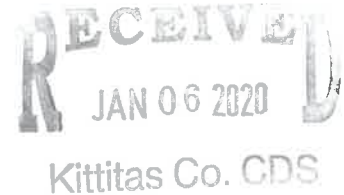




December 2, 2019

Dan Carlson, AICP
Director of Community Development Services
Kittitas County
411 N. Ruby Street Suite 2
Ellensburg, Washington 98926
Email: cds@co.kittitas.wa.us



**RE: Suncadia Phase 2 Division 3 Tract Z-4
Transfer Notice**

Dear Mr. Carlson:

Please find enclosed Transfer Notice to Kittitas County for Suncadia Phase 2 Division 3 Tract Z-4. Should you have any questions or require any additional information, please do not hesitate to contact me at (509) 649-6352, or via e-mail at gkittleson@suncadia.com.

Sincerely,

Gary Kittleson
Vice President – Director of Construction and Real Estate Finance

cc:

Kittitas County Board of Commissioners
Kittitas County Courthouse
205 West 5th Street, Room 110
Ellensburg, Washington 98926
Email: bocc@co.kittitas.wa.us

Prosecuting Attorney
Kittitas County Courthouse
205 West 5th Street, Room 213
Ellensburg, Washington 98926
Email: prosecutor@co.kittitas.wa.us

Roger Beck
Managing Director, Suncadia

Steve Lathrop
Lathrop, Winbauer, Harrel, Slothower & Denison LLP

Chris Addicott
Hillis, Clark, Martin & Peterson, P.S.

Greg Bradford
ENW Homes, LLC

Michael Bennett
Director of Community Associations, Suncadia

TRANSFER NOTICE TO KITTITAS COUNTY
SUNCADIA PHASE 2 DIVISION 3 TRACT Z-4

On September 26, 2019, New Suncadia, LLC ("Suncadia") entered into a purchase and sale agreement with ENW Homes, LLC ("ENW"), approximately 11.22 acres within the Suncadia Master Planned Resort proposed to be developed as The Cabins at The Farm. This presents the next occasion where a third party developer undertakes the development application approval process for a tract within Suncadia.

Section 9 of the Development Agreement with the County allows for transfers of interests under circumstances that either do, or do not, require County consent. It is believed by Suncadia and ENW that the present transaction does not require formal County consent under Section 9.3(a) (iii) or (iv) because Suncadia is retaining all responsibilities and obligations under the MPR Approvals, except for the Parcel Obligations that will be the responsibility of ENW. ENW has further agreed with Suncadia to not violate the MPR Approvals.

The County may elect to make compliance with the Parcel Obligations and all collateral practices and plans including, but not limited to, the Land Stewardship Plan, Solid Waste Management Plan, Master Drainage Plan, Noxious Weed Plan, temporary erosion and sedimentation control plans, hazardous material and spill prevention plans, development management plans, construction traffic management plan and no violation of the MPR Approvals, conditions of the approval process.

All County staffing agreements and outside consulting contracts with Suncadia, as the same may presently exist, will continue to apply with Suncadia and ENW separately settling Suncadia's expenditures for these services. ENW intends to present a Site Development Plan and Long Plat Application to the County in the near future to develop this tract into not greater than thirty-nine (39) single family residential units and associated open space and amenities. All plat requirements that may not be completed at final plat approval will be subject to the normal County bonding requirements.

In lieu of dedication, the final plat will grant all roads and rights-of-way to Suncadia, or a Suncadia community association entity, consistent with prior plats, and all open space tracts, except for private open space on lots, will be conveyed to Suncadia or a Suncadia community association entity. The open space dedications and covenants, conditions and restrictions that have been applied to the other plats within Phase 2 will be placed against Tract Z-4, which will not have a separate owners' association.

Suncadia Water Company, LLC and Suncadia Environmental Company, LLC ("Utility Companies") will provide domestic water and sewer service to Tract Z-4 in the same manner as to all other lots in Phase 2. The plat notes will recite, and Suncadia and the Utility Companies will retain or receive, easements or other appropriate rights along lot lines and roads for utilities. Offsite easements for access and storm drainage will also be created, as appropriate.

At the end of the platting process, ENW will be constructing residences *and/or* selling developed lots. Upon the sale of all lots, ENW will retain no further interest in or obligations for this Tract Z-4 or to Suncadia.