

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON**

**A RESOLUTION AUTHORIZING BOARD EXECUTION OF A SETTLEMENT
AGREEMENT WITH SUNCADIA LLC PROVIDING FOR CONTINUED
PERFORMANCE GUARANTIES**

RESOLUTION

NO. 2010- 75

WHEREAS, Suncadia executed a General Guaranty in favor of Kittitas County on December 4, 2007 assuring financial obligations of Suncadia for certain obligations; and

WHEREAS, that General Guaranty is secured by certain letters of credit in favor of Kittitas County; and,

WHEREAS, those obligations include additional improvements to Jenkins Drive and for a trailhead parking lot and rest room facilities; and,

WHEREAS, Suncadia and the County have negotiated a settlement agreement to provide for that continued performance guaranty and security.


NOW, THEREFORE BE IT RESOLVED: That the Kittitas County Board of Commissioners hereby authorizes the execution of the attached Settlement Agreement providing continuing performance guaranties from Suncadia LLC for certain obligations.

DATED this 20th day of July, 2010 at Ellensburg, Washington.

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON



Mark McClain, Chairman



Paul Jewell, Vice- Chairman



Julie A Kjorsvik
Julie A Kjorsvik

Alan A. Crankovich
Alan A. Crankovich, Commissioner

APPROVED AS TO FORM:

Neil A. Caulkins WSBA #31759
Neil A. Caulkins WSBA #31759

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into as of the 15th day of July, 2010, by and between SUNCADIA LLC, a Delaware limited liability company ("Suncadia") and KITTITAS COUNTY, a political subdivision of the State of Washington (the "County").

WHEREAS, Suncadia executed that certain General Guaranty in favor of the County dated December 4, 2007 (the Guaranty") assuring all financial obligations of Suncadia for certain Obligations imposed by the County (individually and collectively the "Obligations"), a copy of the Guaranty is attached as Attachment 1; and

WHEREAS, the Guaranty is secured by certain letters of credit in favor of the County as beneficiary, copies of the current letters of credit are attached as Attachment 2 and which letters of credit may be extended or replaced (collectively the "Letters"); and

WHEREAS, there remain two long range Obligations as described in paragraph 1 for which the County requires on-going financial assurances for their costs in addition to the Guaranties;

NOW, THEREFORE, in consideration of the terms and conditions of this Settlement and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Suncadia is obligated to complete additional improvements to Jenkins Drive and for a trailhead parking lot and rest room facilities.

1.1 Jenkins Drive is the originally approved secondary access to Phase 3 that is now intended to be eventually replaced by a new road and bridge in the vicinity of the old Winston Bridge location. The Guaranties from Suncadia to the County run to the improvement of Jenkins Drive should Suncadia elect not to construct the Winston Bridge route. The Jenkins Drive Traffic Safety Plan with the County currently calls for design completion and work to commence by mid-2011 and for road and bridge completion by October 2012.

1.2 The trailhead parking lot and rest room facility in the area of the entrance to Phase 3 are general development elements that are meant to service the resort trail system and its connection to the area east of Bullfrog Road. This facility is shown on the Conceptual Master Plan – September 2000 and General Site Plan for Phase 3 but is not specifically required by the Development Agreement or any Phase 3 plat requirements. The completion of this improvement has also been deferred by the County into 2012.

1.3 The work described in this Section shall be completed on the following terms:

1.3.1 The Jenkins Drive Traffic Safety Plan is hereby further amended to provide that all design work shall be complete by April 30, 2013; construction on the Winston Bridge Route shall commence by July 1, 2013; and this Route shall be completed by October 15, 2014.

1.3.2 The trailhead facilities shall be completed by October 15, 2014.

1.3.3 Upon the extension or replacement of the Letters currently set to expire October 5, 2010, the amount of the Performance Letter of Credit shall be increased to \$5,500,000 and the amount of the Enforcement Letter of Credit shall be reduced to \$500,000 in order to more fully account for the completion of the work set forth in this Section.

1.3.4 Concurrent with the mutual execution of this Agreement, Suncadia shall provide the County with written assurances in a form acceptable to the County (i) from JELD-WEN, inc., that it will cause the extension or renewal of the Letters through May 31, 2011 (Extension Letters of Credit), and (ii) from U.S. Bank as administrative agent, that Suncadia and its lenders will provide Letters from and after June 1, 2011 at all times during which any work required in this Section remains to be completed (Replacement Letters of Credit); provided, that the amount of the Performance Letter of Credit shall not be required to be maintained in an amount greater than the estimated cost of the remaining work plus a reasonable contingency, all as may be agreed with the County.

2. In the event less than 31 days shall remain prior to the expiration date of the Letters, it shall constitute an immediate event of default under the Settlement Agreement and the Guaranties, and the County shall have the right, without further notice to or demand upon Suncadia, and without waiving any other rights or remedies which the County may have under the Development Agreement or the Guaranties, to immediately draw on the Letters for the cost of all remaining work including any attorney's fees and costs associated with the enforcement of the County's rights under the Guaranties. Absent an event of default, the County shall take no direct or indirect actions with regard to the Letters

3. Suncadia previously paid County Public Works a deposit of \$10,000 toward certain plat and other inspection fees. The County shall provide an accounting for such inspection fees and any unexpended funds shall be refunded to Suncadia.

4. In order that the County could independently confirm the terms and efficacy of the Letters provided to the County in support of the Guaranties, Suncadia has, without prejudice to either party, previously paid \$10,000 to the County toward payment of outside attorneys' and other third party consulting fees incurred for the review of these documents and assistance in enforcing their terms should that become necessary. The County shall provide Suncadia with copies of paid invoices and return any unexpended funds to Suncadia.

5. There are no other verbal or other agreements which modify or affect this Agreement, and all amendments hereto shall be in writing and signed by each party. Time is of the essence of this Agreement.

6. This Agreement shall be governed and construed according to the laws of the State of Washington and shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns. In the event suit is brought to enforce any of the provisions of this Agreement, venue shall be laid in Kittitas County, Washington.

7. Suncadia does hereby ratify and confirm to the County that the Guaranty in favor of Kittitas County is in full force and binding affect.

Executed as of the date first above written.

SUNCADIA, LLC, a Delaware limited liability company

By: Easton Ridge Investors, LLC, a Delaware limited liability company, its Managing Member


By: Gary Kittleson, Vice President


By: Paul Eisenberg, Senior Vice President

KITTITAS COUNTY

By: Kittitas County Board of Commissioners 7-20-10


By: Mark McClain, Chairman Kittitas County Board of Commissioners
As authorized by Resolution No. 2010-75

Approved As To Form:

Neil A. Caulkins, Deputy Prosecuting Attorney

ATTACHMENT 1

**Copy of the Guaranty
Follows this page**

Attachment No. 1
Settlement Agreement July 15, 2010

GENERAL GUARANTY

This General Guaranty (the "Guaranty") is made and entered into as of December, 4, 2007, by and between Suncadia LLC, a Delaware limited liability company ("Suncadia LLC") and Kittitas County, a Washington municipal corporation ("County").

WHEREAS, on October 10, 2000, under Ordinance No. 2000-15, the County approved Suncadia LLC's Master Planned Resort Project Application and issued an MPR Project Development Permit for the MountainStar Master Planned Resort (hereafter "Suncadia"); and

WHEREAS, on October 10, 2000, under Ordinance No. 2000-16, the County authorized the execution of the "Development Agreement By and Between Kittitas County, Washington and Trendwest Resorts, Inc. and Trendwest Investments, Inc. Relating to the Development Commonly Known as MountainStar Master Planned Resort (MountainStar)" dated October 10, 2000, as amended, hereinafter called the "Development Agreement" and under Ordinance No. 2003-13 wherein the assignment from Trendwest Resorts, Inc. and the assumption by Suncadia LLC of the Development Agreement was approved by the County on September 2, 2003; and

WHEREAS, Section A-2(a) of Exhibit D of Ordinance No. 2000-15 provides that required infrastructure and utilities, as defined in the Development Agreement, shall be installed and completed or guaranteed through surety bonding or other financial assurance device acceptable to the County prior to final plat approval of each phase or subphase; and

WHEREAS, Section 5.3 of the Development Agreement requires that infrastructure identified by Suncadia LLC in an approved Site Development Plan must be provided and available for use before the issuance of the first certificate of occupancy for Master Planned Resort Accommodation Unit included within such plan or the completion of such infrastructure be guaranteed through surety bonding or other financial assurance device acceptable to the County as permitted under RCW 58.17.130; and

WHEREAS, Suncadia LLC has previously provided and will continue to provide the County with Performance Guaranties obligating Suncadia LLC to complete all infrastructure and other improvements as required by the County and constituting acceptable financial assurance in lieu of surety bonding, all as set forth in such Performance Guaranties; and

WHEREAS, prior to the date hereof and pursuant to Kittitas County Resolution No. 2004-88, Suncadia LLC and JELD-WEN inc., an Oregon corporation ("Jeld-Wen") have each guaranteed certain acts and obligations of Suncadia LLC under certain Guaranties (General, Performance and otherwise) in favor of the County (hereinafter the "Prior Guaranties"); and

Attachment No. 1
Settlement Agreement July 15, 2010

WHEREAS, the specific terms of the Prior Guaranties, and the Jeld-Wen General Guaranty as herinafter defined in particular, contain language which, but for the modifications and agreements set forth in this Guaranty and Kittitas County Resolution No. 2006-150, would or may extend to obligations of Suncadia LLC to the County arising after the effective date of Kittitas County Resolution No. 2006-150, and the County is willing to limit the application of the Prior Guaranties executed by Jeld-Wen to those obligations arising before such effective date and terminate and replace with this Guaranty all Prior General Guaranties executed by Suncadia LLC; and

WHEREAS, under the terms and conditions of Kittitas County Resolution No. 2006-150, the County no longer requires Jeld-Wen to guaranty Performance Guaranties executed from the date of said Resolution forward; and

WHEREAS, Suncadia LLC is willing to provide and the County is willing to accept this Guaranty guarantying the full and timely performance of all Suncadia LLC obligations under each and every Performance Guaranty presently and hereafter executed by Suncadia LLC as provided under the terms and conditions of Kittitas County Resolution No. 2006-150.

NOW, THEREFORE, in consideration of the forgoing, the covenants and undertakings as set forth herein, and the acceptance of this Guaranty by the County, the parties hereto hereby agree as follows:

1. The term of this Guaranty shall be from the effective date hereof through and including the full performance of all Obligations provided for herein and all Performance Guaranties presently or hereafter executed by Suncadia LLC, unless extended or earlier terminated as provided for herein ("Term").
2. Suncadia LLC guaranties the complete and timely performance of any and all Performance Guaranties presently and hereafter executed by Suncadia LLC, together with any and all obligations imposed by the County on Suncadia LLC during the Term with respect to Suncadia LLC for which surety bonding or other financial assurance (such as letter of credit) is required under the Development Agreement and which are not otherwise bonded by third party surety (collectively the "Obligations") and except as otherwise provided herein. During the Term of this Guaranty, the County shall not require other forms of surety bonding, except as otherwise provided herein.
3. All Obligations shall continue in force until their respective maturities at which time they shall not be required to be renewed or extended, and this Guaranty shall then and thereafter apply to any and all Obligations and performance referenced in such guaranties which remain outstanding. Notwithstanding this Guaranty, all Obligations for public improvements or for improvements to be done in a public right of way shall continue to be either completed or guaranteed by surety bond.
4. All Obligations arising during the Term shall be guaranteed by this Guaranty, and all engineering, cost estimates, completion timing and conditions established by the County pursuant to a particular application shall continue to be required according to past practice. For each plat or other project for which bonding would otherwise be required, Suncadia LLC shall

Attachment No. 1
Settlement Agreement July 15, 2010

execute a "Performance Guaranty" as approved by the County; provided, that nothing herein shall prevent Suncadia LLC from posting surety bond or bonds for all or any portion of the Obligations at any time whereupon this Guaranty shall no longer apply to such Obligations.

5. Suncadia LLC shall require performance bonds from all contractors for all work being undertaken to complete Obligations and shall provide the County with copies of such bonds upon request.

6. Suncadia LLC has previously provided the County with Bank of America Irrevocable Standby Letter of Credit No. 7415381 dated October 5, 2004, in favor of the County for the sum of Five Million (\$5,000,000) Dollars as approved by the County ("Performance Letter of Credit"); provided that the County shall not have the right to resort to these funds absent an event of default as provide for herein.

7. Suncadia LLC shall indemnify, protect and hold the County harmless from and against any and all liabilities, costs, damages, requirements, causes of action, or otherwise, and including reasonable attorneys' fees, that may arise or be incurred, directly or indirectly now or in the future, by reason of the failure of Suncadia LLC to fully and timely perform any Obligation so long as such failure is not occasioned by the willful misconduct or gross negligence of the County. In order to provide the County with a readily available fund with which to pay attorneys' fees in the event enforcement of this Guaranty and/or a Performance Guaranty should become necessary, Suncadia LLC has previously provided the County with Bank of America Irrevocable Letter of Credit Number 7415381 dated October 5, 2004, in favor of the County for the sum of One Million (\$1,000,000) Dollars as approved by the County ("Enforcement Letter of Credit"); provided that the County shall not have the right to resort to these funds absent an event of default as provide for herein.

8. During the Term, Suncadia LLC shall provide the County with annual audited financial statements showing Suncadia LLC's net worth as reflected by such financial statements to equal or exceed \$115,000,000.

9. The provisions of Section 5.3 of the Development Agreement notwithstanding, certificates of occupancy shall not be withheld by the County for a particular plat if all the improvements or Obligations related to such plat have been completed; nor shall such certificates be withheld by the County for any plat for which all Obligations have been met because there are plats or other projects for which Obligations are still outstanding.

10. Suncadia LLC shall be in default under this Guaranty if it (a) fails to observe or perform any term, covenant or condition herein set forth or those of any Obligation or the Development Agreement, or (b) fails or neglects to make or timely complete any Obligation precisely when obligated to do so, or (c) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against it under any bankruptcy, or similar act, or (d) the County is notified that the Performance Letter of Credit No. 7415381 or the Enforcement Letter of Credit No. 7415382, or either of them, is to terminate or not be renewed or replaced for any period during which an Obligation remains outstanding.

Attachment No. 1
Settlement Agreement July 15, 2010

11. Time is of the essence of this Guaranty and, should Suncadia LLC fail to timely perform any Obligation, the County may, at its option, exercise any of the following remedies upon giving Suncadia LLC thirty (30) days prior written notice specifying the matter wherein Suncadia LLC is in default and specifying the remedy to be exercised should Suncadia LLC remain in default at the expiration of the thirty (30) day period; provided, however, that Paragraph 10(d) shall not require any advance notice of default; provided further, however, that if the nature of the Obligation is such that more than thirty (30) days are required for performance, then Suncadia LLC shall not be in default if Suncadia LLC commences performance to cure such default within such thirty (30) day period and thereafter diligently prosecute the same to completion:

11.1. Cease processing of all Subsequent Actions as defined in the Development Agreement (except for third party permits in area or plats where all Obligations have been completed);

11.2. Resort to the Performance Letter of Credit according to its terms and may institute suit for damages and/or to specifically enforce any of the covenants of Suncadia LLC and the same may include redress by mandatory or prohibitive injunction without the necessity of posting a bond or other security together with any other remedies provided by law;

11.3. Subject to paragraph 11.6 below, and the actual terms of such Letter of Credit notwithstanding, resort to the full amount of the Enforcement Letter of Credit for all reasonable attorneys' fees and costs incurred by the County to enforce this General Guaranty and/or any Performance Guaranty. The full amount of the Enforcement Letter of Credit shall be deemed to be "the amount of the County's expenditures" as stated in such Letter;

11.4. Require Suncadia LLC to immediately provide surety bonds for all outstanding Obligations;

11.5. Require Suncadia LLC to immediately pay all costs, damages, and attorneys' fees reasonably incurred by reason of such default;

11.6. Any combination of these remedies; provided, that the County shall only be entitled to a single (as opposed to multiple) recovery, no remedy shall be in the nature of a penalty, and the County shall fully account to Suncadia LLC for all funds obtained by the County under the Performance Letter of Credit and the Enforcement Letter of Credit and refund any balance.

12. The County shall not be bound to exhaust its recourse nor to take any action against other parties before being entitled to payment or performance by Suncadia LLC of all Obligations and actions hereby guaranteed, but may make such demands and take such actions as it deems advisable.

13. All of the County's rights and remedies under this Guaranty are intended to be distinct, separate and cumulative and no such right and remedy therein or herein mentioned is intended to be in exclusion or a waiver of any of the others.

Attachment No. 1
Settlement Agreement July 15, 2010

14. Notwithstanding any provision contained in that certain General Guaranty dated May 3, 2005 (the "Jeld-Wen General Guaranty"), or in any other Prior Guaranty, obligating Jeld-Wen as Guarantor under future Performance Guaranties, to future Obligations or otherwise, the County hereby specifically releases Jeld-Wen from any such obligation as Guarantor, whether express or implied from any and all Performance Guaranties, Obligations and otherwise which may be executed or arise on or after the date of Kittitas County Resolution 2006-150, and the Jeld-Wen General Guaranty and the Prior Guaranties are specifically modified by this Guaranty to expressly limit the liability of Jeld-Wen as a guarantor to those Performance Guaranties, Obligations and otherwise which exist prior to the date of Kittitas County Resolution 2006-150.

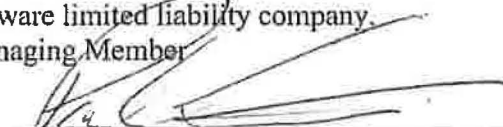
15. All Prior General Guaranties executed by Suncadia LLC are terminated and replaced in their entirety by this Guaranty.

16. In the event it shall become necessary for either party to refer this Guaranty or the enforcement of any of its terms to an attorney, the prevailing party shall be entitled, in addition to any other recovery, to reasonable attorneys' fees together with reasonable costs, as well as all other customary costs of suit, which sums shall be included in any judgment or decree entered in the matter. In the event the prevailing party is the County, it may resort to the Enforcement Letter of Credit to recover such costs. Venue of any action brought under this Guaranty shall, at the option of either party, be laid in either Kittitas or Yakima County, Washington.

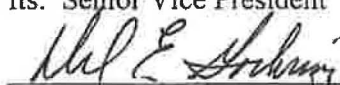
17. This Guaranty shall become effective upon acceptance by the County as evidenced by its signature hereinbelow.

SUNCADIA, LLC, a Delaware limited liability company

By: Easton Ridge Investors, LLC,
a Delaware limited liability company,
its Managing Member


By: Paul Eisenberg
Its: Senior Vice President

Dated: 11-26-2007


By: Del E. Goehring,
Its: Senior Vice President - Finance

Dated: 11/26/07

COUNTY OF KITTITAS

By: _____
Its: _____

Dated: _____

Bank of America



Attachment No. 2
Settlement Agreement July 15, 2010

RECEIVED

#5m

OCT 13 2009

KITTITAS COUNTY
PAGE 1
DEPT OF PUBLIC WORKS

BANK OF AMERICA - CONFIDENTIAL

DATE: OCTOBER 6, 2009

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7415381

AMENDMENT NUMBER 1

ISSUING BANK
BANK OF AMERICA, N.A.
ONE FLEET WAY
PA6-580-02-30
SCRANTON, PA 18507-1999

BENEFICIARY
KITTITAS COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
WASHINGTON, ATTN: PAUL BENNETT
PUBLIC WORKS DEPT.

APPLICANT
MOUNTAINSTAR RESORT DEVELOPMENT
LLC, DBA SUNCADIA
P.O. BOX 887
ROSLYN, WA 98941

411 N. RUBY ST., SUITE 1
ELLENSBURG, WA 98926

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT
AND MUST BE ATTACHED THERETO.

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE EXPIRY DATE IS AMENDED TO READ: OCTOBER 5, 2010

THIS CREDIT WILL NO LONGER BE AUTOMATICALLY EXTENDED.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS
AMENDMENT, PLEASE CALL 1-800-370-7519 OPT 1.



AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 1 PAGE(S).

ORIGINAL



Attachment No. 2
Settlement Agreement July 15, 2010

RECEIVED

FEB 01 2005

KITTITAS COUNTY
DEPT. OF PUBLIC WORKS

Date: January 25, 2005

KITTITAS COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
WASHINGTON, ATTN: PAUL BENNETT PUBLIC WORKS DEPT.
411 N. RUBY ST., SUITE 1
ELLENSBURG, WA 98926

Subject: Letter of Credit No. 7415381 serviced by Bank of America, N.A.
For the account of MOUNTAINSTAR RESORT DEVELOPMENT
In the amount of USD 5,000,000.00

Effective January 24, 2005, the above mentioned Letter of Credit will be serviced by:

Bank of America, N.A.
Trade Operations, Mail Code PA6 580 0230
One Fleet Way
Scranton, PA 18507

FAX: 570-330-4186
PHONE: 1-800-370-7519

Please adjust your records to reflect this important information, and forward any future drawings or correspondence to the address above. Changes to the presentation location do not affect any specific agreements or other previously made arrangements that have been agreed upon within the letter of credit and any amendment thereto.

Should you have any questions, please feel free to contact us at the number mentioned above.



Attachment No. 2
Settlement Agreement July 15, 2010

5,000,000
Cons Bond - Phase 3
(possible phase 2)

PAGE: 1

DATE: OCTOBER 5, 2004

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7415381

BENEFICIARY
KITITITAS COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
WASHINGTON, ATTN: PAUL BENNETT
PUBLIC WORKS DEPT.

411 N. RUBY ST., SUITE 1
ELLENSBURG, WA 98926

APPLICANT
MOUNTAINSTAR RESORT DEVELOPMENT
LLC, DBA SUNCADIA
P.O. BOX 887
ROSLYN, WA 98941
ISSUING BANK
BANK OF AMERICA, N.A.
231 S. LASALLE ST., TRADE SVCS.
231/17, IL1-231-17-01
CHICAGO, IL 60697

AMOUNT
NOT EXCEEDING USD 5,000,000.00
NOT EXCEEDING FIVE MILLION AND
00/100'S US DOLLARS

EXPIRATION
OCTOBER 5, 2005 OUR COUNTERS

WE, BANK OF AMERICA, N.A. CHICAGO, ILLINOIS (THE "BANK") HEREBY ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT NO. 7415381 IN FAVOR OF KITITITAS COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON (THE "COUNTY"), UNDER THE NAME OF MOUNTAINSTAR RESORT DEVELOPMENT, LLC A DELAWARE LIMITED LIABILITY COMPANY, DBA SUNCADIA DEVELOPMENT COMPANY ("SUNCADIA"), UP TO AN AGGREGATE AMOUNT OF FIVE MILLION AND 00/100 UNITED STATES DOLLARS (U.S.\$5,000,000.00) TO SECURE THE PERFORMANCE OF ALL OBLIGATIONS OF SUNCADIA AND JELD-WEN, INC. AN OREGON CORPORATION ("GUARANTOR") IN CONNECTION WITH ALL PERFORMANCE AND GENERAL GUARANTIES EXECUTED BY THEM IN FAVOR OF THE COUNTY DURING THE TERM OF THIS LETTER OF CREDIT FOR WHICH EXECUTED COPIES HAVE BEEN PROVIDED TO THE BANK WITHIN FIFTEEN (15) DAYS OF THEIR ACCEPTANCE BY THE COUNTY (THE "GUARANTIES").

THE BANK HEREBY CERTIFIES AND AGREES THAT, UPON RECEIPT OF A WRITTEN DEMAND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PURPORTEDLY BY AN AUTHORIZED REPRESENTATIVE OF THE COUNTY STATING THAT SUNCADIA OR GUARANTOR HAS COMMITTED AN EVENT OF DEFAULT UNDER THE GUARANTIES AND INCLUDING THE AMOUNT THE COUNTY REASONABLY ESTIMATES AS NECESSARY TO COMPLETE SUCH WORK, SUCH FUNDS, NOT TO EXCEED THE AMOUNT OF THE COUNTY'S ESTIMATE OR THE AMOUNT LEFT TO BE DRAWN ON THIS LETTER OF CREDIT, WHICHEVER IS LESS, WILL BE MADE AVAILABLE TO THE COUNTY UPON RECEIPT OF YOUR DRAFT(S) DRAWN AT SIGHT ON BANK OF AMERICA, N.A., CHICAGO, ILLINOIS. THE BANK SHALL HAVE NO DUTY OR RIGHT TO EVALUATE THE CORRECTNESS OR APPROPRIATENESS OF ANY SUCH STATEMENT, DETERMINATION, OR ESTIMATE BY THE COUNTY AND SHALL NOT INTERPLEAD OR IN ANY MANNER DELAY PAYMENT OF SAID FUNDS TO THE COUNTY.

MULTIPLE DRAWINGS ARE ALLOWED.

ALL DRAFT(S) MUST BE DRAWN AT "SIGHT" AND BEAR THE CLAUSE:
"DRAWN UNDER BANK OF AMERICA, N.A., CHICAGO, ILLINOIS STANDBY LETTER OF CREDIT NO. 7415381 DATED OCTOBER 05, 2004".

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT SHALL BE DULY



Attachment No. 2
Settlement Agreement July 15, 2010

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 7415381

HONORED IF DRAWN AND PRESENTED TO BANK OF AMERICA, N.A. LOCATED AT:
231 SOUTH LASALLE STREET
ATTN STANDBY L/C DEPT
MAIL CODE: IL1-231-17-01
CHICAGO, IL 60697
ON OR BEFORE OUR CLOSE BUSINESS ON THE EXPIRATION DATE, OR ANY
RENEWED EXPIRATION DATE AS HEREINAFTER PROVIDED.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT IS DEEMED TO BE
AUTOMATICALLY RENEWED WITHOUT AMENDMENT FOR ONE YEAR FROM THE PRESENT
OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST THIRTY (30)
DAYS PRIOR TO SUCH EXPIRATION DATE THE BANK NOTIFIES THE COUNTY,
GUARANTOR AND SUNCADIA, AT THE ADDRESSES PROVIDED ABOVE OR AT SUCH
OTHER AMENDED ADDRESSES FOR WHICH PRIOR NOTICE HAS BEEN PROVIDED TO
THE BANK THEREOF, THAT THE BANK ELECTS NOT TO RENEW THIS LETTER OF
CREDIT.

IN NO EVENT HOWEVER, WILL THIS LETTER OF CREDIT BE RENEWED BEYOND A
FINAL EXPIRATION DATE OF DECEMBER 31, 2008, (THE "FINAL EXPIRATION
DATE").

ANY REFERENCE TO GUARANTIES AND PERFORMANCE AGREEMENTS IS FOR
INFORMATION PURPOSES ONLY AND DOES NOT IN ANY WAY INCORPORATE THE
TERMS AND CONDITIONS OF SUCH AGREEMENTS INTO THE TERMS AND CONDITIONS
OF THIS STANDBY LETTER OF CREDIT.

THIS CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES
1998 (ISP98) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS
TRANSACTION, PLEASE CALL 312-828-2733.

James Battle

AUTHORIZED SIGNATURE

Bank of America



Attachment No. 2
Settlement Agreement July 15, 2010

OCT 13 2009

KITTITAS COUNTY
PAGE 1
DEPT. OF PUBLIC WORKS

BANK OF AMERICA - CONFIDENTIAL

DATE: OCTOBER 5, 2009

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7415382

AMENDMENT NUMBER 1

ISSUING BANK
BANK OF AMERICA, N.A.
ONE FLEET WAY
PA6-580-02-30
SCRANTON, PA 18507-1999

BENEFICIARY
KITTITAS COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
WASHINGTON, ATTN: PAUL BENNETT
PUBLIC WORKS DEPT.

APPLICANT
MOUNTAINSTAR RESORT DEVELOPMENT
LLC, DBA SUNCADIA
P.O. BOX 887
ROSLYN, WA 98941

411 N. RUBY ST., SUITE 1
ELLENSBURG, WA 98926

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT
AND MUST BE ATTACHED THERETO.

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE EXPIRY DATE IS AMENDED TO READ: OCTOBER 5, 2010

THIS CREDIT WILL NO LONGER BE AUTOMATICALLY EXTENDED.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS
AMENDMENT, PLEASE CALL 1-800-370-7519 OPT 1.



AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 1 PAGE(S).

ORIGINAL



Attachment No. 2
Settlement Agreement July 15, 2010

to Mil.

U.S. BANK NATIONAL ASSOCIATION
INTERNATIONAL DEPT. PD-OR-T5CE, SUITE 500
111 SW FIFTH AVENUE, PORTLAND, OR 97204
P.O. BOX 4412, PORTLAND, OR 97208-4412

SWIFT: USBKUS44PDX
TELEX: TRT 192179
TOLL FREE: 866-359-2503
FAX: 503-275-5132

02/14/08

=====

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

=====

BENEFICIARY:
KITITITAS COUNTY, A POLITICAL SUBDIVISION
OF THE STATE OF WASHINGTON
ATTN: SCOTT BRADSHAW
PUBLIC WORKS DEPARTMENT
411 N. RUBY STREET
ELLENSBURG, WA 98926

APPLICANT:
SUNCADIA, LLC
P.O. BOX 887
ROSLYN, WA 98941

=====

LETTER OF CREDIT NUMBER SLCPDX03402

AMENDMENT NO. 1

=====

WE HEREBY AMEND IRREVOCABLE STANDBY LETTER OF CREDIT AS FOLLOWS:

+ THE EXPIRY DATE IS EXTENDED TO JANUARY 28, 2009

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

U.S. BANK NATIONAL ASSOCIATION
A MEMBER OF THE FEDERAL RESERVE SYSTEM

STANDBY LETTERS OF CREDIT

LORI E. ROWELL
ASSISTANT VICE PRESIDENT

RECEIVED

FEB 16 2009

KITITITAS COUNTY
DEPT. OF PUBLIC WORKS

**RECEIVED**

FEB 01 2005

**KITTITAS COUNTY
DEPT. OF PUBLIC WORKS**

Date: January 25, 2005

KITTITAS COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
WASHINGTON, ATTN: PAUL BENNETT PUBLIC WORKS DEPT.
411 N. RUBY ST., SUITE 1
ELLENSBURG, WA 98926

Subject: Letter of Credit No. 7415382 serviced by Bank of America, N.A.
For the account of MOUNTAINSTAR RESORT DEVELOPMENT
In the amount of USD 1,000,000.00

Effective January 24, 2005, the above mentioned Letter of Credit will be serviced by:

Bank of America, N.A.
Trade Operations, Mail Code PA6 580 0230
One Fleet Way
Scranton, PA 18507

FAX: 570-330-4186
PHONE: 1-800-370-7519

Please adjust your records to reflect this important information, and forward any future drawings or correspondence to the address above. Changes to the presentation location do not affect any specific agreements or other previously made arrangements that have been agreed upon within the letter of credit and any amendment thereto.

Should you have any questions, please feel free to contact us at the number mentioned above.

DATE: OCTOBER 5, 2004

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 7415382

BENEFICIARY
KITTITAS COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
WASHINGTON, ATTN: PAUL BENNETT
PUBLIC WORKS DEPT.

411 N. RUBY ST., SUITE 1
ELLENSBURG, WA 98926

APPLICANT
MOUNTAINSTAR RESORT DEVELOPMENT
LLC, DBA SUNCADIA
P.O. BOX 887
ROSLYN, WA 98941
ISSUING BANK
BANK OF AMERICA, N.A.
231 S. LASALLE ST., TRADE SVCS.
231/17, IL1-231-17-01
CHICAGO, IL 60697

AMOUNT
NOT EXCEEDING USD 1,000,000.00
NOT EXCEEDING ONE MILLION AND
00/100'S US DOLLARS

EXPIRATION
OCTOBER 4, 2005 OUR COUNTERS

WE, BANK OF AMERICA, N.A. CHICAGO, ILLINOIS (THE "BANK") HEREBY ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT NO. 7415382 IN FAVOR OF KITTITAS COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON (THE "COUNTY"), UNDER THE NAME OF MOUNTAINSTAR RESORT DEVELOPMENT, LLC A DELAWARE LIMITED LIABILITY COMPANY, DBA SUNCADIA DEVELOPMENT COMPANY ("SUNCADIA"), UP TO AN AGGREGATE AMOUNT OF ONE MILLION AND 00/100 UNITED STATES DOLLARS (U.S.\$1,000,000.00) TO SECURE THE ENFORCEMENT OF ALL OBLIGATIONS OF SUNCADIA AND JELD-WEN, INC. AN OREGON CORPORATION ("GUARANTOR") IN CONNECTION WITH ALL PERFORMANCE AND GENERAL GUARANTIES EXECUTED BY THEM IN FAVOR OF THE COUNTY DURING THE TERM OF THIS LETTER OF CREDIT FOR WHICH EXECUTED COPIES HAVE BEEN PROVIDED TO THE BANK WITHIN FIFTEEN (15) DAYS OF THEIR ACCEPTANCE BY THE COUNTY (THE "GUARANTIES").

THE BANK HEREBY CERTIFIES AND AGREES THAT, UPON RECEIPT OF A WRITTEN DEMAND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PURPORTEDLY BY AN AUTHORIZED REPRESENTATIVE OF THE COUNTY STATING THAT SUNCADIA OR GUARANTOR HAS COMMITTED AN EVENT OF DEFAULT UNDER THE GUARANTIES AND THE COUNTY HAS INCURRED COSTS TO ENFORCE PERFORMANCE UNDER THE GUARANTIES, SUCH FUNDS, NOT TO EXCEED THE AMOUNT OF THE COUNTY'S EXPENDITURES OR THE AMOUNT LEFT TO BE DRAWN ON THIS LETTER OF CREDIT, WHICHEVER IS LESS, WILL BE MADE AVAILABLE TO THE COUNTY UPON RECEIPT OF YOUR DRAFT(S) DRAWN AT SIGHT ON BANK OF AMERICA, N.A., CHICAGO, ILLINOIS. THE BANK SHALL HAVE NO DUTY OR RIGHT TO EVALUATE THE CORRECTNESS OR APPROPRIATENESS OF ANY SUCH STATEMENT, DETERMINATION, OR ESTIMATE BY THE COUNTY AND SHALL NOT INTERPLEAD OR IN ANY MANNER DELAY PAYMENT OF SAID FUNDS TO THE COUNTY.

MULTIPLE DRAWINGS ARE ALLOWED.

ALL DRAFT(S) MUST BE DRAWN AT "SIGHT" AND BEAR THE CLAUSE:
"DRAWN UNDER BANK OF AMERICA, N.A., CHICAGO, ILLINOIS STANDBY LETTER OF CREDIT NO. 7415382 DATED OCTOBER 05, 2004".

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT SHALL BE DULY



THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 7415382

HONORED IF DRAWN AND PRESENTED TO BANK OF AMERICA, N.A. LOCATED AT:
231 SOUTH LASALLE STREET
ATTN STANDBY L/C DEPT
MAIL CODE: IL1-231-17-01
CHICAGO, IL 60697
ON OR BEFORE OUR CLOSE BUSINESS ON THE EXPIRATION DATE, OR ANY
RENEWED EXPIRATION DATE AS HEREINAFTER PROVIDED.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT IS DEEMED TO BE
AUTOMATICALLY RENEWED WITHOUT AMENDMENT FOR ONE YEAR FROM THE PRESENT
OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST THIRTY (30)
DAYS PRIOR TO SUCH EXPIRATION DATE THE BANK NOTIFIES THE COUNTY,
GUARANTOR AND SUNCADIA, AT THE ADDRESSES PROVIDED ABOVE OR AT SUCH
OTHER AMENDED ADDRESSES FOR WHICH PRIOR NOTICE HAS BEEN PROVIDED TO
THE BANK THEREOF, THAT THE BANK ELECTS NOT TO RENEW THIS LETTER OF
CREDIT.
IN NO EVENT HOWEVER, WILL THIS LETTER OF CREDIT BE RENEWED BEYOND A
FINAL EXPIRATION DATE OF DECEMBER 31, 2008, (THE "FINAL EXPIRATION
DATE").

ANY REFERENCE TO GUARANTIES AND PERFORMANCE AGREEMENTS IS FOR
INFORMATION PURPOSES ONLY AND DOES NOT IN ANY WAY INCORPORATE THE
TERMS AND CONDITIONS OF SUCH AGREEMENTS INTO THE TERMS AND CONDITIONS
OF THIS STANDBY LETTER OF CREDIT.

THIS CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES
1998 (ISP98) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS
TRANSACTION, PLEASE CALL 312-828-2733.

James Battie


AUTHORIZED SIGNATURE



P.O. Box 1329
3250 Lakeport Blvd.
Klamath Falls, OR
97601-1099 USA
541 882-3451 Tel
541 885-7454 Fax
www.jeld-wen.com

Windows / Doors / Millwork

July 19, 2010

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

Re: Suncadia LLC

Ladies and Gentlemen:

Reference is made to the Settlement Agreement dated as of July 15, 2010 (the "Settlement Agreement") between Kittitas County (the "County") and Suncadia LLC ("Suncadia"), a wholly-owned subsidiary of the undersigned, JELD-WEN, inc. ("JELD-WEN"), relating to the fulfillment of certain assurances made by Suncadia to the County pursuant to the General Guaranty dated as of December 4, 2007 (the "Guaranty") as to the completion of improvements on or about the resort property located in Kittitas County and owned by Suncadia.

The obligations of Suncadia under the Guaranty are secured by two letters of credit -- a "Performance Letter of Credit" and an "Enforcement Letter of Credit" -- in the aggregate stated amount of \$6,000,000 (the "Letters of Credit") which were issued to the County for the account of JELD-WEN. The Letters of Credit expire on October 5, 2010 and, pursuant to the Settlement Agreement, the County has the right to draw on the Letters of Credit any time after the 31st day prior to that date (September 4, 2010) in the event the expiration date has not been extended.

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 that expire no earlier than May 31, 2011 (the "Extension Letters of Credit"). At the time of any extension or replacement, it is contemplated that the stated amount of the Performance Letter of Credit will be increased to \$5,500,000 and the stated amount of the Enforcement Letter of Credit will be decreased to \$500,000. The County has also requested assurances from U.S. Bank, National Association, which is the administrative agent under Suncadia's revolving credit facility (in such capacity, "U.S. Bank"), that U.S. Bank will issue letters of credit for the account of Suncadia

no later than June 1, 2011 to replace the Extension Letters of Credit (the "Replacement Letters of Credit").

JELD-WEN, U.S. Bank, Suncadia's other lenders and Suncadia's partners are currently negotiating to restructure the debt and equity of Suncadia (the "Suncadia Restructuring"). JELD-WEN is prepared to extend the Letters of Credit through May 31, 2011 but only if, no later than September 3, 2010, the parties have closed the Suncadia Restructuring and, in connection therewith, U.S. Bank has entered into a binding agreement to issue the Replacement Letters of Credit prior to the date on which the Extension Letters of Credit may be drawn as a result of their expiring on May 31, 2011.

Very truly yours,

JELD-WEN, inc.

By 

R. Neil Stuart

Executive Vice President &
Chief Financial Officer