

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No. 9A
Date of Meeting August 1, 2023

DATE: July 27, 2022
TO: Managing Members
FROM: John Wolfe, CEO
Sponsor: Tong Zhu, Chief Commercial & Strategy Officer
SUBJECT: Terminal 5 Phase 2 SSAT Lease – 3rd Amendment – Amended

A. ACTIONS REQUESTED

Third Amendment to the Terminal 5 Lease Agreement: Request Managing Members of The Northwest Seaport Alliance (NWSA) re-affirmation of their authorization for the Chief Executive Officer or their delegate to enter into the Third Amendment to the Terminal 5 Lease with SSA Terminals (Seattle Terminals), LLC (SSAT) and to certain improvements and the financial responsibility for such improvements described therein in substantially the same form as presented.

NOTE: The Managing Members previously approved this action in August of 2022. However, due to various reasons, SSA did not execute the proposed Third Amendment to the Terminal 5 Lease Agreement until late June, 2023. Due to the passage of time since initial approval, a few project-driven dates in the proposed Third Amendment needed to be amended as NWSA would not commence such work until SSA committed to the Third Amendment. This item is being brought back to the Managing Members because of these date-driven changes to the Third Amendment resulting from this delay.

B. SYNOPSIS

SSAT has agreed to commit to the Phase 2 premises and eliminate the Phase 1 Plus premises Option from the Terminal 5 Lease. As part of the overall negotiation for SSAT's commitment to Phase 2 at Terminal 5, the parties have agreed to certain improvements and the financial responsibility for such improvements for the Terminal 5 Phase 2 redevelopment. Furthermore, NWSA would waive the Terminal 18 Container Lift Volume Fee for the calendar years of 2022 and 2023 in exchange for adding Container Volume Lift Fee to Terminal 5 for the duration of the Terminal 5 Lease term, starting January 1, 2024. NWSA and SSA had a pending dispute

regarding fiscal responsibility for certain improvement at the terminal. This amendment resolves those disputes.

C. BACKGROUND

Third Amendment to the Terminal 5 Lease Agreement

Overview. Phase 1 of the Terminal 5 redevelopment project was substantially complete and delivered to tenant SSAT effective January 1, 2022. The original Lease provides that commencing the later of January 1, 2024, or substantial completion of Phase 2 of the Terminal 5 redevelopment, SSAT would lease the terminal under the Phase 2 premises, unless SSAT exercised the option to lease a lesser portion of the terminal, referred to as the “Phase 1 Plus Premises”, by providing notice to the NWSA no later than June 30, 2023. Due to the demands of the marine cargo business since the opening of Terminal 5, SSAT has declined to exercise the Phase One Plus option and has instead elected to commit to the full Phase 2 premises.

As part of SSAT’s commitment to the Phase 2 premises, SSAT has agreed to a Third Amendment to the Terminal 5 Lease (“Third Amendment”). This Third Amendment provides that SSAT will coordinate and perform several construction projects for the Phase 2 Premises and purchase, install, and commission a minimum of (2) additional “Super Post Panamax” cranes. SSAT has already placed the order for the cranes, which are slated to arrive in the North Harbor in October 2023.

Changes Since Last Authorization (August 2022). The only changes from the earlier approval of this Lease Amendment are project deadlines resulting from the delay; these include: Project 1 – D – adjusting the stormwater delivery deadline from December 31, 2023 to May 31, 2024 (final completion by June 30, 2024); Project 1 – E completion of the Container Yard Expansion project, extended from December 31, 2025 to January 1, 2026; and Section 9 (load specification investigation report) – extended from May 31, 2023 to October 31, 2023.

NWSA was not in a position to commence the Project 1-E Container Yard Expansion Project unless and until SSA committed to the terms of the 3rd Amendment to the T5 Lease, so this delay in NWSA’s performance of this work was necessary. The 5-month extensions for SSA to complete the stormwater work and the load specification investigation report are not of significant consequence to NWSA. SSA is making good progress on both of these bodies of work. As the stormwater permit-holder, SSA is well-aware that the stormwater work needs to be completed, and SSA bears this risk. Additionally, the load specification information is needed for paving work that is being performed by and at SSA’s request (not NWSA’s), and SSA will need to complete this report before it can do the paving it desires.

Projects Addressed by Third Amendment.

Work to be completed by SSAT at NWSA Expense. Per the terms of the Third Amendment, SSAT will be responsible for completing two previously approved projects for which NWSA will reimburse SSAT: the reefer power supply for Phase 1 and Phase 2 Premises and installation of the New Gatehouse Complex.¹

Work to be completed by SSAT but amortized into additional rent. Additionally, SSAT will be responsible to complete the following amortized capital improvement projects at their initial cost to be reimbursed by the NWSA. NWSA will then amortize the cost of these improvements over the remaining term of the Lease by charging an additional capital improvements additional rent to SSAT based on the actual cost of these capital improvements amortized over the remaining life of the lease at an estimated cost of capital of 5% subject to adjustment due to market conditions. Should SSAT terminate the lease prior to the termination date; SSAT will be responsible for paying any unamortized amount for these amortized capital improvement projects:

- Reefer Demarcation Project – Infrastructure from the electrical vaults in the Phase 1 and Phase 2 areas to the reefer plugs; *SSAT to complete the work.*
- Transtainer Runs installation. *SSAT to complete the work.*
- Phase 2 container yard paving. *SSAT to complete the work.*

Work to be performed by NWSA but amortized into additional rent. The NWSA will complete the following work at the NWSA's initial cost, which will also then be included in the amortized capital improvements additional rent charged to the tenant:

- Container Yard Expansion Project - Demo of Container Freight Station (CFS) building, site preparation, stormwater, paving and access improvements. *The NWSA completes the work with a targeted completion date of January 1, 2026 (updated date).*

Funding for projects to be amortized into additional rent. By approving this third amendment, Managing Members would be authorizing additional funding to cover the estimated cost of the following projects (all of which will form the basis of the amortized capital improvements additional rent charged to the tenant over time):

¹ These Reimbursable Projects are NWSA's financial responsibility. The reefer power supply for the Phase 1 and Phase 2 Premises was a requirement of the initial Lease. The New Gatehouse Complex was a commitment made in the First Amendment to the Lease approved by the Managing Members on June 1, 2021. SSA is performing this work so it best suits SSA's needs and works with their ongoing operations and will be required to perform this work in compliance with public works requirements.

DESCRIPTION	COST
Reefer Demarcation Project	\$15,200,000
Transtainer Runs installation	\$ 6,000,000
Phase II Container Yard Paving	\$15,000,000
Container Yard Expansion Project	\$11,800,000
TOTAL	\$48,000,000

The project estimates at the time of the initial authorization were very high level and were based on either no design or preliminary design information. Some work has been completed on some of the projects, but based on some known risks the additional authorized amount should be \$61.5M.

These amortized capital improvement projects (Reefer Demarcation Project, Transtainer Runs Project and the Phase 2 Container Yard Paving Project) will be paid over the remaining lease term by the tenant as outlined above.

The program currently has a 2020 MARAD PIDP grant that includes approximately \$3.3M for the Phase 2 Container Yard Paving Project. As an update to the Managing Members from the last time this matter was presented, the NWSA has received a FY22 MARAD PIDP grant which includes approximately \$6.9M for the Container Yard Expansion Project.

Phase 2 Premises. The Third Amendment would modify the Phase 2 premises as it is currently set forth in the lease. The NWSA and SSAT have agreed to permanently reduce the Terminal 5 Phase 2 Premises from approximately 158.9 acres by approximately 5.5 acres to a new total of approximately 153.4 acres (17.6 acres Preferential Use Area/135.8 acres Leasehold Use Area). The reduced area is acreage that is non-functional for SSAT's long-term operations and consists primarily of the Terminal 5 Administration Building, the Administration Building parking lot and surface streets. Upon the commencement of the Phase 2 premises (targeted for 1/1/24), approximately 5.8 acres of Leasehold Use Area located around and including the Container Freight Station (CFS) building will temporarily be excluded for the duration of the Container Yard Expansion Project. Upon completion of these improvements (targeted for 1/1/25), the approximate 5.8 acres will be incorporated back into the total square footage for the full Phase 2 premises.

Key Terms of Third Amendment:

Premises	<p>Total Acres: 153.4 (permanently reduced by 5.5 Acres)</p> <p>At the commencement of Phase 2, Premises is temporarily reduced by 5.8 acres (CFS Area) for the duration of the Container Yard Expansion Project, then the 5.8 acres is reincorporated into the Phase 2 premises upon completion of the project.</p>
Commitment to Phase 2	<p>All references to and implications of Phase I Plus are deleted from the lease.</p>
Term	<p>Phase 2 shall commence the later of January 1, 2024, or substantial completion of Project B</p>
Rental Rate	<p>The base rental rate is \$159,120 per acre per year to increase annually by CPI with a minimum of 2% or half of the CPI not to exceed 5%</p> <p>Plus, “<u>Additional Rent</u>” for the amortized Capital Improvement Projects based on a flat annuity payment over the remaining term of the lease at a cost of capital of 5%. Should Lessee terminate the lease early, Lessee shall be responsible for any unamortized amount for the Capital improvement Projects prior to the termination date.</p>
Container Volume Lift Rate Fee	<p>Lessee pays a “Container Volume Lift Rate Fee” (\$17.57 in 2021 to be indexed for inflation) when the volume for Terminal 5 exceeds 2,300 boxes per acre per year in a 12-month period upon commencement of Phase 2.</p>
Cranes	<p>Lessee shall purchase, install and commission a minimum of two (2) new Super Post-Panamax cranes.</p>
Capital Improvement Projects	<p>The following costs of these Capital Improvements will be charged to SSAT amortized over time as capital improvements additional rent:</p> <ul style="list-style-type: none"> - Reefer Demarcation Project - Transtainer Runs Installation - Phase 2 Container Yard Paving - Container Yard Expansion Project

D. FINANCIAL IMPLICATIONS

The 2022-2026 Capital Improvement Plan Budget included \$10 million for the Reefer Demarcation project but did not include funds for the other aspects of this agreement. The \$10M for the reefer demarcation project had not yet been authorized by the Managing Members and was the subject of dispute resolution between NWSA and SSAT. The 2023 Capital Improvement Plan will include the full expected cost of the capital projects outlined herein², to include:

DESCRIPTION	COST (Rounded)
Reefer Demarcation Project	\$15,200,000
Transtainer Runs installation	\$ 6,000,000
Phase 2 Container Yard Paving	\$15,000,000
Container Yard Expansion Project	\$11,800,000
Total	\$48,000,000

Financial Impact

The original financial model discussed during the approval of the T5 expansion program was based on an entire strategy for the Seattle harbor including T18, T30, T46 and T5. That model assumed that T5 Phase 2 would be leased starting 2024 and assumed a lease of the 25-acre intermodal yard. The original model and lease did not assume any additional costs associated with the amortized capital improvement projects discussed herein.

Assuming long term revenue from a customer on a minimum of 29-acres at T46, approval of these three agreements, along with the Managing Member-approved short-term lease of T46 to the US Coast Guard, result in a return similar to the rate of return presented in the original Seattle Harbor strategy which authorized the T5 reconstruction.

E. ATTACHMENTS TO THIS REQUEST

- Third Amendment to Terminal 5 Lease Agreement

² The pending IY Improvements project will add an additional \$3,253,000 to this calculation.

F. PREVIOUS ACTIONS OR BRIEFINGS

April 3, 2019, Managing Member Meeting: Managing Members adoption of Terminal 5 Term Lease Agreement with SSA Terminals (Seattle Terminals), LLC as part of the North Harbor Strategy

June 1, 2021, Managing Member Meeting: Managing Members adoption of First Amendment to Terminal 5 Term Lease Agreement

April 6, 2022, Managing Member Meeting: Managing Members adoption of Second Amendment to Terminal 5 Term Lease Agreement

August 2, 2022, Managing Member Meeting: Managing Member authorization of Third Amendment to Terminal 5 Lease Agreement, Intermodal Yard Agreement, and 9th Amendment to T-18 Lease

THIRD AMENDMENT TO TERMINAL 5 TERM LEASE AGREEMENT

THIS THIRD AMENDMENT TO TERMINAL 5 TERM LEASE AGREEMENT (“**Amendment**”) dated as of _____, 2023 (the “**Amendment Date**”), by and between THE NORTHWEST SEAPORT ALLIANCE, a Washington port development authority (“**NWSA**”), as licensee/agent for the PORT OF SEATTLE, a Washington municipal corporation (“**Lessor**”), and SSA TERMINALS (Seattle Terminals), LLC, a Delaware limited liability company (“**Lessee**”), and together jointly the Parties (“**Parties**”).

WITNESSETH:

WHEREAS, Lessor and Lessee entered into that certain Terminal 5 Term Lease Agreement dated April 3, 2019, as amended by that certain First Amendment to Terminal 5 Term Lease Agreement dated June 1, 2021, and as further amended by that certain Second Amendment to Terminal 5 Term Lease Agreement dated April 5, 2022 (collectively, the “**Lease**”), pursuant to which Lessee agreed to lease from Lessor certain premises located in the Port of Seattle, Washington, as more specifically described in the Lease. Any capitalized term used but not defined in this Amendment shall have the meaning assigned to such term in the Lease;

WHEREAS, Lessor and Lessee previously executed a letter agreement dated August 13, 2021 addressing upgrades to the Existing Gate House, and a second letter agreement dated November 8, 2021 addressing the construction of the New Gate House Complex the terms of which the Parties agreed to incorporate into this Amendment;

WHEREAS, the Parties entered into a Settlement Agreement on January 10, 2022, which resolved certain Disputes identified in the Settlement Agreement which the Parties agreed to document in this Amendment; and

WHEREAS, Lessor and Lessee desire to amend the Lease to make certain modifications thereto pursuant to the terms and conditions set forth below:

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Section 1.2; Phase 2 Premises.** Section 1.2 of the Lease is hereby deleted in its entirety and replaced with the following: “Commencing on the later to occur of: (a) January 1, 2024; (b) Substantial Completion of the Project B portion of the Lessor Development work listed on Schedule 1-B to the Work Letter (as defined below); and (c) the date Lessor achieves a depth of not less than 50 feet mean lower low water at the Phase 2 Premises wharf in connection with its performance of the work set forth on Schedule 1-C of the Work Letter (“**Phase 2 Premises Commencement Date**”), Lessor hereby leases the Temporary Phase 2 Leasehold Area (defined in Section 1.2.1 below) and grants the use of the Phase 2 Preferential Use Area (defined in Section 1.2.2) to Lessee, and Lessee hereby leases and accepts the use of the same from Lessor, subject to

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(1) the Substantial Completion of Lessor Development work listed on Schedule 1-C of the Work Letter by the date set forth below and on Schedule 1-C of the Work Letter, and (2) all other terms and conditions contained in this Lease (“**Temporary Phase 2 Premises**”); provided however, if items (b) and (c) above have occurred prior to January 1, 2024, the Phase 2 Premises Commencement Date may be accelerated to a date agreed upon in writing by Lessor and Lessee without further amendment of this Lease. Notwithstanding anything to the contrary herein, Lessor shall be required to cause Substantial Completion of the Project C portion of the Lessor Development work listed on Schedule 1-C of the Work Letter to occur no later than December 31, 2024; provided however, the Substantial Completion of the Project C portion of the Lessor Development work listed on Schedule 1-C of the Work Letter shall not be a condition to the occurrence of the Phase 2 Premises Commencement Date. As used herein, “**Work Letter**” means, Exhibit D of the Lease. Commencing on the later to occur of (a) January 1, 2025, or (b) Substantial Completion of the Project E portion of the Lessor Development work listed on Schedule 1-E (the “**Container Yard Expansion Completion Date**”) attached to this Amendment as a Schedule to the Work Letter, Lessor hereby leases to Lessee the Phase 2 Leasehold Area (defined in Section 1.2.1 below), in lieu of the Temporary Phase 2 Leasehold Area, together with the use of the Phase 2 Preferential Use Area, and Lessee hereby leases and accepts the use of the same from Lessor, subject to the terms and conditions contained in this Lease (“**Phase 2 Premises**”).”

2. **Section 1.2.1; Phase 2 Leasehold Area.** Section 1.2.1 of the Lease is hereby deleted in its entirety and replaced with the following: “Commencing on the Phase 2 Premises Commencement Date, Lessor leases to Lessee approximately one hundred forty-seven and six tenths (147.6) acres of land, as legally described and shown on Exhibit A-2A, attached hereto, together with the Improvements and the Lessor Development work, described on Schedule 1-B and Schedule 1-C attached hereto (“**Phase 2 Temporary Leasehold Area**”). Commencing on the Container Yard Expansion Completion Date, Lessor leases to Lessee approximately one hundred fifty-three and four tenths (153.4) acres of land as legally described and shown on Exhibit A-2B, attached hereto, together with the Improvements and the Lessor Development work described on Schedule 1-E attached hereto (“**Phase 2 Temporary Leasehold Area**”). Lessee shall maintain access to Lessor’s lessees (cell tower tenants) who occupy a site located in the parking area surrounded by Lessee’s Phase 2 Leasehold Area as shown on Exhibit A-2B attached hereto.”

3. **Section 1.3; Phase 1 Plus Premises.** Lessee has agreed to lease the Phase 2 Premises pursuant to Section 2 of this Amendment, modifying Section 1.2 of the Lease above. Section 1.3 of the Lease and Sections 2.1.2 and 2.2.6 of the Work Letter are hereby deleted in their entirety, as well as all references in the Lease to the “Phase 1 Plus Option,” “Phase 1 Plus Premises Commencement Date,” the “Phase 1 Plus Premises,” the “Phase 1 Plus Leasehold Area,” the “Phase 1 Preferential Use Area,” and the “Phase 1 Plus Common Areas.” Exhibit A-3 is deleted in its entirety.

4. **Section 1.4; Subsequent Expansion to Phase 2 Premises.** Section 1.4 of the Lease is hereby deleted in its entirety.

5. **Section 3; Rent.** Section 3 of the Lease is hereby deleted in its entirety and replaced with the following:

“3.1 **Phase 1 Premises Rent.** Commencing on the Commencement Date until the Phase 2 Premises Commencement Date, Lessee agrees to pay, and Lessor agrees to accept, base rent

("Base Rent") in the amount of Eight Hundred Twelve Thousand Five Hundred and No/100 Dollars (\$812,500.00) per month, based on a Blended Rate of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) per acre for the Phase 1 Premises, including the existing Improvements thereon, designated as Phase 1 Leasehold Area and Phase 1 Preferential Use Area, and for the designated Phase 1 Common Areas, and periodic increases as provided in Section 3.5, and subject to all applicable taxes as now or hereafter assessed, including but not limited to Washington State leasehold excise tax ("LET") where applicable, currently assessed against taxable Base Rent for Leasehold and Common Area at twelve and eighty-four hundredths percent (12.84%) and payable by Lessee as set forth in Section 7.1. Taxable Base Rent subject to LET will be based on twenty-five percent (25%) of the total Base Rent or MAG Rent. The Preferential Use Area of the Premises is the most use-intensive and valuable area for Lessee's operations. The Preferential Use Area is also the costliest area for Lessor to develop compared to any other area within the Premises. To reflect these factors in the compensation Lessee pays for Premises, seventy-five percent (75%) of the total Base Rent or MAG Rent Lessee pays to Lessor shall be attributed to the use of the Preferential Use Area and twenty-five percent (25%) of the total Base Rent or MAG Rent shall be attributed to Lessee's leasing of the Leasehold and Common Area. "**Blended Rate**" means the average per acre amount when adding together the Base Rent for the Leasehold Area, Preferential Use Area, and Common Areas comprising the Premises, which as of the Commencement Date shall be one hundred fifty thousand dollars (\$150,000) per acre per year. Leasehold Area and Preferential Use Area acres, or any portion thereof, shall be applied to the Blended Rate per acre at one hundred percent (100%). Common Areas acres or any portion thereof shall be applied to the Blended Rate per acre at fifty percent (50%). Lessee shall enter information regarding cargo activity as requested by Lessor ("**Cargo Data**") on all terminal and intermodal yard activity (including containers, motor vehicles, and non-containerized cargo) into any marine terminal information system ("**MTIS**") or alternative system as utilized by Lessor from time to time. Lessee will enter or provide the Cargo Data within seven (7) calendar days following the end of each calendar month over the Lease Term.

3.2 Definitions. The following definitions will apply to this Section 3:

- (a) "**Adjustment Date**" shall have the meaning set forth in Section 3.5 below.
- (b) "**Annual MAG Lifts**" means MAG Per Acre Lifts multiplied by the Billable Acres. Following the Phase 2 Premises Commencement Date until the day preceding the Container Yard Expansion Completion Date, the "Annual MAG Lifts" are 339,480 ($2,300 \times 147.6 = 339,480$), and following the Container Yard Expansion Completion Date until the expiration of the Lease Term, the "Annual MAG Lifts" are 352,820 ($2,300 \times 153.4 = 352,820$);
- (c) "**Base MAG Rent**" means, as of the Container Yard Expansion Completion Date, an amount equal to (i) the annual Temporary Base MAG Rent (as adjusted on each Adjustment Date after the Phase 2 Premises Commencement Date), divided by (ii) the number of Billable Acres of the Temporary Phase 2 Leasehold Area (i.e. 147.6 acres), multiplied by (iii) the Billable Acres for the Phase 2 Premises, divided by (iv) twelve (12), which shall equal the total annual Base MAG Rent payable per month. The Annual Base MAG Rent shall be adjusted pursuant to Section 3.5.2 on each Adjustment Date thereafter;

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(d) **“Billable Acres”** means after the Phase 2 Commencement Date, the 147.6 acres within the Temporary Phase 2 Leasehold Area. Following the Container Yard Expansion Completion Date, the Billable Acres means 153.4 acres within the Phase 2 Leasehold Area;

(e) **“Container Volume Lift Rate Fee”** means the per-container fee for Lifts that exceed the Annual MAG Lifts. The Container Volume Lift Rate Fee as of the Phase 2 Premises Commencement Date shall be the “Container Volume Lift Rate Fee” defined in the Terminal 18 Lease by and between Lessor and Lessee dated as of October 28, 1999, as amended, which fee shall be adjusted on each Adjustment Date thereafter pursuant to Section 3.5;

(f) **“Index”** shall have the meaning set forth in Section 3.5 below;

(g) **“Lift”** means each inbound and outbound container (regardless of size) lifted by a container crane at the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable, including transshipped containers. If ro-ro vessels with motor vehicles as cargo use the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable, each vehicle as cargo driving on or off the vessel at the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable, by means other than use of the container crane will count the same as if those containers were loaded or unloaded by a container crane. Non-containerized cargo, other than ro-ro, shall be converted to a Lift based on each 10 metric tons loaded or unloaded.

(h) **“MAG Per Acre Lifts”** means 2,300 Lifts;

(i) **“MAG Rent”** means the Temporary Base MAG Rent portion of Rent due under Section 3.3 below, or the Base MAG Rent portion of Rent due under Section 3.4 below, as applicable; and

(j) **“Temporary Base MAG Rent”** means One Hundred Fifty-Nine Thousand One Hundred Twenty and No/100 Dollars (159,120.00) per Billable Acre (or 147.6 acres), which totals One Million Nine Hundred Fifty-Seven Thousand One Hundred Seventy-Six and No/100 Dollars (\$1,957,176.00) per month, and then as adjusted pursuant to Section 3.5.2 on each Adjustment Date until Base MAG Rent is due.

3.3 Temporary Phase 2 Premises Rent. Commencing on the Phase 2 Premises Commencement Date until the Container Yard Expansion Completion Date, Lessee agrees to pay, and Lessor agrees to accept, as Rent for the Temporary Phase 2 Premises: (a) Temporary Base MAG Rent; plus (b) the Container Volume Lift Rate Fee, multiplied by the number of Lifts that exceed the Annual MAG Lifts, if any, and subject to all applicable Taxes as now or hereafter assessed, including but not limited to LET, currently assessed against Temporary Base MAG Rent for the Temporary Phase 2 Leasehold Area at twelve and eighty-four hundredths percent (12.84%) and payable by Lessee as set forth in Section 7.1.

3.4 Phase 2 Premises Rent. Commencing on the Container Yard Expansion Completion Date and continuing through the remaining Lease Term, Lessee agrees to pay, and Lessor agrees to accept as Rent for the Phase 2 Premises: (a) Base MAG Rent; plus (b) the Container Volume Lift Rate Fee, multiplied by the number of Lifts that exceed the Annual MAG Lifts, if any. Rent shall be subject to all applicable Taxes as now or hereafter assessed, including but not limited to LET, currently assessed against Base MAG Rent for the expanded Phase 2 Leasehold Area at twelve and eighty-four hundredths percent (12.84%) and payable by Lessee as set forth in Section 7.1.

3.5 Periodic Adjustments.

3.5.1 Base Rent for the Phase 1 Premises shall be automatically adjusted on January 1, 2023, and every succeeding January 1st (each such date being referred to as an “**Adjustment Date**”) by the greater of (a) a minimum of two percent (2%), or (b) one-half of the percent change over the one (1)-year period preceding the applicable Adjustment Date in the Consumer Price Index for the Seattle-Tacoma-Bellevue Area, All Items, Not Seasonally Adjusted, 1982-84 = 100, All Urban Consumers (CPI-U), as issued by the U.S. Department of Labor, Bureau of Labor Statistics (the “**Index**”), or the Successor Index or closest comparable index if the Index is no longer published; provided, however, the monthly Base Rent increase shall never exceed five percent (5%) of the amount paid in the month prior to the Adjustment Date (the “**Indexed Dollars**”).

3.5.2 Commencing on the Adjustment Date following the Phase 2 Commencement Date, and on each succeeding Adjustment Date throughout the Lease Term, MAG Rent and the Container Volume Lift Rate Fee shall be automatically adjusted annually by the greater of (a) a minimum of two percent (2%), or (b) one-half of the percent change over the one (1)-year period preceding the applicable Adjustment Date in the Index; provided, however MAG Rent and the Container Volume Lift Rate Fee increase shall never exceed five percent (5%) of MAG Rent and the Container Volume Lift Rate Fee paid in the month prior to the Adjustment Date.

3.5.3 The manner of calculating MAG Rent and the Container Volume Lift Rate adjustment is illustrated by the following example:

Subject to Minimum 2%, Maximum 5%:

Current CPI Index (January 2016)	246.616
Less previous CPI Index (January 2015)	- 240.823
Equals index point change	= 5.793
Divided by previous CPI Index	÷ 240.823
Equals	= 0.024055
Result multiplied by 100	x 100
Percent Change	= 2.41%
50% of Percent Change	1.21%
Annual CPI for Example	2% (based on minimum increase)

The resulting product, or the percent change, rounded to two places after the decimal point, shall be multiplied by the existing monthly MAG Rent and the Container Volume Lift Rate Fee, as applicable, to determine the adjusted amount(s). Within thirty (30) days of the date of Lessor’s notice of adjustment to Lessee, which notice shall include the adjustment calculation, Lessee shall pay to Lessor the amount of any deficiency in MAG Rent paid by Lessee for the period following the subject Adjustment Date and shall thereafter pay the adjusted MAG Rent until receiving the next annual notice of adjustment from Lessor.

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3.5.4 If the Index is not published immediately prior to an Adjustment Date, the adjustment shall be calculated with reference to the most recent month for which the Index has been published prior to the Adjustment Date. If the Index is discontinued or revised during the Lease Term, Lessor, at its sole option, may use such other government index or computation with which it is replaced in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised. The figure for the month closest to and preceding the applicable Adjustment Date for which CPI-U data is available preceding the applicable Adjustment Date (the “**Applicable Data**”) and the one (1)-year period based on such month, shall be used for the calculation (e.g., for an Adjustment Date of July 1, the calculation shall be based on the Applicable Data published in April, because the data for June is not published until after the Adjustment Date, and the next earlier month for which data is currently published is April).

3.6 Billing Process.

3.6.1 During any period of the Lease Term that Lessee is paying MAG Rent and the Container Volume Lift Rate Fee, Lessee will enter the Cargo Data on all vessels (including containers and motor vehicles as cargo) into the MTIS. Lessee will enter the Cargo Data within ten (10) days after departure of the vessel from or to which the Lift occurred. Lessee already has access to the MTIS. Once Lessee has achieved the Annual MAG Lifts for a calendar year, Lessor’s MTIS will generate invoices based on the Cargo Data for all Lifts over the Annual MAG Lifts at the Container Volume Lift Rate Fee. Lessee will pay the invoice for the Container Volume Lift Rate Fee within twenty (20) days of receipt of the invoice. Once Annual MAG Lifts are achieved, Lessor will bill the balance of MAG Rent owed for that calendar year and discontinue MAG Rent advance invoicing for the remainder of that calendar year. MAG Rent advance invoicing will continue effective every new calendar year.

3.6.2 Lessor will assess a pro-rated eighteen percent (18%) annual interest for every day that the Cargo Data entry is late. Lessor will also assess a pro-rated eighteen percent (18%) interest for every day that the amount on invoice for the Container Volume Lift Rate Fee is delayed.

3.7 Audit Rights.

3.7.1 Right to Audit. During any period of the Lease Term that Lessee is paying MAG Rent and Container Volume Lift Rate Fee(s), Lessor may inspect and audit, through its employees or representatives, Lessee’s records regarding vessel activity and Lifts at the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable (“**Records**”). Lessee shall make the Records readily available for such examination. Lessor may undertake such inspection and/or audit at any reasonable time and from time to time. In the event the Records are not maintained in the Puget Sound region, they shall be made available for audit locally within five (5) business days of a request by Lessor, or Lessee shall pay in full, any travel and related expenses of Lessor representative(s) to travel to the location outside the Puget Sound region.

3.7.2 Right to Copy Lessee’s Records. Lessor or its representatives shall have the right to copy any and all Records regarding Lift volumes through the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable.

3.7.3 Lessee Must Reconstruct Insufficient Documentation. If upon examination or audit Lessor determines that sufficient documentation is not maintained, retained, or available

to verify Lessee's actual Lift volumes through the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable, Lessee shall pay for the cost of such visit, and in addition, should Lessor deem it necessary, Lessee shall reconstruct, at its sole cost and expense, all Records for the determination of Lift volumes through the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable for any period being audited. If, in Lessor's determination, Lessee fails to reconstruct all Records in accordance with this Section, then in addition to any remedies under Lease (as amended hereby) or at law, Lessor shall be entitled to collect the Container Volume Lift Rate Fee at the rate applicable for the period in question and assessed on Lessor's good-faith estimate of Lifts that are under-reported. Lessee is not entitled to deduct Lifts that are over-reported based on Lessor's good-faith estimate.

3.7.4 If Lift volumes are under-reported. If any such audit discloses that Lift volumes are less than reported:

(a) Lessee shall pay the Container Volume Lift Rate Fee due along with interest at the rate of 18% per annum for each Lift which exceeds the Annual MAG Lifts underreported; and

(b) If the audit reveals a discrepancy of more than five percent (5%) of the reported Lift volumes for the audited period, Lessee shall, in addition, pay the cost of such audit along with interest at the rate of 18% per annum on all charges when accrued for under-reported Lifts.

3.7.5 If Lift volumes are over-reported. If Lessee over-reports its Lift volume for the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable, and is due a refund, Lessee will be granted a credit toward future rents after deducting the cost of the audit.

3.7.6 Non-Containerized Lifts. Lessee must obtain Lessor's prior written approval for any non-containerized cargo and non-ro-ro uses that Lessee proposes at the Temporary Phase 2 Premises or the Phase 2 Premises, as applicable, and it shall be subject to the conversion factor discussed above that every 10 metric tons of non-containerized cargo shall be equal to one (1) Lift.

3.8 Capital Improvements; Capital Improvements Rent. The Container Yard Expansion Project (shown on Schedule 1-E), the Reefer Demarcation Infrastructure Project, the Transtainer Runs, and the Phase 2 Container Yard Paving (each shown under Item A on Schedule 1-F), shall be deemed a "**Capital Improvement**" and collectively the "**Capital Improvements**" under the Lease.

3.8.1 Calculation of Lessor Capital Improvement Cost. No later than ninety (90) days after Substantial Completion of the Container Yard Expansion Project, Lessor shall provide to Lessee, a statement ("**Actual Cost Statement**") showing the total actual costs for the design, permitting, installation and construction, minus any received or approved Grant Funding (as defined in Section 4.4 below) ("**Actual Costs**") for the Container Yard Expansion Project. The Actual Cost Statement provided by Lessor to Lessee shall be accompanied by an Amortization Schedule (as defined in subsection 3.8.3 below).

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3.8.2 Calculation of Lessee Capital Improvements Costs. No later than ninety (90) days after Substantial Completion of the Reefer Demarcation Infrastructure Project, the Transtainer Runs, and the Phase 2 Container Yard Paving, or such extended period as may be required to resolve an outstanding claim or disputed change order amount, Lessee shall provide to Lessor an Actual Cost Statement showing the Actual Costs for each of the Reefer Demarcation Infrastructure Project, the Transtainer Runs, and the Phase 2 Container Yard Paving. The Actual Cost Statement provided by Lessee to Lessor shall be accompanied by an Amortization Schedule (as defined in Section 3.8.3 below).

3.8.3 Calculation of Capital Improvements Rent. Each Actual Cost Statement shall be accompanied by an amortization schedule showing the amortization of the Actual Costs for such Capital Improvement at an interest rate equal to 5% per annum, calculated (a) in the case of an Actual Cost Statement from Lessor for the Container Yard Expansion Project, from the Container Yard Expansion Completion Date until the expiration of the initial Lease Term; and (b) in the case of each Actual Cost Statement from Lessee for each of the Reefer Demarcation Infrastructure Project, the Transtainer Runs, and the Phase 2 Container Yard Paving, from the applicable Lessor Reimbursement Date (as defined below) until the expiration of the initial Lease Term (“**Amortization Schedule**”). Within thirty (30) days after Lessor’s receipt of an Actual Cost Statement from Lessee for each of the Reefer Demarcation Infrastructure Project, the Transtainer Runs, and the Phase 2 Container Yard Paving, Lessor shall reimburse Lessee for the Actual Costs in the Actual Cost Statement (the “**Lessor Reimbursement Date**”).

3.8.4 Capital Improvements Rent; Payment. “**Capital Improvements Rent**” means the equal installments shown on the applicable Amortization Schedule for each Capital Improvement. The Amortization Schedule for each of the four (4) Capital Improvements, when delivered, shall be attached as Exhibits B-1 through B-4 to this Lease. In addition to and concurrent with Rent, Lessee shall pay Lessor on the first (1st) day of the calendar month following: (a) delivery of the Lessor’s Amortization Schedule, the monthly amount shown in the Amortization Schedule for the Container Yard Expansion Project, and (b) each Lessor Reimbursement Date, the monthly amount shown on the applicable Amortization Schedule for each of the Reefer Demarcation Infrastructure Project, the Transtainer Runs, and the Phase 2 Container Yard Paving.

3.8.5 Payment Upon Lease Termination. In the event the Lease is terminated prior to the expiration of the initial Lease Term by Lessor under Section 21 due to an uncured default by Lessee, Lessor’s remedies for such termination shall include the balance of Actual Costs for each Capital Improvement which remains unpaid as of the date of such termination (not including interest). In the event the Lease is terminated by Lessor or Lessee due to a condemnation or casualty, Lessor shall be entitled to the balance of Actual Costs for each Capital Improvement which remains unpaid (not including interest) following application of the condemnation award or insurance proceeds, as applicable, received by Lessor for the same.

3.9 General. All Rent shall be due and paid to Lessor monthly, in advance, on or before the tenth (10th) day of each month (without notice, deduction or offset, except as expressly provided in this Lease) at such place as Lessor may designate, without any prior demand; provided, however payment of the Container Volume Lift Rate Fee shall be due and payable as described in Section 3 (“**Rent**”). Payments may be made by ACH, EFT, auto-draft, or auto-pay.

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If Temporary Base MAG Rent, Base MAG Rent, Capital Improvements Rent, or the Lease Term commences (or ends) on any day other than the first (or last) day of a calendar month, then Rent shall be prorated per diem based on the actual number of days in such month.

3.10 Use of Term "Rent." Lessor and Lessee agree that the term "Rent" shall mean and refer collectively to sums denominated as rent for any Leasehold Area, Preferential Use Area, or Common Area, as applicable. As used in this Lease, "**Additional Rent**" means other sums or charges payable by Lessee under the terms of this Lease, unless the context clearly requires otherwise. Failure by Lessee to pay any sum denominated as Rent or Additional Rent shall entitle Lessor to pursue any or all remedies specified in this Lease as well as remedies specified in RCW Chapter 59.12, or as otherwise allowed by Applicable Law.

3.11 Interest. Lessee hereby acknowledges that late payment by Lessee to Lessor of Rent, Additional Rent, or any portion thereof, or any other sums due hereunder, will cause Lessor to incur costs not otherwise contemplated by this Lease, and will deny Lessor the benefits of such amounts as contemplated by this Lease. Accordingly, if any installment of Rent, Additional Rent, or any portion thereof, or any other sum due from Lessee shall not be received by Lessor within five (5) business days of when due, then, without any requirement for notice to Lessee, interest shall accrue on any unpaid Rent, Additional Rent, and/or any other sums due hereunder at the rate of eighteen percent (18%) per annum or the maximum rate allowed by Applicable Law, whichever is less, ("**Default Rate**") from the date due until the date paid. The above provisions are cumulative, and do not prevent Lessor from exercising any other rights or remedies under this Lease or Applicable Law."

6. Section 11.1.2; Phase 2 Premises. Section 11.1.2 of the Lease is hereby deleted in its entirety and replaced with the following: "Lessee, at its sole cost and expense has ordered two (2) additional Cranes for a minimum of six (6) Cranes to be used at the Phase 2 Premises to be used by Lessee and its customers. It is Lessee's intent to have the two (2) additional Cranes operational by the Container Yard Expansion Completion Date. Lessee shall purchase and commission additional dock/yard equipment as required for the operation of Lessee's business on the Phase 2 Premises by Lessee and its customers during the Lease Term."

7. Amended Section 4.4 to Work Letter. Section 4.4 of the Work Letter is hereby deleted in its entirety and replaced with the following:

“**Substantial Completion**” or “**Substantially Complete**” when referring to the Lessee Development means the Lessee Development is usable for its intended purposes, except for punch-list items that require minor or incidental work which do not prevent that portion of Lessee Development from being used for its intended purpose. Lessor and Lessee acknowledge and agree that Lessee has achieved Substantial Completion of the Stormwater Treatment System for the Phase 1 Premises and is expected to achieve Final Completion of the Stormwater Treatment System for the Phase 1 Premises, Substantial Completion of the Stormwater Treatment System for the Phase 2 Premises, and Final Completion of the Stormwater Treatment System for the Phase 2 Premises as provided in Schedule 1-D below; provided however, Lessor and Lessee agree that (i) Lessor's delay in achieving Substantial Completion of the Project B and Project C portion of the Lessor Development or the Container Yard Expansion may delay Lessee's ability to timely

Substantially Complete the Stormwater Treatment System for the Phase 2 Premises; and/or (ii) Lessor directed changes to Lessee's procurement of bids to conform with the grant process has delayed and may continue to delay Lessee's ability to timely Substantially Complete each phase of the Stormwater Treatment System (each a "**Lessor Delay**"). As to the Stormwater Treatment System for the Phase 2 Premises (the remaining drainage basin areas), Lessee shall give Lessor written notice of any Lessor Delay occurring prior to December 1, 2023, including the number of days of Lessor Delay, thereby extending the date for Lessee's performance of the Stormwater Treatment System for the Phase 2 Premises for each day of Lessor Delay, so long as Lessee achieves Substantial Completion of the Stormwater Treatment System for the Phase 2 Premises (the remaining drainage basin areas) on or before nine (9) months following: (a) Lessor's Substantial Completion of the Project B and C portion of the Lessor Development; and/or (b) Lessor's Substantial Completion of the Container Yard Expansion Project to the extent it impacts construction of the Stormwater Treatment System for the Phase 2 Premises; provided, however, in the event Grant Funding (as defined below) is available for the Stormwater Treatment System for the Phase 2 Premises, Lessee shall Substantially Complete the Stormwater Treatment System for the Phases 2 Premises on or before the "Budget Period Ending Date" for the Grant Funding, subject to Force Majeure. "**Grant Funding**" means Lessor or Lessee is eligible for, applies for, and is approved for a grant for funding of all or any portion of the Lessor Development work or the Lessee Development work. Lessor will not be responsible for paying Lessee's construction costs from the STS Allowance, incurred by Lessee up to and on Substantial Completion, after twelve (12) months following Lessor's Substantial Completion of the Project B and C portion of the Lessor Development and the Container Yard Expansion, as applicable."

8. Additional Development Projects.

8.1 Lessor Development and Lessee Development Projects. The parties acknowledge and agree that certain additional Lessor Development work as set forth on Schedule 1-E shall be added to Section 1 of the Work Letter, and certain additional Lessee Development work as set forth on Schedule 1-F shall be added to Section 2 of the Work Letter. Lessor shall provide Lessee with written notice of any delay in the anticipated occurrence of the Substantial Completion of the Container Yard Expansion Project beyond January 1, 2026 and the revised anticipated date for Substantial Completion of the Container Yard Expansion Project.

8.2 Additional Lessor Development Work - Lessor Constructed. In addition to the Lessor's Development work specified in the Work Letter, Lessor shall perform, at Lessor's sole cost and expense, work in the Phase 2 Premises in connection with the demolition of the container freight station building, restoration of pavement in the area of the demolished container freight station building, addition of stormwater infrastructure in the area of the demolished building to tie into the Stormwater Treatment System for the Phase 2 Premises, and removal of two (2) existing vehicle fuel stations to improve access from the area of the Container Yard Expansion to the Phase 2 Premises (the "**Container Yard Expansion Project**"). Lessor and Lessee will work in good faith to agree on the scope, plans and specifications for the Container Yard Expansion Project (the "**CYEP Plans**"). For purposes of the Lease (as amended hereby), the "**Container Yard Expansion Completion Date**" means the date that Lessor has achieved Substantial Completion of the Container Yard Expansion Project in accordance with the approved CYEP Plans.

8.3 Additional Lessee Development Work - Allowance Items. The Lessee Development work in Section 2 of the Work Letter shall be expanded to include three additional projects: the Existing Gate House Repair (“**Gate House Repair**”); the New Gatehouse Complex (“**New Gatehouse Complex**”); and the Reefer Power Supply for the Phase 2 Premises (“**RPS**”), as set forth in Item B of Schedule 1-F, attached to this Amendment, which Lessee shall design, permit, and construct. The definition of “Lessee Development” shall include the Stormwater Treatment System for the Phase 1 Premises and for the Phase 2 Premises, Gate House Repair, New Gatehouse Complex, and RPS. Each of the Gate House Repair, New Gatehouse Complex, and RPS shall be an “Allowance Item,” with an estimated “Allowance” to fund the cost relating to the initial design and construction and to reimburse Lessee for the actual cost to achieve Substantial Completion of such Allowance Item. Lessee’s completion of the Lessee Development work shall be subject to the provisions of Section 3, subsection 4.4., and Section 5 of the Work Letter.

8.3.1 Existing Gate House Repair. Lessor and Lessee have agreed that Lessee will commence and perform, at Lessee’s cost and expense, the Gate House Repair, meaning the construction work related to the repair of the “**Existing Gatehouse Complex**” (as described in the bid documents prepared by Lessee and attached as Exhibit C hereto (“**Gate House Repair Plans**”). Lessor shall reimburse Lessee for all actual costs and expenses incurred by Lessee related to the Gate House Repair in an amount not to exceed the Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) (“**Gate House Repair Allowance**”). The “**Gate House Repair Completion Date**” means the date that Lessee has achieved Substantial Completion of the Gate House Repair, which the Parties agree occurred prior to January 1, 2022. Lessor acknowledges Lessor’s continuing obligation under Section 9.2 to remedy damage to the Paving and other improvements made by Lessee with the Gate House Repair Allowance, including but not limited to the new scales installed in the Existing Gatehouse Complex, caused by settlement or displacement of soils, or the existence of buried slag.

8.3.2 New Gatehouse Complex. The New Gatehouse Complex (“**NGC**”) will be located north of the Existing Gatehouse Complex as shown on Exhibit C. The Parties have agreed that Lessee will, on behalf of Lessor, cause the design, permitting and construction of the NGC, at Lessor’s cost and expense, as shown on Schedule 1-F of the Work Letter. Lessee will cause the NGC Work (defined below) to be performed so the NGC may be Substantially Completed while Lessee is otherwise operating with the Existing Gatehouse Complex at the Premises, allowing Lessee to manage the work with the least impact on its day-to-day operations. The “**New Gatehouse Complex Completion Date**” means the date that Lessee has achieved Substantial Completion of the New Gatehouse Complex, subject to a Grant Funding Extension (as defined below), if applicable. Notwithstanding anything in the Lease to the contrary, Lessee understands that the Substantial Completion of the NGC Work (including any delay resulting from any Grant Fund Extension) will not delay or be a condition for the occurrence of the Phase 2 Premises Commencement Date.

8.3.2.1. NGC Plans and Specifications. Lessor and Lessee will work in good faith to agree on plans and specifications for the NGC (the “**NGC Plans**”) (including all construction drawings for the NGC Work (as defined below) and final bid plans for the NGC Work (the “**NGC Bid Documents**”)), which will include, but is not limited to: (a) location and size of

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twelve (12) truck lanes with scale pits; (b) re-striping of the truck queuing areas, adding trouble area parking and restroom facilities; (c) utility infrastructure to support the NGC; (d) grading and paving; (e) management, removal, export and disposal plans of any materials from the Premises related to the NGC Work; (f) stormwater system modifications as necessary to tie into and match the existing stormwater system and installation of an oil-water separator; and (g) design, permitting and construction for the phased demolition of the existing gate canopy and scale pits and restoration of area with Existing Gatehouse Complex for truck queuing, and phasing of relocation of truck scales and gate processing equipment between Existing Gatehouse Complex to the NGC.

8.3.2.2 NGC Budget. Lessor shall reimburse Lessee for all actual costs and expenses incurred by Lessee related to the construction of the NGC (“**NGC Budget**”) estimated to be Eighteen Million Three Hundred Fifty Thousand and No/100 Dollars (\$18,350,000.00) (exclusive of Change Orders). Lessee understands that Lessor will provide an Allowance for the costs and expenses in the amount of the NGC Work up to Seventeen Million Four Hundred Thirty-three Thousand and No/100 Dollars (\$17,433,000.00). Once the NGC Plans have been completed such that a final NGC Budget can be established, if the final cost of the NGC Work exceeds \$18,350,000, the parties will meet and confer to determine an increase in the NGC Budget and final Allowance to cover the anticipated full costs of the NGC Work.

8.3.2.3 NGC Schedule; Performance of NGC Work. Once the NGC Plans, NGC Bid Documents, and NGC Budget have been mutually agreed upon, Lessor and Lessee will work on good faith to agree on a schedule to construct the NGC (the “**NGC Schedule**”). Following agreement on the NGC Schedule, Lessee will construct the NGC in accordance therewith (the “**NGC Work**”). The NGC Work will include all civil, structural, electrical, mechanical, geotechnical, survey design costs, project management and construction management costs and fees for the design, permitting and construction of the NGC.

8.3.2.4 Changes to NGC Work. No material changes, modifications or alterations in the NGC Plans or the NGC Bid Documents may be made without a change order executed by Lessor and Lessee (a “**NGC Change Order**”), which shall be reasonably approved by each Party, and shall be approved in the case of an NGC Design Problem (as defined below). Upon execution, the NGC Change Order will increase the total amount of the NGC Budget and the Allowance. A “**NGC Design Problem**” may exist if the NGC Plans or NGC Bid Documents: (i) are reasonably expected to adversely affect structural, mechanical or electrical aspects of the NGC once constructed or other items of the Lessor Development, or (ii) fail to comply with Applicable Laws. No changes to the NGC Plans, NGC Bid Documents, the NGC Budget or the NGC Schedule may be made or incorporated therein without the prior written consent of Lessor in each instance; provided, however, Lessor shall not unreasonably withhold consent to a NGC Change Order if the change, modification, alteration, or schedule revision is caused by a delay or related to a requirement of the Grant Funding.

8.3.2.5 NGC Grant Funding. If Lessor is eligible for and obtains Grant Funding of all or any portion of the NGC Work, Lessee will include all requirements, conditions or terms related to such grant in the NGC Plans and NGC Bid Documents. Should such requirements cause an increase in the cost of the NGC Work, Lessor and Lessee shall meet and confer to determine an increase in the NGC Budget and allowance for necessary and reasonable costs to modify the NGC Work, up to the amount of the Grant Funding. Any review and approval by Lessor of the NGC Plans and the NGC Bid Documents is for its own benefit. Lessor shall not

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be responsible for any omissions or errors contained in the NGC Plans and/or the NGC Bid Documents. Lessee shall seek Lessor's authorization to proceed with construction of the NGC so that Lessor does not lose a Grant Funding opportunity for the NGC. If necessary to preserve a Grant Funding opportunity or for Grant Funding compliance, upon Lessor's request, Lessee shall delay the NGC Work by written notice to Lessor ("**Grant Funding Extension**"); provided, however, it shall not be unreasonable for Lessee to condition its approval on Lessor reimbursing Lessee for any maintenance costs and expenses paid for by Lessee for any work performed by Lessee pursuant to Section 9.2 of the Lease to keep the Existing Gate House Complex in good working condition and repair, and fully operable for its intended use until Substantial Completion of the NGC. Each day Lessee is delayed by Lessor from commencing the NGC Work due to a Grant Funding Extension shall be treated as a Force Majeure event. Lessee shall complete the NGC Work in a manner that preserves Lessor's eligibility for Grant Funding in connection therewith.

8.3.3 Reefer Power Supply. The reefer power supply will provide power to approximately 840 40-foot new reefer plugs in or at two locations on the Premises (the "**RPS**"). Notwithstanding Lessor's obligation under Schedule 1-B of the Work Letter, the Parties have agreed that Lessee will, on behalf of Lessor, be responsible for the design, permitting and construction of the RPS, at Lessor's cost and expense, subject to the terms agreed upon by the parties as set forth in this subsection. Lessee has agreed to undertake the RPS Work (defined below) allowing Lessee to manage such work with the least impact on its day-to-day operations. The "**RPS Completion Date**" means the date that Lessee has achieved Substantial Completion of the RPS, subject to a Grant Funding Extension, if applicable. Notwithstanding anything in the Lease to the contrary, Lessee understands that the Substantial Completion of the RPS Work will not delay or be a condition for the occurrence of the Phase 2 Premises Commencement Date.

8.3.3.1. RPS Plans and Specifications. Lessor and Lessee will work in good faith to agree on plans and specifications for the RPS (the "**RPS Plans**") which will include all construction drawings for the RPS (as defined below) and final bid plans for the RPS Work (the "**RPS Bid Documents**"), including, but not limited to, installing two (2) medium voltage sectionalized cabinets, four (4) enclosed 2500-KVA Secondary Unit Substations, and four (4) low voltage power factor correction capacitors, which equipment shall be connected to the N1 primary substation for Terminal 5 by installing new electrical infrastructure, which includes 1,200 ft medium voltage duct-bank, electrical manholes, medium voltage feeder cables, and all necessary support structures through existing electrical infrastructure installed at Terminal 5.

8.3.3.2 RPS Budget. The budget for all estimated hard and soft costs for the construction of the RPS ("**RPS Budget**") is estimated at Twenty-Three Million Five Hundred Twenty-Two Thousand and No/100 Dollars (\$23,522,000.00). Lessee understands that Lessor will provide an Allowance for the costs and expenses in the amount of the RPS Budget. Once the RPS Plans have been completed such that a final RPS Budget can be established, if the final cost of the RPS Work exceeds \$23,522,000.00, the Parties will meet and confer to determine an increase in the RPS Budget and final Allowance to cover the anticipated full costs of the RPS Work.

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8.3.3.3. RPS Schedule; Performance of RPS Work. Once the RPS Plans, RPS Bid Documents and RPS Budget (the “**RPS Work**”) have been mutually agreed upon, Lessor and Lessee will work on good faith to agree on a schedule to construct the RPS (the “**RPS Schedule**”). Following agreement on the RPS Schedule, Lessee will construct the RPS in accordance therewith. The RPS Work will include all civil, structural, electrical, mechanical, geotechnical, survey design costs, project management and construction management costs and fees for the design, permitting and construction of the RPS.

8.3.3.4 Changes to RPS Work. No material changes, modifications or alterations in the RPS Plans or the RPS Bid Documents may be made without a change order executed by Lessor and Lessee (a “**RPS Change Order**”), which shall be reasonably approved by each Party, and shall be approved in the case of a RPS Design Problem (as defined below). Upon execution, the RPS Change Order will increase the total amount of the RPS Budget and the Allowance. A “**RPS Design Problem**” may exist if the RPS Plans or RPS Bid Documents: (i) are reasonably expected to adversely affect structural, mechanical or electrical aspects of the RPS once constructed or other items of the Lessor Development, or (ii) fail to comply with Applicable Laws. No changes to the RPS Plans, RPS Bid Documents, the RPS Budget or the RPS Schedule may be made or incorporated therein without the prior written consent of Lessor in each instance; provided, however, Lessor shall not unreasonably withhold consent to a RPS Change Order if the change, modification, alteration or schedule revision is caused by a delay or related to a requirement of the Grant Funding.

8.3.3.5 RPS Grant Funding. If Lessor is eligible for and obtains Grant Funding of all or any portion of the RPS Work, Lessee will include all requirements, conditions or terms related to such grant in the RPS Plans and the RPS Bid Documents. Should such requirements cause an increase in the cost of the RPS Work, Lessor and Lessee shall meet and confer to determine an increase in the RPS Budget and allowance for necessary and reasonable costs to modify the RPS Work, up to the amount of the Grant Funding. Any review by Lessor of the RPS Plans and the RPS Bid Documents is for its own benefit. Lessee shall seek Lessor’s authorization to proceed with construction of the RPS Work so that Lessor does not lose a Grant Funding opportunity for the RPS. If necessary to preserve a Grant Funding opportunity or for Grant Funding compliance, upon Lessor’s request, Lessee shall delay the RPS Work through a Grant Funding Extension. Each day Lessee is delayed by Lessor from commencing the RPS Work due to a Grant Funding Extension shall be treated as a Force Majeure event. Lessee shall complete the RPS Work in a manner that preserves Lessor’s eligibility for Grant Funding in connection therewith. Lessee’s contractor shall have and maintain professional liability insurance in an amount sufficient to cover contractor’s legal and professional responsibility for any omissions or errors contained in the RPS Plans and the RPS Bid Documents.

8.3.4. Draw Request in Lieu of Allowance Disbursements. Lessee shall deliver to Lessor the same documentation required for a monthly disbursement from an Allowance under subsection 2.3.1, including: (i) a request for payment of the contractor, approved by Lessee, in a commercially reasonable form reasonably acceptable to Lessor, providing a summary of the costs for which payment is requested; (ii) invoices supporting all costs for which payment is requested for labor rendered and materials delivered to the Premises; (iii) an affidavit of prevailing wages paid; and (iv) executed conditional mechanic's lien releases from all of Lessee’s Agents which

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comply with Washington law (collectively, a “**Draw Request**”). Lessee shall additionally provide such further information as may be reasonably requested by Lessor (but the same will not be a condition to payment as provided for hereunder). Lessor has thirty (30) days following receipt of items (i) through (iv) hereof, to review and investigate the Draw Request documentation. Lessor shall, within thirty (30) days after receipt of a completed Draw Request, deliver a check to Lessee made payable to Lessee in payment of the amounts so requested by Lessee. Lessee shall not submit a Draw Request more than once in any month.

8.4 Additional Lessee Development Work; Capital Improvements. Lessee shall perform all work in connection with each of the three (3) Capital Improvements shown on Item A of Schedule 1-F, attached hereto, as Lessee Development work. Lessee shall initially fund all the costs and expenses of completing each of the three (3) Capital Improvements and the Actual Costs incurred by Lessee in connection with its performance of each Capital Improvement shall be reimbursed by Lessor and converted into Capital Improvements Rent in accordance with Section 3.8 above.

8.4.1. Reefer Demarcation Infrastructure. The Reefer Demarcation Infrastructure (“**RDI**”) will provide power from the RPS to the Reefer Plugs on the Phase 2 Premises. The Parties have agreed that Lessee will, on behalf of Lessor, be responsible for the design, permitting and construction of the RDI, at Lessor’s cost and expense, subject to the terms agreed upon by the parties as set forth in this subsection. Lessee has agreed to undertake the RDI Work (defined below) so that Lessee may integrate the RPS Work with the RDI Work and manage the RDI Work with the least impact on its day-to-day operations. Notwithstanding anything in the Lease to the contrary, Lessee understands that the Substantial Completion of the RDI Work (including any delay resulting from any Grant Fund Extension) will not delay or be a condition for the occurrence of the Phase 2 Premises Commencement Date.

8.4.1.1. RDI Plans and Specifications. Lessor and Lessee will work in good faith to agree on the plans and specifications for the RDI (the “**RDI Plans**”), which will include all construction drawings for the RDI and final bid plans for the RDI Work (the “**RDI Bid Documents**”), including, but not limited to, (a) electrical distribution from the RPS vaults in the Phase 1 Premises and Phase 2 Premises to the location of Lessee provided reefer plugs at Lessee provided pedestals or racks; (b) grading and paving; (c) management, removal, export and disposal plans of any materials from the Premises related to the RDI Work; and (d) design, permitting and construction costs for the RDI.

8.4.1.2 RDI Budget. The Project budget for all estimated hard and soft costs for the construction of the RDI (“**RDI Budget**”) is estimated as a project cost of Fifteen Million One Hundred Eighty-Two Thousand and No/100 Dollars (\$15,182,000.00) (exclusive of Change Orders). Lessee understands that Lessor will provide an Allowance for the costs and expenses of the RDI Budget. Once the RDI Plans have been completed such that a final RDI Budget can be established, if the final cost of the RDI Work exceeds \$15,182,000.00, the Parties will meet and confer to determine an increase in the RDI Budget and final Allowance to cover the anticipated full costs of the RDI Work.

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8.4.1.3. RDI Schedule; Performance of RDI Work. Once the RDI Plans, RDI Bid Documents, and RDI Budget have been agreed upon, Lessor and Lessee will work in good faith to agree on a schedule to construct the RDI (the “**RDI Schedule**”). Following agreement on the RDI Schedule, Lessee will construct the RDI in accordance therewith (the “**RDI Work**”). The RDI Work will include all civil, structural, electrical, mechanical, geotechnical, survey design costs, project management and construction management costs and fees for the design, permitting and construction of the RDI.

8.4.1.4 Changes to RDI Work. No material changes, modifications or alterations in the RDI Plans or the RDI Bid Documents may be made without a change order executed by Lessor and Lessee (a “**RDI Change Order**”), which shall be reasonably approved by each Party, and shall be approved in the case of a RDI Design Problem (as defined below). Upon execution, the RDI Change Order will increase the total amount of the RPS Budget and the Allowance. A “**RDI Design Problem**” may exist if the RDI Plans or RDI Bid Documents: (i) are reasonably expected to adversely affect structural, mechanical or electrical aspects of the RDI once constructed or other items of the Lessor Development, or (ii) fail to comply with Applicable Laws. No changes to the RDI Plans, RDI Bid Documents, the RDI Budget or the RDI Schedule may be made or incorporated therein without the prior written consent of Lessor in each instance; provided, however, Lessor shall not unreasonably withhold consent to a RDI Change Order if the change, modification, alteration, or schedule revision is caused by a delay or related to a requirement of the Grant Funding.

8.4.1.5. RDI Grant Funding. If Lessor is eligible for and obtains a grant for funding of all or any portion of the RDI Work, Lessee will include all requirements, conditions or terms related to such grant in the RDI Plans and the RDI Bid Documents. Should such requirements cause an increase in the cost of the RDI Work, Lessor and Lessee shall meet and confer to determine an increase in the RDI Budget and allowance for necessary and reasonable costs to modify the RDI Work. Any review by Lessor of the RDI Plans and the RDI Bid Documents is for its own benefit. Lessee shall seek Lessor’s authorization to proceed with construction of the RDI Work so that Lessor does not lose a Grant Funding opportunity for the RDI. If necessary to preserve a Grant Funding opportunity or Grant Funding compliance, upon Lessor’s request, Lessee shall delay the RDI Work through a Grant Funding Extension. Each day Lessee is delayed by Lessor from commencing the RDI Work due to a Grant Funding Extension shall be treated as a Force Majeure event. Lessee shall complete the RDI Work in a manner that preserves Lessor’s eligibility for Grant Funding in connection therewith. Lessee’s contractor shall have and maintain professional liability insurance in an amount sufficient to cover contractor’s legal and professional responsibility for any omissions or errors contained in the RDI Plans and the RDI Bid Documents.

8.4.2 Installation of Transtainer Runs. The Parties have agreed that Lessee will, on behalf of Lessor, be responsible for the design, permitting and construction of the installation of the transtainer runs (the “**TR**”), at Lessor’s cost and expense, subject to the terms agreed upon by the parties as set forth in this subsection. Lessee has agreed to undertake the TR Work (defined below) so that Lessee may integrate and manage the TR Work with the least impact on its day-to-day operations. Notwithstanding anything in the Lease to the contrary, Lessee understands that

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the Substantial Completion of the TR Work will not delay or be a condition for the occurrence of the Phase 2 Premises Commencement Date.

8.4.2.1 TR Plans and Specifications. Lessor and Lessee will work in good faith to agree on plans and specifications for the TR (the “**TR Plans**”), which will include all construction drawings for the TR and final bid plans for the TR Work (the “**TR Bid Documents**”), including, but not limited to, design, permitting and construction costs for the TR.

8.4.2.2 TR Budget. Lessor shall reimburse Lessee for all Actual Costs incurred by Lessee related to the construction of the TR (“**TR Budget**”), estimated to be Six Million and No/100 Dollars (\$6,000,000.00) (exclusive of Change Orders). Lessee understands that Lessor will provide an Allowance for the costs and expenses of the TR Work up to the TR Budget. Once the TR Plans have been completed such that a final TR Budget can be established, if the final cost of the TR Work exceeds \$6,000,000.00, the Parties will meet and confer to determine an increase in the TR Budget and final Allowance to cover the anticipated full costs of the TR Work.

8.4.2.3. TR Schedule; Performance of TR Work. Once the TR Plans, TR Bid Documents, and TR Budget have been mutually agreed upon, Lessor and Lessee will work in good faith to agree on a schedule for the completion of the TR (the “**TR Schedule**”). Following agreement on the TR Schedule, Lessee will construct the TR in accordance therewith, including site preparation and construction of four (4) 5-foot wide by 1-foot eight inches deep reinforced concrete runways for Rubber Tire Gantry container handling equipment totaling approximately 4,400 feet (the “**TR Work**”). The TR Work will include all civil, structural, electrical, mechanical, geotechnical, survey design costs, project management and construction management costs and fees for the design, permitting and construction of the TR.

8.4.2.4 Changes to TR Work. No material changes, modifications or alterations in the TR Plans or the TR Bid Documents may be made without a change order executed by Lessor and Lessee (a “**TR Change Order**”), which shall be reasonably approved by each Party, and shall be approved in the case of a TR Design Problem (as defined below). Upon execution, the TR Change Order will increase the total amount of the TR Budget and the Allowance. A “**TR Design Problem**” may exist if the TR Plans or TR Bid Documents: (i) are reasonably expected to adversely affect structural, mechanical or electrical aspects of the TR once constructed or other items of the Lessor Development, or (ii) fail to comply with Applicable Laws. No changes to the TR Plans, TR Bid Documents or the TR Budget may be made or incorporated therein without the prior written consent of Lessor in each instance; provided, however, Lessor shall not unreasonably withhold consent to a TR Change Order if the change, modification, or alteration is caused by a delay or related to a requirement of the Grant Funding. Lessee shall notify Lessor of any delays to the TR Schedule.

8.4.3 Phase 2 Container Yard Paving. The Parties have agreed that Lessee will, on behalf of Lessor, be responsible for the Phase 2 Container Yard Paving, and as such, Lessor will first complete the Load Specification Investigation (as defined below). To the extent required for the existing pavement section to meet the Load Specifications as shown in the Load Specification Investigation, Lessee will, on behalf of Lessor, remove the top 4-inches of asphalt

concrete and overlay with 4-inches of new pavement in the area of the Temporary Phase 2 Premises (the “**Paving**”), at Lessor’s cost and expense, subject to the terms agreed upon by the parties as set forth in this subsection. Lessee has agreed to undertake the Paving Work (defined below) so that Lessee may integrate and manage the work with the least impact on its day-to-day operations. Notwithstanding anything in the Lease to the contrary, Lessee understands that the Substantial Completion of the Paving (including any delay resulting from any Grant Fund Extension) will not delay or be a condition for the occurrence of the Phase 2 Premises Commencement Date.

8.4.3.1 Paving Plans and Specifications. Lessor and Lessee will work in good faith to agree on plans and specifications for the Paving (the “**Paving Plans**”), which will include all construction drawings for the Paving and final bid plans for the Paving Work (the “**Paving Bid Documents**”), including, but not limited to, design, permitting and construction costs for the Paving.

8.4.3.2 Paving Budget. Lessor shall reimburse Lessee for all Actual Costs incurred by Lessee related to the construction of the Paving (“**Paving Budget**”) estimated to be Fifteen Million and No/100 Dollars (\$15,000,000.00)] (exclusive of Change Orders). Lessee understands that Lessor will provide an Allowance for the costs and expenses of the Paving Work up to the Paving Budget. Once the Paving Plans have been completed such that a final Paving Budget can be established, if the final cost of the Paving Work exceeds \$15,000,000.00, the Parties will meet and confer to determine an increase in the Paving Budget and final Allowance to cover the anticipated full costs of the Paving Work.

8.4.3.3. Paving Schedule; Performance of Paving Work. Once the Paving Plans, Paving Bid Documents, and Paving Budget have been mutually agreed upon, Lessor and Lessee will work in good faith to agree on a schedule for the completion of the Paving (the “**Paving Schedule**”). Following agreement on the Paving Schedule, Lessee will complete the Phase 2 Container Yard Paving in accordance therewith (the “**Paving Work**”). The Paving Work will include all civil, structural, geotechnical, project management and construction management costs and fees for the completion of the Paving.

8.4.3.4 Changes to Paving Work. No material changes, modifications or alterations in the Paving Plans or the Paving Bid Documents may be made without a change order executed by Lessor and Lessee (a “**Paving Change Order**”), which shall be reasonably approved by each Party, and shall be approved in the case of a Paving Design Problem (as defined below). Upon execution, the Paving Change Order will increase the total amount of the Paving Budget and the Allowance. A “**Paving Design Problem**” may exist if the Paving Plans or Paving Bid Documents: (i) are reasonably expected to adversely affect structural, mechanical or electrical aspects of the Paving once constructed or other items of the Lessor Development, or (ii) fail to comply with Applicable Laws. No changes to the Paving Plans, Paving Bid Documents, or the Paving Budget may be made or incorporated therein without the prior written consent of Lessor in each instance; provided, however, Lessor shall not unreasonably withhold consent to a Paving Change Order if the change, modification, alteration or schedule revision is caused by or related to a requirement in the Grant Funding.

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8.4.3.5 Paving Grant Funding. If Lessor is eligible for and obtains Grant Funding of all or any portion of the Paving Work, Lessee will include all requirements, conditions or terms related to such grant in the Paving Plans and the Paving Bid Documents. Should such requirements cause an increase in the cost of the Paving Work, Lessor and Lessee shall meet and confer to determine an increase in the Paving Budget and allowance for necessary and reasonable costs to modify the Paving Work. Any review by Lessor of the Paving Plans and the Paving Bid Documents is for its own benefit. Lessee shall seek Lessor's authorization to proceed with construction of the Paving Work so that Lessor does not lose a Grant Funding opportunity for the Paving. If necessary to preserve a Grant Funding opportunity or Grant Funding compliance, upon Lessor's request, Lessee shall delay the Paving Work through a Grant Funding Extension. Each day Lessee is delayed by Lessor from commencing the Paving C Work shall be treated as a Force Majeure event. Lessee shall complete the Paving Work in a manner that preserves Lessor's eligibility for Grant Funding in connection therewith.

8.4.4. Process in Lieu of Monthly Draw Requests and Allowance Disbursements. With respect to the Capital Improvements performed by Lessee as described in Section 8.4 above, in lieu of delivering monthly Draw Requests, Lessee shall deliver to Lessor a monthly written statement providing: (i) a summary of the costs for that calendar month; (ii) invoices supporting all such costs; (iii) an affidavit of prevailing wages paid; and (iv) executed conditional mechanic's lien releases from all of Lessee's Agents which comply with Washington law (collectively, a "**Monthly Actual Cost Statement**"). Lessee shall additionally provide such further information as may be reasonably requested by Lessor.

9. Load Specification Investigation. Lessor shall conduct an investigation (the "**Load Specification Investigation**") of the existing pavement section to assess current load capacity at the Phase 2 Premises, which Load Specification Investigation shall be completed by September 30, 2023. Lessor shall provide Lessee with a copy of the report received by Lessor in connection with the Load Specification Investigation ("**Load Report**"), which Load Report shall set forth the conclusions of such Load Specification Investigation, including whether the current condition of the paving meets the "Live Load Combinations" set forth in Exhibit B-2 to the Lease (the "**Load Specifications**"). To the extent that the Load Report identifies areas of the Phase 2 Premises which do not meet the Load Specifications, the parties will meet and confer to determine how to address such nonconformance and the paving requirements for such areas.

10. Amended Exhibit A-2 to the Lease. Exhibit A-2 attached to the Lease is hereby deleted in its entirety and replaced with Exhibit A-2A attached to this Amendment (Legal Description and Diagram of the Temporary Phase 2 Premises) and Exhibit A-2B attached to this Amendment (Legal Description and Diagram of the Phase 2 Premises).

11. Amended Schedules 1-B, 1-C, 1-D of the Work Letter. Schedule 1-B, Schedule 1-C and Schedule 1-D to the Work Letter are hereby deleted in their entirety and replaced with the following Schedule 1-B, Schedule 1-C and Schedule 1-D attached to this Amendment.

12. Tariff No. 300/149. From and after the Amendment Date, Lessee shall comply with the Northwest Seaport Alliance Terminals Tariff No. 300 Item No. 149.00, as currently in effect or as hereafter amended, issued, or replaced (the "**NWSA Tariff 300/149**"). If Lessor dissolves, Lessee shall continue to comply with NWSA Tariff 300/149 until Lessor (or any

successor to Lessor's interest hereunder) notifies Lessee of the Port of Seattle tariff item which will apply in place of the NWSA Tariff 300/149.

13. **Ratification.** Except as modified in this Amendment, the Lease is hereby ratified and affirmed. Any references to the "Lease" in the Lease shall mean the Lease as modified by this Amendment.

14. **Entire Agreement.** This Amendment constitutes the sole and only agreement of the parties hereto with respect to the subject matter hereof (other than the Lease, as amended hereby) and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof and cannot be changed except by their written consent.

15. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

16. **Rule of Construction.** The parties hereto acknowledge that the parties and their respective counsel have each reviewed and revised this Amendment, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Amendment or any exhibits hereto.

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[SIGNATURE AND ACKNOWLEDGEMENT PAGES FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

LESSOR

THE NORTHWEST SEAPORT ALLIANCE
as licensee/agent for the Port of Seattle

By: _____

Name: _____

Its: _____

LESSEE

SSA TERMINALS (SEATTLE TERMINALS),
LLC

By:  _____

Name: Uffe Ostergaard _____

Its: President _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of THE NORTHWEST SEAPORT ALLIANCE, a Washington port development authority, as licensee/agent for the Port of Seattle, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2023.

[PRINT NAME] _____

NOTARY PUBLIC for the State of Washington,
residing at _____.

My appointment expires: _____.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Uffe Ostergaard is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of SSA TERMINALS (SEATTLE TERMINALS), LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: June 29, 2023.



[Handwritten Signature]

[PRINT NAME] Shawn Lear Jensen

NOTARY PUBLIC for the State of Washington,
residing at Seattle, WA

My appointment expires: 10/08/2024

Exhibit A-2A

Temporary Phase 2 Leasehold Area

(Attached)

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Exhibit A-2B

Phase 2 Leasehold Area

(Attached)

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Exhibits B 1 - B-4

Amortization Schedule

(To Be Attached) ^{wo}

Exhibit C

Gate House Repair Plans

(Attached)

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Schedule 1-B

Project B

Container Dock Apron for Phase 2 Premises. Lessor will construct or install the following at Terminal 5, specified in MC-0318308 conformed plans and specifications:

Approximately 1,480 lineal feet of wharf from the 1480 footmark to the 0 footmark and a second shorepower service one Super Post Panamax container vessel in the Phase 2 Premises;

Power for four Cranes; and

100-foot gauge crane rail rated not less than 171 lbs., matching the load capacity.

ILWU Breakroom for Phase 2 Premises. Lessor will construct one breakroom for use by ILWU workers in the vicinity of wharf footmarks 750 to 800. The breakroom will be a two-story structure of 2,200 usable sq. feet. The first floor will have restrooms, a breakroom area with a kitchen sink, and 40 sq. feet of counter space (with 20 lineal feet of undercounter cupboards). The second story will have two enclosed offices and a common area with access via one exterior staircase.

Project B Schedule: Lessor will achieve Substantial Completion on or before December 31, 2023.

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Schedule 1-C

Project C

Dredging. Lessor will carry out the following activities related to dredging at Terminal 5: construct toe walls and dredge 2,750 lineal feet off the eastern edge of the concrete wharf to a depth of not less than 55 feet mean lower low water.

Project C Schedule. Lessor will achieve Substantial Completion on or before December 31, 2024.

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Schedule 1-D

Project D

Stormwater Treatment System. Lessee will design, permit, install, and construct stormwater treatment systems for the Phase 2 Premises (as legally described on Exhibit A of the Lease) to meet the anticipated stormwater treatment requirements for Lessee's Permitted Use. Lessee has designed the entire stormwater treatment system for the Phase 2 Premises (the "STS Design"). The STS Design is attached as Schedule 2-D hereto.

Lessee achieved Substantial Completion of construction of the Stormwater Treatment System for the Phase 1 Premises (which consists of TS-A (SB9, 11A & 11B) and TS-b (SB6, 7, 10 & 13) on May 30, 2023, and will resolve several open items and will achieve Final Completion of the Stormwater Treatment System for the Phase 1 Premises on or before August 30, 2023 (unless extended for the duration of a Lessor Delay, Grant Funding Extension, and/or a Force Majeure delay).

Lessee shall Substantially Complete construction of the Stormwater Treatment System for the basins in Phase 2 Premises on or before May 31, 2024 and will achieve Final Completion of the Stormwater Treatment System for the Phase 2 Premises on or before June 30, 2024 (unless extended for the duration of a Lessor Delay, Grant Funding Extension, and/or a Force Majeure delay).

"Substantial Completion" in this context means that the applicable Phase of the Stormwater Treatment System is working and treating water, and "Final Completion" in this context means that there are no open items to complete.

Lessor shall not be responsible for construction costs incurred by Lessee after the later to occur of: (a) December 31, 2024, and (b) twelve (12) months after Substantial Completion of the Stormwater Treatment System for Phase 2 Premises (unless extended for a Lessor Delay, Grant Funding Extension, and/or a Force Majeure delay).

Reefer Plugs. Lessee shall construct up to approximately 860 40-foot reefer plugs at the Premises.

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Schedule 2-D

Project D - STS Design

(Attached)

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Schedule 1-E
Additional Lessor Development Work
Project E

- A. Container Yard Expansion Project. On or before January 1, 2026, Lessor shall complete:
1. Demolition of the container freight station building;
 2. Restoration of pavement in the area of the demolished building;
 3. Addition of stormwater infrastructure in the area of the demolished building to tie into Phase 2 Stormwater system; and
 4. Removal of two (2) of the six (6) existing vehicle fuel stations to improve access from the Container Yard Expansion area to the Phase 2 Premises.

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Schedule 1-F
Additional Lessee Development Work
Project F

A. Capital Improvements Amortized Additional Rent:

1. Reefer Demarcation Infrastructure Project. Construction and installation of electrical infrastructure to provide power from the RPS to the approximately 840 40-foot new reefer plugs on the Phase 2 Premises.
2. Transtainer Runs. Installation of Transtainer Runs.
3. Phase 2 Container Yard Paving. To the extent required for the existing pavement section to meet the load capacity of the Load Specifications, Lessee will remove the top 4-inches of asphalt concrete and overlay with 4-inches of new pavement in the Temporary Phase 2 Premises area; provided however, to the extent the Load Report identifies areas that do not meet the Load Specifications, Lessor and Lessee will meet and confer to determine how to address such nonconformance and the paving requirements for such areas.

B. Additional Lessee Development Work; Allowance Items:

1. Reefer Power Supply. Installation of electrical capacity sufficient to support no fewer than 840 40-foot refrigerated containers, including, but not limited to, installing two (2) medium voltage sectionalized cabinets, four (4) enclosed 2500-KVA Secondary Unit Substations, and four (4) low voltage power factor correction capacitors, which equipment shall be connected to the N1 primary substation for Terminal 5, including 1,200 ft medium voltage duct-bank, electrical manholes, medium voltage feeder cables, and all necessary support structures to connect the RDI to the RPS through electrical infrastructure installed at Terminal 5.
2. New Gatehouse Complex. Construction of a “**New Gatehouse Complex**” for the operational use of Terminal 5. The New Gatehouse Complex is not included in MC-0318308 conformed plans and specifications. Lessor and Lessee will negotiate in good faith to come to agreement on plans and specifications for New Gatehouse Complex, including, but not limited to:
 - location, size and number of lanes;
 - truck queuing areas;
 - design and materials;

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- demolition of Existing Gatehouse Complex;
- repaving of area of the demolished Existing Gatehouse Complex; and
- operational plan for transition between Existing Gatehouse Complex and New Gatehouse Complex, including truck queue and gate operations during phased demolition and repaving of the Existing Gatehouse Complex.

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Item No. 9A
Date of Meeting: August 1, 2023

T5 Third Amendment to Lease

Tong Zhu, Chief Commercial & Strategy Officer
David Morrison, CFO
Thais Howard, Director of Engineering
Dana Henderson, General Counsel

Action Requested

- **Third Amendment to the Terminal 5 Lease Agreement:** Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to enter into the Third Amendment to the Terminal 5 Lease with SSA Terminals (Seattle Terminals), LLC eliminating the Phase 1 Plus premises and to certain improvements and the financial responsibility for such improvements and to commence Phase 2 operation on January 1, 2024 in substantially the same form as presented.

NOTE: MMs previously approved this action in August of 2022. Due to the passage of time, a few project-driven dates needed to be amended, this item is being brought back to the MM due to date-driven changes to the Third Amendment.



Third Amendment – What’s Changed & Why?

The only substantive changes since Aug. 2022 prior approval are project deadlines resulting from the delay in execution of the 3rd Amendment:

- **Project 1 – D – Stormwater Delivery Deadline** extended from December 31, 2023 to May 31, 2024 (final completion by June 30, 2024) (SSA Work, SSA’s risk of non-compliance);
- **Project 1 – E Container Yard Expansion Project** - Demo of Container Freight Station (CFS) building, site preparation, stormwater, paving and access improvements. *NWSA to complete the work with a targeted completion date of January 1, 2026 instead of January 1, 2025 (NWSA work, NWSA risk)*
- **Section 9 (load specifications investigation)** – extended from May 31, 2023 to October 31, 2023 (SSA work to support SSA’s paving project)



T5 Third Amendment - Projects to be Amortized Into Additional Rent

- SSA will complete the following capital improvement projects:
 - Reefer Demarcation Project
 - Transtainer Runs installation
 - Phase II container yard paving
- NWSA will complete the following:
 - Container Yard Expansion Project, which includes demolition of the CFS building, site preparation, stormwater, paving and access improvements as part of the container yard.
- The combined cost of the above projects will be recovered by the NWSA at a cost of capital of 5% over the term of the lease charged as Additional Rent.



Background – T5 Third Amendment

- The current term lease provides SSAT the option to lease a smaller portion of the terminal, "Phase 1 Plus" premises, by providing notice to the NWSA no later than June 30, 2023 or commence Phase 2 effective January 1, 2024.
- By signing the T5 3rd Amendment, SSAT elected to commit to the Phase 2 premises and did not exercise its Phase 1 Plus Option.
- In addition, through this 3rd Amendment, SSAT has agreed to:
 - Coordinate and perform several Phase 2 construction projects for the terminal to be fully operational by January 1, 2024; and
 - Purchase, install and commission a minimum of (2) additional "Super Post Panamax" cranes (original lease required 4)



Third Amendment - Premises

- The Phase 2 Premises (158.9 acres) would be permanently reduced by 5.5 acres to approximately 153.4 acres (17.6 acres Preferential Use/35.8 acres Leasehold Use Area)
- The eliminated acreage (5.5 acres) is non-functional for SSAT's operations primarily consisting of:
 - Administration Building;
 - Administration Building Parking Lot; and
 - Surrounding Surface Streets
- The Phase 2 Premises will temporarily be reduced for the Container Yard Expansion Project by approx. 5.8 acres for the duration of the project. (targeted completion **01/01/2026 – new date**)



Amortized Project Estimated Costs

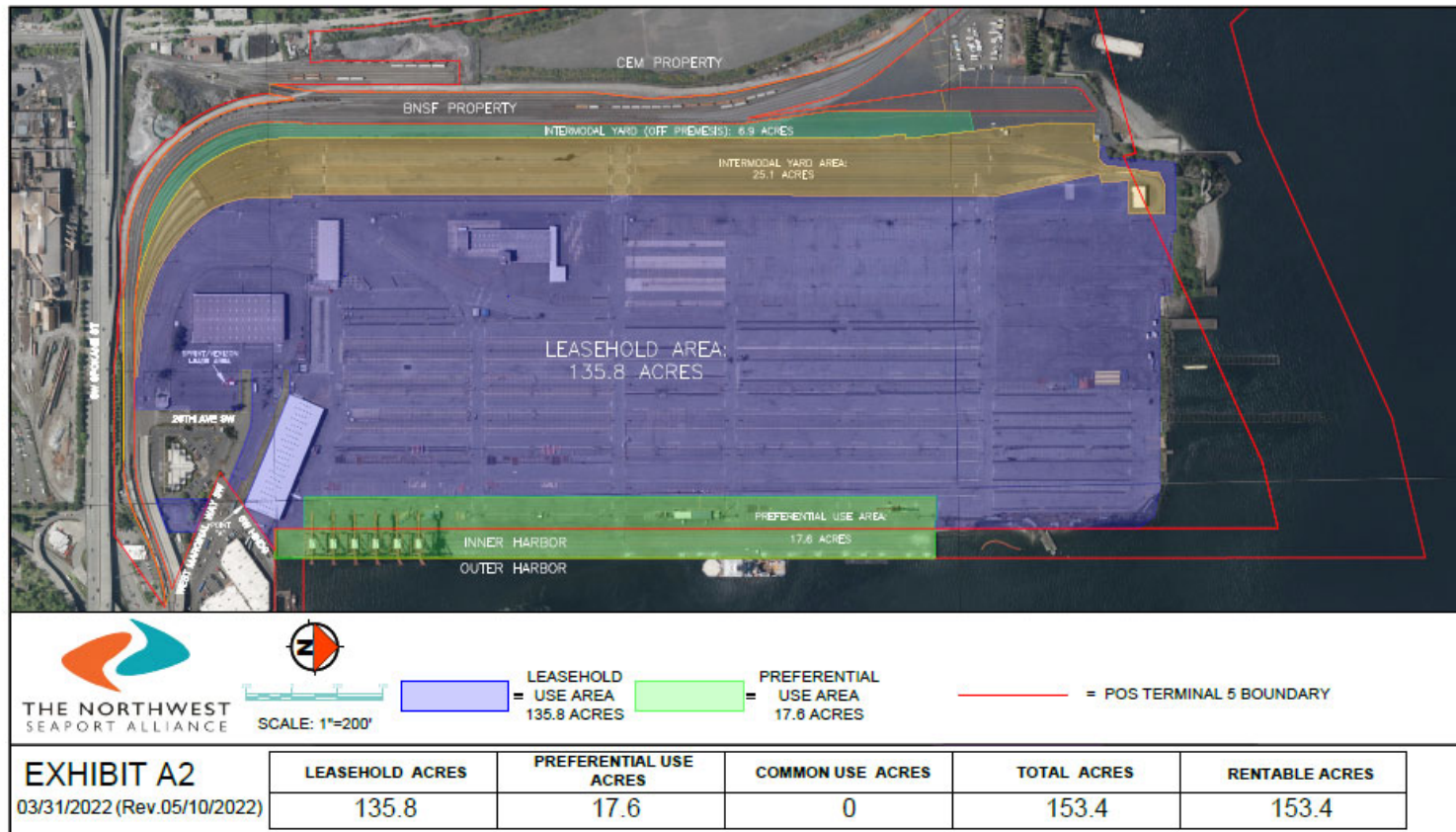
DESCRIPTION	COST
Reefer Demarcation Project	\$15,200,000
Transtainer Runs installation	\$ 6,000,000
Phase II Container Yard Paving	\$15,000,000
Container Yard Expansion Project	\$11,800,000
TOTAL	\$48,000,000

- A high-level stochastic risk model has been run and the P-85 is \$52.9M and the P-100 is \$61.5M. Due to the accuracy of the estimates, the **additional authorized amount requested is \$61.5M.**
- The Amortized Capital Improvement Projects (Reefer Demarcation Project, Transtainer Runs Project and the Phase II Container Yard Paving Project) will be paid over the remaining lease term by the tenant as outlined above.
- The program currently has a 2020 MARAD PIDP grant that includes approximately \$33M for the Phase II Container Yard Paving Project. In the last year, NWSA has received a 2022 MARAD PIDP grant of approximately \$6.9M for the Container Yard Expansion Project.

T5 Third Amendment Site Plan B

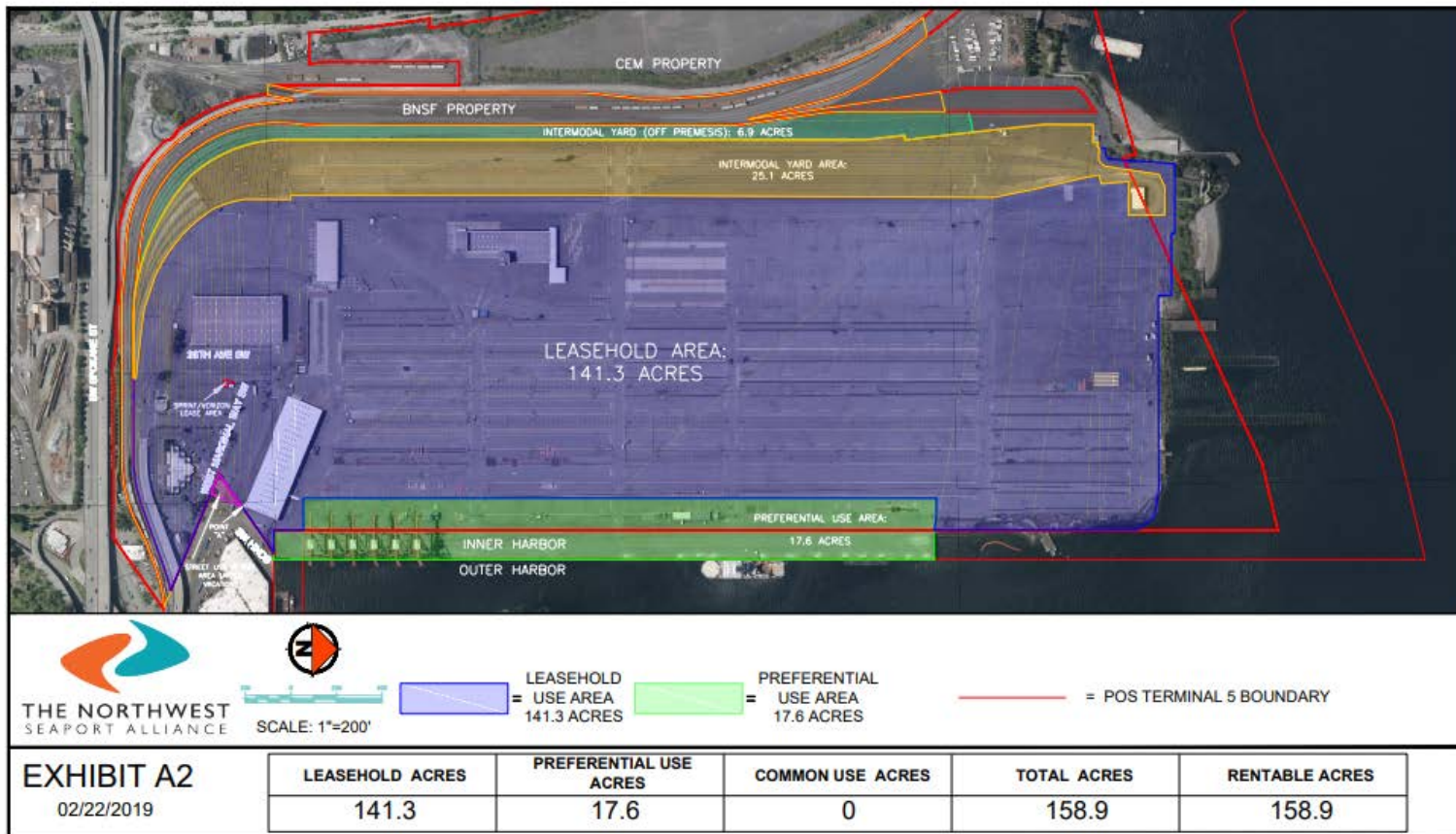
Proposed Final Site Plan

TERMINAL 5 LEASE AREAS SSAT JOINT VENTURE - PHASE 2(B)



Current Terminal 5 Site Plan

TERMINAL 5 LEASE AREAS SSAT JOINT VENTURE - PHASE 2



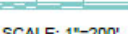


T5 Third Amendment Site Plan A

Container Yard Expansion Project

TERMINAL 5 LEASE AREAS SSAT JOINT VENTURE - PHASE 2(A)






SCALE: 1"=200'

= LEASEHOLD USE AREA 130.0 ACRES
 = PREFERENTIAL USE AREA 17.6 ACRES
 = POS TERMINAL 5 BOUNDARY

EXHIBIT A2	LEASEHOLD ACRES	PREFERENTIAL USE ACRES	COMMON USE ACRES	TOTAL ACRES	RENTABLE ACRES
04/13/2022 (Rev.05/10/2022)	130.0	17.6	0	147.6	147.6



Third Amendment Key Terms

Term	Description
Container Volume Lift Rate Fee	Lessee pays a “Container Volume Lift Rate Fee” (\$17.57 in 2021 to be indexed for inflation) when the volume for Terminal 5 exceeds 2,300 boxes per acre per year in a 12-month period upon commencement of Phase 2.
Cranes	Lessee shall purchase, install and commission two (2) new Super Post-[Panamax cranes
Capital Improvement Projects amortized into Additional Rent	<p>Lessee to complete the following Capital Improvement Projects: to be amortized into additional rent:</p> <ul style="list-style-type: none"> - Reefer Demarcation Project - Transtainer Runs Installation - Phase 2 Container Yard Paving <p>Lessor to complete the following capital improvement project to be amortized into additional rent:</p> <ul style="list-style-type: none"> - Container Yard Expansion Project
Capital Improvement Projects at NWSA expense (not amortized into additional rent)	<p>Lessee to complete the following capital improvement projects at NWSA expense (all as previously-approved by the Managing Members, incorporated into Lease to track the work):</p> <ul style="list-style-type: none"> - New Gatehouse Complex - Reefer power supply for phase 1 and phase 2 premises

Third Amendment Key Terms

Term	Description
Premises	<p>Total Acres: 153.4 (permanently reduced by 5.5 Acres)</p> <p>Upon commencement of Phase 2, Premises is temporarily reduced by 5.8 acres (CFS Area) for the duration of the Container Yard Expansion Project</p> <p>All references to and implications of Phase 1 Plus are deleted</p>
Term	<p>Phase 2 shall commence the later of January 1, 2024 or substantial completion of Project B</p>
Rental Rate	<p>The estimated rental rate is \$159,120 per acre per year to increase annually by CPI with a minimum of 2% or half of the CPI not to exceed 5%</p> <p>Plus, “<u>Additional Rent</u>” for the Capital Improvement Projects based on a flat annuity payment over the remaining term of the lease at a cost of capital of 5%. Should Lessee terminate the lease early, Lessee shall be responsible for any unamortized amount for the Capital improvement Projects prior to the termination date.</p>

Financial Implications

- The original financial model discussed during the approval of the T5 expansion was based on an entire strategy for the Seattle harbor including T18, T30, T46 and T5. That model assumed that T5 Phase 2 would be leased starting 2024 and assumed a lease of the 25-acre intermodal yard. The original model and lease did not assume any additional costs associated with the Amortized Capital Improvement Projects
- Approval of this agreements, along with prior Managing Member approved actions including the short-term lease of portions of T46 to the US Coast Guard and combined with future agreements to be presented to the Managing Members, will result in a return similar to the rate of return presented in the original Seattle Harbor strategy which authorized the T5 reconstruction.



Action Requested

- **Third Amendment to the Terminal 5 Lease Agreement:**
Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to enter into the Third Amendment to the Terminal 5 Lease with SSA Terminals (Seattle Terminals), LLC eliminating the Phase 1 Plus premises and to certain improvements and the financial responsibility for such improvements and to commence Phase 2 operation on January 1, 2024 in substantially the same form as presented.

