Item No. <u>6k attach 2</u> Meeting Date: <u>December 10, 2019</u>

AMENDED AND RESTATED LEASE AGREEMENT

Between

PORT OF SEATTLE

And

LINEAGE WA POS RE, LLC

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AMENDED AND RESTATED LEASE AGREEMENT

THIS AMENDED AND RESTATED LEASE AGREEMENT (this "Lease") is made as of this ______ day of ______, 20__, by and between the PORT OF SEATTLE, a Washington municipal corporation (the "Port"), and LINEAGE WA POS RE, LLC, a Delaware limited liability company ("Lessee").

WHEREAS, the Port, as lessor, and Arctic Alaska Seafoods, Inc., a Washington corporation, as lessee, entered into that certain Term Lease dated September 11, 1990 (the "**Term Lease**"), which Term Lease was thereafter amended by that certain Conditional Lease Amendment dated May 4, 2004 (the "**2004 Amendment**" and, the Term Lease as amended by the 2004 Amendment, the "**Existing Lease**"), between the Port and Trident Seafoods Corporation, a Washington corporation and successor in interest to Arctic Alaska Seafoods, Inc. ("**Trident**");

WHEREAS, pursuant to that certain Conditional Consent to Assignment of Commercial Term Lease by and among the Port, Lessee and Trident, Trident has assigned to Lessee, and Lessee has assumed from Trident, all of Trident's right, title and interest in and to the Existing Lease; and

WHEREAS, the Port and Lessee now wish to amend and restate the Existing Lease in its entirety.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

SECTION 1: LEASED PREMISES

1.1. <u>Premises</u>. The Port hereby leases to Lessee, and Lessee hereby leases from the Port, that certain real property located at Terminal 91, which real property is legally described on Exhibit A attached hereto and depicted on Exhibit B attached hereto (collectively, the "**Premises**"). Subject to the rights reserved to the Port in this Lease, the Port and Lessee agree that the Premises are, and shall be deemed for all purposes to be, three hundred thirty-six thousand six hundred fifty (336,650) square feet. The Premises are improved by that certain building commonly known as Building 391 containing approximately 85,657 square feet, and that certain building commonly known as Building 392 containing approximately 77,617 square feet (collectively, the "**Buildings**"), which Buildings are owned in fee by Lessee as more particularly provided in Section 7.1 below.

1.2. <u>Acceptance of the Premises</u>. Lessee has examined the Premises, accepts them in their present condition, and agrees to make any changes in the Premises necessary to conform to federal, state and local law applicable to Lessee's use of the Premises.

1.3. <u>Quiet Enjoyment</u>. So long as Lessee is not in default under this Lease and subject to the specific provisions, covenants and agreements contained in this Lease, the Port covenants and agrees that the quiet and peaceful possession and enjoyment of the Premises by Lessee shall not be disturbed or interfered with by the Port or by any other party claiming by, through or under the Port.

SECTION 2: TERM

2.1. <u>Lease Term</u>. The effective date of this Lease shall be January 1, 2020 (the "**Restatement Date**"), and the term (the "**Term**") shall expire on December 31, 2039, unless extended as set forth in Section 2.2 below.

2.2. <u>Option to Extend</u>. If Lessee is in compliance with the terms and conditions of this Lease (subject to any applicable notice and cure periods), Lessee shall have the option to extend the Term for two (2) additional ten (10) year terms (each, an "**Extension Term**"), with Land Rent to be adjusted by the Market Rate as defined and stated in Section 3.2.2 and the Consumer Price Index as defined and stated in Section 3.2.1. In the event Lessee elects to extend the Term, Lessee shall provide the Port with written notice of Lessee's intent to exercise such option no more than two hundred seventy (270) days and no less than one hundred eighty (180) days prior to the expiration of the Term or the first Extension Term, if exercised. Except as otherwise provided herein, the word "Term" shall be deemed to include the term "Extension Term."

Possession. If the Port shall be unable for any reason to deliver possession of the 2.3. Premises, or any portion thereof, at the time of the commencement of the Term, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the Term be in any way extended, but in such event Lessee shall not be liable for any Rent until such time as the Port can deliver possession. If Lessee shall, in the interim, take possession of any portion of the Premises, Lessee shall pay as Rent the full rent specified herein reduced pro rata for the portion of the Premises not available for possession by Lessee. If the Port shall be unable to deliver possession of the Premises at the commencement of the Term, Lessee shall have the option to terminate this Lease by at least thirty (30) days' written notice, unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the Term, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Lessee shall not be obligated to pay any Rent for the period prior to the commencement of the Term unless otherwise mutually agreed.

SECTION 3: RENT

- 3.1. <u>Base Rent</u>. Base Rent consists of two parts:
 - (1) Land Rent: Commencing on the Restatement Date, Lessee agrees to pay as rent (the "Land Rent") for the Premises the sum of SIXTY THREE

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THOUSAND NINE HUNDRED AND SIXTY-THREE AND 50/100 DOLLARS (\$63,963.50) per month;

Land Rent is generally computed as follows:

 $336,650 \text{ sf of land} @ \$2.28/sf/yr = \$767,562/yr \div 12 = \$63,963.50/mo.$

(2) Improvement Rent: Lessee shall also pay Improvement Rent in the amount of two thousand one hundred ninety-three dollars and ninety-three cents (\$2,193.93) per month for each month through November 30, 2020 representing the amortization of two hundred fifty thousand dollars (\$250,000.00) over a period of thirty (30) years from December 1, 1990 to November 30, 2020 with an interest rate of 10%.

The Base Rent shall constitute the contract rent for purposes of determining taxable rent for assessment of leasehold excise tax.

The Base Rent shall be paid to the Port in advance on or before the Restatement Date and, thereafter, on or before the first day of each and every month during the Term, at such place as the Port may designate, without any prior demand, and without any abatement, deduction or setoff whatsoever, except as otherwise set forth herein. If the Term commences on any day other than the first day of a calendar month, Base Rent for any fractional month shall be prorated based upon the actual number of days in such fractional month.

3.2. Adjustments to Land Rent.

3.2.1. <u>Consumer Price Index</u>. The Land Rent stated in Section 3.1 shall be adjusted effective on the anniversary of the Commencement Date if the first of the month, otherwise, the anniversary of the first day of the first full month following the Commencement Date, and every twelfth (12th) month thereafter through the Term, including any Extension Term (if any), by a percentage equal to the percentage increase for the previous twelve (12) month period, using the index month that is three (3) full months prior to the anniversary month, in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items, as published by the United States Department of Labor, Bureau of Labor Statistics, or at the Port's option for the Seattle-Tacoma-Bellevue Area (1982–4= 100) (the "CPI"). In no event will the Port adjust the Base Rent downward as a result of a change in the CPI. 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 Term, the Port, at its sole option may use such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the CPI had not been discontinued or revised.

3.2.2. <u>Market Rate</u>. Notwithstanding the adjustments in Section 3.2.1, the Land Rent stated in Section 3.1 shall be adjusted to the then-prevailing fair market rental rate effective

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at the end of the 60th month following the commencement of this Lease and every 60 months thereafter (the "**Market Rate**"). In no event shall the Market Rate be adjusted downward. The value of any improvements to the Premises financed by Lessee at no cost to the Port shall be excluded in determining the Market Rate for the Premises. The Port will obtain an appraisal of the Market Rate for the Premises, at the Port's sole cost and expense, no sooner than one hundred eighty (180) days before the market rate adjustment, but not later than one hundred fifty (150) days before market rate adjustment effective date, and will deliver a Market Rate proposal along with the appraisal report. In the event Lessee disputes the Market Rate determination or the Port's appraisal and the parties do not agree on the adjusted Land Rent before the ninetieth (90th) day prior to the effective date of the adjustment, the Port and Lessee shall each deliver a "**Final Offer**" prior to the ninetieth (90th) day prior the effective date of the adjustment and invoke the Market Rate dispute resolution process described in Section 3.2.3 below.

3.2.3. Market Rate Dispute Resolution. In the event that the parties cannot agree on the Land Rent prior to ninety (90) days before the effective date of the adjustment, the Land Rent shall be determined by three arbitrators, each of whom shall be an MAI real estate appraiser in the Seattle Chapter of the Appraisal Institute. Each MAI real estate appraiser will need to have been active, over the five (5) year period ending on the effective date for renegotiated rent, in the evaluation of similar space in the same market area of the Premises subject to this Lease. Each party shall select an appraiser to be a member of the arbitration panel prior to sixty (60) days before the effective date for renegotiated rent and each party shall compensate the appraiser selected by the party. The third arbitrator shall be selected by the other two members of the panel and be compensated in equal shares by the parties. If either party fails to timely select its appraiser prior to sixty (60) days before the effective date for renegotiated rent, and the other party timely selects its appraiser, the selected appraiser shall select the other two members of the panel. Each party shall cooperate to expedite the selection of the three arbitrators and in no case may either party delay the selection of the arbitration panel. The arbitration shall be based on an approach to valuation consistent with the standards of professional appraisal practice. For purposes of the Market Rate dispute resolution, the arbitration panel may ask questions and request further information from each party, but the arbitration panel shall have discretion with respect to what the panel deems comparable properties. The arbitrators shall ultimately select one of the Final Offers as the resolution of the dispute, and may not render a compromise decision. In the event that the Market Rate cannot be determined until after the applicable adjustment date, Lessee shall continue to pay Land Rent at the rate in effect prior to submission of the Market Rate determination to arbitration. Upon final determination of the Market Rate, any underpayment of Land Rent (being the deficit between (i) the amount of Land Rent paid by Lessee following the adjustment date and (ii) the amount of Market Rate determined as a result of the arbitration decision (or settlement between the parties in anticipation thereof)) shall be promptly paid by Lessee to the Port together with interest at the Default Rate within fifteen (15) days from the arbitration decision (or final approval of such settlement).

3.3. <u>Use of Term Rent</u>. The Port and Lessee agree that the term "**Rent**" shall mean and refer collectively to sums denominated as either Land Rent, Improvement Rent, percentage rent

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(if any), Additional Rent (if any) or any such other sums or charges otherwise payable by Lessee under the terms of this Lease. Failure by Lessee to pay any sum denominated as Rent shall entitle the Port to pursue any or all remedies specified in this Lease as well as remedies specified in RCW Chapter 59.12 or otherwise allowed by law.

3.4. Late Charges.

3.4.1 Lessee hereby acknowledges that late payment by Lessee to the Port of Rent, or any portion thereof, or any other sums due hereunder will cause the Port to incur costs not otherwise contemplated by this Lease. Accordingly, if any installment of Rent, or any portion thereof, or any other sum due from Lessee shall not be received by the Port within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay the Port a late charge equal to the greater of five dollars (\$5.00) or 5% of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs the Port will incur by reason of late payment by Lessee. Acceptance of such late charge by the Port shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent the Port from exercising any of the other rights and remedies granted hereunder.

3.4.2 In addition to the late charges provided for in this Section, interest shall accrue on any unpaid Rent and/or other remuneration, or any other sums due hereunder, at the rate of 18% per annum or the maximum rate provided by law, whichever is less, (the "**Default Rate**") from the date due until paid, provided, however, the minimum charge of interest shall be five dollars (\$5.00).

SECTION 4: SECURITY

4.1. <u>Security</u>. Lessee shall, upon execution of this Lease, obtain and deliver to the Port a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, cash deposit or other security in an amount equal to six (6) months of Land Rent (hereinafter referred to as the "Security"), to secure Lessee's full performance of this Lease, including the payment of all fees and other amounts now or hereafter payable to the Port hereunder. Six months of Land Rent and Improvement Rent in the first year is \$396,944.58. The form, provisions and nature of the Security, and the identity of the surety or other obligor thereunder, shall at all times be subject to the Port's approval, which approval shall not be unreasonably withheld, conditioned or delayed. The Security shall remain in place at all times throughout the full Term and throughout any holdover period. If the Security is in a form that periodically requires renewal, Lessee must renew the Security not less than forty-five (45) days before the Security is scheduled to expire. No interest shall be paid on the Security and the Port shall not be required to keep the Security separate from its other accounts. No trust relationship is created with respect to the Security.

4.2. <u>Return of Security</u>. The Security is a part of the consideration for execution of this Lease. If Lessee shall have fully performed all terms and conditions of this Lease, any cash deposit security shall be paid to Lessee within sixty (60) days following the termination (or

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expiration) date without interest; otherwise the Port shall, in addition to any and all other rights and remedies available under this Lease or at law or equity, retain title thereto.

4.3. <u>Application of Security</u>. The Port may apply all or part of the Security to unpaid Rent or any other unpaid sum due hereunder, or to cure other defaults of Lessee. If the Port uses any part of the Security, Lessee shall restore the Security to its then-currently required amount within fifteen (15) days after the receipt of the Port's written request to do so. The retention or application of such Security by the Port pursuant to this Section does not constitute a limitation on or waiver of the Port's right to seek further remedy under law or equity.

SECTION 5: USE OF PREMISES

5.1. <u>Use of Premises</u>. Lessee shall use the Premises for storage and processing of food and related office use, and shall not use the Premises for vehicle maintenance, or equipment cleaning, or any other purpose without the prior written consent of the Port, which consent shall not be unreasonably withheld, conditioned or delayed with respect to vehicle maintenance and/or equipment cleaning so long as Lessee has provided the Port with copies of all permits and approvals necessary to conduct such vehicle maintenance and/or equipment cleaning.

5.1.1. Vehicle maintenance, which is prohibited on the Premises, is defined as the rehabilitation, mechanical repairing, painting, fueling, and/or lubricating of a motor-driven conveyance that transports people or freight, such as an automobile, truck, train, or airplane.

5.1.2. Equipment cleaning, which is also prohibited on the Premises, includes any cleaning or maintenance of equipment associated with the tenant operations.

5.2. General Standards Regarding Use.

5.2.1. Lessee shall occupy and use the entire Premises for the purpose set forth in Section 5.1 in a first-class manner continuously during the entire Term, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or refurbishing or for reasons beyond Lessee's reasonable control.

5.2.2. Lessee shall not use or occupy or permit the Premises or any part thereof to be used or occupied, in whole or in part, in a manner which would in any way: (i) violate any present or future Legal Requirements; (ii) violate any of the covenants, agreements, provisions and conditions of this Lease; (iii) violate the certificate of occupancy then in force with respect thereto; (iv) constitute a public or private nuisance; (v) impair or interfere with, in the Port's reasonable judgment, the character, reputation or appearance of the Port; or (vi) occasion discomfort, inconvenience or annoyance to either the Port or its adjoining tenants. For purposes of this Lease, the term "**Legal Requirements**" shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations and requirements of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or Page 8 of 49

POS Agreement #000541 Lineage WA POS RE, LLC Eff. 01/01/2020 735760-0002/4842-1675-1790.6 of any other governmental, public or quasi-public authority, which may be applicable to or have jurisdiction over the Premises, or the sidewalks or streets adjacent thereto and all requirements, obligations and conditions of all instruments of record at any time during the Term.

5.2.3. Lessee shall not conduct or permit to be conducted without the prior written consent of the Port, any auction, fire, bankruptcy, "going out of business" or other distress sales of any nature upon or from the Premises, whether voluntary, involuntary, pursuant to any assignment for the payment of creditors, or pursuant to any bankruptcy or other insolvency proceeding, unless ordered by a court of competent jurisdiction.

5.3. <u>Continuing Compliance</u>. Throughout the Term, Lessee shall, at its own cost and expense, promptly and diligently observe and comply with: (i) all Legal Requirements (including, without limitation, those relating to environmental matters) and the requirements of any fire insurance rating organization and all insurance companies writing policies covering the Premises or any part or parts thereof; (ii) all applicable rules and regulations of the Port pertaining to the Buildings or other realty of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public; and (iii) all permits, licenses, franchises and other authorizations required for Lessee's use of the Premises or any part thereof. Lessee shall comply with each of these whether or not they are now in force or at any time in the future may be passed, enacted, or directed.

5.4. <u>Terminal Security</u>.

5.4.1. Without limiting the generality of either Section 5.2 or 5.3, Lessee shall comply at all times with all local, state and federal laws, rules and regulations relating to homeland security (**"Security Laws"**) applicable to the Premises or any larger facility of which the Premises are a part. If the Premises, either directly or as a result of their location within a larger Port facility, are subject to a government-required security plan (**"Security Plan"**), Lessee will fully and promptly comply with the Security Plan. Lessee shall be solely responsible for all of its costs of complying with any applicable Security Laws or Security Plan as well as any fines or penalties incurred (whether by Lessee or the Port) as result of its failure to comply with such Security Laws or Security Plan.

5.4.2. Lessee shall not, without the Port's separate, express written agreement, undertake any activities or handle any cargo that would either: (i) subject the Premises, or any larger facility of which the Premises are a part, to any Security Laws to which it is not already then-subject; or (ii) require the adoption of, or any material modification to, a Security Plan applicable to the Premises, or any larger facility of which the Premises are a part (together, "Additional Security Requirement"). In addition to its own costs of complying with any Additional Security Requirement, Lessee shall further be responsible to the Port for any costs the Port incurs in complying with any Additional Security Requirement or any fines or penalties incurred as a result of its failure to implement, or comply with, such Additional Security Requirement.

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5.5. No Liens. Lessee will not directly or indirectly create or permit to be created and/or to remain, a Lien upon the Premises, including any Alterations (as defined below in Section 7.2), fixtures, improvements or appurtenances thereto, except (a) those Liens expressly approved in writing by the Port (which approval shall not be unreasonably withheld, conditioned or delayed); and (b) Liens arising in connection with financing secured by Lessee's leasehold interest in the Premises and/or Lessee's fee interest in the Buildings. In the event any such Lien(s) have been created by or permitted by Lessee in violation of this provision, Lessee shall, within no more than thirty (30) days thereafter, discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Lessee shall also defend (with counsel reasonably approved by the Port), fully indemnify, and hold entirely free and harmless the Port from any action, suit or proceeding brought on or for the enforcement of such Lien(s). As used in this Section, "Lien" shall mean and refer to any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on the Premises, any Alteration, fixture, improvement or appurtenance thereto, or any larger building and/or property of which the Premises may be a part.

5.6. <u>Signs</u>. No signs, symbols, canopies or other advertising matter shall be attached to or painted on or within the Premises, including windows and doors thereof, without the prior written approval of the Port, which approval shall not be unreasonably withheld, conditioned or delayed. At the expiration or sooner termination of this Lease, all signs, symbols, advertising matter or canopies placed on or in the Premises by Lessee shall be removed by Lessee at its expense, and Lessee shall repair any damage or injury to the Premises and correct any unsightly condition caused by the maintenance or removal of said signs, symbols, canopies or other advertising matter.

SECTION 6: UTILITIES

6.1. <u>Utilities</u>. Lessee shall be liable for and shall pay throughout the Term, all charges for all utility services furnished or attributable to the Premises, including, but not limited to, light, heat, electricity, fire alarm monitoring, gas, water, sewage (which includes removal and disposal of sewage and surface water), recycling, garbage disposal, and janitorial services, specifically including reasonable costs and charges associated with the management of such utility services. In the event that the Premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port Lessee's pro rata share of the cost of any such utility services. Lessee's pro rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required.

6.2. <u>Utility Interruptions</u>. With respect to any utility service provided to the Premises as a part of a building or any larger premises of which the Premises are a part, the Port shall have the right to shut down electrical or other utility services to the Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations, reconnections, or for any other reason, with respect to any such utility system (singularly or collectively, "**Utility Work**"),

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regardless of whether the need for such Utility Work arises in respect of the Premises, any other part of the building or larger premises. The Port shall give Lessee no less than ten (10) days prior written notice for such utility shutdown (except in the event of an emergency, in which case no prior written notice shall be required, but which shall be provided as soon as reasonably practicable). The Port shall not be liable to Lessee for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Premises, except when such losses result from the Port's negligence or willful misconduct.

6.3. <u>Energy Conservation</u>. The Port shall have the right to institute such reasonable policies, programs and measures as may be necessary or desirable, in the Port's discretion, for the conservation and/or preservation of energy or energy related services, or as may be required to comply with any applicable codes, rules and regulations, whether mandatory or voluntary. Lessee shall provide supporting data as reasonably requested in order to enable the Port to track performance and compliance with the Port's policies and programs, including an annual report to the Port that includes building resource consumption information, energy audits, compliance records with programs such as Seattle Building Tune-Ups, and other applicable data.

SECTION 7: ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

7.1. <u>Ownership of Buildings</u>. Lessee owns and shall continue to own all buildings and structures on the Premises, including the Buildings, as well as all improvements and Alterations described below. At all times while this Lease is in force, title to the Buildings and all other Alterations shall belong solely to Lessee. Upon expiration or earlier termination of this Lease (and subject to Section 18.1), title to all buildings, structures, improvements and Alterations, including the Buildings, shall pass automatically to the Port, without payment therefor, and Lessee shall have no further rights therein.

7.2. <u>Limitation on Alterations</u>. Lessee shall make no changes, alterations, additions, substitutions or improvements (collectively referred to as "Alterations") to the Premises, unless Lessee shall first deliver to the Port plans and specifications for, and obtain the Port's prior written approval of, such Alterations. All such Alterations shall be done at Lessee's sole cost and expense and at such times and subject to such conditions as the Port may from time to time designate. The Port's review or approval (or review by any agent or representative of the Port) of any design, plans, specifications, permit applications or construction work relating to any Alterations, shall (i) not be unreasonably withheld, conditioned or delayed, or (ii) under no circumstances be deemed to be a representation or warranty by the Port that the design, plans, specifications or construction complies with applicable Legal Requirements or are suited for their intended purpose. Lessee waives any claims against the Port with respect to any such review or approval by the Port or any agent or representative of the Port.

7.3. <u>Requirements for All Alterations</u>. In addition to, and not in lieu of, conditions imposed by the Port pursuant to Section 7.1, any alterations or improvements permitted by the Port shall be performed: (i) in a good and workmanlike manner; (ii) in compliance with all Legal

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Requirements; and (iii) in a manner which will not unreasonably interfere with or disturb other tenants of the Port. Lessee shall provide as-built drawings of any material alterations within thirty (30) business days following completion. In addition, prior to commencement of any Alterations, Lessee shall furnish to the Port proof of insurance for any and all contractors working on behalf of Lessee in the minimum form and limits as set forth in Sections 11.2.1.1 and 11.2.1.2.

7.4. <u>Trade Fixtures</u>. Lessee shall retain ownership of all trade fixtures and business equipment and furnishings from time to time installed by Lessee at its expense. Lessee may remove any of such fixtures, equipment or furnishings at any time during the Term and shall remove all thereof prior to the expiration of the Term. Any such property not removed at the expiration of the Term shall, at the election of the Port, become the property of the Port without payment to Lessee, or be deemed abandoned and removed by the Port, at Lessee's expense. Upon any removal of such property, Lessee shall promptly repair any and all damage to the Premises caused thereby and reimburse the Port for its actual costs and expenses in removing any such property not removed by Lessee; this covenant shall survive the termination of this Lease.

7.5. <u>Prevailing Wage</u>. Lessee shall, in connection with the labor associated with any Alterations under this Lease, comply with all prevailing wage laws in the State of Washington, as set forth in RCW 39.12 as amended, and the rules and regulations of the Department of Labor and Industries. The wage rates to be paid all laborers, workers and mechanics that perform any part of the work on any Alterations shall comply with the prevailing wage rates as required by Chapter 39.12 of the Revised Code of Washington, as amended. This requirement applies to laborers, workers and mechanics whether they are employed by Lessee, Contractors, Subcontractors, Sub-subcontractors, or any other person who performs a portion of the work on any Alterations.

7.5.1. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where any work under this Lease will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by this reference made a part of this Lease as though fully set forth herein. The Washington Administrative Code Chapter 296-127 relating to prevailing wage can be found at: http://apps.leg.wa.gov/wac/default.aspx?cite=296-127. In any contracts for Alterations approved by the Port, Lessee's contract with any general contractor and/or sub-contractor shall require the payment of the local prevailing wage.

7.5.2. In connection with this Lease, Lessee will be required to submit to the Port "Statements of Intent to Pay Prevailing Wages" for its employees, contractors and subcontractors at all tiers prior to commencing work. The Statements of Intent require the approval of the industrial statistician of the Department of Labor and Industries — which shall include the contractor's registration certificate number; the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020; and the estimated number of

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workers in each classification. Lessee shall ensure that each Statement of Intent to Pay Prevailing Wages that is submitted to the Port has been approved by the industrial statistician of the Department of Labor and Industries before said statement is submitted to the Port. Such Statements of Intent shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

7.5.3. Lessee will further be required to submit to the Port "Affidavits of Wages Paid" for its employees, contractors and subcontractors at all tiers. The Affidavits of Wages Paid require the certification of the industrial statistician of the Department of Labor and Industries — which shall include the contractor's registration certificate number; the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020; and the estimated number of workers in each classification. Lessee shall ensure that each Affidavit of Wages Paid that is submitted to the Port has been certified by the industrial statistician of the Department of Labor and Industries before said Affidavit is submitted to the Port. Such Affidavits of Wages Paid shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

7.5.4. Pursuant to WAC 296-127-040 and WAC 296-127-045, Lessee shall be responsible for payment to the Department of Labor and Industries the applicable processing fee(s) set forth in RCW 39.12.070 due with the submittal of each "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid." Lessee shall monitor contractors' and subcontractors' compliance with the requirements of this Section 7.5; any failure by Lessee or contractor or subcontractor at any tier to meet the requirements of this Section 7.5 or violation of prevailing wage laws or regulations shall be a material breach of this Lease.

7.5.5. Although not required, the Port encourages Lessee to examine the applicability of a Project Labor Agreement ("PLA") in light of any: (i) project needs for labor continuity and stability, including analysis of labor needs by trade; (ii) project complexity, including cost and duration; (iii) value of having uniform working conditions; (iv) potential impact of PLA on small business opportunities; (v) past labor disputes or issues indicating risk of delay; (vi) potential PLA impact on project cost; (vii) project presents specific safety concerns to the public; (viii) value of an established PLA grievance process to resolve labor-management or jurisdictional disputes; and (ix) any other considerations particular to the project.

7.6. <u>Sustainable Development</u>. The Port encourages Lessee to integrate sustainable development elements in the planning, design, construction and operation of an Alterations to the extent such elements are technically and financially practical in Lessee's sole discretion, including but not limited to the incorporation of sustainable materials and construction practices, the incorporation of design and technologies to reduce energy use, and consideration of Leadership in Energy and Environmental Design certification for new construction.

SECTION 8: MAINTENANCE AND REPAIR

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8.1. Lessee's Duty to Repair and Maintain.

8.1.1. The Premises, both outside and inside, together with all Alterations, equipment and installations therein and the appurtenances thereto, shall be put and kept in good order, maintenance and repair by Lessee at Lessee's sole cost and expense, and Lessee shall undertake all maintenance and make all repairs and replacements, ordinary, as well as extraordinary, foreseen and unforeseen, structural or otherwise, which may be necessary or required so that at all times the Premises and all Alterations, equipment, installations and appurtenances shall be in thorough good order, condition and repair. Without limiting the generality of the foregoing, Lessee shall keep the glass of all windows and doors on the Premises clean and presentable, shall replace all cracked or broken glass in the Premises, shall keep the mechanical and electrical systems and all drains clean and in a good state of repair, shall protect the sprinkler system and all pipes and drains so that they will not freeze or become clogged, and shall not permit or suffer any waste, damages, or disfigurement to or upon the Premises or any part thereof.

8.1.2. Lessee shall also keep the Premises and entryways neat, clean and in sanitary condition, free from infestation of pests and conditions which might result in harborage for, or infestation of pests. As used in this Section, the word "pests," as used herein, shall include without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created. Lessee shall also specifically remove all snow and ice from the walkways and sidewalks in front of the Premises.

8.1.3. Throughout the Term of the Lease, Lessee shall, at its own cost and expense, promptly and diligently observe and comply with all Legal Requirements, whether or not compliance with such Legal Requirements necessitates structural repairs, changes or alterations in and about the Premises, or repairs, changes or alterations incident to or as the result of any use or occupation of the Premises or interfere with the use and enjoyment of the Premises or any part thereof, and whether or not the same now are in force or at any time in the future may be passed, enacted, or directed. Lessee shall procure, maintain and comply with all permits, licenses, franchises and other authorizations required for any use of the Premises or any part thereof then being made and for proper erection, installation, operation and maintenance of any improvements or any part thereof.

8.2. <u>No Maintenance and Repair by Port</u>. The Port shall have no repair or maintenance responsibilities whatsoever with respect to the Premises.

8.3. <u>Maintenance Records</u>. Lessee shall be required to submit maintenance records for the roof, structural elements and major building systems upon the Port's reasonable written request up to twice per calendar year.

SECTION 9: TAXES

9.1. <u>Payment of Taxes</u>. Lessee shall be liable for, and shall pay throughout the Term,

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9.2. <u>Personal Property Taxes</u>. Lessee shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other real or personal property placed or installed in and upon the Premises by Lessee. If any such taxes on Lessee's personal property or trade fixtures are levied against the Port or the Port's property, and if the Port pays the taxes based upon such increased assessment, Lessee shall, upon demand, repay to the Port the taxes so levied.

SECTION 10: COMMON AREAS

Control of Common Areas by Port. The Port shall at all times have the exclusive 10.1. control and management of all parking areas, access roads, driveways, sidewalks, entrances, exits, loading docks, signs, drainage facilities, landscaped areas, washrooms, stairways, hallways and other areas, improvements, facilities and/or special services provided by the Port for the general use, in common, of tenants of any larger property of which the Premises are a part ("common areas and facilities"). Without creating a duty to do so or limiting the Port's right of control and management, the Port specifically reserves the right to: (i) establish, modify from time to time, and enforce reasonable rules and regulations governing the use of the common areas and facilities; (ii) police the common areas and facilities; (iii) change the area, level, location and arrangement of parking and other areas or facilities within common areas and facilities; (iv) provided Lessee is not deprived of reasonable access to its Premises, close all or any portion of the common areas and facilities; and (v) do and perform such other acts in and to the common areas and facilities as, in the use of good business judgment, the Port shall determine to be advisable with a view to the improvement of the convenience and use thereof by the Port and tenants of any larger property of which the Premises are a part.

10.2. <u>License</u>. All common areas and facilities which Lessee is permitted to use and occupy are used and occupied under a revocable license. If the amount of such areas or facilities is revised or diminished, such revision or diminution shall not be deemed a constructive or actual eviction, and the Port shall not be subject to any liability, nor shall Lessee be entitled to any compensation or reduction or abatement of Rent, unless such revision or diminution prevents Lessee's use of or access to the Premises.

SECTION 11: INSURANCE AND INDEMNITY

11.1. Indemnity.

11.1.1. The Port, its Commissioners, officers, employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Lessee or by others, including but not limited to all persons directly or indirectly employed by Lessee, or any agents, contractors, subcontractors, licensees or invitees of Lessee, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Lessee's use or occupancy of the Premises and of areas adjacent thereto.

11.1.2. Lessee shall defend (with counsel reasonably approved by the Port), fully indemnify, and hold entirely free and harmless the Port and its Commissioners, officers, agents and employees from any and all loss, damages, expenses, attorneys' fees, consultants' fees, court costs and other costs for or from: (a) anything and everything whatsoever arising from the condition of the Premises or out of the occupancy by Lessee or any sublessee, licensee, invitee or concessionaire of Lessee; and (b) any accident, injury, death or damage to any party however caused on the Premises, whether or not caused by the negligence of Lessee or any third party; and (c) any fault or negligence by Lessee or any sublessee, licensee, invitee or concessionaire of Lessee or of any officer, agent, employee, guest or invitee of any such person; and (d) any failure on Lessee's part to comply with any of the covenants, terms and conditions contained in this Lease; provided, however, nothing herein shall require Lessee to indemnify the Port from any accident, injury, death or damage to the extent arising out of the negligence or willful misconduct of the Port or its Commissioners, officers, agents and employees. Lessee agrees that the foregoing indemnity specifically covers actions brought by its own employees, and thus Lessee expressly waives its immunity under industrial insurance, Title 51, as necessary to effectuate this indemnity.

11.1.3. Notwithstanding anything to the contrary in Section 11.1.2, in the event of the concurrent negligence of Lessee, any of its sublessees, licensees, assignees, concessionaires, agents, employees, or contractors on the one hand and the negligence of the Port, its agents, employees or contractors on the other hand, which concurrent negligence results in injury or damage to persons or property of any nature and howsoever caused, and relates to the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of the Premises such that RCW 4.24.115 is applicable, Lessee's obligation to indemnify the Port as

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set forth in this Section shall be limited to the extent of Lessee's negligence and that of any of Lessee's officers, sublessees, assignees, agents, employees, contractors or licensees, including Lessee's proportional share of costs, court costs, attorneys' fees, consultants' fees and expenses incurred in connection with any claim, action or proceeding brought with respect to such injury or damage.

11.1.4. LESSEE AND PORT AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION. Lessee's obligations under this Section shall survive the expiration or earlier termination of this Lease.

11.2. Insurance.

11.2.1. <u>Required Policies. L</u>essee shall obtain and keep in force, at its sole cost and expense the following types of insurance, in the amounts specified and in the form hereinafter provided for:

11.2.1.1. *General Liability Insurance*. Lessee shall obtain and keep in force a commercial general liability policy of insurance, written on ISO Form CG 00 01 10 01 (or equivalent), that protects Lessee and the Port, as an additional insured against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the tenancy, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, and specifically including the action/inaction of any subtenant, licensee or concessionaire. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than five million dollars (\$5,000,000) per occurrence. A copy of the additional insured endorsement shall be submitted to the Port at the inception of the Lease and annually thereafter. The policy shall be endorsed with a copy of the endorsement to the Port for primary and noncontributory to any insurance the Port carries. The policy shall contain a waiver of transfer of rights of recovery against others in favor or the Port and an endorsement confirming this shall be provided to the Port. The policy shall contain a minimum \$100,000 sub-limit that covers damage to premises rented or leased to Lessee, including fire damage.

11.2.1.2. Automobile Liability Insurance. Lessee shall obtain and keep in force a commercial automobile liability policy of insurance, written on ISO Form CA 00 01 07 97 (or equivalent), that protects Lessee and the Port against claims for bodily injury and property damage based upon, involving or arising out of motor vehicle operations on or about the Premises and all areas appurtenant thereto. Such insurance shall cover any "Auto" (i.e. owned, hired and non-owned) and shall be on an occurrence basis providing single limit coverage in an amount not less than one million dollars (\$1,000,000) per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations.

11.2.1.3. *Property Insurance*. Lessee shall obtain and keep in force property insurance insuring loss or damage to the Premises, including the Buildings, Lessee's personal property and Alterations (specifically including "betterments" and "improvements") made by or for Lessee against physical damage using an all perils or all-risk form that includes

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damage or loss from but not limited to fire, wind, collapse, explosion, subsidence, land movement, flood, and earthquake to the full replacement value thereof, including loss of use, and business interruption to the Premises. The policy shall include coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of the damaged property including any undamaged sections of the Premises required to be demolished or removed by reason of the enforcement of any Legal Requirement as the result of a covered cause of loss. The amount of such insurance shall be procured on a replacement cost basis. The Port of Seattle shall be included as an Additional Insured and Loss Payee on Lessee's property insurance policy with respect to the Port's interest in Alterations.

11.2.1.4. *Other Insurance*. Lessee shall further obtain and keep in force such other and further insurance as the Port may from time to time reasonably request for the protection by insurance of its interest in the Premises.

The limits of insurance specified in this Section shall be subject to periodic adjustment to reflect changes in insuring practices for similar properties in the same geographic area and changes in insurance products.

11.2.2. Insurance Policies.

11.2.2.1. *Insurance Companies*. Insurance required hereunder shall be in companies duly licensed to transact business in the State of Washington, and maintaining during the policy term a General Policyholders Rating of 'A-' or better and a financial rating of 'IX' or better, as set forth in the most current issue of "Best's Insurance Guide."

11.2.2.2. *Deductibles and Retentions*. No insurance required herein shall contain a deductible or self-insured retention in excess of 500,000 without the prior written consent of the Port.

11.2.2.3. *Termination; Renewal*. Insurance is to remain current throughout the Term. The Port shall receive documentation annually to include a certificate of insurance and any applicable endorsements to validate the insurance required herein has been purchased and is compliant with the Lease requirements within ten (10) days of each insurance renewal. Should any insurance required herein be terminated, cancelled, or not renewed, Lessee will have five (5) days to obtain replacement insurance from the date of the termination, cancellation or non-renewal notice Lessee receives from their insurer(s). In the event the insurance is not replaced within five (5) days, the Lease will be considered under Default in accordance with Section 14.

11.2.2.4. *Evidence of Insurance*. Lessee shall deliver, or cause to be delivered, annually to the Port, certificates of insurance, additional insured endorsements, loss payee endorsements for property insurance, waivers of subrogation and any other documentation or endorsement that provides evidence of the existence and amounts of such insurance, the

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inclusion of the Port as an insured as required by this Lease, and the amounts of all deductibles and/or self-insured retentions. Upon request by the Port, Lessee shall deliver or cause to be delivered to the Port, certified copies of the policies of insurance that Lessee has purchased in order for the Port to verify insurance coverage, limits, and endorsements or view any exclusions to Lessee's insurance policies.

11.2.2.5. *No Limitation of Liability.* The limits of insurance required by this Lease or as carried by Lessee shall not limit the liability of Lessee nor relieve Lessee of any obligation hereunder.

11.3. <u>Waiver of Subrogation</u>. Without affecting any other rights or remedies, Lessee (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the Port, its officers, agents and employees (whether in contract or in tort) on account of any loss or damage occasioned to Lessee arising out of or incident to the perils required to be insured against under this Lease. Accordingly, Lessee shall cause each insurance policy required by Section 11.2 to further contain a waiver of subrogation clause. The effect of such release and waiver of the right to recover damages shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto.

11.4. <u>Increase in Port's Cost of Insurance</u>. Lessee shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the Buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the Buildings or structures of which the Premises are a part, and to the extent allocable to the Term, may be added to the amount of Rent and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

SECTION 12: DAMAGE OR DESTRUCTION

12.1. <u>Duty to Repair</u>. If the Premises or any buildings, structures or any other improvements or Alterations on the Premises are damaged or destroyed by any cause whatsoever during the Term, Lessee shall, with reasonable promptness, repair and replace the same at its own expense, to a condition reasonably comparable to the condition existing immediately prior to the damage or destruction, but only to the extent the proceeds of any insurance policies covering the loss are sufficient to reimburse Lessee therefor; *provided, however*, that if the proceeds of insurance are more than sufficient to pay the cost of the rebuilding, Lessee shall be entitled to retain such surplus.

12.2. <u>Abatement of Rent</u>. Except as otherwise provided herein, Lessee shall not be entitled to any abatement of rent, nor shall its obligations under this Lease be terminated during the Term, notwithstanding any destruction or damage to the Premises or any buildings, structures or Alterations on the Premises, by any cause whatsoever; *provided, however*, that if the whole or materially all of the Premises are destroyed by fire or other casualty at any time during the last

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12.3. <u>Waiver</u>. Except as specifically set forth in this Lease, Lessee hereby waives any right that Lessee may have, under any applicable existing or future law, to terminate this Lease in the event of any damage to, or destruction of, the Premises or any buildings or structures on the Premises.

SECTION 13: ASSIGNMENT AND SUBLEASE

13.1. <u>Prohibition</u>. Except as otherwise specifically permitted in this Lease (including Section 13.4 below), Lessee shall not, in whole or in part, assign, sublet, license or permit occupancy by any party other than Lessee of all or any part of the Premises, without the prior written consent of the Port in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. As used in this Section, "**Sublease**" and "**Sublessee**" shall mean and refer to any subleasing under the Lease at any level and between any parties. Lessee shall at the time Lessee requests the consent of the Port, deliver to the Port such information in writing as the Port may reasonably require respecting the proposed assignee, Sublessee or licensee including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee, Sublessee or licensee. Within twenty (20) business days after receipt of all required information, the Port may, in its sole but reasonable discretion, consent to such proposed assignment, Sublease or license. The Port's failure to provide Lessee with such written consent within the stated twenty (20) day period shall constitute the Port's refusal to consent to the proposed assignment, Sublease or license.

13.1.1. In addition, a condition to the Port's consent to any assignment, Sublease or license of this Lease or the Premises shall be the delivery to the Port of a true copy of the fully executed instrument of assignment, Sublease or license and an agreement executed by the assignee, Sublessee or licensee in form and substance satisfactory to the Port and expressly enforceable by the Port, whereby the assignee, Sublessee or licensee assumes and agrees to be bound by the terms and provisions of this Lease and perform all the obligations of Lessee hereunder.

13.1.2. In the event of any assignment, Lessee and each respective assignor agrees that the Port may in each and every instance deal with the tenant in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Lease and modify the same, and in general deal with the tenant then in possession.

13.1.3. Lessee agrees that any Sublease or license will contain a provision in substance that if there be any termination whatsoever of this Lease then the Sublessee or

licensee, at the request of the Port, will attorn to the Port and the Sublease or license, if the Port so requests, shall continue in effect with the Port, but the Port shall be bound to the Sublessee or licensee in such circumstances only by privity of estate. Nothing herein shall be deemed to require the Port to accept such attornment.

13.1.4. No assignment, Sublease or license by Lessee shall relieve Lessee of any obligation under this Lease, including Lessee's obligation to pay Rent or any other sum hereunder. Any purported assignment, Sublease or license contrary to the provisions hereof without consent shall be void. The consent by the Port to any assignment, Sublease or license shall not constitute a waiver of the necessity for such consent to any subsequent assignment, Sublease or license.

13.1.5. Lessee shall reimburse the Port in the sum of Five Hundred Dollars (\$500.00) incurred by the Port in connection with any request by Lessee for consent to an assignment, subletting or license.

Scope. The prohibition against assigning, subleasing or licensing contained in 13.2. this Section 13 shall be construed to include a prohibition against any assignment, subleasing or licensing by operation of law. Furthermore, for purposes of this Section 13, any sale, transfer or other disposition in the aggregate of 50% or more of the equity ownership in Lessee (i.e. stock with respect to tenant corporation, partnership interests with respect to a tenant partnership, etc.) shall be deemed an assignment. If this Lease be assigned, or if the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof be sublet or occupied by anybody other than Lessee, the Port may collect Rent from the assignee, Sublessee, licensee or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, Sublease, license, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, Sublessee, licensee or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

13.3. <u>Permitted Transfers</u>. Notwithstanding anything to the contrary in this Lease, Lessee may, without the Port's prior written consent, sublease a portion of the Premises to Trident Seafoods Corporation by executing a sublease agreement in substantially the form included in the draft sublease attached hereto as Exhibit C. In addition, Lessee may sublease, assign or license to, or enter into a management agreement with, Lineage Logistics, LLC and/or Lineage Logistics Services, LLC, in order for either or both entities to occupy and/or to perform services in certain portions of the Premises. The foregoing transfers shall not take effect until Lessee has delivered to the Port an executed copy of the sublease, or assignment and assumption, license or management agreement, as applicable.

SECTION 14: DEFAULT

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14.1. <u>Defaults</u>. Time is of the essence of this Lease. The occurrence of any one or more of the following events constitutes a default of this Lease by Lessee (i) with notice from the Port with respect to a default pursuant to Sections 14.1.1 through 14.1.4 below (as more particularly described in Section 14.2.1 below), or (ii) without notice from the Port with respect to a default pursuant to Section 14.1.5 below:

14.1.1. The vacating or abandonment of the Premises by Lessee; <u>provided</u>, <u>however</u>, that Lessee shall not be deemed to have vacated or abandoned the Premises, thereby giving rise to a default under this Section 14.1.1, if Lessee ceases to do business from the Premises but nevertheless continues to pay Rent and perform each covenant, condition, or agreement to be observed or performed by Lessee hereunder.

14.1.2. The failure by Lessee to make any payment of Rent, or any other payment required by this Lease, when due.

14.1.3. The failure by Lessee to observe or perform any covenant, condition, or agreement to be observed or performed by Lessee in this Lease.

14.1.4. The discovery by the Port that any required report, financial statement or background statement provided to the Port by Lessee, any successor, grantee, or assign was materially false.

14.1.5. The filing by Lessee of a petition in bankruptcy, Lessee being adjudged bankrupt or insolvent by any court, a receiver of the property of Lessee being appointed in any proceeding brought by or against Lessee, Lessee making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee.

14.2. <u>Remedies</u>.

14.2.1. Whenever any default (other than a default under Section 14.1.5 above, upon which termination of this Lease shall, at the Port's option, be effective immediately without further notice) continues unremedied in whole or in part for ten (10) days after written notice in the case of default for failure to pay any Rent, or other required payment when due), or thirty (30) days after written notice is provided by the Port to Lessee (provided, however, if the nature of the default is such that more than thirty (30) days are required to cure the same, then Lessee shall not be in default under this Section 14.2 if Lessee commences to cure such default within such thirty (30) day period and thereafter diligently pursues the same to completion within one hundred eighty (180) days after written notice is provided by the Port to Lessee), this Lease and all of Lessee's rights under it will automatically terminate if the written notice of default so provides. Upon termination, the Port may reenter the Premises using such force as may be necessary and remove all persons and property from the Premises. The Port will be entitled to recover from Lessee all unpaid Rent or other payments and damages incurred because of

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Lessee's default including, but not limited to, the costs of re-letting, including tenant improvements, necessary renovations or repairs, advertising, leasing commissions, and attorneys' fees and costs ("**Termination Damages**"), together with interest on all Termination Damages at the Default Rates from the date such Termination Damages are incurred by the Port until paid.

14.2.2. In addition to Termination Damages, and notwithstanding termination and reentry, Lessee's liability for all Rent or other charges which, but for termination of the Lease, would have become due over the remainder of the Term ("**Future Charges**") will not be extinguished and Lessee agrees that the Port will be entitled, upon termination for default, to collect as additional damages, a Rental Deficiency. "**Rental Deficiency**" means, at the Port's election, either:

14.2.2.1. An amount equal to Future Charges, less the amount of actual rent, if any, which the Port receives during the remainder of the Term from others to whom the Premises may be rented, in which case such Rental Deficiency will be computed and payable at the Port's option either:

14.2.2.1.1. In an accelerated lump-sum payment; or

14.2.2.1.2. In monthly installments, in advance, on the first day of each calendar month following termination of the Lease and continuing until the date on which the Term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Port's right to collect any portion of Rental Deficiency by a similar proceeding; or

14.2.2.2. An amount equal to Future Charges less the aggregate fair rental value of the Premises over the remaining Term, reduced to present worth. In this case, the Rental Deficiency must be paid to the Port in one lump sum, on demand, and will bear interest at the Default Rate until paid. For purposes of this subparagraph, "present worth" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank in, or closest to, Seattle, Washington.

14.2.3. If this Lease is terminated for default as provided in this Lease, the Port shall use reasonable efforts to re-let the Premises in whole or in part, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the Term), for such use or uses and, otherwise on such terms and conditions as the Port, in its sole discretion, may determine, but the Port will not be liable for, nor will Lessee's obligations under this Lease be diminished by reason for any failure by the Port to re-let the Premises or any failures by the Port to collect any rent due upon such releting.

14.2.4. In addition to the rights granted by Section 7.4, if upon any reentry

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permitted under this Lease, there remains any personal property upon the Premises, the Port, in its sole discretion, may remove and store the personal property for the account and at the expense of Lessee. In the event the Port chooses to remove and store such property, it shall take reasonable steps to notify Lessee of the Port's action. All risks associated with removal and storage shall be on Lessee. Lessee shall reimburse the Port for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. The Port has the right to sell any property which has been stored for a period of thirty (30) days or more, unless Lessee has tendered reimbursement to the Port for all expenses incurred in removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorney's fees), second to the payment of storage charges, and third to the payment of any other amounts which may then be due and owing from Lessee to the Port. The balance of sale proceeds, if any, will then be paid to Lessee.

14.3. <u>Remedies Cumulative</u>. All rights, options and remedies of the Port contained in this Lease shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the Port shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease.

SECTION 15: TERMINATION OTHER THAN FOR DEFAULT

15.1. Major Capital Improvement. [Intentionally deleted]

15.2. Condemnation.

15.2.1. <u>Total Taking</u>. In the case of a taking by eminent domain of either all of the Premises or such portion of either the Premises or any buildings or structures of which the Premises are a part as shall, in the Port's sole judgment, be required for reasonable use of the Premises, this Lease shall terminate as of the date of such taking. If Lessee is not in default under any of the provisions of this Lease on said date, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

15.2.2. <u>Partial Taking</u>. In the case of a taking of a portion of the Premises or any buildings or structures of which the Premises are a part, which are not, in the Port's sole judgment, required for reasonable use of the Premises, this Lease shall continue in full force and effect, and the Base Rent shall, as of the date of such taking, be equitably reduced based on the proportion by which the Premises (but not the buildings or structures of which the Premises are a part) is reduced.

15.2.3. <u>Damages</u>. The Port reserves all right to the entire damage award or payment for taking by eminent domain, and Lessee waives all claim whatsoever against the Port and/or the authority exercising eminent domain for damages for termination of its leasehold or for interference with its business. The Port and Lessee further agree that all decisions regarding how the eminent domain proceeding should be handled shall be made in the sole discretion of the Port (specifically including any response to a motion for order adjudicating public use and necessity or any request for immediate possession), and Lessee shall take no actions or steps which interfere with the Port's ability to control the handling of the eminent domain proceeding. Notwithstanding the foregoing, nothing in this Section shall be considered to be a waiver or assignment by Lessee of any right to relocation assistance payments or relocation advisory services which may be available in connection with the eminent domain proceeding.

15.2.4. <u>Eminent Domain</u>. The term "**eminent domain**" as used in this Section 15.2 shall include taking or damaging of property by, through or under any governmental or quasi-governmental authority and the purchase or acquisition in lieu thereof.

15.3. <u>Court Decree</u>. In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee. Lessee is not

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entitled to any compensation at termination for the bargain value of the leasehold.

SECTION 16: ACCESS; EASEMENTS

16.1. <u>Access to Premises</u>. The Port shall have the right to show the Premises at all reasonable times during business hours of Lessee to any prospective purchasers, tenants or mortgagees of the same, and may at any time enter upon the Premises, or any part thereof, for the purpose of ascertaining the condition of the Premises or whether Lessee is observing and performing the obligations assumed by it under this Lease, all without hindrance or molestation from the Lessee. The Port shall also have the right to enter upon the Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Lessee's failure to make any such repairs or perform any such work. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Lessee (except that no notice shall be required in the event of an emergency) or an authorized employee of Lessee at the Premises, which notice may be given orally.

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16.2. Easements.

16.2.1. The Parties recognize that the Port facilities are continuously being modified to improve the utilities, services and premises used and provided by the Port. The Port and its authorized utility service providers are hereby granted a continuous easement or easements that the Port believes is necessary within the Premises of Lessee, without any additional cost to the Port for the purposes expressed hereinabove. The Port, its authorized utility service providers, and their respective agents, shall have the right to enter the Premises of Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, the electrical service, the roadways (specifically including routes of ingress and egress) and all other services and facilities required by the Port for its own use. Provided, however, that the Port by virtue of such use, does not substantially deprive Lessee of its beneficial use or occupancy of the Premises without consent of Lessee.

16.2.2. In the event that the Port permanently deprives Lessee from such beneficial use or occupancy, then an equitable adjustment in Rent, or in the cost required to modify its Premises to allow Lessee to operate its business, will be negotiated and paid by the Port to Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse Lessee for the cost required to modify its Premises for the temporary period that Lessee is inconvenienced by such Port entry. The Port will not be responsible to Lessee for any reduced efficiency or loss of business occasioned by such entry.

SECTION 17: NONWAIVER; RIGHT TO PERFORM

17.1. <u>Receipt of Monies Following Termination</u>. No receipt of monies by the Port from Lessee after the termination or cancellation of this Lease in any lawful manner shall (i) reinstate, continue or extend the Term; (ii) affect any notice theretofore given to Lessee; (iii) operate as a waiver of the rights of the Port to enforce the payment of any Rent and fees then due or thereafter falling due; or (iv) operate as a waiver of the right of the Port to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Lease, or after the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Premises, the Port may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation and/or Lessee's liability hereunder.

17.2. <u>No Waiver of Breach</u>. The failure of the Port to insist in any one or more instances, upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by the Port of the Rent or fees, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach,

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and no waiver by the Port of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Port. The consent or approval of the Port to or of any act by Lessee requiring the Port's consent or approval shall not be deemed to waive or render unnecessary the Port's consent or approval to or of any subsequent similar acts by Lessee.

17.3. <u>No Waiver of Rent</u>. The receipt by the Port of any installment of Rent or of any amount shall not be a waiver of any Rent or other amount then due.

17.4. <u>Application of Payments</u>. The Port shall have the right to apply any payments made by Lessee to the satisfaction of any debt or obligation of Lessee to the Port, in the Port's sole discretion and regardless of the instructions of Lessee as to application of any such sum, whether such instructions be endorsed upon Lessee's check or otherwise, unless otherwise agreed upon by both parties in writing. The acceptance by the Port of a check or checks drawn by others than Lessee shall in no way affect Lessee's liability hereunder nor shall it be deemed an approval of any assignment of this Lease or any subletting by Lessee.

17.5. <u>Port's Right to Perform</u>. Upon Lessee's failure to perform any obligation or make any payment required of Lessee hereunder, the Port shall have the right (but not the obligation) to perform such obligation of Lessee on behalf of Lessee and/or to make payment on behalf of Lessee to such parties. Lessee shall reimburse the Port the reasonable cost of the Port's performing such obligation on Lessee's behalf, including reimbursement of any amounts that may be expended by the Port, plus interest at the Default Rate.

SECTION 18: SURRENDER AND HOLDING OVER

Port's Option for Removal of Modifications; Surrender. Not less than one 18.1. hundred eighty (180) days prior to the expiration of the Term, and not later than thirty (30) days following earlier termination of this Lease, the Port, at is sole election and discretion, may elect to have Lessee: (i) remove all or any portion of the then-existing Alterations to the Buildings or other improvements or modifications on the Premises (except for the Buildings themselves, which the Port acknowledges and agrees Lessee shall be under no obligation to demolish at the expiration or earlier termination of this Lease), at Lessee's sole cost and expense; or (ii) allow the same to remain on the Premises. The Port may make different elections as to various portions of the improvements or modifications to the Premises. In the event that the Port elects for the removal of any or all of the improvements or modifications to the Premises, Lessee shall diligently complete such removal within not more than sixty (60) days after the later of (a) Lessee's receipt of the Port's election, or (b) the expiration of the Term (or Extension Term). The Port grants Lessee a license to use the Premises or portions thereof during the authorized period for Lessee's removal of improvements pursuant to this Section. Such license shall be subject to Lessee's indemnification and insurance obligations under Section 11, which shall survive during the license period, unless otherwise modified by written agreement of the parties. In any event, Lessee shall quit and surrender the Premises, together with any remaining improvements or modifications, in the condition in which is received, normal wear and tear excepted.

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18.2. <u>Holding Over</u>. If Lessee, with the consent of the Port, holds over after the expiration or sooner termination of this Lease, the resulting tenancy will, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to the Port, at the Port's sole discretion, the same rental rate that was in effect immediately prior to the month-to-month tenancy times 150%. Lessee will continue to be bound by all of the provisions of this Lease.

18.3. <u>For Rent Signs</u>. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for ninety (90) days prior to the expiration or sooner termination of this Lease.

SECTION 19: ENVIRONMENTAL STANDARDS

19.1. <u>Definitions</u>. "Law or Regulation" as used herein shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including without limitation any final order of any court of competent jurisdiction), now or hereafter in effect. "Hazardous **Substances**" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Law or Regulation.

19.2. <u>Hazardous Substances</u>. Lessee shall not allow the presence in or about the Premises of any Hazardous Substance in any manner that could be a detriment to the Premises or in violation of any Law or Regulation. Lessee shall not allow any Hazardous Substances to migrate off the Premises, or the release of any Hazardous Substances into adjacent surface waters, soils, underground waters or air. Lessee shall provide the Port with Lessee's USEPA Waste Generator Number, and with copies of all Material Safety Data Sheets (MSDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Lessee receives from, or provides to, any governmental unit or agency in connection with Lessee's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance on the Premises.

19.3. <u>Violation of Environmental Law</u>. If Lessee, or the Premises, is in violation of any Law or Regulation concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, then Lessee shall promptly take such action as is necessary to mitigate and correct the violation. If Lessee does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation, to come onto the Premises, to act in place of Lessee (Lessee hereby appoints the Port as its agent for such purposes) and to take such action as the Port deems necessary to ensure compliance or to mitigate the violation. If the Port has a reasonable belief that Lessee is in violation of any Law or Regulation, or that Lessee's actions or inactions present a threat of violation or a threat of damage to the Premises, the Port deems necessary. All costs and expenses incurred by the Port in connection with any such actions shall become immediately due and payable by Lessee upon presentation of an invoice therefor.

19.4. <u>Inspection; Test Results</u>. The Port shall have access to the Premises to conduct an Page 29 of 49

annual environmental inspection. In addition, Lessee shall permit the Port access to the Premises at any time upon reasonable notice for the purpose of conducting environmental testing at the Port's expense. Lessee shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the Port's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Lessee shall promptly inform the Port of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Lessee, and Lessee shall provide copies to the Port.

19.5. <u>Removal of Hazardous Substances</u>. Prior to vacation of the Premises, in addition to all other requirements under this Lease, Lessee shall remove any Hazardous Substances placed on the Premises during the Term or Lessee's possession of the Premises, and shall demonstrate such removal to the Port's satisfaction. This removal and demonstration shall be a condition precedent to the Port's payment of any Security to Lessee upon termination or expiration of this Lease.

19.6. <u>Remedies Not Exclusive</u>. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the Port shall be entitled to full reimbursement from Lessee whenever the Port incurs any costs resulting from Lessee's use or management of Hazardous Substances on the Premises, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port, injuries to third persons or other properties, and loss of revenues resulting from an inability to re-lease or market the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of this Lease).

19.7. <u>Environmental Indemnity</u>. In addition to all other indemnities provided in this Lease, Lessee agrees to defend, indemnify and hold the Port free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any Hazardous Substance on the Premises, or the migration of any Hazardous Substance from the Premises to other properties or into the surrounding environment, whether (i) made, commenced or incurred during the Term, or (ii) made, commenced or incurred after the expiration of this Lease if arising out of events occurring during the Term.

19.8. <u>Stormwater Management</u>. 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 federal and Washington State Department of Ecology ("**Ecology**") stormwater regulations and permits. Lessee will comply with all requirements of the City ordinance and Ecology regulations and permits, including the preparation of and compliance with state Industrial Stormwater General Permit or the Phase I Municipal Permit, or other relevant stormwater permits as applicable. Lessee shall keep onsite a spill kit capable of handling minor spills and/or leaks from parked vehicles. In the event of a spill Page **30** of **49**

POS Agreement #000541 Lineage WA POS RE, LLC Eff. 01/01/2020 735760-0002/4842-1675-1790.6 or leak to a drainage structure, Lessee shall notify the Port's Marine Maintenance 24-hour Dispatch Line: (206) 787-3350 and report line: (206) _____. If Ecology or the City cites the Lessor for stormwater-related permit or Legal Requirement violations attributable to Lessee, Lessee will fully defend and indemnify the Lessor for any damages, penalties, or other assessments made against the Lessor related to the violations, and Lessee will reimburse the Lessor for the cost of any required corrective actions.

19.9. <u>Environmental Covenant</u>. NOTICE: THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT GRANTED TO THE WASHINGTON STATE DEPARTMENT OF ECOLOGY ON AUGUST 28, 2017 AND RECORDED WITH THE KING COUNTY AUDITOR UNDER RECORDING NUMBER 20170828000574. USES AND ACTIVITIES ON THIS PROPERTY MUST COMPLY WITH THAT COVENANT, A COMPLETE COPY OF WHICH IS ATTACHED TO THIS DOCUMENT AS EXHIBIT D.

SECTION 20: MISCELLANEOUS

20.1. <u>Notice</u>. All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail, by facsimile or by recognized overnight courier addressed as follows:

To Lessor:

Port of Seattle Attn: Lease Administration 2711 Alaskan Way Seattle, WA 98121

Facsimile: (206) 787-3280

For payments only, the following mailing address should

be used: Port of Seattle P. O. Box 24507 Seattle, WA 98124-0507

To Lessee:

Lineage Logistics, LLC 46500 Humboldt Drive Novi, MI 48377 Attn: Real Estate Department realestate@lineagelogistics.com and

Lineage Logistics, LLC 1 Park Plaza Irvine, CA 92614 Attn: Legal Department nmatsler@lineagelogistics.com

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered: (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; (iii) on the date transmitted by facsimile, if the facsimile is confirmed received; or (iv) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by the Port.

20.2. <u>Brokers</u>. The Port and Lessee each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. The Port and Lessee each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finder's fee(s) shall be paid to Lessee, employee(s) of Lessee or any unlicensed representative of Lessee.

20.3. <u>Consent</u>. Whenever the Port's prior consent or approval is required by this Lease, the same shall not be unreasonably withheld, conditioned or delayed but may, unless otherwise specifically provided by this Lease, be granted or denied in the Port's sole and absolute discretion.

20.4. <u>Wireless Devices</u>. Lessee shall not install any wireless devices and/or transmitters on or about the Premises without the prior written consent of the Port and subject to any and all conditions in such consent, which consent shall not be unreasonably withheld,

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conditioned or delayed. Lessee specifically grants to the Port the power to regulate and control the use of unlicensed frequency bands (including, but not limited to, FCC Part 15 Subpart C, FCC Part 15 Subpart D (both asynchronous and Isochronous), IEEE 802.11 and BlueTooth (ISM), and FCC UNII 1 and UNII 2 (IEEE 802.11a)) on or about the Premises.

20.5. <u>Relationship to the Port and Lessee</u>. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease, nor any acts of Lessee and the Port, shall be deemed to create any relationship other than that of Lessee and the Port.

20.6. <u>Time</u>. Time is of the essence of each and every one of Lessee's obligations, responsibilities and covenants under this Lease.

20.7. <u>Recording</u>. Lessee shall not record this Lease or any memorandum thereof without the Port's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

20.8. <u>Subordination, Attornment</u>. Unless otherwise designated by the Port, this Lease shall be subordinate to all existing or future mortgages and deeds of trust on the Premises or any larger property of which the Premises may be a part, and to all extensions, renewals or replacements thereof. Within ten (10) days of the Port's request, Lessee shall execute and deliver all instruments or certificates which may be necessary or appropriate to reflect such subordination. Notwithstanding the foregoing, Lessee shall not be required to subordinate to future mortgages or deeds of trust unless the mortgagee or beneficiary under the deed of trust agrees that if it becomes the owner of the property, it will recognize the Lease as long as Lessee is not in default. Within ten (10) days of the Port's request, Lessee shall also execute and deliver to third parties designated by the Port an estoppel certificate or letter in the form requested by the Port or any lender the correctly recites the facts with respect to the existence, terms and status of this Lease. Lessee agrees to attorn to any successor to the Port following any foreclosure, sale or transfer in lieu thereof.

20.9. <u>Promotion of Port Commerce</u>. Lessee agrees that throughout the Term it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

20.10. <u>Nondiscrimination – Services</u>.

20.10.1. Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, sex, age, creed, color or national origin in furnishing, or by refusing to furnish to such person or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided

thereby.

20.10.2. It is agreed that Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

20.11. <u>Nondiscrimination – Employment</u>. Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, sex, age, color, creed or national origin and, in particular:

20.11.1. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and

20.11.2. Lessee will comply strictly with all requirements of applicable federal, state and local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, sex, age, creed, color or national origin.

20.12. <u>Labor Unrest</u>. Lessee agrees to join with the Port and use its best efforts in avoiding labor unrest, or in the event of a strike, picketing, demonstration or other labor difficulty, to use its good offices in negotiating and bringing to a swift and satisfactory conclusion any kind of labor dispute that may affect the interests of the Port. To achieve this end, the Port encourages Lessee to work proactively with the construction trades to prevent work stoppages and resolve grievances.

20.13. <u>Federal Maritime Commission Regulations</u>. This Lease may be subject to 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 modification to this instrument will be effective until the appropriate procedures, if any, have been completed in accordance with the procedures of the appropriate federal agency which has jurisdiction over the Shipping Acts.

20.14. Joint and Several Liability. Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder. It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual lessee or lessees under this agreement.

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20.15. <u>Captions</u>. The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

20.16. <u>Governing Law; Venue</u>. This Lease shall be construed under the laws of Washington. Exclusive jurisdiction and venue for any action relating hereto shall be in the state or federal courts located in King County, Washington.

20.17. <u>Attorneys' Fees</u>. In the event that either party shall be required to bring any action to enforce any of the provisions of this Lease, or shall be required to defend any action brought by the other party with respect to this Lease, and in the further event that one party shall substantially prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts.

20.18. <u>Invalidity of Particular Provisions</u>. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

20.19. <u>Survival of Indemnities</u>. All indemnities provided in this Lease shall survive the expiration or any earlier termination of this Lease. In any litigation or proceeding within the scope of any indemnity provided in this Lease, Lessee shall, at the Port's option, defend the Port at Lessee's expense by counsel satisfactory to the Port.

20.20. <u>Entire Agreement; Amendments</u>. This Lease, together with any and all exhibits attached hereto, shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

20.21. <u>Exhibits</u>. Exhibits A, B, C and D are attached to this Lease after the signatures and by this reference incorporated herein.

[remainder of page intentionally left blank; signature page and notary acknowledgements follow]

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IN WITNESS WHEREOF the parties hereto have signed this Lease as of the day and year first above written.

PORT:

PORT OF SEATTLE, a Washington municipal corporation

By:	
Name:	
Title:	

LESSEE:

LINEAGE WA POS RE, LLC, a Delaware limited liability company

By: Lineage Logistics Holdings, LLC, its sole member

By: _____ Name: _____ Title: _____

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STATE OF WASHINGTON)) ss COUNTY OF KING) On this _____ day of _____, 20_, before me personally appeared , to me known to be the _____ of

the PORT OF SEATTLE, the municipal 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 s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

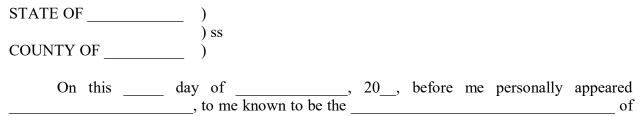
(Signature)

(Print Name)

Notary Public, in and for the State of Washington, residing at

My Commission expires:

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Lineage Logistics Holdings, LLC, the sole member of LINEAGE WA POS RE, LLC, a Delaware limited liability company, the limited liability company that executed the within and foregoing instrument as Lessee, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature)

(Print Name)

Notary Public, in and for the State of _____, residing at ______ My Commission expires:

EXHIBIT A

- LEGAL DESCRIPTION -



PORT OF SEATTLE TERMINAL 91 2001 W. GARFIELD ST. PROPERTY DESCRIPTION

THAT PORTION OF THE EAST HALF AND THE SOUTHWEST QUARTER OF SECTION 23; THE EAST HALF AND THE NORTHWEST QUARTER OF SECTION 26 ALL IN TOWNSHIP 25 NORTH, RANGE 3 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT A CITY OF SEATTLE MONUMENT AT THE CENTER LINE INTERSECTION OF 15TH AVENUE WEST AND WEST GARFIELD STREET: PROCEED SOUTH 89°51'38" WEST ALONG THE CENTER LINE OF SAID GARFIELD STREET A DISTANCE OF 713.10 FEET: THENCE SOUTH 0°08'22" EAST A DISTANCE OF 50.00 FEET TO THE SOUTH MARGIN OF SAID GARFIELD STREET AND TRUE POINT OF BEGINNING; THENCE NORTH 89°51'38" EAST ALONG SAID SOUTH MARGIN TO A POINT OF INTERSECTION WITH THE WESTERLY MARGIN OF ALASKAN WAY WEST A DISTANCE OF 7.25 FEET; THENCE SOUTH 41°10'23" EAST ALONG SAID WESTERLY MARGIN A DISTANCE OF 783.19 FEET TO THE MOST EASTERLY CORNER OF LOT 4. BLOCK 135, SEATTLE TIDE LANDS: THENCE SOUTH 48°49'37" WEST A DISTANCE OF 35.44 FEET; THENCE NORTH 89°48'38" WEST ALONG THE NORTH MARGIN OF WEST GALER STREET, A DISTANCE OF 211.47 FEET TO THE WEST MARGIN OF 16TH AVENUE WEST; THENCE SOUTH 0"11"22" WEST ALONG SAID WEST MARGIN AND SAID MARGIN PROJECTED, A DISTANCE OF 1823.90 FEET TO THE INNER HARBOR LINE; THENCE NORTH 82°19'41" WEST ALONG SAID INNER HABOR LINE A DISTANCE OF 404.89 FEET: THENCE SOUTH 0°08'22" EAST A DISTANCE OF 166.70 FEET; THENCE SOUTH 89°51'38" WEST A DISTANCE OF 310.02 FEET TO A POINT OF INTERSECTION WITH THE EAST LINE OF SMITH'S COVE WATERWAY; THENCE NORTH 0°08'22" WEST A DISTANCE OF 208.93 FEET TO A POINT OF INTERSECTION WITH THE INNER HARBOR LINE: THENCE NORTH 82°19'41" WEST ALONG SAID INNER HARBOR LINE A DISTANCE OF 352.39 FEET; THENCE SOUTH 0°08'22" EAST A DISTANCE OF 253.50 FEET; THENCE SOUTH 89°51'38" WEST A DISTANCE OF 369.03 FEET; THENCE NORTH 0°08'22" WEST A DISTANCE OF 303.95 FEET TO A POINT OF INTERSECTION WITH THE INNER HARBOR LINE: THENCE NORTH 82°19'41" WEST ALONG SAID INNER HARBOR LINE A DISTANCE OF 536.79 FEET TO A POINT ON THE EXTENDED EAST MARGIN OF VACATED 23RD AVENUE WEST, THENCE NORTH 090822" WEST ALONG SAID EXTENSION OF MARGIN A DISTANCE OF 1521.46 FEET TO THE TOE OF EXISTING RIP-RAP; THENCE ALONG SAID TOE SOUTH 89°00'00" WEST A DISTANCE OF 212.49 FEET; THENCE NORTH 00°09'49" WEST A DISTANCE OF 94.40 FEET; THENCE NORTH 45°10'17" WEST A DISTANCE OF 14.14 FEET; THENCE NORTH 00°09'49" WEST A DISTANCE OF 262.00 FEET: THENCE NORTH 33°1721" WEST A DISTANCE OF 29.28 FEET, THENCE NORTH 00°09'49"

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WEST & DISTANCE OF 247.18 FEET; THENCE NORTH 67*53'22" EAST A DISTANCE OF 30.21 FEET; THENCE NORTH 89°51'38" EAST A DISTANCE OF 411.09 FEET; THENCE NORTH 00°08'22" WEST A DISTANCE OF 100.00 FEET; THENCE NORTH 89"51'38" WEST A DISTANCE OF 498.70 FEET; THENCE NORTH 0"11' 00" WEST A DISTANCE OF 13.77 FEET; THENCE SOUTH \$9"46'23" WEST A DISTANCE OF 386.53 FEET; THENCE NORTH 3º 30' 48" EAST A DISTANCE OF 220.93 FEET TO A POINT OF INTERSECTION WITH THE SOUTHEAST LINE OF LOT 29, BLOCK 5, HYDE PARK ADDITION; THENCE N 36" 31' 21" E ALONG SAID LOT LINE EXTENDED A DISTANCE OF 776.48 FEET; THENCE NORTH 0°07'21" WEST A DISTANCE OF 101.07 FEET; THENCE NORTH 85º46'24" EAST A DISTANCE OF 57.67 FEET; THENCE NORTH 25º00'24" EAST A DISTANCE OF 89.47 FEET; THENCE NORTH 18°31'09" EAST A DISTANCE OF 59.62 FEET TO A POINT ON THE NORTH LINE OF LOT 23, BLOCK 194, OF GILMAN'S ADDITION TO THE CITY OF SEATTLE, RECORDED IN VOLUME 5 OF PLATS, PAGE 93, KING COUNTY RECORDS; THENCE NORTH 10°25'39" EAST A DISTANCE OF 93.56 FEET; THENCE NORTH 7°33'54" EAST A DISTANCE OF 6.95 FEET TO THE NORTH LINE OF LOT 20, BLOCK 194, OF SAID GILMAN'S ADDITION TO THE CITY OF SEATTLE; THENCE NORTH 89*52'39" EAST ALONG SAID MARGIN A DISTANCE OF 38.36 FEET TO A POINT OF INTERSECTION WITH THE EAST MARGIN OF 23RD AVENUE WEST; THENCE NORTH 0"0921" WEST ALONG SAID MARGIN A DISTANCE OF 1364.90 FEET TO A POINT OF INTERSECTION WITH THE EASTERLY MARGIN OF THORNDYKE AVENUE WEST; THENCE NORTH 26"51"54" EAST ALONG SAID MARGIN A DISTANCE OF 578.74 FEET TO A POINT OF INTERSECTION WITH THE SOUTH MARGIN OF WEST HALLADAY STREET; THENCE NORTH 89°52')6" EAST ALONG SAID MARGIN & DISTANCE OF 571.20 FEET: THENCE NORTH 18°32'58" EAST A DISTANCE OF 15.49 FEET; THENCE NORTH 89"59'23" EAST A DISTANCE OF 134.64 FEET; THENCE SOUTH 40°26'13" EAST A DISTANCE OF 133.98 FEET, THENCE SOUTH 0"08'22" EAST A DISTANCE OF 54.74 FEET; THENCE SOUTH 51925'28" EAST A DISTANCE OF 4.29 FEET; THENCE SOUTH 0º08'22" EAST A DISTANCE OF 1797.05 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 41º02'01", A RADIUS OF 1165.78 FEET, WITH AN INITIAL RADIAL BEARING NORTH 89"51 38" EAST, AN ARC DISTANCE OF 834.90 FEET; THENCE SOUTH 41º10'23" EAST A DISTANCE OF 493.85 FEET; THENCE SOUTH 27º00'38" EAST A DISTANCE OF 112.11 FEET TO THE TRUE POINT OF BEGINNING.

TERMINAL 91 HARBOR AREA

THAT PORTION OF HARBOR AREA IN THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 25 NORTH, RANGE 3 EAST, W.M. IN KING COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

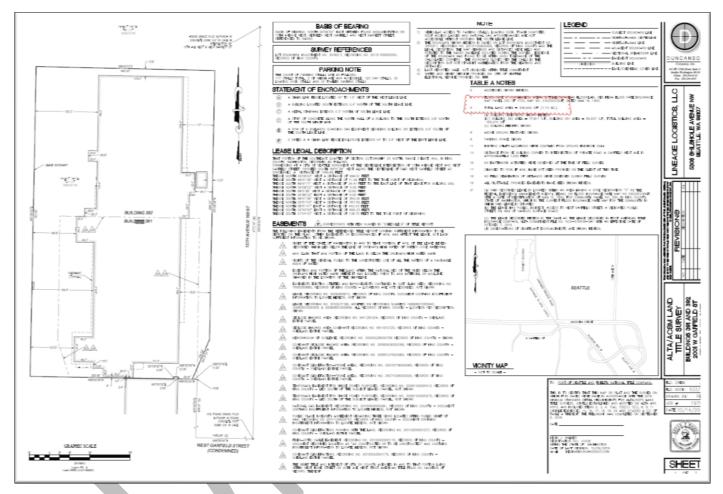
BEGINNING AT THE INTERSECTION OF THE INNER HARBOR LINE WITH THE PROJECTED WEST MARGIN OF 16TH AVENUE WEST, AS ESTABLISHED BY CITY OF SEATTLE ORDINANCE 94165: THENCE CONTINUING ALONG SAID PROJECTED WEST MARGIN SOUTH 0°11'22" WEST A DISTANCE OF 302.58 FEET TO THE OUTER HARBOR LINE; THENCE NORTH 82°19'41" WEST ALONG SAID OUTER HARBOR LINE A DISTANCE OF 1977.74 FEET TO A POINT ON THE PROJECTED EAST MARGIN OF VACATED 2JRD AVENUE WEST; THENCE NORTH 0°08'22" WEST ALONG SAID PROJECTED MARGIN A DISTANCE OF 302.81 FEET TO THE INNER HARBOR LINE; THENCE SOUTH 82°19'41" EAST ALONG SAID INNER HARBOR LINE A DISTANCE OF 1979.49 FEET TO THE POINT OF BEGINNING.

EXCEPT THOSE PORTIONS DESCRIBED AS PARCELS 'A-I' AND 'B-I' IN CAUSE NUMBER 469 CIVIL, DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF WASHINGTON, NORTHERN DIVISION.

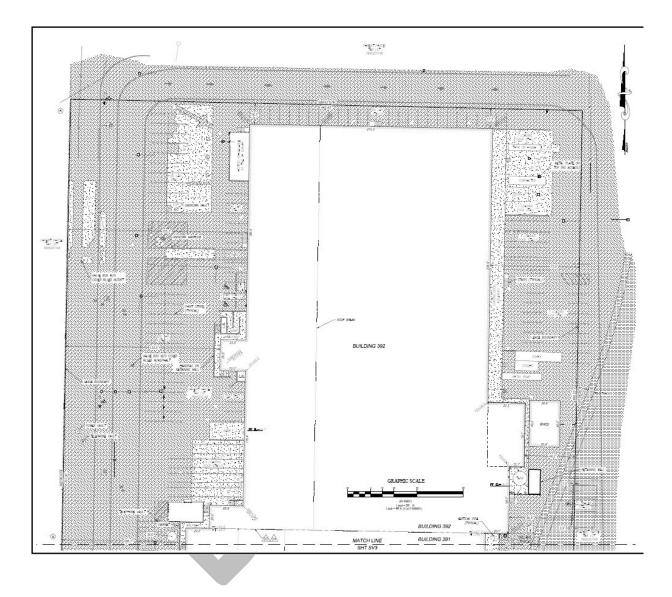
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EXHIBIT B

- PREMISES -



Approximately 336,650 square feet of land at Terminal 91 Uplands



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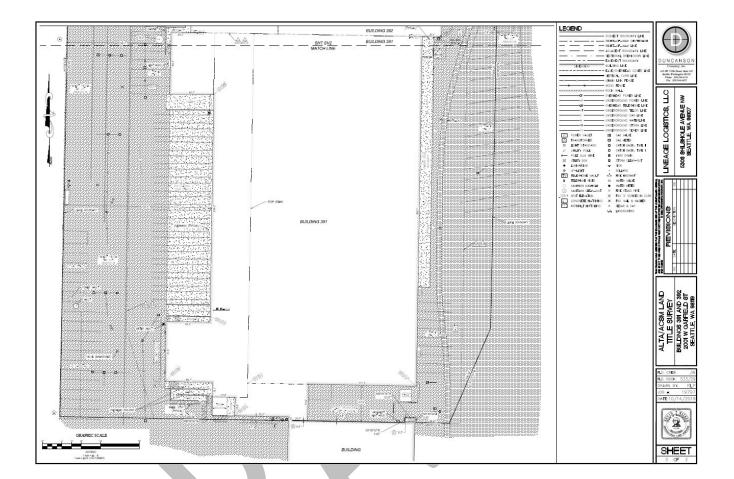


Exhibit C

Draft Sublease to Trident Seafood Corporation (to be added)

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EXHIBIT D

TERMINAL 91 ENVIRONMENTAL COVENANT -

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After Recording Return Original Signed Covenant to: Tom Mackie, Ecology Site Manager Hazardous Waste & Toxics Reduction Program Department of Ecology 1250 W. Alder St. Union Gap, WA 98903

20170828000574

COVENANT Rec: \$90.00 8/28/2017 2:34 PM KING COUNTY, WA

Environmental Covenant

Grantor: The Port of Seattle

Grantee: State of Washington, Department of Ecology

Brief Legal Description: THAT PORTION OF THE EAST HALF AND THE SOUTHWEST QUARTER OF SECTION 23; AND THE EAST HALF AND THE NORTHWEST QUARTER OF SECTION 26, ALL IN TOWNSHIP 25 NORTH, RANGE 03 EAST, W.M., IN KING COUNTY, WASHINGTON.

See Exhibit A for full Legal Description.

Tax Parcel Nos.: 7666201530, 7666201516, 7666201146, 7666201153, 2325039018

Cross Reference: NA

RECITALS

a. This document is an environmental (restrictive) covenant (hereafter "Covenant") executed pursuant to the Model Toxics Control Act ("MTCA"), chapter 70.105D RCW and Uniform Environmental Covenants Act ("UECA"), chapter 64.70 RCW.

b. The Property (as defined below) that is the subject of this Covenant is part or all of a site commonly known as Terminal 91, Washington State Department of Ecology Facility ID# 24768. The Property is legally described in Exhibit A, and illustrated in Exhibit B, both of which are attached (hereafter "Property"). The tank farm affected area ("TFAA") and the short fill ("Short Fill"), each as depicted in Exhibit B, are areas located within the Property to which portions of this Covenant specifically apply. If there are differences between these two Exhibits, the legal description in Exhibit A shall prevail.

c. The Property is the subject of remedial actions under MTCA ("Remedial Action"). This Covenant is required because residual contamination remains on the Property after completion of the Remedial Actions. Specifically, the following principal contaminants remain on the Property:

1

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