

**COMMISSIONERS' MINUTES
KITITAS COUNTY, WASHINGTON
COMMISSIONERS CONFERENCE ROOM
SPECIAL MEETING**

MONDAY

3:00 P.M.

MARCH 26, 2012

Board members present: Chairman Alan Crankovich, Vice-Chairman Obie O'Brien and Commissioner Paul Jewell.

Others: Julie Kjorsvik, Clerk of the Board; Kirk Holmes, Public Works Director; Neil Caulkins, Deputy Prosecutor; Doc Hansen, Planning Official; Attorney Steve Lathrop, Representing Suncadia; Paul Eisenberg, Suncadia; and 3 members of the public.

SPECIAL MEETING

SUNCADIA

COMMISSIONERS

At 3:00 p.m. Chairman Crankovich opened a Special Meeting at the request of Attorney Steve Lathrop to discuss Suncadia updates.

Attorney Steve Lathrop, representing Suncadia, explained how the Commissioners have been aware of their recapitalization program and wanted to report it was now in its final phase. According to the Development Agreement it requires them to obtain consent from the Kittitas County Board of Commissioners. He indicated that this is somewhat different than the two times they have done this before, as over the next few weeks the principles will be Oaktree Capital Management LP and Lowe Enterprises, which will create "New Suncadia, LLC". He noted Suncadia will not be released at this time. He said in order to make this happen a series of transactions must begin by the end of the month, and the conveyance will not happen for several weeks. Mr. Lathrop said the past two times they have gone through this process the Commissioners have given their consent during a meeting and the minutes represent all the necessary documentation. Neil Caulkins, Deputy Prosecutor said it was the first he had heard of the issue and therefore was unable to give advice to the Commissioners without first reviewing the Development Agreement.

Mr. Lathrop said they were not asking to release Suncadia at this point, but can't say it will not happen in the future, and it was not currently what they were asking the Board to do. He reiterated that Suncadia LLC will remain in place as an entity.

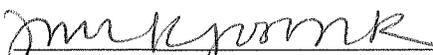
Commissioner Jewell said he felt comfortable with the request, noting the Letters of Credit were still in place and they were not asking to release Suncadia, but only to allow Oaktree and Lowe to become "New

Suncadia LLC", and therefore they would only be adding another entity to bear the burden of obligation.

The Board agreed to set another Special Meeting for Wednesday March 28, 2012 at 10:00 a.m. in the Commissioners Conference Room to allow for the Prosecutors office to review the necessary documentation.

Meeting adjourned at 3:16 p.m.

CLERK OF THE BOARD



Julie Kjorsvik

**KITTITAS COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON**



Alan Crankovich, Chairman