



March 26, 2020

Port Everglades Port Authority
Glen Wilshire – Acting Port Director
1850 Eller Driver
Fort Lauderdale, FL 33316

Re: Crowley Minimum Annual Guaranteed Shipmoves and Minimum Annual Guaranteed Payment

Dear Mr. Wilshire:

Crowley Liner Services, Inc. (“Crowley”), as terminal operator of Southport under the Marine Terminal Lease & Operating Agreement (“Terminal Agreement”), as amended by the First Amendment effective May 1, 2017, requests modification of the Minimum Annual Guaranteed Shipmoves and related Minimum Annual Guaranteed Payment in the First Amendment. A modification is justified due to the significant contraction of business activity stemming from the current Corona Virus crisis. Beginning this week we are seeing a substantial decline in bookings impacting the number of moves at PEV. It is impossible to predict how long lasting it will be and the degree of the decline as we work through this crisis with our shipping customers. Several have already given us force majeure notices that they will not be able to maintain contractual commitments on number of container moves. Others no doubt will follow. In anticipation of the decline in bookings and the potential for substantial losses and disruptions in the trades that we face, Crowley, Seaboard and King Ocean filed a Caribbean and Central America Emergency Cooperative Working Agreement (“FMC Agreement”) with the U.S. Federal Maritime Commission on Monday March 23rd and have requested expedited approval. The FMC Agreement will permit the named carriers and other carriers in the trades that join the FMC Agreement to rationalize sailing schedules, vessel routings, cancellation of sailings, and sharing of space among the participating carriers for the Caribbean and Central America. As you know, Crowley operates in those trades out of Port Everglades.

Crowley requests that the Port Authority recognize this unprecedented situation by waiving the Minimum Annual Guaranteed Shipmoves and Minimum Annual Guaranteed Payments for Years 3 and 4 (May 1, 2019 – April 30, 2020 and May 1, 2020 – April 30, 2021) effective immediately. Depending on the condition of the economy and the length of the disruption, we would work in good faith with the Port Authority to devise new Minimums when the trades have stabilized.

You are also aware of the other issue surrounding attainment of the Minimum Annual Guaranteed Shipmoves for Year 3. We have had discussions concerning the problems encountered by Crowley due to the ongoing County/PEV construction project that has resulted in denying fulltime access to the berth and the 2 cranes. It has made for impeded and difficult operations for Crowley during 2019 and to date. We request that we work with you to arrive at a solution for the shortfall in Year 3 which relates to the construction access issues at Southport. Crowley has been paying the Minimum Annual Guaranteed Payments on a monthly basis in spite of the experienced shortfalls. We would like to have a separate



crowley.com/social

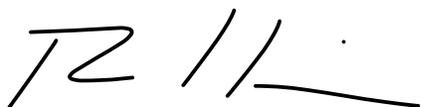
4300 McIntosh Road
Fort Lauderdale, FL 33316
P: 954.760.7900
crowley.com

discussion on this issue, including a fair allocation and credit going forward for the Minimum Annual Guaranteed Payments we have made in spite of shortfalls to the Guaranteed Shipmoves caused by the construction and access problems.

We will rely on the Port Authority and the County Attorney to advise the extent that an amendment requires Port Director and/or County Commission approval to modify the Minimum Annual Guarantee Shipmoves and Minimum Annual Guaranteed Payments in the First Amendment and the adjustments discussed.

We look forward to discussing these important matters with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Collins', with a horizontal line extending to the right.

Patrick Collins
VP, Operations
Crowley