

BACKGROUND

During the past several months, the Oregon International Port of Coos Bay has been approached by several companies related to the development of a bulk cargo export facility. In some cases, these companies have proposed a coal-only export facility, and in other cases the companies have proposed a multi-purpose bulk cargo export facility that included coal and other dry bulk commodities. The Port desires to continue discussions with one or more of these companies; however, the Port is limited in the amount of real property under its control that may be available for development of such a facility, and is also limited in the amount of staff resources that may be devoted to assisting the companies in their due diligence investigations of such real property. To address these limitations, the Port intends to identify one or two companies with which the Port would enter into an Exclusive Negotiating Agreement (ENA).

PURPOSE

The purpose of an Exclusive Negotiating Agreement is to provide a Company with the assurance that, during the term of the Agreement, the Port will not engage in any discussions or negotiations with potential competing companies regarding the purchase or lease of the real property covered by the Agreement. During the term of the Agreement, it is expected that the Company and the Port will conduct due diligence investigations leading to the negotiation of an Option or Agreement for Lease or Sale of some or all of the Property. The Agreement does not prohibit the Port from engaging in discussions or negotiations, or from entering into other Agreements, for commodities and/or real property that is not expressly covered by the Agreement.

CRITERIA

When considering whether to enter into an ENA with a company, the Port will consider multiple factors including, but not limited to:

- (a) The experience of the Company (and its affiliates) in the development, construction and operation of similar facilities in the United State and abroad;
- (b) The Company's environmental record and use of environmental best management practices related to the design, construction and operation of similar facilities in the United States and abroad;
- (c) The financial strength of the Company and its investors;
- (d) The annual anticipated quantities and types of commodities that would be exported through the facility, including associated rail traffic and vessel movements, projected over 5, 10 and 20 year business cycles;
- (e) The Company's current level of understanding regarding the permitting, development and operational needs of the proposed facility;



- (f) The Company's anticipated need for the Port or a third party to finance or otherwise be directly involved in the permitting, development and/or operation of the proposed facility;
- (g) The Company's anticipated commitment to upgrading the utility and transportation infrastructure necessary to serve the proposed facility;
- (h) The Company's anticipated need for the Port or a third party to invest in upgrading the utility and transportation infrastructure necessary to serve the proposed facility;
- (i) The Port's anticipated cost of conducting its due diligence investigation of the Company and its proposed facilities;
- (j) The Company's anticipated process and timeline for conducting its due diligence investigation, permitting, construction, and commencing operations;
- (k) The interest of other companies in developing and/or operating a similar facility on the Property and the Port's lost opportunity cost associated with the ENA; and,
- (l) The proposed term and area, relative to the financial consideration offered, for the ENA.

DEADLINE

Any Company proposing to enter into an ENA with the Port should provide written documentation addressing the above considerations, to the best of its ability, by not later than **August 5, 2011**. If necessary, the Port may schedule a follow-up meeting between the Company and Port staff to discuss the Company's proposal. The Port anticipates making a decision before the end of August.

PUBLIC RECORDS NOTICE: *If the Company intends that the submitted information remain confidential, it should first ensure that it has a properly executed Confidentiality and Non-Disclosure Agreement (CNDA) with the Port. If the Company submits any documents or other information to the Port in the absence of a CNDA, or before execution of a CNDA with the Port, then such documents or other information may be subject to public inspection and disclosure pursuant to Oregon's Public Records Law (ORS Chapter 192).*