

Attachment 8: Silver Spur Development Agreement



**MODIFICATION TO THE DEVELOPMENT AGREEMENT
BY AND BETWEEN OKANOGAN COUNTY
AND CARIBOU LLC, FOR THE
SILVER SPUR NORTH RANCH DEVELOPMENT
RECORDED JANUARY 14, 2011
UNDER AFN 3160992 AND AMENDED APRIL 17, 2012
RECORDED UNDER AFN 3171956
OKANOGAN COUNTY, WASHINGTON**

RECITALS

WHEREAS, the above captioned development agreement was approved by the Okanogan County Board of Commissioners on January 11, 2011, and recorded under Auditor's File No. 3160992, records of Okanogan County, Washington and amended by instrument recorded April 17, 2012, under Auditor's File No. 3171956, records of Okanogan County, Washington; and

WHEREAS, said development agreement, under §23 thereof provides for amendments to be approved by all parties to the agreement; and

WHEREAS, Silver Spur Resort, LLC, successor in interest to Caribou, LLC has submitted to the Director a request to amend the agreement to provide for an amendment to the term of the agreement; and

WHEREAS, the Okanogan County Board of Commissioners has found that a term longer than ten (10) years will substantially contribute to the public benefit inasmuch as economic development in the County is desirable and the completion of the Silver Spur North Ranch cannot be expected to be reasonably complete within the current term of the agreement; and

WHEREAS, the proposed modification has been subjected to environmental review under the State Environmental Policy Act (SEPA), and deemed to have no significant environmental impact.

Now therefore, it is agreed as follows:



OKANOGAN COUNTY:

OKANOGAN COUNTY COMMISSIONERS'

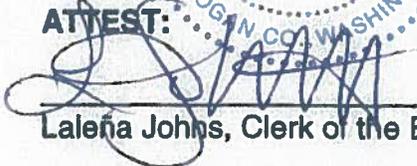
RESOLUTION

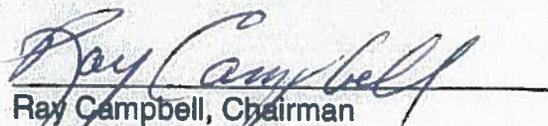
Dated at Okanogan, Washington this 4th day of November 2014.

**BOARD OF COUNTY COMMISSIONERS
OKANOGAN, WASHINGTON**



ATTEST:


Laleña Johns, Clerk of the Board


Ray Campbell, Chairman


Sheilah Kennedy, Member

ABSENT

Jim DeTro, Member

Dave Jorgensen, Okanogan County DPA

Okanogan County

Resolution 10 - 2011

APPROVING THE DEVELOPMENT AGREEMENT FOR SILVER SPUR NORTH RANCH AND ADOPTING FINDINGS OF FACT AND CONCLUSIONS OF LAW

Whereas: Lynn and Marlene Barnett of Caribou LLC agree to develop and subdivide a 766 acre ranch into a recreational/residential/resort community. Development includes 220 lots units, equestrian center, recreational vehicle park, recreation area, and trail system, and

Whereas: Development Agreements are authorized by RCW 36.70B "Local Project Review" and OCC 18.05 "Development Agreements", and

Whereas: All procedural requirements have been met which include public notification, SEPA review, public hearing, and decision by the Board of Okanogan County Commissioners, and

Whereas: On May 11, 2010 the Board of Okanogan County Commissioners granted conditional approval of Silver Spur North Ranch Development Agreement 2009-1, and

Whereas: The proponent submitted the final draft of said development agreement meeting all conditions of approval. The final draft is approved "as to form" by Okanogan County's Chief Civil Deputy.

Be it therefore Resolved: The Board of Okanogan County Commissioners approve Silver Spur North Ranch Development Agreement 2009-1 (attachment c) subject to the attached findings of fact (attachment a) and conclusions of law (attachment b).

DATED at Okanogan, Washington this 11th day of January, 2011.



ATTEST:

Brenda Crowell
Brenda Crowell, Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
OKANOGAN, WASHINGTON

Andrew Lampe
Andrew Lampe, Chair

Jim Detro
Jim Detro, Member

ABSENT
Don (Bud) Hover, Member

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Resolution ERLANDSEN & ASSOCIATES
Okanogan County Washington

3160992




Attachment 2
Findings of Fact

1. Caribou LLC proposes a development agreement to develop and subdivide property. The development proposal is titled Silver Spur North Ranch Development Agreement 2009-1.
2. The subject property is identified by tax parcel numbers 3125190008, 3125190009, 3125192005, 3125192006, 3125192010, 3125192011, 3125192012, 3125200001, 3125200005, 3125200006, 3125200007, 3125200008, 3125200009, 3125200010, 3125201003, 3125201004, 3125201005, 3125201006, 3125201007, 3125201008, 3125202001, 3125202002, 3125202003, 3125202004, 3125202005, 3120202006, 3125202008, 3125203001, 3125203002, 3125203003, 3125203005, 3125203006, 3125204006, 3125204007, 3125204008, 3125204009, 3125204010, 3125204011, 3125204012, 3125204013, 3125300023 and is located at 577-A Old Highway 97. The development agreement includes legal descriptions of all property involved.
3. The comprehensive plan designations are Unclassified and Intensive Agricultural.
4. The zoning designation of the property is Minimum Requirement.
5. Okanogan County Code Chapter 18.05 and RCW 36.70B identifies the authority for adoption and review of development agreements.
6. On October 22, 2009 an application for a planned development was vested.
7. On October 28, 2009 notice of application and threshold SEPA determination was mailed to adjacent landowners and commenting agencies for their respective review and comment.
8. On October 29, 2009 notice of application and threshold SEPA determination was published in the Oroville Gazette Tribune (Okanogan County's periodical of record) and the Quad City Herald.
9. On November 13, 2009 the comment period ended for the threshold SEPA determination.
10. On January 20, 2010 notice of revised application and threshold SEPA determination was mailed to adjacent landowners and commenting agencies for their respective review and comment.
11. On January 21, 2010 notice of revised application and threshold SEPA determination was published in the Oroville Gazette Tribune (Okanogan County's periodical of record) and the Quad City Herald.
12. On February 5, 2010 the comment period ended for the threshold SEPA determination.
13. On March 10, 2010 notice of the public hearing and final SEPA determination was mailed to adjacent landowners, interested public, and commenting agencies.
14. On March 11, 2010 notice of public hearing and final SEPA determination was published in the Oroville Gazette Tribune (Okanogan County's periodical of record) and the Quad City Herald.
15. On March 26, 2010 an appeal of the final SEPA determination was received by the Board of Okanogan County Commissioners from the Washington State Department of Ecology.
16. On March, 2010 the appeal period for the final SEPA determination ended.
17. On April 9, 2010 the appeal of the final SEPA determination was withdrawn by Washington State Department of Ecology.
18. On or before April 16, 2010 notice of the public hearing must be physically posted. An affidavit of public notice was submitted to Planning and Development prior to the hearing.
19. On April 26, 2010, the Okanogan County Regional Planning Commission conducted a public hearing for this project. At this hearing, public was given opportunity to enter testimony into the record.
20. On May 11, 2010 the Board of Okanogan County Commissioners held a closed record meeting in order to review the proposal. At this time the Board considered the recommendation from the

Okanogan County Regional Planning Commission and granted conditional approval.

21. The proponent submitted a final draft of the development agreement. The final draft was reviewed by the Office of Planning and Development and approved "as to form" by Okanogan County's Chief Civil Deputy.

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Resolution ERLANDSEN & ASSOCIATES
Okanogan County Washington

3160992





Attachment D
Conclusions of Law

1. Caribou LLC propose a development agreement for phased development of 41 existing properties (approximately 766 acres), create 220 individual lots, a 15-site RV park, an equestrian center with stalls and stables, a recreational center with swimming pool and tennis facilities, constructing internal roads, constructing a trail system, and creating a minimum of 400 acres of open space.
2. All procedural requirements have been met in accordance OCC 18.05 "Development Agreements" and RCW 36.70B. The development agreement functions as a legal document used to adopt regulations and processes which are specific only to this development. The development agreement is a contract between the landowner and Okanogan County.
3. The development agreement is consistent with the Okanogan County Comprehensive Plan.
4. The development agreement is consistent with the Okanogan County Zone Code.
5. A threshold SEPA determination was issued by the Okanogan County SEPA responsible official. All comments received during the comment period were considered. The application and SEPA checklist were revised. A second threshold SEPA determination was issued by the Okanogan County SEPA responsible official. All comments received during the comment period were evaluated for consideration of the final SEPA determination. A final SEPA determination was issued by the Okanogan County SEPA responsible official. An appeal was received by the Washington State Department of Ecology. Clarification of the final SEPA determination was offered to the Department of Ecology. The Department of Ecology withdrew the appeal. The determination stands. All procedural SEPA requirements have been met.
6. Comments from the public and state, federal, and local agencies were received, reviewed, and considered in analysis of this proposal.
7. The conditions imposed are not unnecessarily onerous.
8. The conditions imposed will protect public health, safety, morals, and general welfare.
9. The development agreement application was granted conditional approval by the Board of Okanogan County Commissioners.
10. The final draft development agreement has been reviewed in accordance with the conditions of approval. All conditions of approval have been met.



Attachment C
Development Agreement



**DEVELOPMENT AGREEMENT
BY AND BETWEEN OKANOGAN COUNTY
AND CARIBOU LLC, FOR THE
SILVER SPUR NORTH RANCH DEVELOPMENT**

THIS DEVELOPMENT AGREEMENT is made and entered into this 23 day of DECEMBER, 2010, by and between OKANOGAN COUNTY, a Washington municipal corporation, hereinafter the "County," and CARIBOU LLC, a Washington limited liability company, hereinafter "Owner." The County and Owner are sometimes referred to herein individually as "Party" and collectively as the "Parties".

RECITALS

WHEREAS, in recognition of the need to strengthen the public planning process and to reduce the economic costs of development, the Washington State Legislature authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1) and OCC 18.05); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, for the purposes of this Development Agreement, "development standards" includes, but is not limited to, all of the standards listed in RCW 36.70B.170(3); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by a local government planning department under chapter 36.70B.170(1); and

WHEREAS, this Development Agreement by and between Okanogan County and Owner (hereinafter the "Agreement"), relates to the development known as SILVER SPUR NORTH RANCH, legally described in Exhibit A, which is attached hereto and incorporated herein by this reference (hereinafter the "Property"); and

WHEREAS, Owner owns the Property in fee simple and desires and intends to develop the Property as Silver Spur North Ranch, including, but not limited to: i) single family residential building sites; ii) equestrian center; iii) overnight recreational vehicle parking with water, electric and septic disposal; and iv) open space including recreational activity trails; and



WHEREAS, the County has determined that this Agreement is appropriate for the Property and, therefore, desires to enter this Agreement. This Agreement establishes planning principles, development standards and procedures to eliminate uncertainty in planning and to guide the orderly development of the Property consistent with the County's Comprehensive Plan and the Okanogan County Code, to mitigate probable significant, adverse environmental impacts, if any; to ensure installation of necessary infrastructure and improvements; to provide for the preservation of open space; to make provision for trail facilities and other on-site recreational amenities; and to otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. Furthermore, development of Silver Spur North Ranch pursuant to this Agreement will result in fiscal benefits to the County; and

WHEREAS, Owner is entering this Agreement to provide certainty for planning and development of the Property, to provide certainty with respect to environmental and fiscal conditions imposed on the development of the Property, to guarantee the Comprehensive Plan designation, zoning designation and development standards for the development of the Property, and to receive assurance that development rights are vested so that Owner can justify a major financial investment in the Property. Owner could not undertake development of the Property without the assurances provided through this Agreement.

Now, therefore, the Parties agree as follows:

General Provisions

Section 1. The Development. The Development is the improvement and use of the Property, consisting of 766 acres in Okanogan County to be used as a 220 lot single family, recreational, resort community consistent with this Agreement. Silver Spur North Ranch is a rugged but picturesque property located in Southern Okanogan County on a plateau overlooking the Okanogan and Columbia Rivers. Until recently, the property was headquarters for the Joy Ranch with family and ranch-hand homes, equipment buildings, shops, barns and a feed lot, located adjacent to Old Hwy 97, with the balance of the property used for grazing.

The vision for Silver Spur North Ranch is to develop the approximately 766 acre ranch into a recreational/residential/resort community with a maximum of 220 units, including the existing ranch house, as well as development of an Equestrian Center, Recreational Vehicle Park, Recreational Area and Trail system for hiking and biking all of which are for use of owners and guests. The Equestrian Center will include a barn with 20-30 stalls, outside corrals, pastures and an arena for training and scheduled events. The Recreational Vehicle Park will include up to fifteen parking spaces for short term overnight accommodations, primarily for people visiting the ranch as guests of owners.



within the ranch. The Recreational Area will include a swimming pool, tennis court, and patio, together with amenities typically associated with these activities such as a bath house, rest room, and recreational day use facility.

With approximately 766 acres and a total of 220 units, Silver Spur North Ranch is consistent with present comprehensive plan and zoning regulations and above minimum density requirements proposed under comprehensive plan and zoning code modifications being considered by Okanogan County.

Recreational/residential parcels within Silver Spur North Ranch will be developed in phases. The existing ranch house and ranch buildings will remain on an existing 10 acre parcel with the remaining 219 units positioned in either a clustered or dispersed arrangement depending upon terrain, views and site specific features within the property. Units will be placed in locations that provide the best building location while maintaining open space, wildlife corridors and the rural character of the property. In most instances, home sites will not be contiguous, allowing for natural characteristics of the landscape to be maintained and wildlife to move through the area unimpeded. The development will include not less than 400 acres of open space/common area which will eventually be managed by the Silver Spur Home Owners Association for the use and benefit of the lot owners.

Section 2. The Property. The Development site (the "Property") is legally described in Exhibit "A", attached hereto and incorporated herein by this reference.

Section 3. Definitions. As used in this Development Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

- a) "Agreement" means this Development Agreement between the Parties.
- b) "CC&Rs" shall mean the Declaration Of Covenants, Conditions And Restrictions For Silver Spur as they may be amended from time to time.
- c) "Certificate of occupancy" means either a certificate issued after inspections by the County authorizing a person(s) in possession of property to dwell or otherwise use a specified building or dwelling unit, or the final inspection if a formal certificate is not issued.
- d) "Commission" means the duly elected or appointed Planning Commission of the County.
- e) "Construction Standards" means the County adopted regulations governing construction standards and specifications, such as, but not limited to,



the International Building Code, the International Residential Code, the International Mechanical Code, Uniform Plumbing Code, the International Fire Code, the Uniform Code for the Abatement of Dangerous Buildings, the International Fuel Gas Code, the Washington State Energy Code, and such other codes adopted by the County, with or without amendment.

f) "Director" means the County's Planning Director.

g) "Effective Date" means the date of the Adopting Ordinance or Resolution which approves this Development Agreement, as required by RCW 36.70B.200 and OCC 18.05 and thus, the date of this Agreement which shall be inserted into the opening paragraph of this Agreement.

h) "Existing Land Use Regulations" means the ordinances adopted by the County in effect on the Vesting Date, including the adopting ordinances that govern the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards and specifications applicable to the development of the Property, including the Comprehensive Plan, the County's Official Zoning Map, SEPA, and all of the regulations duly adopted by the County, either as a part of the Okanogan County Code, or adopted therein by reference, and any administrative regulations duly adopted by the County, that relate to the use, alteration, subdivision or development of real property and building standards within the County.

i) "Owner" means Caribou LLC and any person or entity to whom Caribou LLC may sell or otherwise lawfully dispose of all or a portion of the Subject Property and to whom Caribou LLC shall assign the applicable provisions of this Agreement related to such portion of the Property.

j) "Plat" refers to the subdivision of the Property to be known as "Silver Spur North Ranch".

k) "Property" means the real property legally described in Exhibit A.

l) "Development" means the anticipated improvement and division of the Property, as specified in Section 1 and as provided for in all associated permits/approvals and all incorporated exhibits.

m) "SEPA Determination" is the determination issued on March 11, 2010 by Okanogan County, as part of the approval of this Development Agreement. Only one SEPA Determination shall be prepared by the County and that SEPA Determination shall govern The Development in its entirety.

n) "Site Plan" is the document showing the conceptual layout for The Development, attached hereto as Exhibit D.



o) "Vesting Date" means the date on which Okanogan County received this Development Agreement and accepts the application as complete.

Section 4. Exhibits. Exhibits to this Agreement are as follows:

- a) Exhibit A – Legal Description of the Subject Property.
- b) Exhibit B – Vicinity Map.
- c) Exhibit C – Parcel Map and Phasing
- d) Exhibit D – General Site Plan
- e) Exhibit E – Transportation Routing and Classification
- f) Exhibit F - Kittelson: Transportation and Access Assessment
- g) Exhibit G –WNR: Hydrogeological Review
- h) Exhibit H – Rain Shadow: Archeological Review
- i) Exhibit I – Grette: Critical Area and Fish and Wildlife Assessment

Section 5. The Development is a Private Undertaking. It is agreed among the parties that the Development is a private development and that the County has no interest therein except as authorized in the exercise of its governmental functions.

Section 6. Development Standards. The Property shall be developed in accordance with the Existing Land Use Regulations. The provisions of this Agreement and the Existing Land Use Regulations otherwise adopted by the County shall be read in a manner so that, if at all possible, they are consistent and complementary. However, if there is a conflict between the provisions of this Agreement, and any Existing Land Use Regulation, the provisions of this Agreement shall control. The Existing Land Use Regulations shall apply to all of the Property, regardless of the underlying zone, unless a contrary intent is clearly expressed elsewhere in this Agreement. The Site Plan shall serve as a conceptual layout of the Project that the County and Owner agree is the basis of this Agreement. The development of the Property shall occur consistent with the Site Plan and provisions of this Agreement. The Property shall be developed in accordance with the Existing Land Use Regulations and this Development Agreement.

Section 7. Term of Agreement. This Agreement shall commence upon the Effective Date and shall continue in force until all of the provisions of this Agreement have been satisfied, or when the Development is final and all of the Owner's obligations in connection therewith are satisfied, or ten years from the Effective Date, whichever first occurs.

Section 8. Permitted Uses and Development Standards. The permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, provisions for the dedication of open space, the construction,



installation and extension of plat improvements, development guidelines and standards for development of the Property shall be those set forth in this Agreement, the permits and approvals identified herein, and all exhibits incorporated herein. If necessary, to accommodate significant changes in the Development, Owner may modify the Development by obtaining a variance pursuant to OCC 17.34 prior to beginning construction in any individual phase.

Subdivision of Silver Spur North Ranch is a permitted use within the MD zone and each phase will comply with Existing Land Use Regulations. The County Planning Commission has conducted an open record public hearing and made a recommendation to the County Board of County Commissioners with findings of fact, conclusions of law and proposed conditions of approval for this Development Agreement. Subsequent subdivision applications shall be reviewed by the Okanogan County Office of Planning and Development and preliminary approval shall be granted by the Code Administrator, providing the plat application is consistent with the requirements of this Development Agreement. The Code administrator shall transmit his decision regarding preliminary Approval, complete with written findings of fact and conclusions of law, to the County Board of Commissioners at a date set by said Board.

The Equestrian and Recreation Centers are permitted commercial uses as "recreational sites" within the MD zone and will not be subject to further review or permitting other than normal building and health requirements.

The Recreational Vehicle Park is a permitted commercial use within the MD zone as an RV park and will be approved through the Binding Site Plan process. Requirements for Notice of Application and SEPA for the Binding Site Plan have been met as part of the Development Agreement process. The Binding Site Plan Application shall be reviewed by the Okanogan County Office of Planning and Development and approval granted by the Code administrator providing the application is consistent with the requirements of this Development Agreement.

Minor modifications from the approved permits or the exhibits attached hereto, that are approved by the Planning Director, shall not require an amendment to this Agreement. Minor Modifications include, by way of illustration only, without limiting or expanding the definition of the term, modifications to the phase boundaries, modification of the sequence of phasing, modification of density per phase as long as total project density does not exceed 220 residential units, modifications to lot size and boundaries so long as each lot meets the Okanogan County Health District requirements for on-site sewage and water and other similar modifications. Notwithstanding these illustrations, any modification deemed by the Planning Director to be a minor modification and approved by the Planning Director, shall not require an amendment to this Agreement.



Section 9. Phasing. Owner intends to develop the Property in up to 8 phases as depicted on Exhibit C and described below.

Phase I - 11 Units

Phase II - 61 Units

Phase III - 28 Units

Phase IV - 17 Units

Phase V - 28 Units

Phase VI - 36 Units

Phase VII - 37 Units

Phase VIII - 2 Units

Phases will be allowed to occur in such sequence as the Owner deems necessary in order to meet economic and construction demands. Provided, however, Owner must complete in each phase the improvements that are determined necessary by the County to adequately protect the public health and safety regarding pedestrian and traffic circulation, emergency access, storm water management, and utilities as related to the proposed phase. The total area and density of each phase may be modified in Owner's discretion, so long as the total density does not exceed 220 residential units when all phases are completed. Prior to Owner constructing each phase, the County's review shall be limited to pre-application review (OCC 16.16), preliminary plat review (OCC 16.20) and final plat review (OCC 16.24) by the specified departments and entities for compliance with this Development Agreement and the SEPA Determination. No denial shall be issued nor modification required except for failure of compliance with this Development Agreement and/or the SEPA Determination and the County's Conditions of Approval of either.

Section 10. Further Discretionary Actions. Owner acknowledges that the Existing Land Use Regulations contemplate the exercise of further discretionary powers by the County. These powers include, but are not limited to, review of additional permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the County to hold legally required public hearings, or to limit the discretion of the County and any of its officials in complying with Existing Land Use Regulations.



Section 11. Vested Rights. Owner shall have the vested right to develop the Project pursuant to the Existing Land Use Regulations, provided, however, that the County reserves authority to impose new or different regulations on the Project to the extent required by a serious threat to public health and safety. Any new or different regulations imposed by the County as required by a serious threat to public health and safety shall be limited to the minimum necessary to avoid the consequences posed by the serious threat. The Parties agree that the County shall advise Owner when the County believes any such circumstances arise and shall consult Owner regarding the proposed modification(s). Owner shall have the right, at its sole discretion and subject to the attorney fee provision set forth in Section 26 of this Agreement to administratively or judicially contest any new or different regulations deemed necessary by the County, or to appeal any administrative decision or judicial determination, that would authorize or require the County to modify Owner's vested rights under this Agreement. Owner may also, at its discretion, agree to indemnify the County for the financial consequences of any final and binding decision of an administrative agency or court of competent jurisdiction in lieu of the County modifying Owner's vested rights under this Agreement in response to any such final and binding decision.

Section 12. Water Supply. Owner engaged in multiple pre-application meetings with the Washington State Department of Ecology ("Ecology") to discuss water availability for the project. Ecology expressed two primary concerns: 1) whether the aquifer is physically capable of providing a sustainable supply of groundwater, and 2) the need for legal authority to divert or withdraw water for beneficial uses at Silver Spur North Ranch.

In order to respond to the concerns expressed by Ecology, Owner hired the Water & Natural Resource Group, Inc. (WNR), to evaluate the aquifer's physical parameters and to identify off-site sources of water as necessary. WNR completed an extensive review of the aquifer including full pump tests that are attached as Exhibit G to the Owner's application. In addition, WNR located a water right from an off-site source believed to be available for transfer and use by Silver Spur North Ranch.

The primary source of domestic water supply for Silver Spur North Ranch shall be from an off-site water right. In recognition of the ground water report prepared by WNR, the County agrees to process a phase one plat that relies upon new ground water wells constructed by Owner, provided that the number of units to be served shall not exceed 11 and total groundwater withdrawals from all such wells shall not exceed 5,000 gallons per day for domestic water supply. At Owner's option an off-site water right may be used to supply domestic water for phase one. No further plats or approvals shall be accepted or considered unless or until Owner acquires an off-site source of water sufficient (in combination with



the domestic groundwater supply described in this paragraph) to meet any and all water supply needs for Silver Spur North Ranch.

With the exception of the groundwater use described in the preceding paragraph, Owner agrees to accept plat conditions for all phases of the Development, in a form to be agreed upon by the Owner and County, prohibiting property owners from using permit exempt wells for domestic water supply purposes within the platted area. Owner further agrees that recorded covenants and all deeds, indentures or grants of any kind conveying building lots within Silver Spur North shall include express reference to said plat conditions.

Section 13. Wildland Fire Protection and CC&Rs. Fire protection measures and particularly Wildland Fire Protection measures will be identified and required of each owner with specific requirements detailed in the CC&Rs. In addition, the Development shall include an on-site water reservoir with a capacity of 10,000 gallons dedicated for fire protection use. The location and design of the storage will be coordinated with Fire District 5 Fire Chief to insure the reservoir is located acceptably to the district and compatible with its equipment. **The reservoir must be installed prior to final approval of Phase 1.**

Section 14. Open Space or Common Area. Silver Spur North Ranch will include a minimum of 400 acres of open space and common area. The open space and common area shall be established consistent with the General Site Plan. Precise boundaries and locations of open space and common area may be modified in the discretion of Owner so long as the total number of building sites is not increased and so long as the open space or common area includes not less than 400 acres. So long as the total number of building sites is not increased, no approval shall be denied based on any condition related to open space or common area. The open space and/or common areas shall be owned by the Silver Spur Homeowners Association upon completion of the Development. Use, maintenance and management of the open space and/or common areas shall be controlled by the Association pursuant to the Declaration of Covenants, Conditions and Restrictions for Silver Spur recorded with the Okanogan County Auditor on October 30, 2006, under Auditor's filing number 3110654 ("Silver Spur CC&Rs"). An amendment to the Silver Spur CC&Rs, encumbering Silver Spur North Ranch, will be recorded in the Okanogan County Auditor's Office prior to conveyance of any lot created in Silver Spur North Ranch pursuant to the terms of this Development Agreement. The amendment shall provide for Wildland Fire Protection Measures, water management issues, noxious weed control, and common area use and management issues unique to Silver Spur North Ranch. Owner shall draft this amendment to the CC&Rs for Silver Spur North Ranch as the Development reveals all additional issues that must be addressed.

Section 15. Transportation and Access. Kittelson & Associates, Inc. completed a Transportation and Access assessment of the Development in July