



W I L D F L O W E R

a group meeting *and* golf destination

April 16, 2005

Ms. Kathy Sugarman
Portland Investments Commercial Real Estate Corp.
4040 Douglas Way, Lake Oswego
OR 97035

Re: Fee Agreement dated January 14, 2004 by and between Wildflower Resort Company and Portland Investments Commercial Real Estate Corp.

Dear Kathy,

Thank you very much for your thoughtful and kind Email communication sent yesterday. At the outset, I would like to express that it has always been a pleasure in dealing with you. I have appreciated your uncommon veracity and forthrightness. As I think your communication further demonstrates, you have always conducted your business with Wildflower in the most professional manner. My experience with your conduct and ethics has been more in accordance with the standards maintained by most attorneys under the Rules for Professional Conduct, rather than the rather fuzzy common practices of many real estate and lending brokers.

I appreciate and am in complete agreement with you that as we embark on a second generation of seeking financing for the Wildflower Resort Project, it is imperative that we establish at the outset a clear understanding as to the role, and potential participation of all of the parties concerned.

As you know, John Stevens and Lisa Baum of Paradigm through their prior affiliation with PriceWaterhouse have a high level of professional expertise in the technical areas of Property Valuation, Appraisals, Acquisitions, Market Analysis/Demand, and Transaction Management. Paradigm is also in the unique position of providing capital formation services through Paradigm Global Capital Ltd., which specializing in the hospitality industry.

During the past year Paradigm has developed a total command of all aspects of the Wildflower business plan and financial structure. I am very pleased that they have at my request now consented to assuming primary responsibility for the placement of debt and/or equity with lenders and/or investors of up to \$220,000,000 for Wildflower Resort Company.

We are in the process of consummating a definitive proposal for these services. In this process I have provided them with a copy of our prior agreement with Portland Investments Commercial Real Estate Corp., dated January 12, 2004. I have request and they have agreed to include in the language of that proposal an acknowledgment of the prior involvement of other brokers, including your firm. The text of that provision which they have proposed is as follows:

"It is acknowledged the Company has been working with other brokers to source funding and it is agreed that the existing brokers will be paid out of the transaction fee stated above. These brokers include Funding New Mexico, Tom Bunker, Dennis Ball, Sara Jane Magoon, Elizabeth Huard, Trinity Works LLC, and Portland Investments. Any existing agreements with any other brokers are to be compensated by the Company. Given that Paradigm will compensate the brokers listed above; any existing agreements between the Company and these brokers shall be terminated."

Accordingly, in order for us to proceed with the Paradigm proposal, it will be necessary for us to terminate our agreement with your firm which we elect to do at this time.

The last paragraph of our Agreement states as follows:

"Broker will proceed on a Best Efforts basis, and intend to introduce Client to Lender/Investor or Lender's affiliate by way of written notice, and/or phone meeting or meeting in person. This is a Non-Exclusive Agreement, which term shall be 180 days for the purpose of introducing financing sources and investors to Client. In the event that WILDFLOWER receipts the desired transaction outside of Broker's efforts and with an entity other than introduced by Broker, WILDFLOWER shall notify Broker, and Broker will terminate effort."

While it is acknowledged that we would not have met Paradigm with your efforts, it is our position that Paradigm is not a "Lender/Investor or Lender's affiliate." Paradigm does not at this time have an active lead on any Lender/Investor identified by any of the brokers that have heretofore been involved in the financing of the Wildflower Project, including but not limited to Portland Investments. There efforts under the Proposal we are in the process of consummating with Paradigm will be entirely *de novo*. However, the prior involvement of Portland Investments is specifically recognized in the Proposal, and should a transaction materialize with any Lender/Investor previously identified by Portland Investments, it is clear that Portland Investment's interests would be protected.

I am confident that under the terms of the Proposal from Paradigm, should either you or John Myler wish to consult with them regarding a potential source for such financing, they would be most eager to jointly pursue with you such potential source. In this regard, I would ask that you communicate directly with Tom Stevens and Lisa Baum, and in the customary manner document as you go the terms and conditions of such mutual efforts. As quoted from the Proposal, they would then be responsible for paying any fees due from the transaction fee provided for Paradigm under the terms of the Proposal.

As expressed, it has been a great pleasure becoming acquainted with you personally, and I look forward to marinating our communications. Nothing would please me more than for you to ultimately be involved in the financing of the Wildflower Project, and thereby be compensated for your efforts to date. Unfortunately, for both of us, this has not yet materialized. Nevertheless, there is always the possibility that the Neimann transaction can be revived, in which event your services under our agreement are not in doubt.

Kathy Sugarman
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This is a most difficult and challenging time for the Wildflower Project and of course for me personally. I am most grateful and encouraged by the quality relationships that I have been fortunate enough to develop in this process, and remain confident that if we all continue to conduct ourselves fairly and professionally, the efficacy of this Project will ultimately prevail, and that all of those that have contributed to its success will be reasonably rewarded. To this I remain committed.

Best Personal Regards,
WILDFLOWER RESORT COMPANY



Raymond J. Goad
President and CEO