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August 28, 2015

Julie Schmelzer  
Director of Administration  
and Economic Development  
Curry County  
94235 Moore St.  
Gold Beach, OR 97444



Re: Interest in Leasing Curry County Property

Dear Ms. Schmelzer:

I represent Elk River Property Development, LLC. The purpose of this letter is to express my client's interest in leasing the property owned by Curry County, identified as tax lots 298 and 299.

My client's lease of this property would be mutually beneficial for my client and for the county. My client's intent is to build vacation lodging on the leased property. This lodging would provide accommodations for visitors to the Port Orford area, including patrons of the Pacific Gales Golf Course which is located on the Knapp Ranch, adjacent to the county-owned property.

Development of vacation property in this location would generate tax dollars, local employment opportunities, and it would increase the number of tourists who would spend money in the Port Orford economy. Because the development would create these economic benefits, and because the property is currently vacant, my client anticipates that the lease of the County's property would be for a nominal sum and for an initial twenty-five year term with four twenty-five year extensions. This term would mirror the lease schedule of my client's Knapp Ranch lease.

This letter is not intended to be a binding document, but an expression of interest and an invitation to engage in more detailed lease negotiations for the property. Assuming that the County is open to the possibility of my client leasing this property, I expect that the parties could enter into discussions that would produce a Memorandum of Understanding or an Intent to Lease, in which the lease contemplated would be later memorialized in a Lease Agreement.

If you have any questions, please feel free to contact me.

Sincerely,

*s/ Jennifer R. Klingensmith*  
Jennifer R. Klingensmith