

**ADDENDUM TO 2014 DUTY TO DEFEND SETTLEMENT AGREEMENT  
AND PARTIAL RELEASE**

This Addendum to the 2014 Duty to Defend Settlement Agreement and Partial Release (the “Addendum”) is entered into by and between the Port of Seattle (“the Port of Seattle”) and Great American Insurance Company and Great American Insurance Company of New York, formerly known as American National Fire Insurance Company (collectively “the Great American Companies”) as of the Effective Date of this Addendum.

I. RECITALS

A. The Port of Seattle and the Great American Companies entered into a 2014 Duty to Defend Settlement Agreement and Partial Release on or about August 26, 2014 (the “Defense Agreement”), which, among other terms, resolved certain alleged defense obligations claimed by the Port of Seattle, relating to “Certain Past Incurred Defense Costs” as defined in the Defense Agreement, which definition includes certain categories of costs claimed as defense costs by or on behalf of the Port of Seattle for work performed on or before December 31, 2012 for the defense of the “Environmental Actions,” as defined in the Defense Agreement, subject to certain exceptions set out in the Defense Agreement.

B. The Port of Seattle and the Great American Companies desire to amicably resolve and discontinue their dispute concerning the Great American Companies’ duty to defend the Port of Seattle, relating to the categories of costs claimed by the Port of Seattle that are included in the definition of “Certain Past Incurred Defense Costs” in the Defense Agreement, with respect to work performed on or between December 31, 2012 and December 31, 2014 for the defense of the “Environmental Actions” as defined in the Defense Agreement, and with respect to all work performed on or before December 31, 2014 for the defense of environmental claims relating to Terminal 115 North in Seattle, Washington.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound, the Port of Seattle and the Great American Companies agree as follows:

II. EFFECTIVE DATE

The Effective Date of this Addendum is the last date on which the Addendum is executed by any of the parties as reflected on the signature pages of this Addendum.

III. PAYMENT BY THE GREAT AMERICAN COMPANIES

Within 15 days after the Effective Date of this Addendum, the Great American Companies shall deliver to the Port of Seattle at the address of its counsel, Miller Nash Graham & Dunn LLP, a check payable to the Port of Seattle in the amount of Three Hundred and Fifty Thousand Dollars (\$350,000.00).

IV. AMENDMENT OF THE DEFENSE AGREEMENT

The Port of Seattle and the Great American Companies agree that, as of the date the Great American Companies make the payment described in Section III, the Defense Agreement shall be and is amended to provide as follows:

A. The Claim List included in Exhibit B to the Defense Agreement, and incorporated in the definition of “Environmental Claims” in the Defense Agreement, shall be and is amended to add additional claims relating to Terminal 115 North environmental claims, such that the Claim list in the Defense Agreement shall and does read as follows:

1. East Waterway and West Waterway environmental claims  
Seattle, Washington
2. Terminal 91 environmental claims  
Seattle, Washington
3. National Resource Damage claims, Elliott Bay/Duwamish River  
Seattle, Washington
4. Lower Duwamish Waterway environmental claims  
Seattle, Washington
5. Terminal 117 environmental claims  
Seattle, Washington
6. Terminal 115 North environmental claims  
Seattle, Washington

B. The Definition of “Certain Past Incurred Defense Costs” in the Defense Agreement shall be and is amended to read as follows:

“Certain Past Incurred Defense Costs” shall mean only costs claimed as defense costs by the Port of Seattle and incurred by or on behalf of the Port of Seattle for work performed on or before December 31, 2014 for the defense of the Environmental Actions, which are set forth in detail in Attachments 1 (GAIC Indeterminate), 2 (Port Employee Costs), 3 (Port Overhead Costs), 4 (Legal (Overage)), 5 (Other Port Sites), 6 (Past Due/Dupe Billing), 7 (Interest and Taxes), 8 (Paid Vendor Charges), and 9 (Gradient Indeterminate), with the categories set out in those attachments being referred to by the Parties generally as GAIC Indeterminate, Port employees, overhead, legal overage, other sites, past due/dupe billings, interest and taxes, paid vendor charges, and Gradient Indeterminate. Certain Past Defense Costs shall not include any cost which is not set forth in Attachments 1-9 hereto.

C. Attachments 1-9 attached to the Defense Agreement shall be and are supplemented to include Attachments 1-9 attached to this Addendum, in addition to Attachments 1-9 previously attached to the Defense Agreement, all of which shall be part of the Defense Agreement.

D. The references to the dates December 31, 2012 and January 1, 2013 in Sections I.H., II.E., V., and VI.E. of the Defense Agreement shall be and are revised to December 31, 2014 and January 1, 2015, respectively.

V. EFFECT OF ADDENDUM

Except as specifically supplemented or amended by this Addendum, all terms and conditions of the Defense Agreement remain in full force and effect, and this Addendum shall be and is a part of the Defense Agreement.

VI. INTEGRATION/SEVERABILITY

This Addendum constitutes the entire agreement of the parties concerning the amendments to the Defense Agreement effected by this Addendum, and supersedes any and all agreements, written or oral, between the parties concerning the subject matter of this Addendum, except the parties agree that nothing in this Addendum shall impair, release, or affect in any way (a) the Defense Agreement, subject to the amendments set out in this Addendum, and (b) the agreements listed in Section VI.E. of the Defense Agreement, or the following agreements:

A. the agreement between the Port of Seattle and the Great American Companies regarding funding of PRP Recovery Costs with respect to the East Waterway, dated November 24, 2014, and the Great American Companies’ reservation of the right to contend that it and the Port of Seattle entered into a prior, longstanding agreement with respect to the Great American Companies’ payment of PRP Recovery Costs and the benefit the Great American Companies receive for recoveries from PRPs, with respect to each of the Environmental Actions, and the Port of Seattle’s reservation of the right to contend that the Great American Companies and the Port of Seattle did not enter into such a prior agreement; and

B. the agreement between the Port of Seattle and the Great American Companies regarding ongoing costs with respect to the Terminal 117 and Terminal 91 claims, dated December 5, 2014.

VII. EXECUTION OF COUNTERPARTS

This Addendum may be executed in counterparts and each executed counterpart shall have the same force and effect as an original instrument, as if all parties to all the counterparts had signed the same instrument.

PORT OF SEATTLE

GREAT AMERICAN INSURANCE COMPANY

By \_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_  
\_\_\_\_\_