or multiple units. It is characterized by association with the hospitality uses and is available for nightly rental. Conversion from Hospitality to Casitas may be done at a ratio of 1 to 1. (For traffic purposes the ITE hotel traffic rate shall be used for casitas.)

4.4.1.3 Single-Family deals with one residential unit on one lot in a detached format. Conversion from a Multi-Family unit to a Single-Family unit may be done at a ratio of 1 to 0.6; that is, 10 Multi-Family units may be converted to 6 Single-Family units. (For traffic purposes the ITE rental "rental rate" for Multi Family traffic shall be used.)

4.4.2 There is no change in the projected traffic from the Development as a whole, and any change in the use of specific access points to US 97A are addressed in a supplemental traffic report and all conditions of the changed access are provided.

4.4.3 The change is otherwise conditioned to meet applicable County conditions for development.

4.4.4 Changes to the CC&Rs and Model Design Manual approved by the Developer and minor changes authorized by this section approved by the County do not require specific amendments to this Agreement and shall be incorporated into the attachments as approved to keep a record of the final development approvals.

#### 4.5 PLANNING GOALS AND OBJECTIVES

The planning goals adopted by the County and the City in their Comprehensive Plans, are implemented through the Decision and this Development Agreement. The Decision and this

Development Agreement shall be the policy guidance and the foundation for all future building within the Development.

#### 4.6 FIRE AND EMS SERVICE

Fire and EMS services within the Development shall be provided by Fire District No. 7, the Chelan County Fire Marshal and Lake Chelan Community Hospital District No. 2. Future development within the plat shall conform to the requirements in place at the time of the development approval.

#### 4.7 SCHOOLS

School services to the Development are provided by the Lake Chelan School District. Future developments within the plat shall conform to mitigation requirements in effect at the time development occurs.

#### 4.8 TRAFFIC MITIGATION

Traffic mitigation for projects within the scope of the approved PDD and preliminary plat and table of uses (and any minor modifications thereof) shall correspond to the requirements set forth in the traffic mitigation identified in Section 2.2.4 and in specific conditions imposed by WSDOT under state standards and Chelan County pursuant to Title 15 CCC at the time of specific construction proposals as warrants dictate at the time. Projects outside the scope of the approved PDD or added by major modification shall conform to the County and State WSDOT requirements in place at the time of the project approval.

#### 4.9 TRANSPORTATION

Public transportation services to the Development are provided by Link Transit. Future developments within the plat shall conform to mitigation requirements in effect at the time of development approval.

### 5. SEPA COMPLIANCE

#### 5.1 ENVIRONMENTAL IMPACT STATEMENT

The parties acknowledge that potential impacts and mitigation measures for certain future development of the Development have been reviewed in an EIS pursuant to the County Scoping Notice issued February 6, 2009. The Final EIS (which includes the updated Draft EIS as Exhibit K thereto) is attached as **Exhibit 13**.

#### 5.2 FUTURE SEPA REVIEW FOR INDIVIDUAL PROJECTS

The parties agree that this Agreement and the EIS set forth the regulations and certain mitigation requirements to be applied to future development within the Development. The parties further agree that new environmental review (SEPA compliance) will be required as

provided by State Law, and that the County shall be lead agent for all permits issued pursuant to this Agreement. Relevant information from prior EISs shall be used to the fullest extent possible in future SEPA review. This review may result in adoption of the prior EISs, issuance of an addendum or supplement to the prior EISs, or issuance of a new threshold determination of non-significance or significance, incorporating information from the prior EISs. The County's SEPA Official shall retain the sole authority in determining what additional SEPA materials may be necessary for a complete environmental review.

### 5.3 VESTING OF DEVELOPMENT STANDARDS AND MITIGATION

All development proposed on the Property shall be vested to and governed by the development standards attached to this Agreement for the duration of this Agreement, and shall be implemented through plats, short plats, binding site plans, boundary line adjustments, site development permits, building permits and other permits and approvals issued by the governing authority. The vesting period shall be the same as the term of this Agreement, except as otherwise provided, any new or different development standards adopted by the County or City during the term of this Agreement shall not apply to the Property as provided by RCW 36.70B.180. To the extent this Agreement does not establish standards or requirements covering a subject, element or condition, then the development approval sought shall vest to and be governed by the County codes, regulations and standards in effect upon the date of the future application. The development standards identified in this Agreement shall apply to the Property for the term of this Agreement, except as may be modified under Sections 7.3.2 to 7.3.4.

### 5.4 AFTER TERMINATION

Any development applications for the Development after the expiration of this Agreement shall be vested to the development standards in effect at the time of the submission of a completed development application pursuant to the then-effective state and local law.

## 6. GENERAL PROVISIONS

### 6.1 GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws and regulations of the State of Washington.

### 6.2 BINDING ON SUCCESSORS AND SUCCESSORS IN TITLE; ASSIGNMENT; RELEASE OF LIABILITY

6.2.1 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors, successors in title and assigns of Owner and each of its related entities executing this Agreement and upon the County and City.

6.2.2 Assignment. The parties acknowledge that development of the Development may involve sale and assignment of portions of the Property to other persons

who will own, develop and/or occupy portions of the Property and buildings thereon. The Owners, and each of them, shall have the right to assign or transfer all or any portion of the respective interests, rights or obligations under this Agreement or in the respective Property to other parties acquiring an interest or estate in all or any portion of the Owners' Property, including transfer of all interests through foreclosure (judicial or non-judicial) or by deed in lieu of foreclosure. Consent by the City and County shall not be required for any transfer of rights pursuant to this Agreement.

6.2.3 Assumption of Obligations; Release of Liability. Owner shall be released of all liabilities and obligations under this Agreement if: (a) Owner provides notice to the County of an Assignment of this Agreement and (b) the assignee has assumed in writing the obligations of this Agreement. If the conditions for release are met under this sub-section, then from and after the date of transfer, Owner shall have no further liability or obligation under this Agreement, and the assignee shall exercise the rights and perform the obligations of Owner under this Agreement for that portion of Owner's property acquired by the successor or assignee. The parties acknowledge that Owner may transfer or assign title to a portion of an Owner's Property in any manner consistent with this Agreement. Should the transfer or assignment of title relate to only a portion of an Owner's Property, then the release of liability pursuant to this paragraph shall only apply to acts or omissions arising from or related to the portion of Owner's property being assigned or transferred.

6.2.4 Annexation. In the event the Development, or any portion of the Development, is annexed into the City, the City shall be substituted for the County in this Agreement.

### 6.3 RECORDING

This Agreement shall be recorded with the Chelan County Auditor against Owner's property as a covenant running with the land and shall be binding on Owner, its successors, successors in title and assigns.

### 6.4 INTERPRETATION; SEVERABILITY

6.4.1 Interpretation. The parties intend this Agreement to be interpreted to the full extent authorized by law as an exercise of the Parties' authority to enter into such agreements, and this Agreement shall be construed to reserve to the County only that police power authority which is prohibited by law from being subject to a mutual agreement with consideration. The parties acknowledge the County has authority to enter into interlocal agreements, through police powers, contracting authority and other powers granted by the Washington State Constitution and by general law (see Chapter 39.34 RCW), statutory enabling legislation and authority to adopt development regulations as part of project approvals (see RCW 36.70B.170).

6.4.2 Severability. If any material provision of this Agreement is determined by a court of law to be unenforceable or invalid, then the remainder of the Agreement shall remain in full force and effect. Further, as to those Material Provisions held by a court of law

to be unenforceable, the parties shall confer and agree to amend the Agreement to implement the mutual intent of the parties to the maximum allowed by law.

## 6.5 AUTHORITY

The County, the City, and Owner, each represents it has the respective power and authority to execute this Agreement.

## 6.6 PDD AMENDMENT

The Hearing Examiner is authorized to allow minor modifications and amendments in the final development plan in accordance with Section 6.6.1. The Hearing Examiner shall allow only such adjustments as are consistent with guidelines established in Section 6.6.1, and in no case shall an adjustment be deemed minor if it will increase the Development density, total amount of floor space authorized in the approved final development plan, or the number of dwelling units or density, or decrease the amount of parking or loading facilities or permit buildings to locate substantially closer to any boundary line or change substantially any point of ingress or egress to the site. The determination of the Hearing Examiner as to whether a proposed modification or adjustment is a major or minor change shall be final.

6.6.1 Minor Amendment Standards. For purposes of the PDD and this Agreement, the criteria to establish and allow a minor amendment to the PDD and this Agreement are as follows, provided that in no case shall an amendment be deemed minor if it will increase the density of the Development, the total amount of floor space authorized in the PDD and this Agreement, or the number of dwelling units or density, or decrease the amount of parking or loading facilities or permit buildings to locate substantially closer to any boundary line or change substantially any point of ingress or egress to the Development. The determination of the Hearing Examiner as to whether a proposed modification or amendment is a major or minor change shall be final:

6.6.1.1 The modification or amendment maintains the design intent and quality of the PDD defined in this Agreement; and

6.6.1.2 The amount of landscaping, buffering and open space will not be reduced; and

6.6.1.3 The number of dwelling units in residential developments and the square footage of nonresidential structures will not increase; and

6.6.1.4 The height of buildings and other structures will not increase; and

6.6.1.5 Views from both structures onsite and offsite will not be substantially reduced; and

6.6.1.6 Traffic volumes will not increase and traffic patterns will not change; and

6.6.1.7 Changes in colors, plant material and parking lot configurations are minor; and

6.6.1.8 The modification or amendment does not add significant new environmental impacts or significantly increase environmental impacts disclosed in the original SEPA documents; and

6.6.1.9 The Hearing Examiner determines that the change will not increase any adverse impacts or undesirable effects of the Development, or that the change in no way significantly alters the Development.

6.6.1.10 Minor modifications authorized by this section are not amendments to this Agreement and do not require action to amend this Agreement.

6.6.2 Major Amendments. All other amendments to the PDD and this Agreement that are not minor amendments are major amendments and shall be processed in the same manner as a new PDD.

## 6.7 EXHIBITS

Exhibits 1 through 13 are incorporated herein by this reference as if fully set forth. In the event of any conflict or inconsistency between the Exhibits and the main body of this Agreement, the main body of this Agreement shall control.

## 6.8 HEADINGS

The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

## 6.9 TIME OF ESSENCE

Time is of the essence of this Agreement in every provision hereof. Unless otherwise set forth in this Agreement, the reference to "days" shall mean calendar days. If any time for action occurs on a weekend or legal holiday, then the time period shall be extended automatically to the next business day.

## 6.10 INTEGRATION

This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. There are no other agreements, oral or written, except as expressly set forth herein.

## 6.11 DISPUTE RESOLUTION/MEDIATION

The Parties agree that in the event of Dispute or disagreement over the interpretation of this Agreement, the matter shall be submitted to the County's Planning Director for initial interpretation as an administrative decision. If the interpretation by the county's Planning Director does not resolve the dispute, the matter shall be referred to the Hearing Examiner, who shall decide the matter based on the PDD Approval, this Development Agreement and governing laws. Such decision shall be a final decision for purposes of Chapter 36.70C RCW.

## 6.12 DEFAULT AND REMEDIES

No party shall be in default under this Agreement unless it has failed to perform a material provision under this Agreement for a period of thirty (30) days after written notice of default from any other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured with the thirty (30) day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure. Any party not in default under this Agreement shall have all rights and remedies provided by law including without limitation damages, specific performance or writs to compel performance or require action consistent with this Agreement. In recognition of the possible assignment and sale of portions of Owner's property (see Section 6.2.2), any claimed default shall relate as specifically as possible to the portion of the property involved and any remedy against any party shall be limited to the extent possible to the owners of such portion of remedies which do not adversely affect the rights, duties or obligations of any other non-defaulting owner of portions of Owner's property under this Agreement.

## 6.13 CONSTRUCTION

This Agreement has been reviewed and revised by legal counsel for all parties and no presumption or rule that ambiguity shall be construed against the party drafting the document shall apply to the interpretation or enforcement of this Agreement.

## 6.14 NOTICE

All communications, notices and demands of any kind which a party under this Agreement requires or desires to give to any other party shall be in writing deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

To the County:           Chelan County Board of County Commissioners  
                                  400 Douglas Street, Suite 201  
                                  Wenatchee, WA 98801

Chelan County Community Development  
316 Washington Street, Suite 301  
Wenatchee, WA 98801

To the City                   Chelan City Council  
135 East Johnson  
P.O. Box 1669  
Chelan, WA 98816

Director, Department of Planning and Community  
Development  
P.O. Box 1669  
Chelan, WA 98816

To the Developer           Tuscan Village at Lake Chelan LLC  
c/o Tuscan Properties LLC  
P.O. Box 7113  
East Wenatchee, WA 98802

cc:                           Alexander W. Mackie  
Perkins Coie LLP  
1201 Third Avenue, Suite 4800  
Seattle, WA 98101

6.15   ~~ESTOPPEL CERTIFICATES~~ [Section not used]

#### 6.16   COOPERATION

The Parties shall not unreasonably withhold requests for information, approvals or consents provided for in this Agreement. The Parties agree to take further actions and execute further documents, whether jointly or within their respective powers and authority, to implement the intent of this Agreement. Provided, however, a Party's good faith intent to exercise their rights and perform their obligations shall not be construed as a violation of this section.

#### 6.17 INDEMNIFICATION

Under no circumstances will the County or the City be responsible for costs, claims, losses, damages or expenses associated with the existence or enforcement of any conditions, covenants and restrictions recorded against the residential properties within the Development.

#### 6.18 NO WAIVER

No waiver by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, or a waiver of any subsequent breach, whether of the same or a different provision of this Agreement.

#### 6.19 NO PRIVATE CC&R ENFORCEMENT BY COUNTY OR CITY

The parties acknowledge and agree that nothing in this Agreement shall alter, infringe upon, modify, change, limit or restrict the ability or powers of the existing neighborhood, tract or subdivision property owner or lot owner associations from enforcing, interpreting and utilizing any and all covenants, conditions or restrictions that pre-exist this Agreement or covenants, conditions or restrictions recorded with the Chelan County Auditor after the effective date of this Agreement.

The parties further acknowledge and agree that neither Chelan County nor the City of Chelan bears any responsibility for the enforcement, interpretation or resolution of any dispute, filing, grievance, complaint or appeal that might arise as a result of recorded covenants, conditions or restrictions relating to tracts, subdivisions, lots or parcels within the Development. No third party may use the dispute resolution mechanism provided in Section 6.11 of this Agreement to resolve disputes regarding recorded covenants, conditions or restrictions associated with the Development.

## 7. SPECIFIC FINDINGS AND LIMITATIONS

### 7.1 COMPLIANCE WITH LOCAL PLANS AND POLICIES

The parties to this Agreement acknowledge the regulations for the review and approval of the Development and regulations and conditions adopted in approving the Development are approved by the Hearing Examiner and not appealed and as such are final and binding for purposes of this Agreement.

### 7.2 DEVELOPMENT CAP

All parties acknowledge there is a limitation on the number of equivalent residential units for sewer and water at 954 residential units in a combination of hospitality, multifamily and single family, and 45,000 sq ft gross leasable area for retail, with a total cap of 1,000 ERU total water usage. An ERU is measured at 365 gallons per day for all non agricultural purposes and may be allocated to a wide variety of uses, including single-family, multifamily, commercial, resort recreational and residential uses in accordance with standard engineering practices where specific adopted guidelines are not otherwise imposed. This section shall not be interpreted as increasing the density or number of residential units within the Development.

### 7.3 DEVELOPMENT TERM

7.3.1 General. This Agreement shall remain in full force and effect for a term of 20 years from the effective date and may be extended as provided below. Build out of Owner's property is expected to occur over the next ten (10) to twenty (20) years. A development agreement is an appropriate way of providing certainty over time with respect to permitted densities, uses, development standards and other aspects of the development review process.

The development standards adopted in this Agreement shall apply to and be vested for the Development for a period of twenty (20) years, at which time this Agreement shall be reviewed and, extended for an additional 20 years so long as the Owners demonstrates the development covered by this Agreement is at least 50% complete as defined below. In the event the Development is not 50% complete in terms of either total density or allocated commercial development within the initial 20 year term,(the 50% referenced above), the County as a major amendment, according to the process of reviewing and approving a Planned Development under the then existing provisions of the Chelan County Code, with notice to the City, may conduct additional review to determine which changes in development standards, if any, are necessary and appropriate in the public interest, which shall thereafter be considered approved modifications to this Agreement. (Such changes would not modify the approved uses, nor make nonconforming uses of existing development, but simply provide additional site bulk, density and infrastructure requirements of any new development or redevelopment on the site necessary to conform to the then applicable standards for development in similar developments.) Upon Completion of all of the development within the Development, and the expiration of the 20 years (40 if extended as

provided above) referenced above, whichever is sooner the Development Agreement shall expire and all property shall thereafter be subject to the Comprehensive plan, zoning and development standards of the County or such municipal corporation as may have land use jurisdictional authority over the Properties.

7.3.2 Public Health or Safety Requirements. The County reserves the authority to modify one or more of the standards or requirements of development for the Development during the term of this Agreement, after notice, a public hearing and adoption of findings and conclusions, to the extent required to avoid a serious threat to public health or safety, as provided in RCW 36.70B.170.

7.3.3 Endangered Species Act and Other Federal Mandates. The County reserves the right to enforce new or different standards of development mandated by federal or state law, such as the Endangered Species Act.

7.3.4 Application of Building Codes. Notwithstanding the foregoing, the International Building Code, Uniform Fire Code and other construction codes in effect on the date of the development application, building permit or other construction application shall apply, except no code changes after the date of this Agreement shall require retrofitting or modification of utilities, facilities or other infrastructure which are installed or approved to be installed in accordance with this Agreement unless such retrofit

#### 7.4 UTILITY SERVICE

The Decision approved the PDD and Plat based on standards of the County, and not the City, with the option of using wastewater services not provided by the City and Lake Chelan Sewer District. The following sets out the specific agreements between the parties with regard to the various methods by which wastewater services will be provided to the Development:

7.4.1 Option I – Provision of full wastewater services by the City and Lake Chelan Sewer District. Wastewater services to the Development shall be provided by the City and the Lake Chelan Sewer District, based upon the following:

##### 7.4.1.1 Existing Conditions and Premises.

7.4.1.1.1 The Development is in the Lake Chelan Sewer District, and the City and Lake Chelan Sewer District provide wastewater treatment services for the entire vicinity around the Development.

7.4.1.1.2 The Parties anticipate that certain components of the respective wastewater systems of the City and the Lake Chelan Sewer District must be upgraded to provide wastewater utility services to the 1,000 ERUs anticipated by the Development (the “Development Offsite Upgrades”). The Development Offsite Upgrades are anticipated to include increasing the capacity of the City’s lift station No. 5, increasing the capacity of force mains downstream of the City’s lift station No. 5 and increasing the

capacity of the Lake Chelan Sewer District's lift station No. 1. It is anticipated that some, but not all, of the Development Offsite Upgrades may be required to serve the anticipated first phase of the Development of up to 300 ERUs. It is further anticipated the completion of all of the Development Offsite Upgrades will provide the City and the Lake Chelan Sewer District with capacity to serve the entire South Shore Area substantially larger area than the Development.

7.4.1.1.3 The Development Offsite Upgrades constitute a significant cost to each of the Parties.

7.4.1.1.4 The policy of the City and the Lake Chelan Sewer District is that all utility services required by a development be provided by the developer as a condition of approval of the development.

7.4.1.1.5 The Owners desire a commitment from the City and the Lake Chelan Sewer District that wastewater utility services be provided to the Development at the time the wastewater utility services are required, as currently anticipated.

7.4.1.1.6 The City and the Sewer District desire to have the Development utilize the wastewater utility system provided by the City and the Sewer District.

7.4.1.2 Capital Facilities Plan. Upon the approval of this Development Agreement, the City and the Lake Chelan Sewer District, with participation by engineers employed by the Developer, shall undertake a comprehensive capital facilities plan (the "South Shore Capital Facilities Plan") relative to the design, timing, anticipated cost, and financing of the Development Offsite Upgrades to verify the Development Offsite Upgrades and their cost and timing can be upgraded to serve the Development in a timely manner.

7.4.1.3 Wastewater Utility Service Agreement. Based on the determinations of the South Shore Capital Facilities Plan, the City, Lake Chelan Sewer District and the Developer (and not the County) shall complete the details regarding the provision of wastewater services by the City and the Lake Chelan Sewer District to the Development on or before September 30, 2010 pursuant to a Wastewater Utility Service Agreement. The Wastewater Utility Service Agreement will provide that wastewater services will be provided for the full build-out of the Development (1,000 ERUs at 354 gpd) based only on a payment of general facility charges imposed by the Lake Chelan Sewer District at the time of the application for the building permit, and adopted monthly charges, and based upon identified events or service levels. If the parties are unable to complete the terms of the Wastewater Utility Service Agreement on or before September 30, 2010, or within a reasonable time agreed by the parties thereafter, the Developer may pursue the provision of wastewater utility services pursuant to other options authorized by the Decision.

7.4.1.4 Charges for connecting to the Lake Chelan Sewer District. The charges for connecting any property within the Development to the Lake Chelan Sewer

District shall be based upon the following, which shall be included in the Wastewater Utility Service Agreement:

7.4.1.4.1 The District agrees to vest the Development with 300 ERUs to assure adequate wastewater service to the Development as the Development commences.

7.4.1.4.2 For the first 100 ERUs from the Development, the connection fee to the Lake Chelan Sewer District shall be \$6,543, to be paid at the time of the application for a building permit.

7.4.1.4.3 For all ERUs from the Development after the first 100 ERUs, or the adoption of a connection fee as a result of the South Shore Capital Facilities Plan, as approved by WDOE, whichever is later, the connection fee to the Lake Chelan Sewer District shall be the connection fee established by the Lake Chelan Sewer District in the normal operation of the Lake Chelan Sewer District.

7.4.1.5 Legislative Action; Rates. Except as provided in Section 7.4.1.4.2, nothing in this Section 7.4 prohibits the Lake Chelan Sewer District from charging such rates or connection charges as are authorized by law that are reasonably necessary for the operation of the Lake Chelan Sewer District and the provision of wastewater services within the Lake Chelan Sewer District, on a nondiscriminatory basis.

7.4.1.6 Other Financing Mechanisms. Nothing in this Section 7.4 prohibits the City, Lake Chelan Sewer District and/or the Owners from adopting any other mechanism that provides for the financing of the Development Offsite Upgrades.

#### 7.4.2 Option II – Recycled Wastewater Treatment Facility.

7.4.2.1 In the event the City, Lake Chelan Sewer District and the Developer cannot complete the Wastewater Utility Service Agreement as described in Section 7.4.1.3, the Parties agree that the Owners are free to pursue the wastewater treatment recycle program, subject to Decision and the approval of the appropriate state agencies, including WDOE. In such case, the City and Lake Chelan Sewer District shall have no obligation to plan for the Development Offset Upgrades.

7.4.2.1.1 Should at any time the Owners or residents of the Properties desire to connect to utilities provided by the City or the Lake Chelan Sewer District, the provision of such utilities shall be based upon the standards, costs, fees, and limitations of the City or the Lake Chelan Sewer District at the time a complete application is filed requesting such utility service.

7.4.2.1.2 Should at any time the Owners or residents of the Properties desire to annex to the City for any reason, the City may deny such request until all facilities and infrastructure within the Development are brought to the standards of the City standards, as determined by the City at the time a complete application is filed. Any such

request shall be required to follow all City procedures, fees, and costs for processing any such request in effect at the time a complete application is filed.

7.4.2.1.3 The limitations set forth in this Section 7.4.2.1 shall be included on the face of the final plat filed with the County Auditor.

#### 7.4.2.2 Acceptance of Winter Flows.

7.4.2.2.1 The nature of the wastewater treatment systems for the City and the Lake Chelan Sewer District is that they are designed to handle "peak flows" that occur between May and September, which coincide with the ability of the Development to utilize the recycled treated wastewater through irrigation. During the lower flows realized between October through April, the ability of the Properties to absorb recycled treated wastewater through irrigation is limited, which coincides with decreased flows experienced by the City's and Lake Chelan Sewer District wastewater systems.

7.4.2.2.2 The City, Lake Chelan Sewer District and Developer may agree to have their engineers address the technical feasibility of having the City accept treated wastewater from the Development when it is not being used for irrigation, and to identify a contractual means for providing the service. Each party shall pay its own engineering costs during this feasibility period. The feasibility period would be six months from the date of the County approval of this Development Agreement and would look to a contract identifying the costs, fees and feasibility of such program. If a mutually agreeable program is identified, then the parties would proceed in good faith to establish the terms of accepting wastewater flows from the Development during the period of October through April.

### 7.5 ADOPTION

Adoption pursuant to RCW 36.70B.200 and Chapter 14.18 Chelan County Code. This Agreement was the subject of a fifteen (15) day comment period, which ran to October 21, 2009, and a hearing was held before the Chelan County Hearing Examiner on October 21, 2009 as authorized by Chapter 14.18.040 Chelan County Code, who made a recommendation to the Board of County Commissioners dated June 10, 2010. The Board of County Commissioners reviewed and took official action adopting this Agreement on July 13, 2010.

### 7.6 DEVELOPMENT AGREEMENT AMENDMENT

This Development Agreement may be amended by Consent of the parties hereto through the process set forth in Chelan County Code for the adoption of development agreements.

### 7.7 EFFECTIVE DATE

The effective date shall be the date of the adoption of a resolution by the Chelan County Board of County Commissioners approving this Development Agreement, and approval by the Owners referenced above as to all portions of this Agreement.

7.8 ENTIRE AGREEMENT

This Development Agreement consists of the Resolution approving this Agreement, the agreement pp. 1-49, and Exhibits 1-13.

CHELAN COUNTY

Chelan County Board of County Commissioners

By [Signature]  
By [Signature]  
By [Signature]

Approved this 20th day of July, 2010.



Approved as to form:

By: [Signature] deputy  
County Prosecuting Attorney  
1/19/10

CITY OF CHELAN

By [Signature], Mayor

Approved as to form:

By: [Signature]  
Chelan City Attorney

TUSCAN VILLAGE AT LAKE CHELAN LLC

By \_\_\_\_\_, Managing Member

APRE LLC

By \_\_\_\_\_, Managing Member



7.8 ENTIRE AGREEMENT

This Development Agreement consists of the Resolution approving this Agreement, the agreement pp. 1-49, and Exhibits 1-13.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

Approved as to form:

By: \_\_\_\_\_  
County Prosecuting Attorney

Approved as to form:

By: \_\_\_\_\_  
Chelan City Attorney

CHELAN COUNTY

Chelan County Board of County Commissioners

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

CITY OF CHELAN

By \_\_\_\_\_, Mayor

TUSCAN VILLAGE AT LAKE CHELAN LLC

By *Trud Ross*, Managing Member

APRE LLC

By *[Signature]*, Managing Member

**DENNIS EVANS ORCHARDS LLC**

By \_\_\_\_\_,  
\_\_\_\_\_, Managing Member

**R AND H PARTNERS, L.L.C.**

By \_\_\_\_\_,  
\_\_\_\_\_, Managing Member

**RRJ REAL PROPERTIES LLC**

By \_\_\_\_\_,  
\_\_\_\_\_, Managing Member

**Individually:**

\_\_\_\_\_  
**Dennis Evans**

\_\_\_\_\_  
**Jaclyn S. Dennis Evans**

\_\_\_\_\_  
**Fred Alan Ross**

\_\_\_\_\_  
**Linda A. Ross**

**Comes now the LAKE CHELAN SEWER DISTRICT, authorized and formed pursuant to the provisions of RCW 57.08, and approve the provisions of Section 7.4, regarding the fees to be charged for connecting to the Lake Chelan Sewer District's Wastewater System**

  
\_\_\_\_\_  
**Jack Goehry, Commissioner**

  
\_\_\_\_\_  
**Michael Collins, Commissioner**

  
\_\_\_\_\_  
**Ricard Easley**

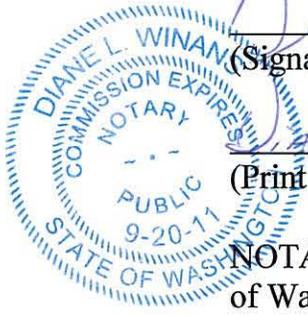


STATE OF WASHINGTON) ) ss.  
COUNTY OF CHELAN )

On this 9 day of July, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Robert R. Goedde, to me known to be the person who signed as Mayor of CITY OF CHELAN, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipality.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

Diane L. Winans  
(Signature of Notary)  
DIANE L-WINANS  
(Print or stamp name of Notary)  
NOTARY PUBLIC in and for the State  
of Washington, residing at Chelan.  
My Appointment Expires: 9-20-11.



STATE OF WASHINGTON)

) ss.

COUNTY OF CHELAN )

On this 9 day of July, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared FRED ROSS, to me known to be the person who signed as FRED ROSS of TUSCAN VILLAGE AT LAKE CHELAN LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

*Kenneth Jay Cain*

(Signature of Notary)

KENNETH JAY CAIN

(Print or stamp name of Notary)



NOTARY PUBLIC in and for the State of Washington, residing at ENTIA, WA.  
My Appointment Expires: 10/16/2012.

STATE OF WASHINGTON)  
 ) ss.  
COUNTY OF CHELAN )

On this 9 day of JULY, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ANDY PRECHT, to me known to be the person who signed as ANDY PRECHT of APRE LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Kenneth Cain  
(Signature of Notary)

KENNETH JAY CAIN  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington, residing at ENTRATWA  
My Appointment Expires: 10/16/2012.

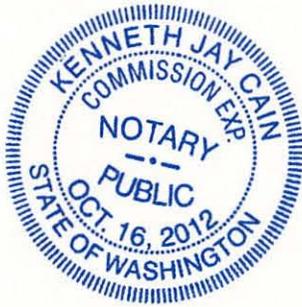




STATE OF WASHINGTON) ) ss.  
COUNTY OF CHELAN )

On this 9 day of July, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ROBERT JANKELSON, to me known to be the person who signed as ROBERT JANKELSON of **RRJ REAL PROPERTIES LLC**, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Kenneth Cain  
(Signature of Notary)

KENNETH JAY CAIN  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington, residing at ENTIAS, WA  
My Appointment Expires: 10/16/2012

STATE OF WASHINGTON)  
COUNTY OF CHELAN ) ss.

On this day personally appeared before me DENNIS EVANS and JACLYN S. DENNIS <sup>STARR</sup> ipe  
EVANS, husband and wife, to me known to be the individuals described in and who  
executed the within and foregoing instrument, and acknowledged that they signed the same  
as their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 9 day of July, 2010.

Kenneth Cain  
(Signature of Notary)

KENNETH JAY CAIN  
(Print or stamp name of Notary)



NOTARY PUBLIC in and for the State  
of WA, residing at ENTIAT.  
My appointment expires: 10/16/2012

STATE OF WASHINGTON)  
COUNTY OF CHELAN ) ss.

On this day personally appeared before me FRED ALAN ROSS and LINDA A. ROSS, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 9 day of July, 2010.



Kenneth Cain  
(Signature of Notary)

KENNETH JAY CAIN  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of WA, residing at ENTIAT.  
My appointment expires: 10/16/2012



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**TABLE OF EXHIBITS**

<b>Exhibit</b>	<b>Title</b>
A	Legal Descriptions
1	(A) Hearing Examiner's decision approving the PDD and preliminary plat dated November 16, 2009, (B) with clarifications dated November 23, 2009, (C) a denial of reconsideration decision dated December 4, 2009, and (D) decision approving the minor modification dated June 1, 2010,
2	Map: Preliminary Plat and Site Development Potential (updated to reflect minor changes approved 6/1/10)
3	Map: Tuscan Village at Lake Chelan, PDD and Phasing Plan (updated to reflect minor changes approved 6/1/10)
4	Table of Uses and Allocations from Exhibit 3 (updated to reflect minor changes approved 6/1/10)
5	FEIS Mitigating Conditions
6	County Code Development standards for the PDD
7	PDD Modified Development Standards (permitted uses, cap on permitted uses, accessory uses, conditional uses, dimensional standards, low impact development standards, parking, Public Works standards, amendments)
8	Covenants, Conditions, and Restrictions
9	Tuscan Village at Lake Chelan Model Architectural and Design Control Manual
10	City Codes (A) Chapter 17.46, SUD Zone and (B) Chapter 17.62, Outdoor Lighting on Public and Private Property (Dark Sky Ordinance)
11	Preliminary Water Service Plan
12	Preliminary Wastewater Service Plan
13	FEIS (which includes the updated Draft EIS as Exhibit K thereto)

72941-0002/LEGAL18739996.1

**EXHIBIT A**

**Tax Parcel Nos. 272216240260 and 272216310100 (APRE LLC)**

PARCEL A:

LOT 1 AS DELINEATED ON CHELAN COUNTY SHORT PLAT NO. 2329, CHELAN COUNTY, WASHINGTON, RECORDED JULY 24, 1992 IN BOOK SP-9 OF SHORT PLATS, PAGE 76.

PARCEL B:

LOT 2 AS DELINEATED ON CHELAN COUNTY SHORT PLAT NO. 2329, CHELAN COUNTY, WASHINGTON, RECORDED JULY 24, 1992 IN BOOK SP-9 OF SHORT PLATS, PAGE 76.

**Tax Parcel Nos. 272216230075, 272216330050, 272216320150, 272216230200, 272216320052 (DENNIS EVANS ORCHARDS LLC)**

PARCEL A:

THAT PORTION OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:  
COMMENCING AT A POINT ON THE SOUTH LINE OF THE WENATCHEE-CHELAN HIGHWAY OPPOSITE THE SOUTHEAST CORNER OF THE BROWNFIELD TRACT; THENCE SOUTH 1100 FEET TO A POINT; THENCE EAST 162 1/2 FEET TO A POINT; THENCE SOUTH TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 16; THENCE WEST TO THE NORTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 16; THENCE NORTH TO THE SOUTH LINE OF SAID WENATCHEE-CHELAN HIGHWAY; THENCE EASTERLY TO THE PLACE OF BEGINNING.

PARCEL B:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON.

PARCEL C:

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN CHELAN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:  
COMMENCING AT A MARKED STONE AT THE WEST QUARTER CORNER OF SAID SECTION 16, FROM WHICH A BRASS CAP WITNESS CORNER ON THE WEST LINE OF SAID SECTION BEARS NORTH 00°55'26" WEST, THENCE NORTH 21°04'12" EAST FOR 938.09 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE FOR STATE HIGHWAY SR 97-A, WHICH IS THE TRUE POINT OF BEGINNING FOR THIS PARCEL; THENCE FOLLOWING SAID SOUTHERLY RIGHT OF WAY LINE IN AN EASTERLY DIRECTION TO THE NORTHWEST CORNER OF PARCEL A OF CHELAN COUNTY BOUNDARY ADJUSTMENT NO 2001-061, RECORDED IN AUDITOR'S FILE NO. 2098062, WHICH POINT BEARS NORTH 70°37'08" EAST AT A DISTANCE OF 417.51 FEET FROM SAID POINT OF BEGINNING; THENCE SOUTH 00°55'51" EAST ON THE LINE OF SAID BOUNDARY ADJUSTMENT FOR A DISTANCE OF 257.19 FEET; THENCE SOUTH 85°49'35" WEST ON THE LINE OF SAID BOUNDARY ADJUSTMENT FOR A DISTANCE OF 129.28 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 71°47'34" WEST FOR 171.75 FEET; THENCE SOUTH 88°24'40" WEST FOR 71.61 FEET; THENCE NORTH 24°14'01" WEST FOR 83.71 FEET THE TRUE POINT OF BEGINNING.

PARCEL D:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN CHELAN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH SIDE OF THE WENATCHEE-CHELAN HIGHWAY OPPOSITE THE SOUTHEAST CORNER OF THE "BROWNFIELD TRACT", THENCE SOUTH 1100 FEET TO A POINT; THENCE EAST 162.5 FEET TO A POINT; THENCE SOUTH 984.3 FEET MORE OR LESS TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 16; THENCE SOUTH 88°05' EAST ALONG SAID NORTH LINE FOR A DISTANCE OF 171.9 FEET; THENCE NORTH 0°26' EAST FOR 2268.4 FEET; THENCE SOUTH 62°15' WEST FOR 383 FEET TO THE POINT OF BEGINNING,

INTENDING THAT THE EAST LINE OF THIS PARCEL COINCIDE WITH THE MOST WESTERLY LINES OF PARCELS A AND B AS SHOWN ON CHELAN COUNTY BOUNDARY LINE ADJUSTMENT NO. 2001-061, RECORDED IN AUDITOR'S FILE NO. 2098062

EXCEPT THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT A MARKED STONE AT THE WEST QUARTER CORNER OF SAID SECTION 16, FROM WHICH A BRASS CAP WITNESS CORNER ON THE WEST LINE OF SAID SECTION BEARS NORTH 00°55'26" WEST, THENCE NORTH 21°04'12" EAST FOR 938.09 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE FOR STATE HIGHWAY SR 97-A, WHICH IS THE TRUE POINT OF BEGINNING FOR THIS EXCEPTION; THENCE FOLLOWING SAID SOUTHERLY RIGHT OF WAY LINE IN AN EASTERLY DIRECTION TO THE NORTHWEST CORNER OF PARCEL A OF CHELAN COUNTY BOUNDARY ADJUSTMENT NO 2001-061, WHICH POINT BEARS NORTH 70°37'08" EAST AT A DISTANCE OF 417.51 FEET FROM SAID POINT OF BEGINNING; THENCE SOUTH 00°55'51" EAST ON THE LINE OF SAID BOUNDARY ADJUSTMENT FOR A DISTANCE OF 257.19 FEET; THENCE SOUTH 85°49'35" WEST ON THE LINE OF SAID BOUNDARY ADJUSTMENT FOR A DISTANCE OF 129.28 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 71°47'34" WEST FOR 171.75 FEET; THENCE SOUTH 88°24'40" WEST FOR 71.61 FEET; THENCE NORTH 24°14'01" WEST FOR 83.71 FEET THE TRUE POINT OF BEGINNING.

PARCEL E:

THAT PORTION OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON DESCRIBED AS FOLLOWS: BEGINNING AT THE IRON PIPE ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 16, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION BEARS NORTH 89°48'31" WEST 1116.74 FEET, SAID IRON PIPE BEING ON THE WEST LINE OF THE C.A. PELL TRACT; THENCE SOUTH 00°13'59" EAST ALONG THE EAST LINE OF THAT CERTAIN PARCEL DESCRIBED IN THAT INSTRUMENT RECORDED IN BOOK 342, PAGE 46, RECORDS OF CHELAN COUNTY, A DISTANCE OF 1325.30 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 89°14'50" WEST, ALONG THE SOUTH LINE OF SAID PARCEL, A DISTANCE OF 498.45 FEET; THENCE NORTH 00°03'33" WEST, ALONG THE WEST LINE OF SAID PARCEL, A DISTANCE OF 1834.51 FEET; THENCE NORTH 89°52'36" EAST, 512.05 FEET TO SAID WEST LINE OF THE C.A. PELL TRACT; THENCE SOUTH 01°28'20" WEST, ALONG SAID WEST LINE, A DISTANCE OF 517.02 FEET TO THE POINT OF BEGINNING.

**Tax Parcel No. 272216230150 (DENNIS & JACLYN S. EVANS)**

THAT PORTION OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22, EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT AN IRON PIPE ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 16, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION BEARS NORTH 89°48'31" WEST, 1116.74 FEET, SAID IRON PIPE BEING ON THE EAST LINE OF THE C.A. PELL TRACT; THENCE NORTH 89°48'31" WEST 498.24 FEET; THENCE NORTH 00°03'33" WEST 513.66 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00°03'33" WEST, 226.32 FEET; THENCE NORTH 86°43'27" EAST 129.30 FEET; THENCE NORTH 00°03'33" WEST, 257 FEET, MORE OR LESS TO THE SOUTH RIGHT OF WAY MARGIN OF SR 97A; THENCE EASTERLY ALONG SAID SOUTH RIGHT OF WAY MARGIN TO SAID WEST LINE OF THE C.A. PELL TRACT; THENCE SOUTH 01°28'20" WEST, ALONG SAID WEST LINE, A DISTANCE OF 439 FEET, MORE OR LESS TO A LINE THAT BEARS NORTH 89°52'36" EAST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 89°52'36" WEST, 512.05 FEET TO THE TRUE POINT OF BEGINNING.

**Tax Parcel No. 272216410350 (R AND H PARTNERS, L.L.C.)**

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF GOVERNMENT LOT 1 OF SAID SECTION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1 AND THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 825 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ALONG SAID SOUTH LINE, A DISTANCE OF 1068 FEET; TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL DESCRIBED IN THAT INSTRUMENT RECORDED IN VOLUME 728, PAGE 1433, RECORDS OF CHELAN COUNTY; THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY THEREOF, TO THE SOUTHERLY BOUNDARY OF THE STATE HIGHWAY; THENCE EASTERLY ALONG SAID SOUTHERLY BOUNDARY TO THE EAST LINE OF THE WEST 825 FEET OF THE EAST 1650 FEET OF GOVERNMENT LOTS 1 AND 2 AND OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTHERLY ALONG SAID EASTERLY BOUNDARY TO THE TRUE POINT OF BEGINNING,

EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF GOVERNMENT LOT 1 OF SAID SECTION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1 AND THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 1893 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL DESCRIBED IN THAT INSTRUMENT RECORDED IN VOLUME 728, PAGE 1433, RECORDS OF CHELAN COUNTY; THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY THEREOF, A DISTANCE OF 328 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE NORTHERLY ALONG SAID WESTERLY BOUNDARY TO THE SOUTHERLY MARGIN OF STATE HIGHWAY; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY MARGIN TO A LINE THAT IS 250 EASTERLY OF SAID WESTERLY BOUNDARY; THENCE SOUTHERLY, PARALLEL TO SAID WESTERLY BOUNDARY, 817 FEET MORE OF LESS, TO A POINT 250 FEET EASTERLY OF THE TRUE POINT OF BEGINNING; THENCE WESTERLY TO SAID SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, 250 FEET TO THE TRUE POINT OF BEGINNING.

**Tax Parcel No. 272216420100 (FRED ALAN ROSS and LINDA A. ROSS)**

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF GOVERNMENT LOT 1 OF SAID SECTION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1 AND THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 1893 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL DESCRIBED IN THAT INSTRUMENT RECORDED IN VOLUME 728, PAGE 1433, RECORDS OF CHELAN COUNTY; THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY THEREOF, A DISTANCE OF 328 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE NORTHERLY ALONG SAID WESTERLY BOUNDARY TO THE SOUTHERLY MARGIN OF STATE HIGHWAY; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY MARGIN TO A LINE THAT IS 250 EASTERLY OF SAID WESTERLY BOUNDARY; THENCE SOUTHERLY, PARALLEL TO SAID WESTERLY BOUNDARY, 817 FEET MORE OF LESS, TO A POINT 250 FEET EASTERLY OF THE TRUE POINT OF BEGINNING; THENCE WESTERLY PARALLEL TO SAID SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, 250 FEET TO THE TRUE POINT OF BEGINNING.

**Tax Parcel Nos. 272216240300, 272216420150, 272216310050, 272216420200  
(RRJ REAL PROPERTIES LLC)**

LOTS 1, 2, 3 AND 4 AS DESCRIBED IN AND DELINEATED ON BOUNDARY LINE ADJUSTMENT NO. 2008-071, CHELAN COUNTY, WASHINGTON, RECORDED DECEMBER 10, 2008 UNDER AUDITOR'S FILE NO. 2294389, BEING A PORTION OF SECTION 16, TOWNSHIP 27 NORTH, RANGE 22 EAST OF THE WILLAMETTE MERIDIAN, CHELAN COUNTY, WASHINGTON.

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