

**DEVELOPMENT AGREEMENT
BY AND BETWEEN JEFFERSON COUNTY,
WASHINGTON AND PLEASANT HARBOR
MARINA AND GOLF RESORT, LLP
RELATING TO THE DEVELOPMENT
COMMONLY KNOWN AS THE PLEASANT
HARBOR MARINA AND GOLF
MASTER PLANNED RESORT**

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Exhibits:

- Exhibit 1 – Legal description of Pleasant Harbor Marina and Golf Resort, LLP Property and Pleasant Harbor Marina, LLC Property
- Exhibit 2 – Master Plan Map of the Property
- Exhibit 3 – Pleasant Harbor Marina and Golf MPR Land Use Map (recordable version of Comprehensive Plan map)
- Exhibit 4 – Phasing Plans

Appendices:

- Appendix A – MPR zoning chapter, Title 17 and 18 as amended
- Appendix B – Stormwater Management Requirements, Chapter 18.30.070 JCC
- Appendix C – Critical Area Requirements, Chapter 18.22 JCC
- Appendix D – Land Division Requirements, Chapter 18.35 JCC
- Appendix E – Land Use Application Procedures Requirements, Chapter 18.40 JCC
- Appendix F – Shoreline Master Program Requirements, Chapter 18.25 JCC
- Appendix G – Additional development standards, Chapters 12.05, 12.10, and 18.30 JCC
- Appendix H – Water System Plan
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- Appendix J – Memoranda of Understanding:

1. Schools Mitigation
2. Fire/EMS Mitigation
3. Law Enforcement Mitigation
4. Transportation Mitigation
5. Health Care Services Mitigation
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- Appendix K – Ordinance 01-0128-08
- Appendix L – Vegetation Management Plan
- Appendix M – Conservation Easements
- Appendix N – Water Quality Monitoring Plan, including Amendment 1
- Appendix O – Neighborhood Water Supply Program
- Appendix P – Wildlife Management Plan, including Amendment 1
- Appendix Q – Cultural Resources Management Plan
- Appendix R – Tunicate Monitoring Agreement
- Appendix S – International Dark Sky
- Appendix T – LEED Narrative

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (“this Agreement”) is entered into this _____ day of _____, 2018, by and between PLEASANT HARBOR MARINA AND GOLF RESORT, LLP, a Washington limited liability partnership (referred to as “the Developer”) and JEFFERSON COUNTY (the “County”), a municipal corporation under the laws of the State of Washington, pursuant to RCW 36.70B.170-.210.

1 RECITALS.

WHEREAS, the Developer is the owner of real property consisting of approximately 237.88 acres located within the County which property is described with particularity in Exhibit 1 (the “Property”).

WHEREAS, the County approved the Developer’s application to designate the Property as a master planned resort pursuant to RCW 36.70A.360 in the County Comprehensive Plan to allow for resort-related development including, but not limited to, a golf course and other on-site indoor and outdoor recreational amenities, conference center, resort-related commercial uses, long-term and short-term residential units not to exceed 890 units, and open space (“the Pleasant Harbor MPR”).

WHEREAS, buildout of the Property is expected to occur over the next ten to twenty-five years and the Developer, the County, and members of the public at large will invest considerable time in the County permit and review process for the future buildout of the Property.

WHEREAS, the Washington State Legislature enacted RCW 36.70B.170-.210 to strengthen the land use planning process and reduce the costs of development by authorizing the County to enter into an agreement with a landowner regarding the development of its real property located within the County’s jurisdiction.

WHEREAS, the County has determined that this Agreement will facilitate orderly buildout of the Property within the Pleasant Harbor MPR and will further promote growth management and planning objectives of the County by providing certainty over time with respect to permitted densities, uses, infrastructure, development standards and other aspects of the development review process.

WHEREAS, the Parties to this Agreement acknowledge the Zoning Ordinance for the Pleasant Harbor MPR is in conformance with the standards set forth in the Countywide Planning Policies and the Jefferson County Comprehensive Plan and is consistent with the goals and requirements of the Growth Management Act, Chapter 36.70A RCW and Jefferson County Ordinance 01-0128-08.

WHEREAS, this Agreement constitutes a final land use action pursuant to RCW 36.70C.020.

NOW THEREFORE, in consideration of the promises, covenants, and provisions set forth in this Agreement, the receipt and adequacy of which consideration is acknowledged, the parties agree as follows:

2 EFFECTIVE DATE, TERM AND BUILD-OUT PERIOD.

2.1 Effective Date.

The effective date shall be the date of the adoption of a resolution by the Jefferson County Board of Commissioners (“Board of Commissioners”) approving this Agreement as required by RCW 36.70B.200.

2.2 Term.

The term of this Agreement shall be from the effective date to forty-five (45) years after the effective date or five (5) years after the end of the build-out period described in Section 2.3, whichever is sooner.

2.3 Build-Out Period.

The build-out period for purposes of RCW 36.70B.180 shall be twenty-five (25) years from the effective date or five years after the completion of all the phases described in Section 10, whichever is later.

2.4 Modification.

This Agreement may be modified, extended or terminated upon the express written agreement of the Developer and the County.

2.5 Exhibits and Appendices.

Exhibits 1 through 4 and Appendices A through T are incorporated herein by this reference as if fully set forth. In the event of any conflict or inconsistency between the Exhibits and Appendices and the main body of this Agreement, the main body of this Agreement shall control.

3 THE PROPERTY AND THE MASTER PLAN.

3.1 The Property Description.

The Property covered by this Agreement consists of approximately 237.88 acres and is described with particularity in Exhibit 1.

3.2 The Master Plan Components.

For the purposes of this Agreement, the Master Plan for future development of the Pleasant Harbor MPR consists of the development regulations adopted by the Board of County Commissioners, the conditions and requirements of Ordinance 01-0128-08, the Final

Environmental Impact Statement, the Final Supplemental Impact Statement, and this Agreement, inclusive of a Phasing Plan and Master Plan Map of the Property.

4 NATIVE AMERICAN TREATY RIGHTS.

4.1 Protection of Native American Treaty Rights.

4.1.1 Protection of Fishing Rights.

The Pleasant Harbor MPR is located between two public beaches located at the mouths of the Duckabush and the Dosewallips Rivers which provide both commercial and ceremonial/subsistence harvest opportunities to Native American tribes (“tribes”) with usual and accustomed fishing rights in the area. To protect water quality the Developer shall construct the Pleasant Harbor MPR in accord with the Stormwater Management requirements attached as Appendix B, Shoreline Master Program attached as Appendix F and Wastewater Treatment Plan attached as Appendix I. The Developer will operate the Pleasant Harbor MPR in accord with the Water Quality Monitoring Plan attached as Appendix N and the Neighborhood Water Supply Program attached as Appendix O.

The Property sits atop a bluff above these two public beaches. Further, though located between these two public beaches, access to the public beaches on the trail from the Property has been prohibited and will continue to be prohibited permanently.

4.1.2 Protection of Hunting Rights.

The Port Gamble S’Klallam Tribe (“PGST”) has expressed concern that Elk hunted by the PGST in areas outside of the Property could be attracted to the Pleasant Harbor MPR once it is built out. The Developer shall implement the adaptive management measures set forth in the Wildlife Management Plan attached as Appendix P to mitigate against this concern.

4.2 Preservation of Native American Treaty Rights.

The parties respect the tribal treaty rights and have modified the project and imposed mitigation measures designed, in part, to protect and preserve those rights.

Nothing in this Agreement should be viewed as an attempt to curtail or expand the rights reserved to tribes under their treaties with the United States, including but not limited to the Point No Point Treaty.

The Developer will continue to cooperate with tribes to protect tribal treaty rights.

5 RECOGNITION OF AREAS WITH CULTURAL SIGNIFICANCE.

The parties and the tribes discussed the importance of kettles on the Property to the PGST’s cultural history.

The PGST has applied for including of any Traditional Cultural Properties on the National Register of Historic Places as of the date of this Agreement. If, prior to

Developer applying for a grading or building permit for the Pleasant Harbor MPR, the PGST applies for and receives a recommendation from the State Advisory Council on Historic Preservation that either Kettle B or C is eligible for listing in the National Register of Historic Places, the Developer shall:

- (A) Preserve either Kettle B or C by preventing the selected kettle from being used for any stormwater storage; and,
- (B) Consult with the PGST to arrive at a kettle management plan where the PGST would enhance the selected kettle by removing invasive vegetation and planting it with native vegetation found at the time of its use by native people, and to develop and install an educational signs that explain the significance of the kettles to native people.

This provision does not restrict or otherwise prevent Developer from exercising its right to object to any application that kettles are culturally significant.

6 PROTECTION OF WATER QUALITY OUTSIDE OF THE PROPERTY

6.1 Recognition of Significant Nearby Natural Resources.

The Developer recognizes the importance of Hood Canal as a source of recreation and fishing. Protecting water quality in Hood Canal is just as important to the success of the Pleasant Harbor MPR as it is to those who use Hood Canal for recreation and subsistence.

6.2 Developer's Agreement to Address Impacts of the Pleasant Harbor MPR on Nearby Natural Resources.

The Developer agrees to address demonstrated impacts of the Pleasant Harbor MPR to water quality both on-site and off-site. The Developer will construct the Pleasant Harbor MPR in accord with the Stormwater Management requirements attached as Appendix B, Shoreline Master Program attached as Appendix F and Wastewater Treatment Plan attached as Appendix I. The Developer will operate the Pleasant Harbor MPR in accord with the Water Quality Monitoring Plan attached as Appendix N and the Neighborhood Water Supply Program attached as Appendix O.

7 RESERVATION OF POLICE POWER OF THE COUNTY

7.1 Police Power.

The Developer understands and agrees that pursuant to RCW 36.70B.170(4), the execution of a development agreement is a proper exercise of the County's police power.

7.2 Reservation of County Authority.

The Developer understands and agrees that pursuant to RCW 36.70B.170(4) and JCC 18.40.840(3)(d), this Agreement reserves the County's authority to impose new or different regulations to the extent required by a serious threat to public health and safety.

8 DEVELOPMENT STANDARDS.

8.1 Permitted Uses and Density Standards; Zoning.

The Master Plan, permitted land uses, and development regulations for development within the Property are set forth in chapter 17.60 of the Jefferson County Code, attached as Appendix A. Development of the Property shall not exceed 890 residential units, 56,608 square feet of commercial space and indoor and outdoor recreational spaces when completed at full build out.

8.2 Planning Goals and Objectives.

The planning goals adopted by the County in the Comprehensive Plan as of the date of recording this Agreement shall be the policy guidance and the foundation for all future development of the Pleasant Harbor MPR.

8.3 Stormwater Standards.

8.3.1 Stormwater Subject to Best Management Practices and the County's Stormwater Management Requirements.

In all future development within the Pleasant Harbor MPR the Developer shall utilize best management practices ("BMP") and be subject to the County Stormwater Management requirements, JCC 18.30.070. A copy of JCC 18.30.070 is attached in Appendix B.

8.3.2 Stormwater Management in Public Roads, Rights-of-Way and Easements.

The County shall be responsible for the management of stormwater runoff in all public roads, rights-of-way, and easements within the Pleasant Harbor MPR that have been accepted by the County for maintenance or other areas within the Pleasant Harbor MPR dedicated to the County. The Developer shall be responsible for the management of stormwater runoff in all other public areas within the Pleasant Harbor MPR as may be necessary to control stormwater runoff as required by Ordinance 01-0128-08, Condition 63(q).

8.3.3 Stormwater Management in Private Rights-of-Ways

The Developer shall be responsible for the management of stormwater runoff in all private rights-of-ways and other non-public areas such as parking lots or drainage easements, as may be necessary to control stormwater runoff as required by Ordinance 01-0128-08, Condition 63(q).

8.4 Critical Area Standards

Critical areas and their associated buffers, as well as allowed uses within the critical areas of the Pleasant Harbor MPR shall be determined based upon the Jefferson the County Critical Area requirements, Chapter 18.22 JCC. A copy of Chapter 18.22 JCC is attached in Appendix C.

8.5 Land Division Standards

Platting within the Pleasant Harbor MPR shall be pursuant to RCW 58.17 and the County Land Division requirements, Chapter 18.35 JCC, and within the time frames adopted by the County pursuant to the 1995 Regulatory Reform Legislation, ESHB 1724 (ch. 347, Laws of 1995), as codified in Permit Application and Review Procedures/SEPA Implementation, Chapter 18.40 JCC, and vested in accordance with RCW 36.70B.180. A copy of Chapter 18.35 JCC and is attached in Appendix D and a copy of Chapter 18.40 JCC is attached in Appendix E.

8.6 Shoreline Master Program

All future development within the Pleasant Harbor MPR shall be subject to the County Shoreline Master Program, Chapter 18.25 JCC. A copy of the applicable Shoreline Master Program requirements are attached as Appendix F.

8.7 Additional Development Standards.

Additional Development Standards as identified in Chapters 12.05, 12.10, and 18.30 JCC shall also apply to the extent they do not conflict with the terms of this Agreement. A copy of Chapters 12.05, 12.10, and 18.30 JCC are attached in Appendix G.

8.8 Compliance with Ordinance 01-0128-08.

As conditions to designating the Property as a master planned resort per Ordinance 01-0128-08, the County requires the Developer implement the following requirements:

8.8.1 Condition 63(e).

The Developer shall advertise and give written notice at libraries and post offices in East Jefferson County and recruit locally to fill opportunities for contracting and employment, and will prefer local applicants provided they are qualified, available, and competitive in terms of pricing.

8.8.2 Condition 63(f).

The Developer shall prioritize the sourcing of materials from within Jefferson County to develop the Pleasant Harbor MPR. Nothing in this Section 8.8.2 shall require that developer utilize materials or labor from within Jefferson County that are not of comparable price or quality to their counterparts outside of Jefferson County.

8.8.3 Condition 63(k).

The Developer prepared a Cultural Resources Management Plan to assure archaeological investigations and systematic monitoring of the subject property prior to issuing permits; and during construction to maintain site integrity, provide procedures regarding future ground disturbing activity, assure traditional tribal access to cultural properties and

activities, and to provide for community education opportunities. Developer shall implement the Cultural Resources Management Plan attached in Appendix Q.

8.8.4 Condition 63(l).

Developer prepared a Wildlife Management Plan focused on non-lethal strategies developed in the public interest and in consultation with the State of Washington Department of Fish and Wildlife (“WDFW”) and local tribes, to prevent diminishment of tribal wildlife resources cited in the Brinnon Sub-Area Plan (e.g., deer, elk, cougar, waterfowl, osprey, eagles, and bear), to reduce the potential for vehicle collisions on U.S. Hwy 101, to reduce the conflicts resulting from wildlife foraging on high-value landscaping and attraction to fresh water sources, to reduce the dangers to predators attracted to the area by prey or habitat, and to reduce any danger to humans. Developer shall implement the Wildlife Management Plan attached in Appendix P, modified by Amendment 1 attached thereto.

8.8.5 Condition 63(p).

The Developer shall provide access to the water system by any neighboring parcels if salt water intrusion becomes an issue for neighboring wells on Black Point where it is proven that the Developer draw down of potable water has caused the salt water intrusion, and reserve areas for additional recharge wells will be included in case wells fail, are periodically inoperable, or cause mounding. A Neighborhood Water Policy Plan is attached in Appendix O. The Developer will implement the Neighborhood Water Policy Plan.

8.8.6 Condition 63(r).

The Developer prepared a comprehensive Water Quality Monitoring Plan specific to Pleasant Harbor requiring water collection, testing and an adaptive management program. The monitoring plan shall be funded by a yearly reserve, paid for by the Developer and will include regular offsite sampling of pollution, discharge, and/or contaminant loading, in addition to any onsite monitoring regime. The Developer will implement the Water Quality Monitoring Plan attached in Appendix N, modified by Amendment 1 attached thereto.

8.8.7 Condition 63(s).

To ensure that natural greenbelts and buffers are maintained and protected, a conservation easement attached in Appendix M will be recorded within 15 days of the effective date of this Agreement. The Developer will implement the Vegetation Management Plan attached in Appendix L. The Developer shall, prior to site disturbance, record a conservation easement protecting any wetlands and their respective buffers identified or created on the Property.

8.8.8 Condition 63(t).

The Developer shall conduct ongoing monitoring and maintain an inventory regarding Tunicates and other invasive species. A Tunicate Agreement is attached in Appendix R. The Developer will implement the Tunicate Agreement.

8.8.9 Condition 63(x).

The Developer shall use the LEED Shadowing (Leadership in Energy and Environmental Design) and “Green Built” green building rating system standards. These standards, applicable to commercial and residential dwellings respectively, “promote design and construction practices that increase profitability while reducing the negative environmental impacts of buildings and improving occupant health and well-being.” A Narrative Demonstrating Compliance with the Intent of LEED Standards is attached in Appendix T. The Developer will implement LEED Shadowing Standards, but is not required to register with LEED or obtain LEED certificates or approvals.

8.8.10 Condition 63(z).

The Developer shall use the International Dark Sky Association (“IDA”) Zone E-standards for the MPR. These standards are recommended for “areas with intrinsically dark landscapes” such as national parks, areas of outstanding natural beauty, or residential areas where inhabitants have expressed a desire that all light trespass be limited. Dark Sky and Energy Star Approved High Efficiency Lighting Standards is attached in Appendix S. The Developer will implement the Dark Sky and Energy Star Approved High Efficiency Lighting Standards.

8.9 The Pleasant Harbor MPR Water Service.

Water main extensions and potable water system improvements for potable water service that may be required to serve the Pleasant Harbor MPR shall be installed in conformance with the most current approved specifications and requirements as determined by the Washington State Department of Health and shall comply with the Coordinated Water System Plan (“CWSP”) and all other applicable laws, ordinances, rules and regulations. A copy of the applicable CWSP is attached in Appendix H.

8.10 The Pleasant Harbor MPR Wastewater Treatment Plan.

Sanitary and on-site sewer and future sewer system improvements as required to serve the Developers Property shall be installed in conformance with the most current approved specifications and requirements of the Washington State Department of Health, Washington State Department of Ecology and the County Department of Public Health and all other applicable laws, ordinances, rules and regulations.

8.11 Memoranda of Understanding.

As a condition to designating the Property as a master planned resort, the County required that the Developer negotiate memoranda of understanding or memoranda of agreement to

provide needed support for law enforcement services, the Brinnon schools, Fire District No. 4 and emergency medical services to mitigate for the potential impacts associated with development of the Pleasant Harbor MPR.

RCW 36.70A.360(4)(e) provides that a master planned resort is authorized only if on-site and off-site infrastructure and impacts are fully considered and mitigated. In part, the memoranda of understanding (“MOUs”) are written to address this requirement.

The parties secured the following MOUs:

8.11.1 School Services Mitigation.

School services to the Pleasant Harbor MPR are provided by the Brinnon School District. Mitigation for school services associated with development of the Pleasant Harbor MPR, if any, shall be implemented by the Developer as set forth in the MOU attached as Appendix J-1.

8.11.2 Fire and EMS Services Mitigation.

Jefferson County Fire District No. 4 will provide Fire and EMS services within the Pleasant Harbor MPR. Mitigation for Fire and EMS services associated with development of the Pleasant Harbor MPR, if any, shall be implemented by the Developer as set forth in the in the MOU attached as Appendix J-2.

8.11.3 Law Enforcement Services Mitigation.

The County will provide law enforcement services within the Pleasant Harbor MPR. Mitigation for law enforcement services associated with development of the Pleasant Harbor MPR shall be implemented by the Developer as set forth in the MOU attached as Appendix J-3.

8.11.4 Transportation Services Mitigation.

Public transportation services to the Pleasant Harbor MPR are provided by Jefferson County Transit. Mitigation of transportation services associated with development of the Pleasant Harbor MPR shall be implemented by the Developer as set forth in the in the MOU attached as Appendix J-4.

8.11.5 Healthcare Services Mitigation.

Mitigation for health care services associated with development of the Pleasant Harbor MPR shall be implemented by the Developer as set forth in the MOU attached as Appendix J-5.

8.11.6 Housing Mitigation.

The Developer shall comply with Ordinance 01-0128-08, Condition 63(g) related to affordable housing. This will include but not be limited to the staff housing mitigation

associated with development of the Pleasant Harbor MPR, if any, which shall be implemented by the Developer as set forth in the MOU attached as Appendix J-6.

8.11.7 Parks and Recreation Mitigation.

The County, the State and the United States provide areas for parks and recreation in the vicinity of the Property. Parks and Recreation mitigation associated with development of the Pleasant Harbor MPR shall be implemented by the Developer pursuant to applicable state and local law as set forth in the MOU attached as Appendix J-7.

8.11.8 MOUs Satisfy Condition 63(c) of Ordinance No. 01-0128-08.

The County agrees that the MOUs listed in this Section 8.11 satisfy condition 63(c) of Ordinance No. 01-0128-08 and adequately mitigate impacts for the proposed development of the Pleasant Harbor MPR. No additional mitigation will be required, except as provided in Section 9.2.4.

9 STANDARDS FOR DEVELOPMENT AND OTHER MITIGATION BY COUNTY.

9.1 County Processing and Review.

The review and approval of proposed development applications proposed by the Developer for the Property shall be pursuant to the Pleasant Harbor MPR Zoning Code (Appendix A) and the County's Permit Application and Review Procedures/SEPA Implementation, Chapter 18.40 JCC, which is attached in Appendix E.

9.2 SEPA Compliance.

9.2.1 Environmental Impact Statement.

The parties acknowledge that potential environmental impacts from future development of the Pleasant Harbor MPR have been assessed and addressed in prior environmental documents. The prior reviews were published in the following documents:

- Draft Environmental Impact Statement for Pleasant Harbor Marina and Golf Resort (September 5, 2007) ("DFEIS");
- Pleasant Harbor Marina and Golf Resort, Final Environment Impact Statement (November 27, 2007) ("FEIS");

Pursuant to Condition 63(b) of Ordinance 01-0128-08, the County required a supplemental impact statement on the planned final configuration of the MPR, and the systems designed to address the conditions and environmental consequences of the MPR as identified in the FEIS (Chapter 5) and Conditions 63(a)-(dd) in Ordinance 01-0128-08.

9.2.2 Supplemental Environmental Impact Statement.

The Supplemental Environmental Impact Statement was published in the following documents:

- Draft Supplemental Environmental Impact Statement for Pleasant Harbor Marina and Golf Resort November 19, 2014 (“DSEIS”);
- Pleasant Harbor Marina and Golf Resort, Final Supplemental Environment Impact Statement December 9, 2015 (“FSEIS”).

9.2.3 Substantial Compliance with Environmental Impact Statements and Supplemental Environmental Impact Statements Required.

The FEIS, DSEIS and FSEIS are referred to collectively as the “Prior EISs.” Development shall substantially comply with the express mitigation measures imposed pursuant to the Prior EISs.

9.2.4 Future SEPA Review for Individual Projects.

The Prior EISs shall constitute compliance to the fullest extent possible under SEPA, as well as Condition 63(b) of Ordinance 01-0128-08, for all subsequent approvals or permits to develop the Pleasant Harbor MPR consistent with this Agreement, including, but not limited to, plats, short plats, binding site plans, boundary line adjustments, development permits, grading permits and building permits. Except as provided in this Section 9.2.4, no further environment impact statements are required, and no additional substantive SEPA mitigation measures are required for approvals or permits that authorize development that is consistent with level and range of development analyzed in the Prior EISs.

The County may require additional environmental analysis for a new or modified proposal that materially exceeds the level and range of development reviewed in the Prior EISs. For any such new or modified proposal, relevant information from Prior EISs shall be used to the fullest extent possible in future SEPA review. The scope of environmental review shall be limited to considering how or whether the proposal differs from or exceeds the scope of the Prior EISs and if so, whether such modification results in potentially significant adverse environmental impacts that have not been adequately addressed in the Prior EISs.

Nothing in this Section 9.2.4 shall release the Developer or its successors, successors in title, or assignees from complying fully with the terms of the Pleasant Harbor MPR Comprehensive Plan Amendment, Ordinance 01-0128-08 (Appendix K), specifically condition 63(b), which requires an automatic threshold determination of significance unless the SEPA Responsible Official determines that the proposal results in only minor construction.

9.3 Vesting of Development Standards.

9.3.1 Scope of Vesting.

To the fullest extent allowed by RCW 36.70B.180, all development proposed on the Property shall be vested to and governed by the terms of this Development Agreement, the Pleasant Harbor MPR chapter of the Jefferson County Zoning Code, and the Unified Development Code, now codified at Title 18 of the Jefferson County Code including, but not limited to, those code standards attached to this Agreement effective on the date of this Agreement and attached as Appendices A-I.

9.3.2 Vesting Period.

The vesting period shall be the same as the build-out period in Section 2.3. Except as otherwise provided in Section 9.3, any new or different development standards adopted by the County during the term of this Agreement shall not apply to the Property.

9.3.3 Default Standards and Requirements.

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 complete application. The development standards identified in this Agreement shall apply to the Property for the term of this Agreement, except: The Board of County Commissioners reserves the authority to modify one or more of the standards or requirements of development for the Pleasant Harbor MPR during the term of the Agreement, to avoid a serious threat to public health or safety, as provided in RCW 36.70B.170 and JCC 18.40.840(3)(d).

9.3.4 State and Federal Law.

This Agreement does not relieve the Developer of any obligations to comply with state or federal laws or regulations of any kind including but not limited to those laws or regulations related to Native American treaty rights, endangered species, or stormwater.

9.3.5 Building Codes.

Jefferson County Code Title 15, The International Building Code and International Fire Code in effect in the State of Washington as of the date of filing of a complete application for a building permit shall apply to all new development.

10 PHASING.

10.1 Phasing Plan.

10.1.1 Phases Proposed.

Pleasant Harbor MPR is a planned resort that is capable of being developed in independent and severable components or “phases.” Future development of the Pleasant Harbor MPR and all associated infrastructure, including roads and utilities, may be reviewed, permitted and constructed and/or bonded in phases or sub-phases. A phasing plan (consisting of three phases) for development of the Pleasant Harbor MPR (reviewed as part of the SEIS) is attached as Exhibit 4, modified to move “US HIGHWAY 101 AND BLACK POINT ROAD INTERSECTION IMPROVEMENTS” from Phase 3a to Phase 1a and to change the color of those improvements from red to purple. Each phase may further be broken down into discrete sub-phases as conditions dictate, but each primary phased must be constructed in the order set forth below.

10.1.2 Requirement of Adequate Infrastructure, Open Space, Recreational Facilities, Landscaping and Other Conditions Sufficient for Each Phase to Stand Alone.

JCC 18.15.135 requires that if a master planned resort will be phased, each phase must contain adequate infrastructure, open space, recreational facilities, landscaping and all other conditions of the Pleasant Harbor MPR sufficient to stand alone if no subsequent phases are developed. The Developer will comply with JCC 18.15.135 and will complete or bond all necessary infrastructure to support a phase or sub-phase sufficient for each phase or sub-phase to stand alone, prior to obtaining approval for a subsequent phase.

10.1.3 Phase 1.

Phase 1a consists of site clearing and grading for golf course, road network, building footprints, and Kettle B. Construct Highway 101 and Black Point Road intersection improvements. Commence road construction with services and begin implementation of the vegetation management plan. Create construction materials processing location on the golf course site.

Phase 1b consists of construction of the LOSS drainfield (wastewater treatment plant back up system), water storage tank with distribution piping at Tee 5, transit stop, construct sanitary sewer pump stations, Sea View Villas (170 units), Golf Vistas (32 units) and utility district.

10.1.4 Phase 2.

Phase 2a consists of completion of the golf course and Half-way house (adjacent to fairway 5), develop the new, additional well, Kettle C: supplementary replacement to Kettle B, construct maintenance building and 52 units for staff quarters.

Phase 2b consists of construction of the Golf Terrace Recreation Center and Conference center/spa (208 units).

10.1.5 Phase 3.

Phase 3a consists of construction of the Maritime Village building consisting of 66 units and 21,000 square feet of commercial. Reconstruct Black Point Road and construct new access road to WDFW boat launch.

Phase 3b consists of construction of the Golf Terraces 2, 3, and 4 (330 units), construction of Sea View Villas (14 units) and Golf Vistas (16 units). Complete utility district for the resort.

10.2 Preliminary Facilities.

In addition to the facilities specifically described in Section 10.1 each Phase must design adequate preliminary facilities to service the phase. Preliminary facilities are those preliminary facilities or improvements that must be approved and installed in concert with the development of each phase. The preliminary facilities include the following:

10.2.1 Water System.

A water system with sufficient water rights to serve the phase or sub-phase under review and approval.

10.2.2 Wastewater Treatment System.

A sewer system with sufficient capacity to accommodate the waste discharge for the phase or sub-phase under review and approval.

10.2.3 Road Network.

A road network to accommodate the phase or sub-phase under review and approval.

10.2.4 Landscaping.

Landscaping for the phase or sub-phase under review and approval.

10.2.5 Parking.

Associated parking for the phase or sub-phase under review and approval.

10.2.6 County Approval of Preliminary Facilities Required.

The County's approval of a phase or sub-phase, whether by preliminary plat or other process, shall require approval of preliminary facilities for the entire phase. The Developer may construct preliminary facilities for each lot or tract in conjunction with development of that lot or tract. A final plat for a phase may be recorded by lot or tract provided all of

the preliminary facilities necessary to serve the lot or tract are complete and the specific development requirements within each lot or tract are complete.

10.3 Public Amenities and Access.

Public amenities and access are those facilities and improvements that provide resort related activities and services. The Pleasant Harbor MPR shall, at a minimum, shall contain the following resort amenities (1) a 9-hole golf course; (2) spa services; (3) sports courts; (4) pool; and (5) water slides. These amenities shall be completed consistent with completion of the phase in which the amenity is proposed and made available to members of the general public for a fee to be established by the Developer.

11 INDEMNITY.

11.1 Indemnified Claims.

The indemnified claims are:

- (a) Claims for costs, losses, damages or expenses as a result of the County's approval of this Agreement and the Developer's or the Developer's contractors, agents or employees operations under this Agreement including, but not limited to, claims that this Agreement violates treaty rights of tribes;
- (b) Claims based on the Developer's negligence; and,
- (c) Claims based on the breach of any of the Developer's obligations under this Agreement.

As used in this Agreement the term "indemnified claim(s)" means the claims listed in this Section 11.1.

11.2 The Developer's Obligations.

11.2.1 Scope.

The Developer shall defend, indemnify and hold the County, and its elected officials and employees harmless from and shall process and defend at its own expense, including all costs, attorney fees and expenses relating thereto, all claims, demands, or suits at law or equity arising in whole or in part, directly or indirectly, from any indemnified claims.

The County retains the right to provide additional counsel for the County's defense at the County's sole expense to assist counsel paid for by the Developer or to monitor any indemnified claim.

11.2.2 No Waiver of RCW 4.96.020 by the Developer.

The Developer shall not attempt to waive the requirements of the filing of a pre-suit claim against the County under RCW 4.96.020.

11.2.3 Cooperation.

The Developer and County shall cooperate with each other in the defense of any indemnified claims. The Developer shall not file any pleadings or motions or take any position with a court, government agency or hearing officer without first consulting with the County. Developer retains sole discretion to pursue defense of Indemnified Claims in any means it deems appropriate, but cannot take positions on behalf of the County without the County's consent.

11.2.4 Best Efforts to Obtain Release of the County.

If the Developer settles any indemnified claim, the Developer will use its best efforts to obtain a release of the indemnified claim for the County, and its elected officials and employees.

11.2.5 Claims against Both the County and the Developer.

The Developer wishes to avoid the expenses of a separate defense of both it and the County should any person assert an indemnified claim against both the Developer and the County. Accordingly, the Developer agrees to provide joint counsel to represent both the Developer and the County at the Developer's sole expense when indemnified claims are made against both the County and the Developer. However, the County retains the right to substitute its own counsel in place of joint counsel at the County's sole expense or to provide additional counsel at the County's sole expense to assist counsel paid for by the Developer or to monitor any indemnified claim.

11.2.6 The Developer is the Real Party in Interest.

For any indemnified claim where the Developer is required to provide the County a defense pursuant to Section 11, the Developer shall make it clear that it is the real party in interest on any indemnified claims made against the County and that: (i) Any positions the Developer takes in defending the indemnified claims are the positions of the Developer and not the County; and, (ii) Any positions the Developer takes in defending the indemnified claims are not necessarily the positions the County would take if it were the real party in interest.

11.3 The County's Obligations.

11.3.1 Notice.

The County shall provide notice to the Developer of any indemnified claim it receives within fourteen days of receipt of such claim. For the avoidance of doubt, the notice

required under this Section 11.1.3 includes notice of any pre-suit claim presented to the County under RCW 4.96.020.

11.3.2 Cooperation.

The County shall cooperate with the Developer in the defense of any indemnified claims. The County shall not file any pleadings or motions or take any position with a court, government agency or hearing officer without first consulting with the Developer.

11.3.3 Consent to Counsel Selected by the Developer.

The County may consent to the representation by counsel selected by the Developer and provide appropriate waivers of conflicts of interest to counsel selected by the Developer. Provided, however, that if the County refuses to consent or to provide appropriate waivers of conflicts of interest, the Developer may suspend performance of the indemnity obligations under this Section 11.

11.4 Limitations.

11.4.1 No Indemnity for Claims Other than Indemnified Claims.

Nothing in this Section 11 shall require the Developer to indemnify, hold harmless, or defend the County from claims, demands or suits based on claims against the County that are not indemnified claims and are based solely upon the conduct of the County, its elected officials, employees and agents.

11.4.2 Claims Based on Comparative Fault.

If the claims or suits are caused by or result from the comparative fault of: (i) the Developer's agents or employees; and, (ii) the County, its elected officials, employees and agents, this indemnity provision with respect to claims or suits based upon such comparative fault, then the claims shall be treated as claims against both the County and the Developer under Section 11.2.6 until a final, enforceable judgment is entered. After a final, enforceable judgment is entered, the Developer and the County shall each be responsible for their shares of the final, enforceable judgment.

12 GENERAL PROVISIONS.

12.1 Governing Law.

This Agreement shall be governed by and interpreted in accordance with the laws and regulations of the State of Washington, as if applied to transactions entered into and to be performed wholly within the State of Washington between residents of the State of Washington. No party shall argue or assert that any law other than Washington law applies to the governance or construction of this Agreement.

12.2 Binding on Successors.

This Agreement shall be binding upon and inure to the benefit of the successors, successors in title and assigns of the Developer and upon the County.

12.3 Assignment.

12.3.1 Right to Transfer, Consent of the County Not Required.

The parties acknowledge that development of the Pleasant Harbor MPR 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 Developer 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 Property to other parties acquiring an interest or estate in all or any portion of the Property, including transfer of all interests through foreclosure (judicial or non-judicial) or by deed in lieu of foreclosure, provided transferee agrees to assume all obligations of the Developer under this Agreement. Consent by the County shall not be required for any transfer of rights pursuant to this Agreement.

12.3.2 Obligations of the Developer and Transferee under this Agreement.

Upon the transfer or assignment under this Section 12.3 and the transferee's assumption of all obligations of the Developer under this Agreement, the transferee shall be entitled to all interests and rights and be subject to all obligations under this Agreement pertaining to the property transferred or assigned, and the Developer shall be released of liability under this Agreement for the property transferred or assigned, but shall retain liability for any breach which occurred prior to the transfer of rights to another party and for those portions of the Property still owned by the Developer.

12.4 Release of the Developer's Liability by Assignment.

12.4.1 Transfer and Assumption of All Obligations Under this Agreement Required.

The Developer shall be released of all liabilities and obligations under the Agreement if:

- (a) The Developer provides notice to the County of an Assignment of the Agreement; and,
- (b) The transferee has assumed in writing the all the obligations of this Agreement.

12.4.2 Results of Effective Assignment.

If the conditions for release are met under this sub-section, then from and after the date of transfer, the Developer shall have no further liability or obligation under the Agreement, and the assignee shall exercise the rights and perform the obligations of the Developer under the Agreement for that portion of the Property acquired by the successor or assign.

12.4.3 Effect of Partial Assignment.

The parties acknowledge that the Developer may transfer or assign title to a portion of the Property in any manner consistent with this Agreement. Should the transfer or assignment of title relate to only a portion of the 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 the Property being assigned or transferred.

12.5 Recording as a Covenant Running with the Land.

This Agreement shall be recorded with the County Auditor against the Property as a covenant running with the land and pursuant to RCW 36.70B.190 shall be binding on the Developer, its successors, successors in title and assigns during its Term. The parties agree that the appendices need not be recorded.

12.6 Release as to Residential Development.

Upon the approval of a final plat, a condominium declaration or other approved land division in compliance with this Agreement that relates to residential development of the Property, then there shall be executed and recorded with the County Auditor a release from this Agreement with respect to that particular and specific parcel or parcels of real property that received final plat approval, filed a condominium declaration or was the subject of other approved land division. Residential development on the parcel or parcels released pursuant to this subsection shall continue to be subject to the requirements of the development regulations listed in Sections 7 and 8.1.

12.7 Severability.

If any 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 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.

12.8 Amendment.

This Agreement shall not be amended without the express written approval of the County and the Developer (or its successors, successor in title and assigns with respect to the property in which they have an interest). The Board of County Commissioners must approve all amendments to this Agreement by ordinance or resolution and only after notice to the public and a public hearing.

12.9 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.

12.10 Dispute Resolution.

In the event of any dispute relating to this Agreement, all parties upon the written request (to be titled “Notice of Dispute”) of any other party, shall meet within the five (5) business days to seek in good faith to resolve the dispute. The County shall send a department director or the qualified lead planner and other persons with information relating to the dispute, and the Developer shall send an owner’s representative and any consultant or other person with technical information or expertise related to the dispute. If the parties are unable to reach amicable resolution of a dispute within thirty (30) days of the written Notice of Dispute issued by one of the parties, the parties agree that they will immediately identify a mediator and participate in mediation in good faith. The selected mediator shall have documented experience and expertise in Washington land use law. The parties agree to work cooperatively to select a mediator with land use and real estate experience. Each party will identify and propose to the other party three potential mediators. Between the proposed mediator lists, the parties will select a mutually agreeable mediator to resolve the dispute. The mediation shall be completed within 90 days of the original written Notice of Dispute by one of the parties. If the parties are unable to reach a resolution following timely mediation, each party reserves the right to seek resolution and pursue remedies available under this Agreement and at law. The parties agree that the cost of mediation pursuant to this paragraph shall be borne equally by the parties to this Agreement. The parties may agree in writing to extend any deadline or time frame listed in this Section 12.10.

12.11 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 the Property (see Section 12.3) 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 the Property under this Agreement. Each party to this Development Agreement shall be solely responsible for the costs they incur with respect to asserting or defending against any dispute, alleged default or civil lawsuit.

12.12 No Third Party Beneficiaries.

This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors in title and assigns. No other person shall have any right of action based upon any provision of this Agreement.

12.13 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.

12.14 Signature in Counterparts.

Separate copies of this Agreement may be signed by each of the parties and this Agreement will have the same force and effect as if the original had been signed by all the parties.

12.15 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: Director
 Jefferson County Department of Community Development
 621 Sheridan Street
 Port Townsend, WA 98368

cc: Board of County Commissioners
 P.O. Box 1220
 Port Townsend, WA 98370

 Prosecuting Attorney
 P.O. Box 1220
 Port Townsend, WA 98370

To Pleasant Harbor Marina and Golf Resort, LLP and Pleasant Harbor Marina, LLC:

c/o M. Garth Mann
Statesman Group of Companies Ltd.
9300 E. Raintree Drive, Suite 100
Scottsdale, Arizona 85269

cc: John T. Cooke
Houlihan Law
100 N. 35th St.
Seattle, WA 98103

12.16 Estoppel Certificates.

Within 30 days following any written request that any party or a mortgagee may make from time to time, the other party shall execute and deliver to the requesting person a statement certifying that: (a) this Agreement is in full force and effect, and stating any formal amendments to the Agreement; and, (b) to the best of the knowledge of the certifying party, no notice of default has been sent and no notice of violation of applicable laws has been issued regarding the project; and any other reasonably request information. Failure to provide a timely response to the requesting party shall be deemed conclusive evidence that the Agreement is unmodified and in full force and effect and that no notices of default or violation have been issued. Issuance of estoppel certificates is an administrative matter within the County. The County shall have no liability to the requesting party if it provides an estoppel certificate in good faith and with reasonable care.

12.17 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.

12.18 Voluntary Undertaking.

This Agreement is entered into voluntarily and without any coercion by or undue influence on the part of any person, firm or corporation.

12.19 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.

12.20 No Private CCR Enforcement by the County.

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 County Auditor after the effective date of this Agreement.

The parties further acknowledge and agree that the County bears no 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 Pleasant Harbor MPR.

12.21 Entire Agreement.

This Development Agreement consists of the Resolution approving the Agreement, the Agreement, Exhibits 1-4, and Appendices A-T. This Agreement constitutes the entire agreement between the parties relating to this subject matter. There are no other agreements, oral or written, except as expressly set forth herein. Except as specifically provided in this Agreement, this Agreement supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral.

12.22 No Assignment.

The Developer represents, warrants and agrees that it has not assigned, transferred, conveyed, encumbered or in any manner otherwise disposed of all or any portion of the Property or any rights, obligations, or interests of any nature or kind whatsoever covered by this Agreement, whether before or after they occurred, regardless of whether they have occurred as of the date of this Agreement.

13 REPRESENTATIONS AND WARRANTIES.

Each of the parties represents and warrants that:

- (a) Each is fully authorized to enter into this Agreement;
- (b) Each has taken all the necessary actions to duly approve the making and performance of this Agreement and that no further approval is necessary;
- (c) Each has read this Agreement in its entirety and knows the contents of this Agreement;
- (d) The terms of this Agreement are contractual and not mere recitals; and,
- (e) Each have signed this Agreement having obtained the advice of legal counsel.

(SIGNATURES FOLLOW ON NEXT PAGE)

Signatures

JEFFERSON COUNTY
Jefferson County Board of County Commissioners

By _____
Chair, David Sullivan

Date: _____

By _____
Member, Kathleen Kler

Date: _____

By _____
Member, Kate Dean

Date: _____

APPROVED AS TO FORM:

Philip C. Hunsucker,
Chief Civil Deputy Prosecuting
Attorney

Date: _____

Patricia L. Charnas
Director of Community Development

Date: _____

PLEASANT HARBOR MARINA AND GOLF RESORT, LLP

By: _____
M. Garth Mann

Its: Manager

Date: _____

Acknowledgement

STATE OF WASHINGTON)
) ss
COUNTY OF _____)

On this ____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Melvin G. Mann, to me known to be the person who signed as manager of Pleasant Harbor Marina and Golf Resort, LLP, the Washington 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 limited liability company for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the limited liability company and that he was authorized to execute said instrument.

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

Dated this ____ day of _____, 2018.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My Appointment Expires: _____

Exhibit 1

(LEGAL DESCRIPTION – CONTAINED ON THE FOLLOWING PAGES)

The Pleasant Harbor Master Plan Resort at Black Point shall consist of the properties described below, excluding only that portion of any parcel lying westerly of US 101, and together with leased tidelands supporting the Pleasant Harbor Marina; all as illustrated at Figure 1-5, page 1-4 of the Brinnon Master Planned Resort FEIS issued November 27, 2008.

Parcel A APN 502153002

The Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 15, Township 25 North, Range 2 West, W.M., in Jefferson County, Washington;

Together with a perpetual non-exclusive easement for road and utility purposes through, across and over the following described property:

Beginning at the Southeast corner of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 15;

thence run West, along the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, approximately 175 feet to the Southerly line of Black Point County Road; thence Northeasterly, along said Southerly line, to a point 30 feet North of said South line when measured at right angles; thence East, parallel to said South line, to the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence South 30 feet to the point of beginning;

And over and across the West 30 feet of the South 30 feet of Government Lot 4 in said Section 15.

Situate in the County of Jefferson, State of Washington.

Parcel B APN 502153003

The East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 15, Township 25 North, Range 2 West, W.M., in Jefferson County, Washington;

Except that portion thereof, lying within a strip of land conveyed to the State of Washington, for State Road No. 9, Duckabush River-North Section, by deed dated August 28, 1933, and recorded under Auditor's File No. 70817, records of Jefferson County, Washington.

Situate in the County of Jefferson, State of Washington.

Parcel C APN 502153023

Those portions of Sections 15 and 22, both in Township 25 North, Range 2 West, W.M., Jefferson County, Washington, described as follows:

The Southwest ¼ of the Southeast ¼ and Government Lot 7 of said Section 15, and Government Lots 2 and 3 of said Section 22;

Except those portions thereof lying East of the West line of the East 695.00 feet of said Southwest ¼ of the Southeast ¼, and East of the Southerly prolongation of said West line;

Also Except that portion of the West 100.00 feet of said Government Lot 7, lying Southerly of the North 539.00 feet thereof.

Together with tidelands of the second class, as conveyed by the State of Washington, situate in front of, adjacent to and abutting upon the West ½ in width of said Government Lot 2, in said Section 22.

Situate in the County of Jefferson, State of Washington.

Parcel D APN 502154002

That portion of the Northwest ¼ of the Southeast ¼ of Section 15, Township 25 North, Range 2 West, W.M., lying Southerly of the Black Point Road as conveyed to Jefferson County by deed recorded under Auditor's File No. 223427, records of said County;

Except that portion described as follows:

That portion of the Northwest ¼ of the Southeast ¼ of Section 15, Township 25 North, Range 2 West, W.M., described as follows:

Beginning at a point of intersection of the East line of the Northwest ¼ of the Southeast ¼ and the Southerly margin of the Black Point Road;
thence South along the said East line, a distance of 300 feet;
thence West 350 feet;
thence North to the point of intersection with the Southerly margin of the Black Point Road;
thence Easterly along said Southerly margin to the point of beginning.

Situate in the County of Jefferson, State of Washington.

Parcel E APN 502152005

That portion of the Southwest ¼ of the Northwest ¼ of Section 15, Township 25 North, Range 2 West, W.M., described as follows:

A strip of land 250 feet wide lying Easterly of and parallel to the Southeasterly right of way of State Highway 101;

Except the right of way for Black Point Road as conveyed to Jefferson County by deed recorded under Auditor's File Nos. 223427 and 410399, records of Jefferson County, Washington.

Also Excepting Therefrom the following tract:

Beginning at the Southwest corner of Government Lot 3; thence North 88° 23' 07" West 308.14 feet to the Southeasterly right of way of State Highway No. 101, and the true point of beginning; thence Southwesterly along said Highway, 117 feet, thence South 88° 23' 07" East, to a point 175 feet West of the high tide line; thence Northeasterly to a point on the North line of the Southwest ¼ of the Northwest ¼, 100 feet West of said high tide line; thence North 88° 23' 07" West to the true point of beginning of this exception.

Situate in the County of Jefferson, State of Washington.

Parcel F APN 502152014

Lot 1 of Watertouch Short Plat, as recorded in Volume 2 of Short Plats, pages 205 and 206, records of Jefferson County, Washington, being a portion of Section 15, Township 25 North, Range 2 West, W.M., Jefferson County, Washington.

Situate in the County of Jefferson, State of Washington.

Parcel G APN 502152015

Lot 2 of Watertouch Short Plat, as recorded in Volume 2 of Short Plats, pages 205 and 206, records of Jefferson County, Washington, being a portion of Section 15, Township 25 North, Range 2 West, W.M., Jefferson County, Washington.

Situate in the County of Jefferson, State of Washington.

Parcel H APN 502152016

Lot 3 of Watertouch Short Plat, as recorded in Volume 2 of Short Plats, pages 205 and 206, records of Jefferson County, Washington, being a portion of Section 15, Township 25 North, Range 2 West, W.M., Jefferson County, Washington.

Situate in the County of Jefferson, State of Washington.

Parcel I APN 502152013

Lot 1, Pleasant Harbor Marina Short Plat, as per plat recorded in Volume 2 of Short Plats, pages 221 to 223 and amended in Volume 3 of Short Plats, pages 8 to 10, records of Jefferson County, Washington,

Except that portion of Lot 1 described as follows:

That portion of Government Lot 3 abutting second class tidelands in Section 15, Township 25 North, Range 2 West, W.M., Jefferson County, Washington, being more particularly described as follows:

Commencing at the North $\frac{1}{4}$ corner of Section 15, Township 25 North, Range 2 West, W.M., Jefferson County, Washington; thence South $88^{\circ} 13' 42''$ East along the North line of said Section 15 for a distance of 364.50 feet to the point of beginning; thence continuing South $88^{\circ} 13' 42''$ East 238.76 feet to the line of mean high tide; thence South $61^{\circ} 12' 00''$ West along the line of mean high tide 34.78 feet; thence North $40^{\circ} 41' 54''$ West along the line of mean high tide 3.31 feet; thence South $62^{\circ} 36' 19''$ West along the line of mean high tide 26.83 feet; thence South $87^{\circ} 54' 36''$ West 166.65 feet; thence North $21^{\circ} 21' 05''$ West 43.00 feet to the point of beginning.

And Also Excepting second class tidelands as conveyed by the State of Washington, in front of, adjacent to and abutting the above described excepted uplands.

Situate in the County of Jefferson, State of Washington.

Parcel J APN 502152012

Lot 2, Pleasant Harbor Marina Short Plat, as per plat recorded in Volume 2 of Short Plats, pages 221 through 223, and amended in Volume 3 of Short Plats, pages 8 through 10, records of Jefferson County, Washington.

Together with second class tidelands, as conveyed by the State of Washington, situate in front of, adjacent to and abutting thereon.

Situate in the County of Jefferson, State of Washington.

Parcel K APN 502153020

Those portions of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 15, and Government Lot 2 of Section 22, both in Township 25 North, Range 2 West, W.M., Jefferson County, Washington, described as follows:

The East 345.00 feet of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, as measured along the North line thereof;

Together with that portion of said Government Lot 2 lying East of the Southerly prolongation of the West line of said East 345.00 feet;

Situate in the County of Jefferson, State of Washington.

Parcel L APN 502153021

Those portions of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 15, and Government Lot 2 of Section 22, both in Township 25 North, Range 2 West, W.M., Jefferson County, Washington, described as follows:

The East 520.00 feet less the East 345.00 feet of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, as measured along the North line thereof.

Together with that portion of said Government Lot 2 lying East of the Southerly prolongation of the West line of said East 520.00 feet and the West of the Southerly prolongation of the East line of said East 345.00 feet.

Situate in the County of Jefferson, State of Washington.

Parcel M APN 502153022

Those portions of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 15, and Government Lot 2 of Section 22, both in Township 25 North, Range 2 West, W.M., Jefferson County, Washington, described as follows:

The East 695.00 feet less the East 520.00 feet of said Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, as measured along the North line thereof.

Together with that portion of said Government Lot 2 lying East of the Southerly prolongation of the West line of said East 695.00 feet and West of the Southerly prolongation of the East line of said East 520.00 feet.

Situate in the County of Jefferson, State of Washington.

AMENDMENT 1 TO WILDLIFE MANAGEMENT PLAN

This Wildlife Management Plan is amended as follows:

- (1) Delete the sentence on page 5, paragraph 2 that reads: “Elk migrate on a seasonal pattern and can be expected to be in the project vicinity during certain times of the year.”
- (2) Delete “and inhabit the site for short durations during the year” from the sentence on page 5, paragraph 2 that reads: “Elk could potentially wander onto Black Point and inhabit the site for short durations during the year.”
- (3) After the sentence on page 5, paragraph 2 that reads: “According to Bryan Murphie (wildlife biologist with WDFW), there are two unique herds in the area: Duckabush and the Dosewallips herds (personal communication, 2017).” add the following sentence: “the Point No Point Treaty Council’s census records show that at times the Duckabush herd has contained as many as 80 individuals.”
- (4) After the sentence on page 5 paragraph 2 that reads: “Both herds have the potential ...,” add the following: “Some elk migrate seasonally. The Duckabush herd is resident year-round, and has not undergone a true migration since 1993. Some individual elk are nomadic, and may travel up to 13 kilometers from one end of their range to the other. As a result, it is possible that most of the Duckabush herd would be in the vicinity of the MPR all year, posing the risk that elk will cross Highway 101 and visit the MPR.”
- (5) Add a new fourth bullet in the “Deer” section on page 7 as follows: “■ Deer that end up on the MPR shall not be destroyed by the Developer, except where the animal poses a threat to human health or safety.”
- (6) Delete “because the site is adjacent to mapped elk crucial wintering range” from the sentence on page 7 that reads: “Elk have not been identified on the property but there is a potential for their presence because the site is adjacent to mapped elk crucial wintering range (WDFW 2017).”
- (7) Delete the following to the sentence from page 7: “Therefore, another potential strategy to reduce elk and vehicular incidents is to install collars on elk that are linked to signs on Highway 101.”
- (8) Delete the following to the sentence from pages 7-8: “However, this strategy would not prevent elk from entering the project site and is not always an effective strategy (personal communication with Fish and Wildlife Biologist at WSDOT 2017; personal communication with Wildlife Biologist at WDFW 2017).”
- (9) After the first sentence in the first full paragraph on page 8 that reads: “To help prevent elk and vehicle collisions, Statesman will install flashing signs that are associated with collared elk.” add the following: “A flashing sign shall be located on the East side of Highway 101 on both the North and the South sides of the Pleasant

Harbor MPR, in a precise locations determined by the Developer, after consultation with the Washington Department of Fish and Wildlife (WDFW). The Developer also will work with the WDFW to attach devices to area elk that would trigger the flashing signs when the Elk approach them. The WDFW will determine how the flashing signs will interface with the elk movements, who will be responsible for capturing and collaring elk, who will replace collars when they wear out, and who will be responsible for maintenance of all the system components. The Developer will reimburse WDFW for installation of two flashing signs and provide reimbursement of up to \$10,000 to WDFW for elk collars on the Duckabush herd and other system components for the program.”

- (10) Delete the following from the last sentence in the first full paragraph on page 8 as follows: “If more than four elk (which could be a herd) are observed accessing the property within a one year span,” so the sentence would read: “Statesman will employ the following strategies to remove and discourage elk from the site:”
- (11) Delete the all the language in the second bullet on page 8 as follows: “Once the property is developed and should there be more than four elk on the property at one time after the developer has determined that noise-deterrents, smell-deterrents and visual deterrents have proven ineffective, then the developer will install a fence as a last resort to discourage their presence for the benefit of the PGST and their hunting rights. The fence will only be installed on WDFW and WSDOT’s concurrence that installation of a fence will not pose a threat to human health and safety.” Replace it with the following: Nevertheless, the Developer shall construct an exclusion fence along the western border of the MPR South of Black Point Road, to exclude elk from the MPR. The Developer will be responsible for determining the precise location of the exclusion fence, but will consult with the WDFW and the Point No Point Treaty Council before constructing the exclusion fence. The exclusion fence shall be visible to Elk, (e.g., using survey tape or branches, or other like means) and shall be at least 8 feet in height. Fencing shall be either woven-wire or electric. Fencing shall be constructed before or concurrent with clearing the forest and developing greens, fairways, and lawns at the MPR.”
- (12) Add a new third bullet to the “Elk” section on page 8 as follows: “■ Elk that end up on the MPR shall not be destroyed by the Developer, except where the animal poses a threat to human health or safety.”
- (13) Add a new second bullet in the “Cougar” section on page 9 as follows: “■ Cougar that end up on the MPR shall not be destroyed by the Developer, except where the animal poses a threat to human health or safety.”
- (14) Add a new bullet in the “Bear” section on page 9 after the last two bullets in that section as follows: “■ Bear that end up on the MPR shall not be destroyed by the Developer, except where the animal poses a threat to human health or safety.”

- (15) Add a new fourth bullet to the end of the “Waterfowl” section on page 10 as follows: “■ Deer that end up on the MPR shall not be destroyed by the Developer, except where the animal poses a threat to human health or safety.”
- (16) Delete “install a west oriented fence in any open areas where elk could find access to the 9 holes of golf course grasses. The Applicant will investigate if there is proven technology in types of grasses that are not attractive for elk grazing. In the case of elk, if more than four elk individuals are observed on the site in a 1-year period, Statesman will use alternative elk management strategies including scare tactics and fencing as described in the Wildlife Management Strategies section above” in the second paragraph in the “Summary and Recommendations” section on page 10 and replace it with the following: “the mitigation measures outlined above.”

This Amendment 1 shall be attached to the Wildlife Management Plan.

AMENDMENT 1 TO WATER QUALITY MONITORING PLAN

This Water Quality Management Plan is amended as follows:

(1) Section X. is renumbered as Section X.A and Section XI. is renumbered as Section X.B.; and,

(2) A new Section X is added as follows:

X. Actions to be Taken, if Sampling Results Show Increasing Concentrations in Water Quality Parameters

A. Investigation.

If sampling results show three consecutive increases in concentrations of any one of the water quality parameters sampled under this Agreement the Developer shall take steps to identify the cause of the increase. Under the direction of the JCWQ, the Developer shall take reasonable steps to investigate the cause of the increase in the water quality parameters, including but not limited to inspecting, sampling, or testing to determine the cause, nature and extent of the increase. JCWQ may require the Developer to provide a plan for investigation within the time determined by JCWQ as necessary to address the increasing concentrations in the water quality parameters.

B. Remediation.

Under the direction of the JCWQ, the Developer shall eliminate, or minimize any threat or potential threat to human health or the environment posed by increasing concentrations that are caused by the construction or operations of the Resort, including taking steps to eliminate, or modify the source to insure applicable groundwater quality standards are not exceeded.

This Amendment 1 shall be attached to the Water Quality Management Plan.