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To: Kittitas County Commissioners
Kittitas County Courthouse, Room 108
205 West Fifth Avenue
Ellensburg WA 98926

Subject: Settlement Agreement between Suncadia, LLC and Kittitas County

Date: August 19, 2010

We transmit the following documents for your information or for your file:

Thank you.

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- Original August 3, 2010 "assurance letter" from U.S. Bank National Association
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Rhoda L. Crispin, Legal Assistant
to F. Steven Lathrop

cc: Suncadia, LLC

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AUG 19 2010

1st____ 2nd____ 3rd____
KITTITAS COUNTY BOARD OF COMMISSIONERS

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AUG 18 2010

LATHROP, WINBAUER, HARREL
"LOTHOWER & DENISON L.L.C."

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(949) 389-3838

August 3, 2010

Kittitas County
Kittitas County Courthouse
205 West 5th Avenue
Ellensburg, Washington 98926

Attention: Kittitas County Commissioners

Subject: Settlement Agreement between Suncadia, LLC, and Kittitas County

Ladies and Gentlemen:

Reference is made to the Settlement Agreement (the "Settlement Agreement") dated as of July 15, 2010, between Kittitas County (the "County") and Suncadia, LLC ("Suncadia"). As you know, the Settlement Agreement relates to the General Guaranty (the "Guaranty") dated as of December 4, 2007, executed by Suncadia in favor of the County with respect to Suncadia's obligation to complete certain improvements on the resort property owned by Suncadia in Kittitas County.

The obligations of Suncadia under the Guaranty are secured by two letters of credit (the "Letters of Credit") in the aggregate stated amount of \$6,000,000. The Letters of Credit were issued in favor of the County for the account of JELD-WEN, inc. ("JELD-WEN"), which is one of the owners of Suncadia.

The Letters of Credit expire on October 5, 2010. It is our understanding that the County has the right to draw on the Letters of Credit after September 4, 2010, if the expiration date of the Letters of Credit has not been extended beyond October 5, 2010.

The County has requested assurances from JELD-WEN that JELD-WEN will extend the Letters of Credit through May 31, 2011, or replace them with new letters of credit (the "Extension Letters of Credit") that expire no sooner than May 31, 2011. It is the understanding of U.S. Bank National Association ("U.S. Bank") that JELD-WEN has provided certain assurances to the County with respect to the Extension Letters of Credit in a letter dated July 19, 2010, from JELD-WEN to the County.

