Item Number:

6a Attach 1

Date of Meeting: December 11, 2012

THIRTEENTH AMENDMENT TO LEASE BETWEEN PORT OF SEATTLE AND TOTAL TERMINALS INTERNATIONAL LLC TERMINAL 46

THIS THIRTEENTH AMENDMENT TO LEASE made as of _______, 20_____, by and between the PORT OF SEATTLE, a Washington municipal corporation, hereinafter called "the Port," and TOTAL TERMINALS INTERNATIONAL LLC, a Delaware limited liability company, hereinafter called "Lessee."

WITNESSETH:

WHEREAS, the parties entered into a lease agreement dated March 26, 1991, (FMC No. 224-200497), hereinafter called the "Basic Lease," covering certain premises and activities by Lessee at Terminal 46, Seattle, Washington, which **Basi**c Lease was subsequently amended by First Amendment dated January 11, 1994, to increase the Premises by 4 acres for one year; Second Amendment dated July 1, 1993, to amend the rental; Third Amendment dated May 24, 1994, to adjust the Premises and amend the rental accordingly; Fourth Amendment dated November 22, 1994, to amend the preferentially assigned equipment provisions; Fifth Amendment dated September 10, 1996, to document the January 1, 1996, rental renegotiation stipulated in the Basic Lease; countersigned letters dated June 12, 1998, and January 21, 2000, amending the Premises and rental; Sixth Amendment dated March 28, 2001, to extend the lease term, add to the Premises, adjust rental and fees, and provide for Premises expansion, renovation, and three new container cranes; Seventh Amendment dated January 10, 2002, to add lease provisions transferring maintenance and repair responsibilities for container cranes from Port to Lessee; Eighth Amendment dated December 30, 2003, to handle minimum container shortfalls; Ninth Amendment dated January 20, 2005, to extend the lease term, add a lease term option, add an option to expand the Premises, make capital improvements to the Premises, and adjust the rental and fees; Tenth Amendment dated September 30, 2009, to incorporate the Customer Support Package and the Port's Clean Air Program; Eleventh Amendment dated March 31, 2010, to clarify how the crane productivity factor is determined and to document certain modifications to the Premises; and Twelfth Amendment dated May 26, 2012, to temporarily delete five (5) acres from the leased Premises to accommodate the Washington State Department of Transportation construction of the Alaskan Way Tunnel Project, and;

WHEREAS, the parties now wish to further revise the Basic Lease as previously amended, by extending the lease term; modifying the rent so that it is based on container volume with a minimum annual guarantee; provide Lessee with an impact and incentive fee; make capital improvements to the Premises; adjust the leasehold tax calculation; extend the 2009 shortfall payment; incorporate a corporate guaranty as lease security; allow the Port the option to accelerate implementation of elements of its truck program; and the settlement of claim resulting from the 2012 transformer failure at the Premises;

NOW THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. Paragraph 1.b., Cranes, of the Basic Lease, as previously amended, is hereby deleted in its entirety and replaced by the following:

"The Port will sell to Lessee the five (5) active Port-owned cranes numbered 65, 67, 80, 81 and 82 currently operating at Terminal 46 for ONE DOLLAR AND NO/100 DOLLARS (\$1.00) each effective as of January 1, 2013. The sale of the cranes will include all related spare parts in the Port's possession, including, but not limited to, replacement gear boxes. The Port will be responsible for any sales tax associated with this sale of the cranes.

"Lessee may, at its option request the Port to purchase two (2) Super Post Panamax cranes. The Port will construct electrical upgrades to accommodate these new cranes. Lessee must exercise its option for the new cranes, in writing to the Port, by December 31, 2017. The new cranes will be provided for Lessee's preferential use on a non-continuous ship-by-ship basis (in no event to exceed five (5) consecutive days). Lessee shall also have the ability to purchase and install its own cranes at its sole cost and expense.

"Lessee will reimburse the Port for its total costs for the new cranes and related improvements,

including purchase, installation, engineering, management, overhead and construction costs, and any related taxes, ("Total Crane Acquisition Cost" or "TCAC"), through a special improvement rent. The special improvement rent will be based on a twenty-year amortization of the Port's TCAC, with an interest rate to be calculated by the Port based on the Port's cost of capital (10-year average historical cost of capital from the date of crane acquisition) plus 3%. In no event will the interest rate be less than 6%. The special improvement rent will commence on the first day of the month following certification of the new cranes for use at Terminal 46.

"From the certification date of the new cranes, Lessee shall be responsible for all maintenance and repair of the new cranes as outlined in the Seventh Amendment to Lease."

2. Paragraph 1, PREMISES AND EQUIPMENT, of the Basic Lease, as previously amended, is hereby modified with the addition of subparagraph 1.c., which was inadvertently deleted in an earlier amendment but which neither party intended to be deleted:

"c. Lessee shall have the preferential use on a non-continuous ship-by-ship basis (in no event to exceed five (5) consecutive days) of container berthage of the length and width of the container apron."

3. Paragraph 2.b., of the Basic Lease is hereby deleted in its entirety and replaced with the following:

"b. This Lease and Agreement shall terminate on December 31, 2025, unless terminated earlier in accordance with the terms hereof."

4. The Port shall pay Lessee \$4,000,000.00 upon execution of this Lease Amendment as compensation to Lessee for the extensive impacts and disruptions resulting from the Alaskan Way Highway and Tunnel construction work near and around Terminal 46 and in consideration for the benefits extended to the Port under this lease.

5. Paragraph 2 of the Tenth Amendment to the Lease is deleted in its entirety.

6. Paragraph 3, PAYMENTS, of the Basic Lease is hereby deleted in its entirety and replaced with the following effective as of January 1, 2013:

"a. "Notwithstanding anything to the contrary in this Lease, Lessee agrees to pay for use of the Premises ("Payments") based on a minimum annual guaranteed payment for each Billable Acre (as defined below) ("MAG") plus a per-container lift fee ("Container Volume Lift Rate Fee") for Lifts (as defined below) that exceed the Annual Premises MAG Lifts (as defined below). The MAG and Container Volume Lift Rate Fee are subject to Washington State Leasehold Excise Tax of 12.84% based on 25% of MAG and, if applicable, 25% of the Container Volume Lift Rate Fee.

"b. For the thirteen (13) year period between January 1, 2013, and December 31, 2025, Lessee will pay Payments based on the MAG and the Container Volume Lift Rate Fee, if applicable, on the Premises.

"c. Payments. For each calendar year during the Lease, Lessee will not pay less than the MAG.

"(i) The MAG is initially set at \$105,000.00 per Billable Acre per year effective as of January 1, 2013. The MAG per Billable Acre per year will increase 2% annually on January 1st for 2014 (\$107,100.00) and 2015 (\$109,242.00). Starting on January 1, 2016, the MAG will be \$121,900.00 per Billable Acre per year and will increase by 2% each for 2017 (\$124,338.00) and 2018 (\$126,824.76). Starting on January 1, 2019, the MAG will increase annually as further described below. Payments are paid in advance on a monthly basis on the 1st day of each month ($1/12^{th}$ of annual Payments) unless Annual Premises MAG Lifts (as defined below) are achieved during the year as described in section f.(ii) (Billing Process) below.

The 2013 MAG Lift rate is computed as follows: \$105,000.00 per Billable Acre /2,100 lifts per Billable Acre = \$50 per lift. MAG Lifts are further discussed below.

"(ii) Billable Acres. One Billable Acre is an acre that would otherwise be billed at the full MAG per-acre rate, as adjusted. For areas that are charged less than the full MAG, they will be converted into Billable Acres. Load limit areas as shown on Exhibit _____ are billed at 75% of full MAG.

"For example, if 4 acres are charged at 75% of the MAG they would be converted into 3 Billable Acres ($[4 \times 0.75] = 3$).

"(iii) A "Lift" is each inbound and outbound container (regardless of size) lifted by a container crane at the Premises including transshipped containers. If ro-ro vessels with motor vehicles as cargo use the Premises, each vehicle as cargo driving on or off the vessel at the Premises by means other than use of the container cranes will count the same as if those containers were loaded or unloaded by a container crane.

"(iv) MAG Lifts per Billable Acre. For 2013, 2014 and 2015, the minimum Lifts per Billable Acre ("MAG Lifts") are 2,100 Lifts. For 2016 and throughout the remainder of the lease term, the MAG Lifts per acre will be 2,300 Lifts per Billable Acre.

"(v) "Annual Premises MAG Lifts" is the Billable Acres multiplied by MAG Lifts per Billable Acre.

"Sample Calculation of MAG Lifts for 2013:

"Premises acreage: 88 acres

"Acres billed at full MAG: 84 acres

"Load limit acres: 4 acres

"<u>Billable Acres</u>: 87 acres

"MAG Lifts per Billable Acre: 2100

"<u>Annual Premises MAG Lifts</u>: = 182,700

 $= [(84 \text{ acres}) + (4 \text{ acres } x .75)] \times 2100 \text{ Lifts}$

"d. Container Volume Lift Rate Fee.

"(i) The Container Volume Rate Fee is applicable to those Lifts that exceed the Annual Premises MAG Lifts.

"(ii) The Container Volume Lift Rate Fee for 2013 will be \$15.00 per Lift. The Container Volume Lift Rate Fee will increase on January 1st of each calendar year by 2% through 2018. Starting on January 1, 2019, the Container Volume Lift Rate Fee will increase annually as further described below.

"e. 2019 and Beyond Escalation of MAG and Container Volume Lift Rate Fee.

"(i) Starting on January 1, 2019, through the remaining lease term, the MAG and the Container Volume Lift Rate Fee will increase annually by the greater of two percent (2%) or by fifty percent (50%) of the Consumer Price Index for the prior year for All Urban Consumers, West Region, all items, as published for the month of October by the United States Department of Labor, Bureau of Labor Statistics, or at the Port's option for the Seattle-Tacoma-Bremerton Area (1982– 4= 100) (the "CPI"), but not to be greater than 5%. If the CPI is not published for any month pertinent to such calculation, the percentage adjustment shall be calculated with reference to the most recent month for which the CPI has been published. If the CPI is discontinued or revised during the applicable term, the Port, 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 CPI had not been discontinued or revised. "(ii) The MAG and the Container Volume Lift Rate Fee will never be reduced, even in the event of decreases in the CPI.

For example, in order to determine the rate increase applicable to January 1, 2019, the October 2018 CPI index will be compared to the October 2017 CPI index. If the CPI index for that period decreased by 1.59%, the January 1, 2019, increase would be 2.0% (the greater of 2% or 50% of the CPI change). If in October 2019 the CPI increased by 3.79%, there would again be a 2% increase in the MAG and Container Volume Lift Rate Fee effective January 1, 2020, (since 50% of 3.79% is less than 2%). If in October 2020 the CPI increased by 4.69% over October 2019, the MAG and Container Volume Lift Rate Fee would increase by 2.3% (50% of 4.69%), effective January 1, 2021. See the table below for an illustration of the above example.

Source: CPI-U West - October inde	x				
Series ID: CUUR0400SAO					
Illustration Only -]				
Oct 2017 Index	24 <mark>3.876</mark>				
Oct 2018 Index	240.008				
Oct 2019 Index	249.113				
Oct 2020 Index	260.796				
	Index Change	% Change	50% of CPI	Applied %	Effective Date
(Oct 2018 vs. Oct 2017) 12 Mo Change	(3.868)	-1.590%	-0.8%	2.0%	1/1/19
(Oct 2019 vs. Oct 2018) 12 Mo Change	9.105	3.790%	1.9%	2.0%	1/1/20
(Oct 2020 vs. Oct 2019) 12 Mo Change	11.683	4.690%	2.3%	2.3%	1/1/21

"f. Billing process.

"(i) Lessee will enter information regarding cargo as requested by the Port ("Cargo Data") on all vessels (including containers and motor vehicles as cargo) into the Marine Terminal Information System ("MTIS"). Lessee will enter the Cargo Data within 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 Premises MAG Lifts for any calendar year, the Port MTIS (billing system) will generate invoices based on the Cargo Data for all Lifts over the Annual Premises MAG Lifts at the Container Volume Lift Rate Fee. Lessee will pay the invoice for the Container Volume Lift Rate Fee within 20 days of receipt of the invoice. When the Annual Premises MAG Lifts is achieved, the Port will discontinue MAG advance Payment invoicing for the remainder of that calendar year. MAG advance Payment invoicing will continue effective every new calendar year.

"(ii) Interest. The Port will assess a pro-rated 18% annual interest for every day that the Cargo Data entry is late. The Port will also assess a pro-rated 18% interest for every day that Lessee's Payments are delayed.

"(iii) 2009 shortfall and potential 2012 shortfall. Lessee agrees to pay the 2009 shortfall payment of approximately \$2,263,500, as escalated below, and potential 2012 shortfall amount, if any, to be determined by the Port, by January 31, 2015. Starting in January 1, 2013, if Lessee has not satisfied the shortfall amounts, the Port will bill all Lifts over the Annual Premises MAG Lifts at \$50 per Lift (as escalated in 2014) with the differential between the \$50 rate and the rate of \$15 per Lift (as escalated in 2014) applied to the shortfall until the shortfall is satisfied. If at the end of 2014 there is still a shortfall amount owing from 2009 or 2012, Lessee will pay the Port the remaining amount of the shortfall balance by January 31, 2015. Lessee did not have a shortfall in 2010 and 2011.

"(iv) The Port reserves the right to adjust and/or recalculate the MAG based on acreage changes to the Premises.

"g. Audit rights.

"(i) Right to Audit. The Port may inspect and audit, through its employees or representatives, Lessee's records regarding vessel activity and Lifts at the Premises ("Records"). Lessee shall make the Records readily available for such examination. The Port 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 the Port, or Lessee shall pay in full, any travel and related expenses of Port representative(s) to travel to the location outside the Puget Sound region.

"(ii) Right to Copy Lessee's Records. The Port or its representatives shall have the right to copy any and all Records regarding Lift volumes through the Premises.

"(iii) Lessee Must Reconstruct Insufficient Documentation. If upon examination or audit the Port determines that sufficient documentation is not maintained, retained, or available to verify Lessee's actual Lift volumes through the Premises, Lessee shall pay for the cost of such visit, and in addition, should the Port deem it necessary, Lessee shall reconstruct, at its sole cost and expense, all Records for the determination of Lift volumes through the Premises for any period being audited. If, in the Port's determination, Lessee fails to reconstruct all Records in accordance with this Section, then in addition to any remedies under this Agreement or at law, the Port shall be entitled to collect the Container Volume Lift Rate Fee at the rate applicable for the period in question and assessed on the Port's good-faith estimate of Lifts that are under-reported. Lessee is not entitled to deduct Lifts that are over-reported based on the Port's good-faith estimate.

"(iv) <u>If Lift volumes are under-reported</u>. 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 Premises 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.

"(v) <u>If Lift volumes are over-reported</u>. If Lessee over-reports its Lift volume for the Premises and is due a refund, Lessee will be granted a credit toward future rents after deducting the cost of the audit.

"h. Lessee must obtain the Port's prior written approval for any non-containerized cargo and non-ro-ro uses that Lessee proposes at the Premises.

"i. In the event of a strike or other labor disturbance which prevents the handling of cargo at the Premises, and upon written notification from Lessee to the Port indicating the effective and termination dates of such strike or disturbance, then, in that event, the Payment for each calendar year as provided for in Paragraph 3 shall be reduced on a prorata basis by the ratio of the period of stoppage, less thirty (30) days, to a full calendar year. In the event of a work stoppage due to the aforementioned causes, such Payment shall not be reduced by more than 50% for any calendar year. In the event a stoppage begins in one (1) calendar year and terminates in the succeeding calendar year, the following procedure will apply in determining the ratio to be used in computing the reduction of such minimum annual Payment in each calendar year:

"(i) If the period of stoppage exceeds thirty (30) days in one (1) calendar year, but not in the other, the full period of stoppage, less thirty (30) days, will be allocated to the calendar year in which the stoppage exceeds thirty (30) days, and none of the stoppage will be allocated to the other calendar year.

"(ii) If the period of stoppage does not exceed thirty (30) days in either calendar year, but does exceed thirty (30) days in total, the full period of stoppage, less thirty (30) days, will be allocated to the succeeding calendar year, and none of the stoppage will be allocated to the prior calendar year.

"(iii) If the period of stoppage does not exceed thirty (30) days, no stoppage will be allocated to either calendar year.

"(iv) If the period of stoppage exceeds thirty (30) days the first calendar year and thirty (30) days in the succeeding calendar year, the stoppage in each calendar year will be allocated to each such year, less fifteen (15) days in each calendar year.

"j. The preferential use area is the most use-intensive and valuable area for Lessee's operations. The preferential use area is also the most costly area for the Port to develop compared to any other area of the Premises. In order to reflect these factors in the compensation Lessee pays for the Premises, 75% percent of the Payments Lessee pays to the Port shall be attributed to the preferential use area and 25% of the Payments shall be attributed to Lessee's exclusive-use areas."

7. Paragraph 4.a., Bond or Other Security, of the Basic Lease, is hereby deleted in its entirety and replaced with the following:

"a. Lessee shall, upon execution of this Lease and Agreement, file with the Port a good and sufficient corporate surety company bond or other security (hereinafter referred to as the "Bond") in accordance with the provisions of the laws of the State of Washington to secure the full performance by Lessee of all terms and conditions of this Lease and Agreement, including the payment by Lessee of all amounts now or hereafter payable to the Port during the full term hereof. The form and provisions of the Bond, and the identity of the surety thereon, shall be subject to the approval of the Port. A sample bond form is attached as Exhibit C. The amount of the Bond shall be based upon the monthly total minimum Payment hereunder and determined in accordance with the laws of the State of Washington as implemented by Port policy and shall be adjusted as required by said laws or policies or increases in Payment due to renegotiation. If Lessee fails to provide a bond or fails to adjust the amount of the Bond, Lessee shall be considered in default hereunder, and subject to the Port's rights under subparagraph c. of this paragraph and Paragraph 21 "Defaults" below. No future amendment or extension to this Lease and Agreement shall be effective until the surety or insurer has given its consent thereto and the amount of the Bond has been adjusted as required. The bond may provide for termination on the anniversary date thereof upon not less than one (1) year's written notice to the Port if the Lease and Agreement is not in default at the time of said notice. In the event of any such termination, Lessee shall obtain a new Bond, also subject to Port approval, to replace the Bond being so terminated to be effective on or before the date of termination. Subject to the Port's approval, Lessee may, in lieu of a Bond, obtain a guaranty from a third party acceptable to the Port in its sole discretion and subject to the third party guarantor executing a guaranty form acceptable to the Port in its sole discretion."

8. Paragraph 8.a., Maintenance and Repair, is deleted in its entirety and replaced with the following:

"a. At the expiration or sooner termination of this Lease and Agreement, Lessee shall return the Premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the Premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee shall, at its own expense, at all times keep the Premises, and the adjoining roadways and sidewalks neat, clean, and in a safe and sanitary condition, free from the infestation of pests and conditions which might result in harborage for, or infestation of, pests. (The word "pests" as used herein, shall include, without limitation, rodents, insects, and birds in number to the extent that a nuisance is created.) Lessee shall also keep the glass of all windows and doors on the Premises clean and presentable, and shall maintain and keep the Premises in a good state of repair, and shall commit no waste of any kind, without limiting the generalities thereof, and shall replace all cracked or

broken glass in the Premises, and keep the mechanical and electrical systems and all drains clean and in a good state of repair, and shall protect the sprinkler system (if any) and all pipes and drains within the Premises including those underground or above ground so they will not freeze or become clogged; provided that Lessee's said obligation to make all necessary repairs shall not extend to the ground underlying the foundation of the Premises, which term shall mean only those piling supporting the docks or structures, or to the actual subsidence of ground on which the structures repose, except to the extent that any of the repairs herein described in this provision may be required as a result of such damage caused by negligence of Lessee or its agents, employees, invitees, or licensees. Lessee shall remove all snow, ice and volcanic ash from the sidewalk and roadways, from in front of the Premises, and from structure roofs. Building structural maintenance shall be Lessee's responsibility unless damaged solely by subsidence. Paving and fender piling shall be Lessee's responsibility. Landscape maintenance expense shall be Lessee's responsibility. The Port's repair obligations extend only to the following: the dock structure (not including the fender system); the underground water system; and the underground electrical system including maintenance on the switchgear on the terminal. The Port's obligation for such repair does not extend to damage caused by Lessee's negligence.

Additionally, the Port will not pursue any claims against Lessee concerning the 2012 transformer failure at the Premises."

9. Paragraph 9, ALTERATIONS AND IMPROVEMENTS, is amended by adding the following subparagraph c.:

"c. Alterations and Improvements to Premises. The Port will construct the following improvements on the Premises, subject to obtaining all necessary permits. "Improvements" include all improvements described below in subparagraphs (i) through (vii). All such improvements will be designed and constructed at Port expenses. All Improvements shall conform in all respects to applicable federal, state and local statues, ordinances, rules codes and regulations and to Port standards for marine terminal construction and shall be constructed according to designs consistent with the Improvement conceptual plans.

"(i) <u>Container Dock Apron</u>. Upgrade approximately 200 lineal feet at the north end of existing dock apron for 100-foot gauge cranes to match the load capacity of the existing 2,300 lineal feet of dock apron.

"(ii) <u>Container Dock Structure</u>. Rehabilitate the existing dock and improve as necessary with the installation of pile caps and deck panels as determined by the Port to allow Lessee's continued use of the Premises.

"(iii) <u>Container Yard Pavement</u>. During the lease term, the Port will overlay existing pavement with up to (6) six inches of asphalt where the existing pavement section is failing, as determined jointly by the Port and Lessee. The Port will take over maintenance of pavement sections identified as needing an overlay until such time as the overlay is performed. At such time as a pavement section is overlaid, the Port will no longer have pavement overlay responsibility for that section.

"(iv) <u>Storm Water Facilities</u>. Construct improvements that, when completed, will allow Lessee to meet current storm water standards for the Premises when operated properly by Lessee, and carried out in conjunction with Lessee's implementation of operational best management practices. The parties will reach reasonable and mutual agreement on these improvements to be built based on the most cost-effective improvements and operational and maintenance procedures to achieve existing storm water runoff compliance. The parties will seek to achieve a reasonable balance between the Port's costs of a proposed one-time capital improvement and Lessee's annual maintenance and operational costs related to the proposed improvement. The parties will use methods such as discounted cash flow (using a 6% discount rate) to determine the most cost effective approach. This includes upgrading the existing wash rack to meet existing storm water standards. Lessee will perform all regular operational and maintenance functions

needed to meet storm water standards at Lessee's expense.

"(v) <u>Lighting</u>. Upgrade existing lighting controls to allow for control of the lighting system from a central point inside the terminal administration building, or at another location as determined jointly by the Port and Lessee.

"(vi) <u>Crane Pin Down</u>. Construct three additional crane pin-down locations within the existing dock apron and install similar crane pin-down locations on the to-be-upgraded 200 lineal feet of container dock apron.

"(vii) <u>Fender System</u>. Add covers over the fender system to prevent ship line entanglement."

10. Paragraph 40, (EASEMENTS), is amended by adding subparagraph (d).

"d. In the event the Port deprives Lessee beneficial use or occupancy either permanently or temporarily as described in (c.) above, the equitable adjustment in Payments, as described in Paragraph 3 above, for the Premises impacted irrespective of the location of said Premises."

11. The Port and Lessee recognize the potential threat to Lessee's operations posed by the possible construction of a new multi-purpose indoor sports arena in the Stadium District ("Arena"). Lessee is concerned about the impacts such a facility would have on traffic congestion in the area and that such congestion could have a negative impact on the Premises' operations. The Port and the Lessee will work together to protect Lessee's efficient operations at the Premises that are affected by the Arena. Lessee and the Port will devise other measures, as mutually agreed between the parties, to lessen the discernible impacts of the Arena if it is built.

12. The Port, at its option, can accelerate the standard for drayage trucks serving the Port Container Terminals to January 1, 2016, as outlined in the revised Exhibit D, attached hereto, replacing Exhibit D attached to the Tenth Amendment. The Port will take into consideration the effect on drayage costs before incorporating this accelerated standard.

13. The parties agree to modify Paragraph 1 of the Twelfth Amendment to Basic Lease by changing the final date of completion of the improvements by the Washington State Department of Transportation from December 31, 2012, to March 31, 2013.

14. This lease is subject to the applicable provisions of the Shipping Act of 1984, the Shipping Act of 1916, the Ocean Shipping Reform Act of 1998 and their respective implementing regulations. No future amendment or modifications to this lease shall become effective until the appropriate procedures, if any, have been completed in accordance with the procedures of the appropriate federal agency that has jurisdiction.

15. Except as expressly amended herein, all provisions of the Basic Lease (as previously amended) shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Thirteenth Amendment as of the day and year first above written.

LESSOR
PORT OF SEATTLE
a municipal corporation
By
Its

LESSEE

TOTAL TERMINALS INTERNATIONAL LLC a Delaware limited liability company

By___

Notary to Thirteenth Amendment to Lease with TOTAL TERMINALS INTERNATIONAL LLC at Terminal 46.

STATE OF WASHINGTON)

) ss.) ss.

On this day of	, 20	, before me, the undersigned
notary public in and for the State of Washing	gton, duly c <mark>om</mark>	missioned and sworn, personally
appeared	<u>, to m</u>	e known to be
the	of	the PORT OF SEATTLE, a municipal
corporation, the corporation that executed th	e foregoing ins	strument, and acknowledged said
instrument to be the free and voluntary act a	nd de <mark>ed of</mark> said	l corporation, for the uses and
purposes therein mentioned, and on oath stat	ted that he was	duly authorized to execute the same.

WITNESS my hand and official seal hereto the day and year in this Certificate first above written.

Notary Public in and for the State of Washington, residing at ______ My appointment expires ______

_ Secretary,

(ACKNOWLEDGMENT FOR CORPORATE LESSEE)

STATE OF WASHINGTON)

) ss.

COUNTY OF _____

On this	day of		, 20, before me,
personally appeared			and
		, to	me known to be the

President and the _____

respectively of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of ______, residing at ______. My appointment expires ______.

REVISED EXHIBIT D PER THIRTEENTH AMENDMENT TO LEASE

I. General

- A. Lessee and the Port acknowledge the benefits resulting to the environment and to the parties from environmentally sound practices at the Premises. The Port has a stated goal to be the cleanest, greenest, most energy efficient port in the country and Lessee has shown commitment to the environment by reducing emissions from diesel equipment and in other ways. The Port and Lessee hereby state their mutual intent to reasonably continue to cooperate on key environmental initiatives as described in this Exhibit.
- B. The parties agree to meet annually to review and discuss the operations and other activities at the Premises, the parties' relevant experiences regarding environmental matters, any changes in applicable laws, any changes in applicable technologies, and new procedures and technologies available to reduce environmental impacts from operations at the Premises.
- C. All capitalized terms not defined in this Exhibit are from the Lease and apply to this Exhibit.

II. Cargo Handling Equipment and Drayage Truck Emission Control Standards

- A. Lessee agrees to implement the following specific standards to reduce overall diesel emissions from terminal operations:
 - 1. Lessee will provide information to the Port for and participate in periodic reviews of the Northwest Ports Clean Air Strategy ("Strategy") and work with the Port to help develop plans to meet the goals of the Strategy.
 - 2. The Port agrees to participate in the implementation of the Strategy by providing assistance with signage, education, information systems, pursuing grants as they may be available, and other assistance as mutually agreed upon to help the industry reduce environmental impacts.
- B. Lessee agrees to implement the following emissions standards for cargo handling equipment by December 31, 2010: Use ultra-low sulfur diesel fuel of 15 parts per million of sulfur or lower, or alternate clean fuels such as biodiesel blend with equivalent sulfur levels, in all container yard equipment, and promote early implementation of these requirements between now and December 31, 2010. Exceptions will be allowed if there is no reasonable supply of these fuels, or if extreme low temperatures prohibit the use of these fuels. Alternatively, Lessee will meet the same emission goals by upgrading all terminal cargo handling equipment to meet Tier 2 emission standards as established by U.S. Environmental Protection Agency, or equivalent.

Lessee agrees to reasonably implement the provisions of Port of Seattle Terminals Tariff No. 5 ("Tariff"), Section 9000, as promulgated on September 1, 2009, applicable to terminal operators. Notwithstanding the foregoing, Lessee agrees that, at the Port's option, effective at any specified time after January 1, 2016, all Drayage Trucks (as defined in the Tariff) entering the Premises will be engine model year 2007 or newer. Lessee will bar noncompliant Drayage Trucks from entering the Premises. The Port will give Lessee ninety (90) days' written notice before the effective date of such requirement.

- D. Any additional costs to implement the truck program, such as RFID tags, readers and data management, will be borne or guaranteed by the Port and not the terminal operators. The Port will defend, indemnify, and hold Lessee harmless against all claims arising from Lessee's enforcement of drayage truck access regulations established by the Port in its Port Tariff or Schedule, including but not limited to any enforcement or civil penalty action brought by a federal agency with jurisdiction over the Port's truck- related regulations. Provided, however, the Port has no obligation to defend, indemnify, or hold Lessee harmless under this Exhibit to the extent Lessee's claims arise from Lessee's negligence, recklessness, or willful misconduct.
 - E. Lessee will provide the Port with the following information on its cargo handling equipment:
 - 1. A current inventory of all cargo handling equipment in use at the Premises showing the equipment make and model, and any emission reduction or energy saving devices installed. Lessee also agrees to provide an updated inventory to the Port on an annual basis within sixty (60) days after the end of each calendar year of the lease term.
 - 2. Lessee, upon the Port's request, will provide fuel expenditure receipts for the prior year confirming the purchase/use of fuels that meet the standards as set out in this exhibit. Lessee will provide this information within sixty (60) days of the Port's request.
 - F. Lessee agrees to post anti-idling signs and to develop and implement, as feasible and practicable, an anti-idling policy for all equipment on the Premises. The Port and Lessee will mutually explore technical anti-idling solutions and funding

Ill. Clean Energy

Lessee agrees to consider use of fuel saving equipment or other energy saving improvements where practical and feasible. Lessee agrees to cooperate with Port efforts to conduct energy audits when grants or other funding can be provided. Energy audits will be subject to advance Lessee approval and be carried out in a manner that does not disrupt the operation of the terminal. The Port and Lessee agree to work together to reach mutually acceptable approaches for implementation of energy conservation improvements such as improvements to container terminal lighting.

IV. Low Impact Development

Lessee will consider adopting low impact practices including LEED Certification and sustainable building practices for all Lessee-directed improvements.

V. Water Quality Protection

- A. Lessee acknowledges that the Premises are subject to the requirements of the City of Seattle ("City") ordinance regarding stormwater drainage, source control, and other applicable City requirements as well as Washington State Department of Ecology ("Ecology") stormwater regulations and permits.
- B. Lessee and its customers agree to have an effective spill response plan in accordance with all state and federal regulations. Lessee will include the Seaport Environmental Incident Notification telephone number into their call list during any incident or event.
- C. In order to avoid exceeding zinc standards, or other metals, in storm water runoff, Lessee agrees that un-coated galvanized metals will not be used on new structure surfaces (e.g. roofs) exposed to natural elements. Lessee agrees that such metals will be factory-coated with baked-on enamel, or equivalent,

protective coating.

VI. Environmental Stewardship

- A. Lessee agrees to consider the use of renewable energy and electric powered equipment where practical and feasible.
- B. Lessee agrees to permit the Port access to the Premises at any time upon reasonable request, for the purpose of conducting environmental testing, monitoring, and or assessments at the Port's expense. Such activities shall be conducted shall be conducted in such a way that they do not interfere with normal terminal business activities. Testing, monitoring and assessment results and conclusions shall be shared with the Tenant.
 - C. If any areas within the Premises are Environmental Protection Agency (EPA) long-term monitoring sites, the Port agrees to clearly define such areas, and Lessee agrees to provide access for investigation and monitoring upon proper notification and request.
 - D. In accordance with pertinent regulatory requirements, Lessee agrees to provide recycling facilities and to implement reasonable hazardous material management practices.