July 1, 2023

NOTICE TO PORT OF PORTLAND MARINE TERMINAL USERS

RE: AUTOMOBILE CARRIER INCENTIVE PROGRAM

The Port of Portland is offering the following automobile carrier incentives to automobile carriers doing business with the Port of Portland through its Marine Terminals.

Auto Carrier Dockage Incentive

1. Between July 1, 2023 and June 30, 2027, the Port of Portland will offer a qualifying automobile carrier the following percentages of automobile carrier's dockage fee payments for vessel calls above the applicable Qualifying Vessel Threshold for the Port's fiscal year (July 1 to June 30):

   - two- and one-half percent (2.5%) payment based on between 74 and 85 Qualifying Vessel calls during the Fiscal Year; or
   - five percent (5%) payment based on 86 or more Qualifying Vessel calls during the Fiscal Year (each vessel call threshold being a "Qualifying Vessel Threshold"),

   on condition that the automobile carrier proves that the tenant that handles the automobiles at a Port of Portland Marine Terminal is offering the same or a substantially equivalent payment to the qualifying automobile carrier.

2. An automobile carrier ("Auto Carrier") to which this incentive is offered is defined as an automobile carrier entity authorized to do business in Oregon that has Qualifying Vessel (defined below) calls at a Port of Portland Marine Terminal above the applicable Qualifying Vessel Threshold and that has entered into the same or a substantially equivalent volume based payment arrangement with the applicable Marine Terminal tenant handling the carrier's automobiles. A Qualifying Vessel is defined as a vessel owned, chartered or otherwise operated by an Auto Carrier that carries five hundred (500) or more automobiles and that discharges or loads such automobiles at a Port of Portland Marine Terminal ("Qualifying Vessel").

3. A fiscal year is July 1 to June 30 ("Fiscal Year"). Fiscal Year 2024 is the period from July 1, 2023 through June 30, 2024. Fiscal Year 2025 is the period from July 1, 2024 through June 30, 2025. Fiscal Year 2026 is the period from July 1, 2025 through June 30, 2026. Fiscal Year 2027 is the period from July 1, 2026 through June 30, 2027.
4. Eligibility for this incentive is dependent on the Port's receipt of a request for participation from an automobile carrier that believes it can qualify for the incentive, and automobile carrier's submittal to the Port of proof of its entity status and authority to do business in Oregon, monthly reports for the relevant period summarizing its Qualifying Vessels at berth, berth locations, volumes of automobiles discharged or loaded, and other information demonstrating qualification for the incentive. The Port must also be provided proof that the applicable auto processing tenant is offering the same or a substantially equivalent payment arrangement to the automobile carrier. The Port will reconcile any questions or missing information with the automobile carrier and confirm applicable data and qualifications. The Port will do a reconciliation after the end of the Fiscal Year and communicate any incentive payment earned to any qualifying Auto Carrier with Qualifying Vessels. The Port will issue any payment by no later than September 30 of each Fiscal Year. The Port and applicable Tenant will promptly notify each other of payments made under this incentive. Auto Carriers must pay dockage fees consistent with the Port's Marine Tariff, as modified by any dockage relief incentive program.

5. Volume Calculation Example: to demonstrate how the incentive is to be calculated:

<table>
<thead>
<tr>
<th>Vessel Count</th>
<th>1/1/23 - 6/30/23</th>
<th>Full Year FY23</th>
<th>Full Year FY24</th>
<th>Full Year FY25</th>
<th>Full Year FY26</th>
<th>Full Year FY27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Dockage Paid</td>
<td>$1,824,000</td>
<td>$1,649,000</td>
<td>$1,553,000</td>
<td>$1,628,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incentive Threshold Reached?</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incentive %</td>
<td>5.0%</td>
<td>2.5%</td>
<td>0.0%</td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Payout from the Port</td>
<td>$91,200</td>
<td>$41,225</td>
<td>$ -</td>
<td>$40,700</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Assumes 2 days of dockage per vessel and annual CPI increases to dockage fee

Auto Carrier Volume Incentive

6. Between July 1, 2023 and June 30, 2027, the Port of Portland will offer a qualifying Auto Carrier (defined in the Auto Carrier Dockage Incentive) an automobile volume incentive for each Qualifying Vessel (defined in the Auto Carrier Dockage Incentive) that satisfies the Automobile Volume Threshold discharged or loaded at a Port of Portland Marine Terminal. The incentive is only earned in a third Fiscal Year (defined in the Auto Carrier Dockage Incentive) when automobile volumes are at or above the Automobile Volume Threshold.

7. Any Auto Carrier that discharges or loads automobiles with different Vehicle Identification Numbers (VINs) ("Qualifying Autos") from Qualifying Vessels at a Port of Portland Marine Terminal in the second half of Fiscal Year 2023 (January 1, 2023 to June 30, 2023) and additional Qualifying Autos in Fiscal Year 2024 is eligible for this incentive in Fiscal Year 2025. In addition, any Auto Carrier that discharges or loads Qualifying Autos in two consecutive preceding Fiscal Years 2024 and 2025 or 2025 and 2026 is eligible for this incentive in, respectively, Fiscal Year 2026 and Fiscal Year 2027. The incentive amount
for each qualifying payout is fifty cents ($0.50) for each Qualifying Auto of the total combined annual volume of Qualifying Autos discharged or loaded in the two consecutive preceding Fiscal Years. The availability of this incentive is conditioned on the auto processing tenant proving that it is offering the same or a substantially equivalent payment arrangement to the qualifying Auto Carrier that handles the Qualifying Autos at a Port of Portland Marine Terminal.

8. Notwithstanding Paragraph 7, if in Fiscal Years 2025, 2026 or 2027, any Qualifying Autos volumes fall below 150,000 (the "Automobile Volume Threshold"), no incentive payout will be made in that Fiscal Year in respect of the two consecutive preceding Fiscal Years.

9. An Auto Carrier is not allowed more than two fifty cents ($0.50) incentive payouts by the Port in respect of each Qualifying Auto.

10. Eligibility for this incentive is dependent on the Port's receipt of a request for participation from an automobile carrier that believes it can qualify for the incentive, and the automobile carrier's submittal to the Port of proof of its entity status and authority to do business in Oregon, monthly reports for the relevant period summarizing its Qualifying Vessels at berth, berth locations, volumes of its Qualifying Autos discharged or loaded, and other information demonstrating qualification for the incentive. The Port must also be provided proof that the applicable tenant is offering the same or a substantially equivalent payment arrangement to the Auto Carrier. The Port will reconcile any questions or missing information with the Auto Carrier and confirm applicable data and qualifications. The Port will do a reconciliation after the end of the applicable Fiscal Year and communicate any credit earned to any qualifying Auto Carrier with Qualifying Vessels. In Fiscal Years 2025, 2026 and 2027, the Port will determine any incentive payment earned based on the qualifications and calculations of this incentive and the Port will make any payment due by September 30. The Port and applicable Tenant will promptly notify each other of payments made under or relating to this incentive.

[Remainder of Page Intentionally Left Blank]
11. Volume Calculation Example: to demonstrate how the incentive is to be calculated:

<table>
<thead>
<tr>
<th></th>
<th>1/1/23 - 6/30/23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY23</td>
</tr>
<tr>
<td>Auto Volume</td>
<td>110,000</td>
</tr>
<tr>
<td>Payout Year Volume 150,000 or greater?</td>
<td>YES</td>
</tr>
<tr>
<td>Prior Two Year Volume</td>
<td>360,000</td>
</tr>
<tr>
<td>Estimated Payout from the Port:</td>
<td>$ 180,000</td>
</tr>
</tbody>
</table>

12. Terms and Conditions Applicable to All Incentives

   a. **Reserved Right to Modify.** The Port reserves the right to modify or terminate the Auto Carrier Dockage Incentive or the Auto Carrier Volume Incentive (collectively "Incentives") at any time if the Port determines within its sole discretion that any incentive is being abused.

   b. **Maximum Amount of Incentives Credits.** The Port has allocated and authorized a maximum value for the aggregate of all Incentives to Auto Carriers. Therefore, in no event shall Incentive payments exceed, in the aggregate, three hundred and seventy-five thousand dollars (US $375,000) per year per qualifying Auto Carrier.

   c. **Termination of Incentives.** The Incentives may be earned only during the period January 1, 2023 through June 30, 2027 with any payment on the Auto Carrier Volume Incentive being issued no later than September 30, 2027.

   d. **No Port Tax Revenues Involved.** Under no circumstances will any of the Port's tax revenues be used to fund these Incentives. The Incentives will be funded exclusively from the non-tax revenues and non-aviation revenues of the Port of Portland. By seeking any of the Incentives, Auto Carrier expressly disclaims and waives any and all right, under any circumstances, to make a claim or seek recovery against the Port's tax revenues or aviation revenues to satisfy any of the Port's obligations in any way arising out of these Incentives.

   e. **Compliance with Law.** If it is subsequently determined that any aspect of these Incentives fail to comply with or otherwise offend governing Oregon or federal law, including laws administered by the Federal Maritime Commission, then, in the sole discretion of the Port, the Incentives will either immediately terminate or be modified to conform to the law.
f. **Incentives Interpretation.** The administration, interpretation and application of the terms and conditions in this letter are subject to the Port's sole discretion. The determination of the amount of and qualification for any Incentive will be subject to the Port's sole discretion. The Port reserves the right, at any time in the Port's sole discretion, to adjust or terminate any of the Incentives, or to terminate the Incentives in their entirety, on not less than thirty (30) days prior notice to Auto Carriers.

g. **No Partnership.** Nothing contained in this letter shall be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the Port and any automobile carrier.

h. **Entire Agreement.** The terms and conditions in this letter represent the entire terms of the Incentives and supersede any and all prior written or oral discussions, representations or agreements regarding the same subject.

i. **Carrier's Acceptance of These Terms.** Automobile Carrier's submission of a request for participation in either Incentive constitutes acknowledgement and acceptance of the Incentive terms and conditions in this letter.

Please contact Scott Kilgo, Senior Manager of Marine Business Development at (503) 415-6177 with any questions.

Sincerely,

Curtis Robinhold
Executive Director

APPROVED FOR LEGAL SUFFICIENCY
FOR THE PORT OF PORTLAND:

By: _________________________________
Counsel for The Port of Portland