

**NINTH AMENDMENT
TO
LEASE AND OPERATING AGREEMENT**

THIS NINTH AMENDMENT TO LEASE AND OPERATING AGREEMENT ("Ninth Amendment") is dated as of the ____ day of April, 2023____, by and between **THE NORTHWEST SEAPORT ALLIANCE**, a Washington port development authority, as licensee/agent of the **PORT OF TACOMA**, a Washington port district (collectively "Lessor"), and **AUTO WAREHOUSING CO.**, a Washington corporation ("Lessee").

RECITALS:

A. On or about December 5, 2002, Lessor and Lessee entered into that certain Lease and Operating Agreement (the "Lease"), respecting certain Premises located in Tacoma, County of Pierce, State of Washington, as more particularly described in the Lease.

B. From time to time, the volume of business conducted by Lessee in Tacoma has exceeded the storage capacity of the Premises. To accommodate such business Lessor and Lessee have agreed to increase the Non-Exclusive Preferential Use Area to be made available to Lessee pursuant to the Lease.

C. From time to time, Lessor has changed locations for temporary vehicle storage capacity, for example from an area known as the "Milwaukee Yard" to an area known as the "Portac Yard", and from an area known as "Lot F" to an area known as "Lot M". These changes resulted in changes in land and changes in efficiency of land used by Lessee, and resulted in increased or additional vehicle handling costs (collectively "additional vehicle handling costs"). The changes to temporary vehicle storage capacity also resulted in a 1,203 shortfall in parking bays ("Shortfall Bays") in Lessee's primary non-exclusive preferential use area (AWC Main Yard, Lot E, Lot M).

D. On June 17, 2011, Lessor and Lessee entered into a First Amendment to Lease and Operating Agreement ("First Amendment") to increase the Non-Exclusive Preferential Use Area to be made available to Lessee pursuant to the Lease, and to provide for reimbursement of certain additional vehicle handling costs, as set forth in the First Amendment.

E. Lessor and Lessee entered into a Second Amendment to Lease and Operating Agreement ("Second Amendment") dated July 8, 2011 and effective on August 1, 2011, which terminated and superseded the First Amendment.

F. Lessor and Lessee entered into an Agreement dated May 31, 2012 regarding the vacation of a portion of Lot F ("2012 Agreement"), and an Agreement dated March 25, 2013 regarding the vacation of all of Lot F ("2013 Agreement").

G. Lessor and Lessee entered into a Third Amendment to Lease and Operating Agreement ("Third Amendment") dated January 1, 2015 and effective on October 1, 2014, which terminated and superseded the Second Amendment, the 2012 Agreement, and the 2013 Agreement.

H. The Port of Tacoma and the Port of Seattle are the Managing Members of The Northwest Seaport Alliance, a Washington port development authority ("NWSA" or "Alliance"),

formed for the joint operation, management, and use of certain properties of each such Port by NWSA, and pursuant to the NWSA agreements, the Port of Tacoma licensed the operation, use and management of the real property and improvements that constitute the Premises under this Lease and Operating Agreement to the Alliance as the licensee/agent for the Port of Tacoma effective August 4, 2015, for the purposes and subject to the terms, conditions, and limitations set forth in such agreements, as now in effect or as hereafter amended or adopted, and for purposes of this Lease, the term "Lessor" shall mean and refer to The Northwest Seaport Alliance, unless the context clearly requires otherwise.

I. Lessor and Lessee entered into a Fourth Amendment to Lease and Operating Agreement ("Fourth Amendment") dated November 3, 2016 and effective November 1, 2016 regarding the addition of approximately 5,400 square feet of additional warehouse space into the Leasehold Area.

J. Lessor and Lessee entered into a Fifth Amendment to Lease and Operating Agreement ("Fifth Amendment") dated December 15, 2017 and effective December 1, 2017 regarding interest charges and Lot Q and Lot R covenants.

K. Lessor and Lessee entered into a Sixth Amendment to Lease and Operating Agreement ("Sixth Amendment") dated December 19, 2019 and effective December 31, 2019 regarding the extension of the term of the Third Amendment for one month.

L. Lessor and Lessee entered into a Seventh Amendment to Lease and Operating Agreement ("Seventh Amendment") dated January 15, 2020 and effective January 31, 2020 regarding the extension of the term of the Third Amendment on a month-to-month basis.

M. Lessor and Lessee entered into an Eighth Amendment to Lease and Operating Agreement ("Eighth Amendment") dated August 8th, 2020 regarding the Premises, term renewal, Participant Revenue Sharing, and vehicle handling costs.

N. The vehicle handling costs set forth in Section 11.f of the Eighth Amendment are significantly lower than current market rate for such costs given the limited availability and cost of labor, and Lessor recently paid higher rates.

O. Beginning August 1, 2022, Lessee has transitioned from and is no longer utilizing Lot "Q" and Lot "M" as described in the Eighth Amendment as a first point of rest for automobiles. The parties explored whether Lessee could instead use the East Sitcum Terminal beginning August 21, 2022, but the East Sitcum property was not available. In addition to utilizing Lot G for first point of rest as set forth in this Ninth Amendment, Lessee and Lessor will remain in discussion and are exercising best efforts to acquire additional first point of rest property for Lessee.

P. Lessor has identified Lot G (1202 Port of Tacoma Road), which may be used by Lessee as reflected in Exhibit A hereto.

Q. Lessor and Lessee now desire to further amend the Lease as more particularly set forth herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants herein and for other

valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, the parties hereby agree as follows:

1. Effective Date. This Ninth Amendment shall become effective on April 5, 2023.

2. Amendment Controls. To the extent any provisions of the Lease as previously amended are contrary or inconsistent with the terms of this Ninth Amendment, this Ninth Amendment shall control. Capitalized terms used in this Ninth Amendment but not herein defined have the meaning given in the Lease. For clarity, the Fourth and Eighth Amendments remain in effect except as otherwise contrary or inconsistent with the terms of this Ninth Amendment.

3. Ratification. Except as specifically amended hereby, each and every other term and condition of the Lease is hereby ratified and shall remain in full force and effect. The rates for shuttle expenses and bunching set forth this Ninth Amendment have been paid by Lessor to Lessee since December 21st, 2022 due to the increase in market rates for labor, labor unavailability, and competitors' rates for the same services. By approving this Ninth Amendment, the parties ratify the payment of these rates from December 21st, 2022 to the effective date of this Ninth Amendment.

4. Section 11 (f). Section 11 (f) of the Eighth Amendment is hereby deleted in its entirety and replaced with the following:

(f) When it is reasonably necessary for Lessee to incur Shuttle Expense to shuttle vehicles from a first point of rest to the Portac Yard or another similar site and then to Lessee's main facility, Lessor agrees to pay AWC for the reasonable expenses related to care and shuttling/bunching of vehicles during straight time hours as follows:

- Single Move Shuttle Expense either to or from Lot #24: \$37.86 per Unit
- Bunching (Yard Consolidation): \$8.00 per Unit
- Special Provisions for Lot "G" only:
 - Shuttle Expense if the yard is used as a First Place of Rest: \$4.55/Unit
 - Premium charge for the first place of rest shuttle fee until the yard is striped: \$2.00/Unit
 - Single Move either to or from the Main Yard/Lot "E" if Lot "G" is used \$18.94/Unit (this would be in place of a shuttle to Lot #24)

If Shuttles or Bunching need to occur during overtime or double time hours, AWC will include in the written request an estimate of the number of units to be shuttled or bunched as well as justification for the non-straight time hours. The per unit shuttle or bunching rate set forth herein will be increased by 1.5 for overtime and 2.0 for double time.

These rates will be evaluated and adjusted on the first of September of each year by the percentage change in the Employment Cost Index for private industry workers, wages and salaries (not seasonally adjusted) as determined by the Bureau of Labor Statistics. AWC will provide the calculation for each change.

The above Shuttle Expense amounts include all increments of shuttle moves for a single vehicle. Lessee shall use commercially reasonable efforts to minimize Shuttle Expense charged to Lessor. Payment shall be subject to the prior written approval from Lessor's authorized representative to be designated from time to time by Lessor and shall be based on monthly

invoices with detailed written justification and detailed backup (i.e., the VIN of each vehicle moved and date of each move).

5. Section 11(g)(new). A new Section 11(g) as follows shall be inserted after Section 11(f):

(g) Lessor will cover the actual expense plus a 7% administrative fee for the following expenses at any property used by AWC that is not otherwise equipped with AWC's security system:

- Security, for one security personnel per yard
- Lighting
- Pest control
- Additional reasonable expense necessary for use or operation of the yard facilities that are not otherwise within Lessee's maintenance, repair or replacement obligations under the Lease, provided that Lessee gives Lessor ten days' advance notice of the anticipated expense, except in an emergency.

IN WITNESS WHEREOF, the parties have executed this Ninth Amendment the day and year written below.

THE NORTHWEST SEAPORT ALLIANCE,
a Washington port development authority,
as licensee/agent for the **PORT OF TACOMA,**
a Washington port district

By: _____
Print Name: _____
Print Title: _____
Date: _____, 2023

AUTO WAREHOUSING CO.,
a Washington corporation

By: _____
Print Name: _____
Print Title: _____
Date: _____, 2023

Signature: Dennis P. Matteo
Dennis P. Matteo (Mar 24, 2023 15:14 PDT)

Email: dennis.matteo@autowc.com

Exhibit A_

(map of Lot G – 1202 Port of Tacoma Road)

