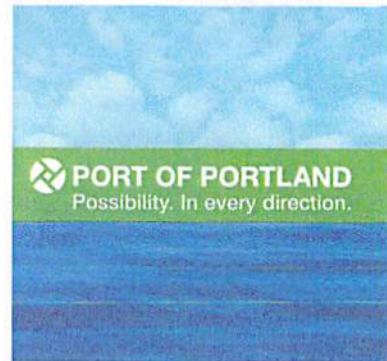


March 2, 2018

VIA CERTIFIED US MAIL AND E-MAIL

Ms. Michelle Peacock
Vice President, Head of Government Relations
Turo, Inc.
667 Mission Street
San Francisco, CA 94105



Re: **Turo, Inc. ("Turo") - Violation of Port Ordinance and Rules; Demand to Cease and Desist Activity**

Dear Ms. Peacock:

I am writing on behalf of the Port of Portland ("Port") in response to your earlier correspondence with Juli Killgore, regarding Turo's continued activities at Portland International Airport ("PDX").

Following receipt of your letter in June of last year, the Port has evaluated the contentions raised as well as Turo's ongoing marketing program and activities at PDX. Despite Turo's contentions to the contrary in its correspondence with the Port, Turo actively markets itself to the public as a rental car company doing business at PDX.¹ Turo's marketing further directly targets PDX and advertises the availability of car rentals at PDX.² Turo directly controls and profits from each car rental consummated at PDX, capturing between 10-35% of the price paid for each rental, screens potential renters, provides insurance coverage, and sets at least some car rental prices.³ On information and belief, Turo's representatives also provide instructions to car owners participating in Turo's program on how best to utilize PDX infrastructure and avoid detection by Port employee's when consummating rental transactions on PDX property. These direct activities of Turo, together with Turo's function as an information content provider as it pertains to its own website content and advertising targeting PDX, provide legitimate grounds for the Port to require Turo to obtain a permit for the activities it is engaging in at PDX, and render the immunizing provisions of Section 230 of Community Decency Act, 47 U.S.C. § 230, wholly inapplicable to Turo's conduct and business operations at PDX.⁴

The Port has statutory authority to enact ordinances regulating the use of its properties. *See* ORS 778.260(1). Even assuming that the definition of "personal vehicle sharing" as set forth in the State of Oregon's Insurance Code at ORS 742.585(2) were controlling on the issue of whether or not the Port has the legal authority to independently classify and require permits for activities conducted on Port-owned property, which it does not, Turo's activities do not qualify as a "personal vehicle sharing program" as defined in ORS 742.585(3) because the vehicles are used for commercial purposes (e.g. for-profit vehicle rental) and Turo is not a legal entity qualified to do business in the State of Oregon. Under the Port's validly enacted Ordinances, and in particular Section 3.2 of Port Ordinance 450-R, the Port has wide latitude to categorize business activity, and the Port has appropriately exercised its discretion in determining that Turo

¹ See, e.g., <https://www.ispot.tv/ad/wMn7/turo-this-is-turo> (last visited 1/18/17) ("When you rent a car on Turo . . .").

² See, e.g. <https://turo.com/about> (noting presence at 300 airports); <https://turo.com/how-turo-works> (noting cars are delivered to nearby airports); <https://goo.gl/JEXNop> (showing "169 cars available at Portland International Airport").

³ See, e.g., <https://turo.com/list-your-car>.

⁴ See generally, *Doe v. Internet Brands, Inc.*, 824 F.3d 846, 850-851 (9th Cir. 2016) (noting scope of immunity only applies to claims based on third-party provided information); *Fair Housing Council of San Fernando Valley v. Roomates.com, LLC*, 521 F.3d 1157, 1169 (9th Cir. 2008) (Section 230 immunity does not apply where party materially contributes to content); *id.* at 1174 n.37 (promoting use of search functionality for unlawful purposes does not fall within CDA immunity).

the legal authority to independently classify and require permits for activities conducted on Port-owned property, which it does not, Turo's activities do not qualify as a "personal vehicle sharing program" as defined in ORS 742.585(3) because the vehicles are used for commercial purposes (e.g. for-profit vehicle rental) and Turo is not a legal entity qualified to do business in the State of Oregon. Under the Port's validly enacted Ordinances, and in particular Section 3.2 of Port Ordinance 450-R, the Port has wide latitude to categorize business activity, and the Port has appropriately exercised its discretion in determining that Turo is engaged in an Off-Airport Rental Car Business for purposes of Port Ordinances No. 450-R and No. 451-R (collectively the "Ordinances").

To date, and notwithstanding prior notice, Turo still has not obtained the required authorization from the Port to operate as a Off-Airport Rental Car Business. Operating without valid authorization issued by the Port's Executive Director is a violation of Port Ordinance No. 451-R and Chapter 25 of the Portland International Airport Rules ("PDX Rules"). It is worth noting that under ORS 778.990, a violation of Port ordinances, also constitutes Class A misdemeanor under Oregon law. Please allow this letter to serve as a final notice that Turo must immediately cease advertising cars available for rent at PDX and facilitating rental activities at PDX without first obtaining a permit for such activity from the Port. If Turo fails to do so, it may be subject to any and all remedies available to the Port under the Ordinance, the Rules, and applicable law, and the Port will continue to issue citations to any Turo drivers identified at PDX engaging in a rental transaction.

The Port in no way intends to discourage Turo from operating legally at PDX, and remains willing to work with Turo to legalize its activities. To that end, attached to this letter please find the a draft permit substantially in the form that the Port would be willing to issue to Turo, subject to Turo's satisfaction of the conditions and payment of associated fees and deposits as set forth in the draft permit. Should you have questions regarding the permit terms or the mechanics of finalizing the permit as needed to legitimize Turo's activities, please contact Shane Andreasen via e-mail at Shane.Andreasen@portofportland.com, or by phone at (503) 415-6115.

Should you have questions or wish to discuss this matter further, please feel free to contact me.

Thank you,



Nathan Orf
Assistant General Counsel
Nathan.Orf@portofportland.com
(503) 415 6030

Enclosures

cc: Ms. Michelle Fang, Vice President and General Counsel, Turo, Inc.
Shane Andreasen, Senior Manager, Concessions Development
Michael Huggins, Landside Operations Manager, Port of Portland
Mark Leutwiler, Commercial Roadway Systems Manager, Port of Portland
April Murchinson, Ground Transportation Contracts Administrator, Port of Portland