SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (the "**Agreement**") is by and between the Port of Hood River ("**Port**"), and each **Joining Owner** as identified in any Joinder Agreement executed in the form attached hereto as Exhibit A (collectively, the "**Joining Owners**"). The Port and each Joining Owner are referred to collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, the Port owns and operates a marina located on the Columbia River in Hood River, Oregon ("**Marina**");

WHEREAS, the Port and each Joining Owner are parties to a lease agreement whereby the Joining Owner leases space in the Marina for the placement and use of a boathouse ("**Boathouse Lease**");

WHEREAS, the Port has notified each Joining Owner that it will not be renewing that Joining Owner's Boathouse Lease, and each Boathouse Lease will terminate on December 31, 2026;

WHEREAS, the non-renewal of the Boathouse Leases requires the Joining Owners to remove their boathouses from the Marina on or before December 31, 2026;

WHEREAS, the Joining Owners have asserted various claims against the Port relating to the non-renewal of the Boathouse Leases ("**Disputes**"); and

WHEREAS, the Parties desire to establish their rights and obligations regarding the vacation and removal of the boathouses and the allocation of costs associated with such vacation and removal, and to resolve the Disputes;

AGREEMENT

Based on the foregoing Recitals, which are incorporated here by this reference, and for good and valuable consideration of the mutual promises and obligations contained in this Agreement, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Payment; Allocation of Costs**.

(a) Removal Contract and Removal Costs. The Port has solicited proposals for the removal and disposal of the boathouses and has identified a qualified contractor to perform such work pursuant to a contract to be finalized by the Port (the "**Removal Contract**").

(1) The actual costs incurred by the Port in connection with the Removal Contract will depend on the number of Joining Owners and are referred to herein as the "**Removal Costs**."

(2) The Port will calculate the total cost of removal and disposal for each boathouse based on the final negotiated Removal Contract, plus a ten

percent (10%) contingency (the **"Removal Budget**"). The Removal Budget will be included in the Joinder Agreement.

(3) Except where this Agreement states otherwise, the Removal Budget for each boathouse will remain fixed, and the addition or removal of Joining Owners to this Agreement will not later change the Removal Budget for the other Joining Owners.

(4) The Port will provide all Joining Owners a copy of the final Removal Contract.

(b) Contributions. The Port shall pay fifty percent (50%) of the Removal Budget for each boathouse. Each Joining Owner shall pay fifty percent (50%) of the Removal Budget for that Joining Owner's boathouse (the "**Owner Contribution**"). If the actual Removal Costs of a boathouse differ from the Removal Budget, any additional amounts due to the Port or to a Joining Owner shall be determined in accordance with Section 1(d).

(c) Financial Assurances.

(1) The Joining Owner shall deposit the Owner Contribution into an escrow account established for the removal and disposal of the boathouses covered by this Agreement (the "**Escrow Account**") no later than December 31, 2026. Funds held in the Escrow Account shall be available to reimburse the Port for the Removal Costs until the final completion and closeout of the Removal Contract, including payment of all amounts due under the Removal Contract.

(2) Upon approval by the Port, a Joining Owner may satisfy a portion of the Owner Contribution through alternative financial assurances, provided that the Joining Owner deposits no less than 50% of the Owner Contribution into the Escrow Account by December 31, 2026. The remaining balance shall be secured through financial assurances in a form acceptable to the Port. Financial assurances shall be provided no later than December 31, 2026, and shall remain in effect until final completion and closeout of the Removal Contract and satisfaction of the Joining Owner's financial obligations under this Agreement.

(d) Change Orders; Final Accounting.

(1) Prior to executing any change orders that increase the amount the Port owes to the contractor under the Removal Contract, the Port will notify each Joining Owner, which notice shall include the amount the change order will increase the Joining Owner's Removal Budget ("**Change Order Notice**"). Upon receipt of a Change Order Notice, the Joining Owner will have five (5) business days to respond, indicating whether the Joining Owner accepts or objects to the increase in the Removal Budget and corresponding Owner Contribution due to the change order. If the

Joining Owner accepts or does not timely respond to the Change Order Notice, the Joining Owner's Removal Budget and corresponding Owner Contribution will be increased by the amount set forth in the Change Order Notice. If the Joining Owner objects, the Port may either proceed with the change order at its own cost, or terminate the objecting Joining Owner's Joinder Agreement.

(2) Upon completion of the work set forth in the Removal Contract, the Port shall provide the Joining Owners with a complete accounting of the Removal Costs, including the Port's contribution and the amounts paid from the Escrow Account for the Owner's Contribution.

(i) If the actual amount of the Owners Contribution paid from the Escrow Account for each Joining Owner is less than that Joining Owner's Owner Contribution, the difference shall be returned by the Port to the Joining Owner.

(ii) If the Removal Budget and corresponding Owner Contribution increase as set forth in Section 1(D)(1) above, and the adjusted amount is greater than the amount the Joining Owner paid into the Escrow Account, the difference shall be paid by the Joining Owner to the Port.

2. **Vacation, Removal, and Disposal**.

(a) Vacation of Boathouse. Each Joining Owner shall vacate that Joining Owner's boathouse no later than December 31, 2026. The Joining Owner shall remove all personal property from the boathouse. Any personal property remaining in a boathouse on January 1, 2027, shall become the property of the Port.

(b) Transfer of Ownership. No later than December 31, 2026, each Joining Owner shall transfer all ownership interests in the boathouse to the Port, free of undisclosed liens, by mutually acceptable documents. Transfer shall occur concurrently with the Port's written acceptance of title and responsibility for custody, security, maintenance, insurance, emergency response, and removal of the structure, subject only to the Joining Owner's obligations under this Agreement. No rent, holdover charge, or other occupancy charge shall accrue against the former owner for the structure's continued presence after December 31, 2026. The Joining Owner shall execute any documents reasonably necessary to effectuate the transfer of ownership and facilitate the removal and disposal of the boathouse. The Port shall be responsible for property taxes, if any, assessed against a boathouse for any time period on or after January 1, 2027.

(c) Removal and Disposal. The Port shall oversee all activities performed by the contractor in connection with the Removal Contract. The Joining Owner shall cooperate with the Port and the contractor in connection with the removal and disposal of the boathouse as reasonably necessary.

(1) Environmental Assessment. Each Joining Owner acknowledges that the Port's contractor will conduct an environmental assessment of the boathouse prior to removal and disposal. If the environmental assessment identifies any conditions that prevent removal or disposal of the boathouse as contemplated under the Removal Contract, the Port and the Joining Owner shall negotiate in good faith a separate agreement for removal and disposal, including any additional costs. Until such agreement is reached, the Port shall have no obligation to proceed with removal or disposal of the affected boathouse.

(2) Upon the Port's acceptance of title under Section 2(b) and the Joining Owner's provision of financial assurances under Section 1(c), the Joining Owner's remaining removal and disposal obligations under the Boathouse Lease shall be fully satisfied and discharged, except for obligations expressly preserved in this Agreement.

(d) Boat Slip Waiting List. Upon execution of a Joinder Agreement, which must document the Joining Owner's vessel make, model and year, vessel length, and vessel beam, the Port shall place the Joining Owner at the top of the applicable waiting list for a boat slip at the Marina, ahead of any person that is not a Joining Owner, until such time as a slip is provided or the time that the Joining Owner notifies the Port that the Joining Owner no longer desires to be on the list. Boat slips are assigned based on vessel size. The availability of a boat slip for a Joining Owner shall be determined based on the size of the Joining Owner's vessel and the availability of an appropriately sized slip, as determined by the Port.

(1) If an appropriately sized boat slip or other suitable area becomes available on or prior to January 1, 2027, the Port will make that boat slip available to the Joining Owners in the following order: Powrie, Bubb, Reed, Dillard, Tessmer. In the event one of the foregoing owners does not become a Joining Owner on or prior to December 31, 2026, that name shall be deemed to be removed from this list.

(2) In the event there are not enough available boat slips to accommodate each of the Joining Owners by January 1, 2027, the Port will use reasonable efforts to find a temporary slip or other suitable area for boat storage in the Marina, including the Port's seasonal slips.

(3) Any use of the Marina by a Joining Owner shall at all times be subject to the Port's then-current Marina Rules and Regulations

3. **Default and Remedies**.

(a) If a Joining Owner fails to perform a material obligation under this Agreement, including but not limited to vacating a boathouse, transferring ownership, or timely providing financial assurances under Section 1(c), the Port may terminate this Agreement with respect to that Joining Owner. Except for a Joining Owner's obligation to provide financial assurances pursuant to Section 1(c)(1), and a Joining Owner's obligation to vacate and transfer ownership of a

boathouse under Section 2(a) and 2(b), the Port will provide notice and a reasonable opportunity to cure any default prior to terminating this Agreement.

(b) The Port and a Joining Owner may terminate this Agreement by mutual agreement in writing.

(c) In the event of a termination of this Agreement pursuant to Section 3(a), the Joining Owner shall be responsible for the removal and disposal of the boathouse at Joining Owner's sole expense, together with all costs, damages, expenses, and other consequences arising from the Joining Owner's breach. Such termination shall not affect the Port's rights or remedies under state law to enforce the removal of the boathouse from the Marina, or any other rights or remedies arising from the Joining Owner's breach or the continued effectiveness of this Agreement with respect to any of the other Joining Owners.

4. **Mutual Release and Discharge**. The Port on the one hand, and each Joining Owner on the other hand, mutually release, discharge, and hold the other harmless from any and all past, present, and future claims, demands, obligations, causes of action, and/or damages, just compensation, attorney fees, appraisal fees, expert and consultant fees, interest, costs, expenses, and disbursements of any kind, known and unknown, arising out of or relating to the Boathouse Lease, the Joining Owner's use or occupancy of the Marina, or the removal and disposal of the boathouse (collectively, the "Claims"). The Port and the Joining Owner intend this Agreement to constitute a full, final, and complete settlement of the Claims and the Disputes.

This mutual release between the Port and each Joining Owner shall become effective upon completion of the removal and disposal of the boathouse identified in the Joining Owner's executed Joinder Agreement pursuant to the Removal Contract. Nothing in this Section 4 releases or discharges any liability or claim resulting from or arising out of a failure to perform the obligations set forth in this Agreement or any claim arising from acts or omissions occurring after the applicable release becomes effective.

Each Party's contribution to the Removal Costs constitutes part of the consideration exchanged for the Joining Owner's transfer of title to the Boathouse and the mutual settlement and release of claims under this Agreement.

5. **General and Miscellaneous Provisions**.

(a) To assist the Joining Owners with the vacation of the boathouses, the Port will use reasonable efforts to provide a dumpster for use by the Joining Owners.

(b) Relationship of Joining Owners. By executing a Joinder Agreement, a Joining Owner is binding only itself to this Agreement and to that Joining Owner's obligations to the Port. No Joining Owner guarantees, or shall be responsible for, the performance or payment of another Joining Owner.

(c) Payment. Unless this Agreement expressly provides otherwise, all payments due and owing by one Party to another Party shall be made within thirty (30) days.

(d) No Admission. This Agreement is made solely for the purpose of resolving the matters described herein, and nothing in this Agreement shall be construed as or constitute any admission of liability, fault, or wrongdoing by any Party.

(e) Prior Agreements; Survival. This Agreement is the entire, full, and complete agreement of the Parties pertaining to the Parties' settlement and supersedes and replaces all written and oral agreements heretofore made or existing by and between the Parties or their representatives insofar as the settlement is concerned. There are no representations, warranties, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement other than those that are expressed in this Agreement.

(f) Expiration of Boathouse Lease. Nothing in this Agreement shall be construed to extend or renew any Boathouse Lease or grant the Joining Owner any continuing right to occupy or use the Marina following the expiration of the Boathouse Lease on December 31, 2026.

(g) Modification or Amendment. This Agreement may not be modified or amended, except in writing signed by the Port and a Joining Owner. To the extent an amendment is intended to affect the rights or obligations of another Joining Owner, such amendment shall require the other Joining Owner's written consent.

(h) Severability; Assignment. If any portion of this Agreement shall be held to be invalid or unenforceable to any extent, the validity of the remaining provisions shall not be affected thereby. The Joining Owner may not assign this Agreement without the Port's written consent. This Agreement is solely for the benefit of the Parties and shall not create rights in any third parties; provided, however, that the covenants, conditions, and terms of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, administrators, successors, and assigns of the Parties.

(i) Governing Law and Venue. This Agreement and any disputes arising therefrom shall be governed by the laws of the State of Oregon. Any action or proceeding arising out of this Agreement shall be brought and maintained in state court in Hood River County, Oregon, where the Parties agree to submit to personal jurisdiction.

(j) Tax Consequences. Each Party acknowledges that it is responsible for its own tax liability, if any, that may result from this Agreement. Each Party further expressly acknowledges that it neither received nor relied upon any tax advice from the other Party or the other Party's representatives or attorneys.

(k) Attorneys' Fees. Each Party shall bear its own attorneys' fees, expenses, and costs incurred in connection with the negotiation and execution of this Agreement. In the event of an action or proceeding to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.

(l) Construction. This Agreement shall not be construed more strictly against one Party than against another by virtue of the fact that the Agreement may have been drafted or prepared by counsel for one of the Parties, it being recognized that both Parties have contributed

substantially and materially to the preparation of this Agreement and have had the opportunity to have counsel review the Agreement.

(m) Voluntary Action. The Parties represent, warrant, and agree that they have thoroughly read and understood the terms of this Agreement and have voluntarily entered into this Agreement to resolve all claims relating hereto.

(n) Cooperation and Consent. The Parties agree to act in good faith and fair dealing with one another in the execution, performance, and implementation of the terms and provisions of this Agreement.

(o) Representation on Authority of Parties/Signatories. Each person joining this Agreement represents and warrants that they are duly authorized and have legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the others that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized, and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

(p) Execution. This Agreement may be executed by facsimile, PDF, or electronic mail, and/or in several counterparts, each of which shall be an original and all of which shall collectively constitute but one and the same instrument. Each Joining Owner shall become a Party to this Agreement upon execution of the Joinder Agreement attached hereto as Exhibit A and acceptance thereof by the Port.

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(q) Notices. All notices in connection with this Agreement shall be in writing and delivered by certified mail or electronic mail at the addresses provided in the Joinder Agreement.

ACCEPTED AND AGREED AS OF THE EFFECTIVE DATE BY:

Dated: _____

_____
PORT OF HOOD RIVER

By: _____

Title: _____

EXHIBIT A – JOINDER AGREEMENT

This Joinder Agreement (the "**Joinder**"), by and between [party name(s)] (the "**Joining Owner**") and the Port of Hood River (the "**Port**") shall be effective as of [ ], 2026.

1. **Joining Owner.** The Joining Owner hereby joins that certain Settlement Agreement and Mutual Release dated [ ] , 2026, (the "**Settlement Agreement**") between the Port and the Joining Owners party thereto. The Joining Owner has received and read the Settlement Agreement and shall be bound by its terms and provisions, and be entitled to its benefits.

2. **Identification of Boathouse.** The Joining Owner's rights and obligations under the Settlement Agreement relate to the boathouse located at the Port's marina with License Number [ ].

3. **Identification of Vessel for Slip.** The Joining Owner, by providing the following information, it indicating its intent to occupy a boat slip in the Marina as contemplated in Section 2(d) of the Settlement Agreement:

Vessel Make, Model, and Year: _____

Vessel Length:_____

Vessel Beam:_____

4. **Removal Budget; Financial Assurances.** For purposes of the Settlement agreement, the Removal Budget for the Joining Owner shall be $_____, subject to any adjustments allowed under the Settlement Agreement. Based on the foregoing, the Owner Contribution shall be $_____. Joining Owner shall provide the Financial Assurances indicated below:

□ Option A: Joining Owner shall deposit the Owner Contribution in the Escrow Account no later than the date specified in the Settlement Agreement.

□ Option B: Joining Owner shall deposit 50% of the Owner Contribution in the Escrow Account no later than the date specified in the Settlement Agreement. Through this Joinder Agreement, the Joining Owner hereby agrees to pay 50% of the Owner Contribution to the Port in twelve equal monthly payments of $_____, without interest, beginning on February 1, 2027, and on the first of each month thereafter. Any failure to make one of the foregoing payments shall be deemed a breach of the Settlement Agreement and Port shall have the right to seek all remedies available under the law for such breach.

5. **Incorporation**. This Joinder shall be incorporated into and made part of the Settlement Agreement upon execution by the Joining Owner and acceptance by the Port.

6. **Notice**. All notices in connection with the Settlement Agreement and this Joinder shall be in writing and delivered by certified mail or electronic mail at the following addresses:

If to Port:

If to Joining Owner:

Accepted and agreed by Joining Owner and the Port as of [effective date].

Dated: _____

_____
JOINING OWNER

By: _____

Title: _____

Dated: _____

_____
PORT OF HOOD RIVER

By: _____

Title: _____