

Swinomish Tribal Community

A Federally Recognized Indian Tribe Organized Pursuant to 25 U.S.C. § 476

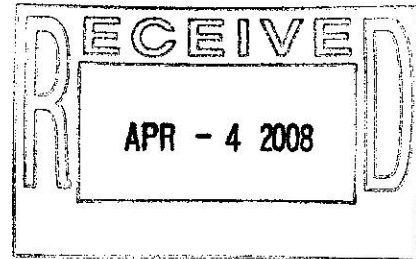
P.O. Box 817 • 11404 Moorage Way

LaConner, Washington 98257

April 04, 2008

BY FAX & MAIL

Art Young, President
Shelter Bay Community, Inc.
1000 Shoshone Drive
LaConner, WA 98257



Re: Annual Rent and Past Due Rent Payments – for settlement purposes only

Dear *Art*:

Thank you for your letter of April 04, 2008. I am writing to inform you that the Tribe will accept the proposal in your April 04 letter, and to confirm the following agreement of the Tribe and Shelter Bay Company as to Shelter Bay Company's payment over a period of time of a portion of the rent and accrued interest on that rent due for the period 2003 to present. This letter supercedes my March 21 and March 27 letters to you:

1. Shelter Bay Company will pay annual rent on July 1, 2008 through July 01, 2012 at the rate of \$1,358,000/year.
2. Shelter Bay Company agrees that past due rent and accrued interest of \$6,234,158 as of July 1, 2008 is due immediately.
3. In addition to the annual rental payment of \$1,358,000, Shelter Bay will pay \$3,117,079, constituting 50% of the past due rent and accrued interest, on July 01, 2008.
4. The Tribe will not treat as a default under the lease Shelter Bay Company's failure to immediately pay all past due rent and accrued interest, and the Tribe will agree that payment of the remaining balance of past due rent and accrued interest of \$3,117,079 may be paid over the period July 01, 2008 through June 30, 2013, as provided below.
5. Rather than the 8% interest rate provided in the lease, for the period July 01, 2008 through June 30, 2013, the unpaid balance of the past due rent and accrued interest will accrue interest beginning at the rate of 5% per year, computed and owing on the first day of each month on the outstanding balance, and increasing by one percent in each succeeding year.

Interest on the outstanding balance of unpaid rent and accrued interest will therefore accrue monthly according to the following schedule:

- i. from July 01, 2008 to June 30, 2009, 5%,
- ii. from July 01, 2009 to June 30, 2010, 6%,
- iii. from July 01, 2010 to June 30, 2011, 7%,
- iv. from July 01, 2011 to June 30, 2012, 8%, and
- v. from July 01, 2012 to June 30, 2013, 9%.

6. The Tribe will agree that payment of the remaining balance of past due rent and accrued interest may be paid over the period July 01, 2008 through June 30, 2013, if:

- a. Shelter Bay Company makes minimum annual payments of past due rent and accrued interest according to the following schedule:

Back Rent: \$ 6,234,158

Pmt Date	Rate	Int Pmts / Yr	Prin Pmts / Yr	Total Pmts
6/30/2008			\$ 3,117,079	\$ 3,117,079
6/30/2009	5%	\$ 155,854	\$ 623,416	\$ 779,270
6/30/2010	6%	\$ 149,620	\$ 623,416	\$ 773,036
6/30/2011	7%	\$ 130,917	\$ 623,416	\$ 754,333
6/30/2012	8%	\$ 99,747	\$ 623,416	\$ 723,162
6/30/2013	9%	\$ 56,107	\$ 623,416	\$ 679,523

b. The entire balance of the \$6,234,158 past due rent and accrued interest, plus all additional accrued interest, is paid in full by June, 2013.

c. All payments are made to the Bureau of Indian Affairs with a payment report showing the amount paid and the current balance as calculated by Shelter Bay Company.

7. Shelter Bay Company may prepay the principal and accrued interest amounts of past due rent in part or in full at any time, and interest will accrue thereafter on the reduced unpaid balance.

8. The Tribe will provide Shelter Bay Company with 15 days notice that the Tribe considers a specified failure by Shelter Bay Company to comply with this payment agreement to

Mr. Art Young, President
April 04, 2008
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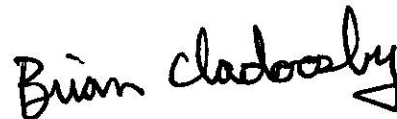
be a default under the leases. Following such 15-day notice the Tribe may pursue all remedies available under either the leases or the payment agreement.

9. This payment agreement does not diminish or waive any remedies available for any default by Shelter Bay Company in connection with any obligation under the leases other than payment of accrued rent and interest.

The parties understand that Leases 5020 and 5086 must be amended to provide for payment of the back rent and accrued interest over time, and to modify the interest rate provided in the lease for the period 2008 through 2013, as described above. Such an amendment is subject to the approval of the Tribal owners and the Bureau of Indian Affairs.

The Tribe will now request that the BIA take no action to give notice of default until the votes by the Shelter Bay Community on the assessments and budget amendments necessary for Shelter Bay Company to implement this agreement have taken place on May 03, 2008.

Sincerely,



M. Brian Cladoosby

cc: Judy Joseph

Accepted and agreed to by Shelter Bay Company
on April 4th, 2008:



Art Young
President, Board of Directors