

**THE NORTHWEST SEAPORT ALLIANCE  
CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT**

This **EMPLOYMENT AGREEMENT** (the "Agreement") is made effective as of the Fourth day of August 2015 by and between **THE NORTHWEST SEAPORT ALLIANCE**, a port development authority of the State of Washington ("Alliance"), by and through its Managing Members ("Managing Members") and John Wolfe ("CEO").

1. **Compensation, Benefits and Reimbursements.**

(a) **Annual Base Salary.** In consideration for his service under the terms of this Agreement, the Alliance shall pay to the CEO an annual base salary ("Base Salary"), which amount shall be paid in installments in accordance with the normal payroll payment practices of the Alliance and shall be subject to such deductions and withholding as are required by law and by the policies of the Alliance, from time to time in effect. The Base Salary shall be at the rate of Three Hundred Thousand Dollars (\$300,000.00) per year.

(b) **Pay for Performance Based Increases and/or Bonus Compensation.** The CEO annual performance expectations shall be to meet the goals and targets of the Alliance as based on the Alliance Strategic Plan as updated annually, and to fulfill his fiduciary duties to the Alliance. The Managing Members shall review and evaluate the performance of the CEO not less than annually. The CEO shall be eligible for salary increases and/or bonus compensation based on the Managing Member's evaluation of CEO's performance. Any performance based increases and/or bonus compensation shall be set by the Managing Members in public session.

(c) **Standard Benefits.** In addition to the salary and other specifically described benefits payable to CEO hereunder, the CEO shall receive such benefits as may be made available to Alliance employees generally by the Managing Members from time to time, including, without limitation, life insurance, medical insurance, dental insurance, long-term disability insurance, short-term disability insurance, and extended illness leave; *provided, however,* that to the extent there is a conflict between the terms of this Agreement and the Alliance's standard employee benefits, the terms of this Agreement shall govern. The Alliance will acquire a life insurance policy covering death or disability during the term of this Agreement. The CEO will have four (4) weeks of paid time off from the inception of this Agreement.

(d) **Salary & Benefits Resolution.** The CEO will be subject to the terms and conditions of the Alliance Salary & Benefits Resolution, when adopted and all subsequent salary and benefit resolutions; however, any terms, conditions, and adjustments to pay or salary range for the CEO adopted in open session shall prevail over relevant conflicting or inconsistent terms and conditions in the applicable salary and benefits resolution.

## 2. CEO's Services.

(a) **Service to Alliance.** The CEO shall (i) devote his professional time, attention, and energies to his position with the Alliance, (ii) use his best efforts to promote the interests of Alliance, (iii) perform faithfully, loyally, and efficiently his responsibilities and duties, (iv) refrain from any endeavor outside of his employment which interferes with his ability to perform his obligations, and (v) disclose any potential or real conflicts of interests to the Managing Members.

(b) **Exclusivity.** Notwithstanding the foregoing provisions, the Alliance and Managing Members acknowledge that the Alliance CEO also serves as the Port of Tacoma Chief Executive Officer as more fully described herein. The CEO shall not enter into any other agreement for employment with any entity other than The Northwest Seaport Alliance for as long as this Agreement remains in effect.

(c) **Duality Acknowledgment & Term.** The CEO may also continue to perform the duties of the Chief Executive Officer of the Port of Tacoma at the will of the Port of Tacoma Commission for up to the duration of this Agreement, but in no case longer than five years from its effective date ("Duality Term"). Either the CEO or the Port of Tacoma Commission can unilaterally terminate any duality at any time during this Agreement, but such event will have no bearing on any other provision of this Agreement.

(d) **Port of Tacoma Compensation.** In recognition that both the Port of Tacoma and the Port of Seattle ("Homeport" or collectively "Homeports") each retains assets outside the Alliance ("Homeport Assets") which are solely owned by each respective Homeport and managed by the Homeport Commission and CEO, it is acknowledged that during the Duality Term, the Homeport Commission retains its sole authority to evaluate the performance of the CEO as to those Homeport Assets.

Each Homeport CEO may receive compensation as determined by that Homeport's Commission, provided however, during the Duality Term, the annual amount of any compensation for the Port of Tacoma CEO as determined by the Port of Tacoma Commission shall not exceed 10% of the then-current Alliance CEO Base Salary.

(e) **Board participation.** During the term of this Agreement the CEO may on his own time (e.g. after close of business or during Paid Time-Off), serve as a member of a board of directors of a non-port industry-related community entity; *provided*, that prior to accepting such appointment as a paid Board of directors member or a role as Board Chair of any entity, the CEO shall obtain approval of the Managing Members. The Managing Members encourage the CEO to be involved consistent with this section in local non-profit organizations or trade associations. In all events, such service shall not occur if it will create an actual conflict of interest or will reasonably create an appearance of conflict of interest.

3. **Term and Termination of Agreement.**

(a) **Term.** This Agreement shall commence on August 4, 2015 (the "Effective Date") and shall end on August 3, 2020. This Agreement may be extended upon approval of both Managing Members and the CEO. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Managing Members by a majority vote to terminate the services of CEO at any time, without notice, subject only to the provisions set forth in Section 3(b)(i) of this Agreement. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the CEO to resign at any time from his position, subject only to the provisions set forth in Section 3(b)(ii) of this Agreement. **The Alliance's policies and procedures regarding discipline and termination of employment are not intended to and will not apply to the CEO's employment and this Agreement. The CEO's employment is at the will of a majority of the Managing Members.**

(b) **Termination and Severance Pay.**

(i) Any termination either without cause or With Cause (as defined herein) requires affirmative vote of the Managing Members. The CEO's employment may not be involuntarily terminated before August 3, 2018. In the event the CEO's employment is involuntarily terminated after August 3, 2018 and before August 3, 2020 and if the CEO is willing and able to perform his duties under this Agreement, the Alliance shall pay the CEO any payments and benefits pursuant to Section 1 above which have been earned but have not been provided through the date of termination and a lump sum separation payment in the amount equal to the payments and benefits pursuant to Section 1 above from the date of termination through August 3, 2020. The CEO agrees to remit to the Alliance all or any portion of a separation payment for termination without cause or With Cause to the extent the CEO receives income from other employment from the date of termination through August 3, 2020. If the CEO's employment is terminated "With Cause" as that term is defined herein, the Managing Members shall have only the obligation to provide payments and benefits pursuant to Section 1 above which have been earned but have not been provided through the date of termination. Any payments made to the CEO under this subsection (b)(i) are conditioned upon the Alliance first receiving an executed release in a form acceptable to the Managing Members. For purposes of this Agreement, termination "With Cause" shall be defined as:

- A. The gross negligence or willful misconduct in the performance of the CEO's duties,
- B. Fraud or embezzlement,
- C. The CEO's repeated and continued failure to fulfill his duties under the Delegation of Authority Master Policy Resolution or to comply with the Alliance's or Alliance Managing Members' rules, policies and procedures as may be in effect from time to time and such failure is not cured within thirty (30) days following written notice thereof from the Managing Members,
- D. The CEO's acts of moral turpitude or dishonesty, which are likely to interfere with the CEO's performance of his duties and/or adversely affect the reputation and/or business of the Alliance or Alliance Members, or

E. Continuing to be employed by the Port of Tacoma after the Duality Term.

(ii) If the CEO voluntarily resigns his position prior to the end of the term of this Agreement, the Alliance has no further obligations for payment under this Agreement from the effective date of the resignation.

4. **Conflicts of Interest.** The CEO shall be subject to the provisions of the Alliance Code of Conduct and the ethics policies when adopted.

5. **Protective Covenants.**

(a) **Confidential Information.** The CEO will have access to information that is considered confidential and/or proprietary. "Confidential Information" includes all information that (i) is treated by the Alliance as confidential or proprietary; (ii) would reasonably be viewed as confidential; (iii) would reasonably be viewed as having value to a competitor; or (iv) the Alliance is under an obligation to a third party to keep confidential whether or not disclosed in writing, or other fixed media or disclosed in any other manner (including oral, visual, or electronic disclosure). All Confidential Information is the property of the Alliance and the CEO shall exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure, and take all steps reasonably necessary to maintain the confidentiality of the Confidential Information subject to the requirements of the state of Washington's Public Records Act. CEO shall not, without the prior written permission of the Alliance, directly or indirectly, disclose to any person or use in his own or in any other person's business or for the benefit of any person or entity other than the Alliance, any Confidential Information. This obligation continues after the CEO leaves employment with the Alliance. The restrictions on disclosure of Confidential Information do not apply to any information that is generally available to the public (provided the CEO played no role in its entering the public domain). If the CEO becomes legally obligated to disclose any Confidential Information (such as by a court subpoena), the CEO shall give the Alliance prompt written notice so that it may obtain a protective order or other appropriate remedy, and shall disclose only such information as the CEO is legally required to disclose.

(b) **Return of Property.** All equipment, records, files, manuals, forms, data, materials, supplies, computer programs, tangible property, assets and all other information or materials furnished by the Alliance or used on the Alliance's behalf, or generated or obtained during the course of the CEO's employment shall remain the property of the Alliance (collectively " Alliance Property"). Upon termination of employment or at any time upon the Port's request, the CEO shall return to the Alliance all Alliance Property. The CEO shall certify in writing as of the date of termination that none of the Alliance's Property remains under his control, or has been transferred to any third person.

(c) **Agreement Not to Compete.** Upon the expiration or other termination of this Agreement and the CEO's employment, whichever comes first, the CEO agrees that for two years thereafter, he will not accept employment with another container port located on the West

Coast of North America. This agreement not to compete will survive the termination of this Agreement.

6. **Miscellaneous.**

(a) **Dispute Resolution.** All disputes arising under the provisions of this Agreement shall be resolved by binding arbitration in Tacoma, Washington in accordance with the American Arbitration Association rules governing employment disputes.

(b) **Warranties.** Each party hereto covenants, warrants and represents that it shall comply with all laws and regulations applicable to this Agreement, and that it shall exercise due care and act in good faith at all times in performance of its obligations under this Agreement.

(c) **Headings.** Titles or captions of sections or paragraphs contained in this Agreement are intended solely for the convenience of reference, and shall not serve to define, limit, extend, modify, or describe the scope of this Agreement or the meaning of any provision hereof.

(d) **Waiver.** A waiver by the Managing Members of any breach of this Agreement by the CEO shall not be effective unless in writing, and no such waiver shall constitute a waiver of the same or another breach on a subsequent occasion.

(e) **Governing Law and Jurisdiction for Dispute Resolution.** All questions with respect to the construction of this Agreement or the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State of Washington.

(f) **Severability.** All provisions of this Agreement are severable. If any provision or portion hereof is determined to be unenforceable in arbitration or by a court of competent jurisdiction, then the remaining portion of the Agreement shall remain in full force and in effect.

(g) **Force Majeure.** Neither party shall be liable for failure to perform its obligations under this Agreement due to events beyond that party's reasonable control, including, but not limited to, strikes, riots, wars, fire, acts of God, and acts in compliance with any applicable law, regulation or order (whether valid or invalid) of any governmental body.

(h) **Counterparts.** This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one (1) and the same instrument.

(i) **Entire Agreement and Amendment.** This Agreement:(i) constitutes the entire agreement between the parties with respect to the subject matter hereof; (ii) supersedes and replaces all prior agreements, oral and written, between the parties relating to the subject matter hereof; and (iii) may be amended only by a written instrument clearly setting forth the amendment(s) and executed by both parties.

**IT IS SO AGREED, as evidenced by the signatures below:**

John Wolfe

\_\_\_\_\_  
Date: \_\_\_\_\_

The Northwest Seaport Alliance Managing  
Members

\_\_\_\_\_  
Stephanie Bowman, / Courtney Gregoire,  
Co-Chair

\_\_\_\_\_  
Donald C. Johnson, Co-Chair

Date: \_\_\_\_\_