

August 30, 2023

Mark Lindley
Portland General Electric
Senior Principal, Real Estate Strategy, Acquisitions & Dispositions
121 SW Salmon Street, 1WTC1302
Portland, Oregon 97204-9951

BY ELECTRONIC MAIL TO ALL PARTIES AUGUST 30, 2023 BY US MAIL TO MARK LINDLEY ONLY

RE: Request to reduce the acreage in the Seely Sublease by 19 acres

Dear Mr. Lindley,

I'm writing on behalf of the Port of Columbia County ("the Port") to formally request what we have previously requested of Portland General Electric ("PGE") in several previous meetings. This request is to remove a portion of the land currently occupied by Warren Seely as part of the Seely Agricultural Lease with PGE at Port Westward. PGE is a tenant of the Port, so the Lease between PGE and Mr. Seely is actually a Sublease ("Seely Sublease"). It was originally dated September 1, 2003, and amended on three (3) occasions (in 2007, 2010 and 2020). The Seely Sublease is currently in effect and expires in 2030.

This request is to remove approximately 19 acres from the Seely Sublease for use as part of the important and exciting NEXT Renewable Fuels project ("NEXT Project") at Port Westward.

PGE, the Port and the Seely's have long contemplated and been aware that portions of the Seely Sublease would be removed from the leasehold in the event of new development at Port Westward. This possibility is captured in the Seely Sublease at Section 17, where PGE as the "Lessor" has the right and option to reduce the acreage:

- 17. **Lessor's Options.** Lessor shall have the right and option at all times during the Term hereof, or any extension thereof, to reduce the acreage constituting the Premises and/or to terminate this Lease as deemed necessary or appropriate by Lessor as follows:
- 17.1 **Reduction.** Lessor shall have the right and option to reduce the acreage constituting the Premises by delivering written notice of the exercise of such right to Lessee at the address set forth herein not less than one hundred eighty (180) days prior to the effective date of the reduction. In such event, provided Lessee is not in default under the terms hereof, and further provided that Lessee is unable to harvest the current year's crop, Lessor shall reimburse Lessee by means of a rent credit for the reasonable value of the seed, fertilizer, and pesticides directly associated with the then current year's crop and the reduced acreage and the future Rent due pursuant to the Lease shall be reduced proportionately; provided, however, that, in no event shall Lessor be liable to Lessee pursuant to this Subsection for any sum in excess of the then current rent due Lessor pursuant hereto

prorated for the one hundred eighty (180) day notice period. Notwithstanding the foregoing, if the acreage reduced is equal to or less than Fifty (50) acres Lessor shall not be required to adjust the rent, or compensate or reimburse Lessee in any fashion with respect to such reduction. (emphasis added)

17.2 **Termination**. Lessor shall have the right and option to terminate this Lease by delivering written notice of the exercise of such right to Lessor at the address set forth herein not less than one hundred eighty (180) days prior to the effective date of termination. In such event, provided Lessee is not in default under the terms hereof, and further provided that Lessee is unable to harvest the current year's crop, Lessor shall reimburse Lessee by means of a rent credit for the reasonable value of seed, fertilizer, and pesticides directly associated with the current year's crop and the Premises. Notwithstanding the foregoing, in no event shall Lessor be liable to Lessee pursuant to this Subsection for any sum in excess of the then current rent due Lessor pursuant hereto for the lease year in which the termination is effective.

The Port is asking PGE to reduce the acreage of the Seely Sublease by approximately 19 acres. Pursuant to Section 17.1, no compensation of Mr. Seely is required. The 19 acres is outlined in the attached documents. The attachments highlight the need for (a) Piperack Access; (b) Hermo Rd. Access; and (c) Emergency Road Access for the NEXT Project. The attached letter also includes drawings which specifically outline the acreage needed for the NEXT Project on page 1 of the April 2, 2021 letter to PGE.

PGE has already agreed to send this notice to Mr. Seely. This acreage is vital to the NEXT Project, so we are kindly asking that you provide the 180-day *Notice of Reduction of Acreage* to Mr. Seely immediately but no later than **September 13, 2023**.

Please let me know if you have any questions.

Thank you very much,

Sean P. Clark
Executive Director
Port of Columbia County

Cc: Kristin Ingram

Brian Clark John Morton Wayne Law KJ Lewis