

[Port Letterhead]

April ____, 2022

DGI Commercial Construction, LLC
Wayne Heikkala, Managing Member
4610 N.E 77th Ave. Suite 100,
ancouver, Washington 98662

Re: Letter of Intent ("**LOI**") Lease from Port of Skamania County

Dear Mr. Heikkala:

Port of Skamania County, a Washington municipal corporation (the "**Lessor**") is pleased to express its interest in leasing the Property (as defined below) to DGI Commercial Construction, LLC, or its assigns/designees ("**Lessee**"), upon the general business terms and conditions set forth below.

1. The Property. The Property shall consist of Lots _____ as depicted on the Map attached hereto and incorporated herein as Exhibit A, consisting of approximately four tax lots and all rights, development approvals, permits and/ or reimbursables relating thereto (the "**Property**").
2. Lease Rate. Lessee will pay to Lessor the sum of \$ _____ plus Washington State leasehold excise tax, per month, plus an annual escalator according to the Consumer Price Index as outlined in the Lease (the "**Lease Rate**").
3. Lease Term. The term of the lease will be for a period of thirty (30) years. Renewal periods may be negotiated in the final Lease.
4. Use of Premises. Lessee intends to develop the Property as a mixed-use commercial resort facility including not fewer than twenty-four (24) transient lodging rooms and a restaurant. Port reserves the right to review Lessee's plans, designs and construction timeline for the facility prior to approval of the Lease. Lessee will provide Lessor with all as-builts of the completed facility. All development and construction costs are solely at Lessee's expense and risk.
5. Due Diligence Period. Lessee will begin its due diligence review of the Property upon execution of this LOI by both parties and will have until _____, 2022 to conclude its due diligence investigations of the Property (the "**Due Diligence Period**"). During the Due Diligence Period, Lessee (including its consultants,

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engineers and other designees) will have a reasonable right of entry to the Property in order to conduct all tests Lessee may deem necessary to determine the suitability of the Property; provided, however, such inspections will not unreasonably disturb the use of the Property by Lessor and Lessee shall be responsible for repairing any damage caused by Lessee's inspections. Lessor will cooperate fully in providing Lessee with any information reasonably necessary for Lessee's investigation and evaluation of the Property to the extent such information is reasonably available to Lessor. The transaction will be contingent upon Lessee's satisfactory review (and receipt from the Lessor within ten (10) business days following the execution of this LOI, excepting therefrom item (f) below) of the following during the Due Diligence Period:

- a) All books, records, and operating statements for the Property that reasonably relate to Lessee's due diligence inspections and review, including, without limitations, matters affecting valuation, environmental and development concerns, for the past three (3) years;
- b) A current preliminary title commitment proposing to insure Lessee, on terms satisfactory to Lessee, for the Property together with legible copies of all documents referred to in the exceptions to the commitment. Such title commitment shall be ordered from Skamania County Title Company;
- c) Any current surveys of the Property in Lessor's possession or reasonably available to Lessor;
- d) All current contracts related to the Property, if any, and any proposed contracts being negotiated, if any;
- e) All engineering reports, soils reports, plans, environmental reports and market studies for the Property in Lessor's possession or reasonably available to Lessor;
- f) The results of any inspection studies for the Property that Lessee may have commissioned, including any Phase I environmental study and soils studies;
- g) All zoning and entitlements and any system development charge credits and other development rights for the Property previously obtained by or granted to Lessor; and
- h) Any other matters reasonably deemed necessary or appropriate by Lessee.

6. Entitlements. The lease of the Property is subject to the condition that Lessee obtain all entitlements necessary to proceed with Lessee's contemplated development of the Property. The entitlements described above are referred to as the "**Entitlements**" in this LOI. The parties will be deemed to have obtained all Entitlements when all

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submittals have been made, all hearings have been conducted, all final approvals (including Port Commission approvals) have been given or issued and all applicable periods of appeal have expired. Lessee's ability to obtain the Entitlements is a key inducement to Lessee's willingness and desire to lease the Property and Lessee's inability to obtain all of the Entitlements for any reason may be cause for Lessee to terminate its interest in this LOI and in any subsequent Lease and Sale Agreement. However, Lessee may, in its sole discretion, waive the condition of obtaining the Entitlements or any aspect thereof. Lessor's ability to obtain its Entitlements is also a key inducement to Lessor's willingness and desire to sell the Property and Lessor's inability to obtain its Entitlements for any reason may be cause for Lessor to terminate its interest in this LOI and in any subsequent Lease and Sale Agreement.

7. Lease Inception. The lease inception will occur within twenty (20) days after the expiration of the Due Diligence Period (the "**Closing**") unless extended as provided for herein. Lessee and Lessor shall each have the right to extend the lease inception for two successive thirty (30) day periods in order to confirm Lessee's ability to lease the Property and obtain the Entitlements.

Each party will bear its own legal expenses in connection with the proposed lease.

8. Commissions. Lessee and Lessor acknowledge and represent to each other that neither party has retained a lease broker in this transaction. Each party will indemnify, defend, and hold the other harmless from any claims by any broker, advisor or any other third parties for brokerage or advisory fees or commissions of any kind arising out of actions or alleged actions or commitments made by that party that form the basis of any such claims.
9. Lessee's Contingencies to Closing. Lessee's obligation to lease the Property will also be subject to the following: (i) Lessor shall agree to subordinate its first position to Lessee's lender's mortgage or deed of trust, provided Lessor agrees to the terms of the subordination; (ii) the status of title shall be as required in the Lease and Sale Agreement; (iii) Lessee shall have verified, and Lessor shall have confirmed, that no material or adverse developments have occurred with respect to the Property since the execution of the Lease and Sale Agreement; and (iv) Lessor shall have obtained all necessary Entitlements necessary to proceed with Lessor's contemplated development of the Property and Lessee shall have obtained all necessary financing and internal approvals for the lease of the Property. Each of the foregoing approvals or verifications will be in the Lessee's sole and absolute discretion and may be

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waived by Lessee in its sole and absolute discretion.

10. Lessor's Contingencies to Closing. Lessor's obligation to sell the Property will also be subject to the following: (i) Lessee shall have performed all covenants and obligations, all conditions shall be satisfied, and all representations and warranties shall be true and correct as of the Closing; (ii) Lessee shall have submitted and obtained approval from the Port Commission of Lessee's development plans, designs and construction schedule; (iii) Lessor shall have negotiated a termination of the existing lease on the Property to Lessor's satisfaction.
11. Exclusive Negotiations/Governing Law. Upon signing this LOI, Lessor and its affiliates, if any, agree to negotiate in good faith exclusively with Lessee for the lease and sale of the Property and to refrain from discussions or negotiations with other investors or Lessees regarding the sale of the Property or from otherwise marketing the Property until the expiration of the time period set forth in Paragraph 3; provided, however, each party shall have the right to extend the time period as set forth in Paragraph 7. Lessor agrees that the provisions of this Paragraph 11 shall be fully binding on it and its affiliates, if any, that it has received adequate and sufficient consideration for its agreements set forth in this Paragraph 11, and that such consideration, among other things, consists of the expenses incurred by Lessee in evaluating, negotiating for, and drafting the Lease and Sale Agreement for the Property. Lessee and Lessor agree that this LOI shall be governed by the laws of the state of Washington.
12. Non-Binding Letter. Except for this Paragraph 12 and Paragraph 11 of this LOI, all of which shall be binding on the parties, this is a letter of interest only and shall be non-binding on the parties, and nothing in this LOI should be construed as a binding lease offer or other obligation on Lessee's part or create any rights in favor of Lessee or Lessor or any third party. Except during the time period set forth in Paragraph 3 (as the same may be extended by the parties pursuant to Paragraph 7), during which time the parties have agreed to negotiate exclusively with one another to finalize the Lease and Sale Agreement, either party may terminate negotiations at any time, for any reason by delivering written notice to the other party hereto. The efforts of Lessee to consummate the proposed transaction shall not be construed as Lessee's agreement to complete the proposed transaction nor shall any such efforts bind the Lessee in any manner. This LOI does not address all matters upon which agreement must be reached in order for the proposed transaction to be consummated. Lessee shall have no obligation to lease the Property or, except as aforesaid, any other obligation with respect to the matters set forth in this LOI until

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such time as Lessee and Lessor have entered into the Lease and Sale Agreement with terms acceptable to both the Lessor and Lessee in their respective, sole and absolute discretion.

13. Expiration Date. This LOI shall expire if not countersigned by Lessor by 5:00 pm PST on _____, 2022.

If this LOI correctly reflects your understanding of the parties' mutual expressions of interest, please so indicate by signing both originals of this LOI where indicated below, retain one original for your files and return one executed original to our attention. If you have any questions, please do not hesitate to call me at 509-427-5484. We look forward to working with you on this exciting opportunity.

Sincerely,

LESSOR:

PORT OF SKAMANIA COUNTY, a Washington Municipal Corporation

By: _____
J. Patrick Albaugh
Executive Director

ACCEPTED AND AGREED TO THIS _____ DAY OF _____, 2022.

LESSEE:

DGI Commercial Construction, LLC

By: Wayne Heikkala, Managing Member

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EXHIBIT "A"

(Property Map)