

FIRST ADDENDUM TO TERMINAL OPERATING AND LEASE AGREEMENT

1 THIS FIRST ADDENDUM to that certain Terminal Operating
2 and Lease Agreement dated March 1st 1983, between ~~the Port~~ of
3 Tacoma, hereinafter referred to as the "Port", and TACOMA
4 TERMINALS INC., hereinafter referred to as "Terminals",

5 WITNESSETH:

6 1. Overflow Option Area C: Terminals hereby exercises,
7 and the Port acknowledges the exercise of, the option granted
8 to Terminals at Article 4 of said Agreement. Such exercise
9 shall be effective September 1st, 1987. The area described
10 in Exhibit "C" to said Agreement shall be added, and the rentals
11 provided in Article 8 shall be increased by the amounts pro-
12 vided in Exhibit "O" to said Agreement, as of such date. The
13 termination date of the lease as to the premises described on
14 Exhibit "C" shall be the same as to the other premises des-
15 cribed in said Agreement.

16 2. Additional Area: The Port leases to Terminals, and
17 Terminals rents from the Port, for a period commencing December
18 1st 1987, and terminating on the same date as the other premises
19 described in said agreement, the premises described on Exhibit
20 "E" and Exhibit "F" annexed hereto. Terminals agrees to pay
21 and the Port agrees to accept rentals therefor as set forth
22 on Exhibits "R" and "S". Except as provided in said exhibits,
23 the lease of such premises shall be subject to all of the terms
24 and conditions of said agreement. Rentals will be suspended as
25 to Area F until the first calendar month following completion of
26 paving and fencing by the Port on such area. Rentals for
27 Area F, when effective, are set forth on Exhibit "S" hereto.
28 Subject premises are shown on drawing "Exhibit E-1(B), Revision
29 1".

30 3. Preferential Contracts: Notwithstanding any other

1 provision herein contained, the rentals payable pursuant to
2 paragraph 1 and 2 of this addendum shall not be includable in
3 calculating the rate levels referred to in Article 44 of said
4 agreement.

5 4. Correction of Existing Exhibits: Exhibits "B (B)
6 Revision 1", pages 1 through 4, annexed hereto are substituted
7 for Exhibit "B (B)" annexed to said Agreement. Drawing Exhibits
8 "E-1 (B) Revision 1" and "E-2 Revision 1", annexed hereto,
9 are substituted for Exhibits "E-1 (B) and "E-2" annexed to said
10 Agreement. Such substitute exhibits are intended to reflect
11 corrections in legal descriptions made necessary by operational
12 or engineering changes during construction of the facilities
13 therein described. No change in rental shall occur because of
14 the foregoing correction. Exhibit "N-1" annexed hereto is
15 substituted for Exhibit "N", Rental Schedule for Leased Premises.
16 Such substituted Exhibit reflects rental adjustments required
17 by paragraphs 8 and 9 of this addendum.

18 5. Change in Description of Milwaukee Waterway: Exhibits
19 "D (B) R1" and "E-1 (B) Revision 1", attached, are substituted
20 for Exhibits "D (B)" and "E-1 (B)" annexed to said agreement
21 Such exhibits are intended to reflect the decreased area of
22 Milwaukee Waterway to be filled under pending permit applications.
23 Except for such substitution the provisions of Article 5 of
24 said agreement shall continue in effect.

25 6. Increase in Preferential Berthing Area: Preferential
26 User Fees for the parcels identified as A-1 through A-6 on
27 Exhibits "A-1" through "A-6" will be suspended as to each such
28 parcel until the first calendar month after the Port has made
29 them available for occupancy by construction of a pier extension
30 thereon. Such preferential user fees will be fixed by a further

1 Article 11 of said agreement shall be increased to \$3,920,358.00.

2 IN WITNESS WHEREOF, the parties hereto have caused this
3 First Addendum to be executed by their proper officers thereto
4 authorized this 10th day of November, 1988.

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PORT OF TACOMA
By: [Signature]
Its President
By: [Signature]
Its Secretary

TACOMA TERMINALS INC.
By: [Signature]
Its Director
By: _____
Its

1 Addendum to this contract.

2 Provided, that the parties' obligations hereunder shall
3 be contingent upon issuance of requisite permits by State and
4 Federal licensing agencies. The Port agrees, on notice of
5 exercise of this option, to expeditiously pursue the issuance
6 of such permits. Terminals agrees to cooperate in every lawful
7 manner in the processing of applications therefor.

8 7. Off-Site Office Facilities: The parties have exchanged
9 correspondence consisting of a letter dated January 11th 1984,
10 from Richard Dale Smith, Executive Director of the Port to
11 J. A. Baker, Executive Vice President, Alaska Division, Sea-Land
12 Service Inc., and a letter dated January 18th 1984, from Mr.
13 Baker to Mr. Smith. Such correspondence is annexed hereto and
14 the contents thereof confirmed by the parties.

15 Pursuant to paragraph 3 of said letter of January 11th 1984,
16 the Port leases to Terminals and Terminals rents from the Port,
17 effective June 1st 1985, office space in the World Trade Center
18 Building, 3600 Port of Tacoma Road, Tacoma, Washington. The
19 terms and conditions of this lease, pertaining to such office
20 space, are set forth on Exhibit "T" annexed hereto.

21 8. Tukwila Facilities: Pursuant to paragraph 6 of the
22 letter of January 11th 1984, from Richard Dale Smith to J. A.
23 Baker annexed hereto, the rents payable under Article 8 of said
24 agreement are reduced by the amount of \$2,400.00 per month.

25 9. Freight Service Facilities: Pursuant to agreement of
26 the parties, the Port has leased certain facilities to Sea-Land
27 Freight Services Inc., effective May 30th 1985, and the rent
28 payable under Article 8 of said agreement has been accordingly
29 reduced by the amount of \$850.00 per month.

30 10. Bond: The amount of the bond to be provided under

1 STATE OF WASHINGTON)
2 County of Pierce) ss.

3 On this 10th day of November, 1988, personally
4 appeared before me the undersigned, a Notary Public, in and
5 for the State of Washington, duly commissioned and sworn,
6 R. G. EARLEY and PATRICK O'MALLEY, to me known to be the
7 President and Secretary respectively of the PORT OF TACOMA,
8 a municipal corporation, that executed the foregoing instrument
9 and acknowledged the said instrument to be the free and voluntary
10 act and deed of said corporation, for the uses and purposes
11 therein mentioned, and on oath, stated that they are authorized
12 to execute the said instrument and that the seal affixed is the
13 corporate seal of said municipal corporation.

14 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
15 day and year first above written.

16 Sharon J. Stora
17 NOTARY PUBLIC in and for the State
18 of Washington, residing at Tacoma
19 My commission expires: 7-7-90

21 Approved as to form
22 [Signature]
23 Counsel for Port of Tacoma

FIRST ADDENDUM - 5

4/19/88

January 25, 1988

TACOMA TERMINALS, INC. (AREA "A") REVISED

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying within Blocks Four (4), Five (5) and Six (6), Tacoma Tidelands, according to official map thereof filed in office of Commissioners of Public Lands at Olympia, September 3, 1895, Blocks Sixteen (16), State Land Commissioner's Replat of Blocks Thirteen (13) to Forty-Eight (48), both inclusive, Tacoma Tidelands, formerly in King County, sometimes known as Ashton's Replat, which plat was filed for record in the office of the Auditor of said County, December 23, 1918, and that portion of Block Sixteen A (16A), State Land Commissioner's Supplement Map of Replat of Blocks Thirteen (13) to Eighteen (18), both inclusive, Tacoma Tidelands, formerly in King County, showing replat of easterly half of Sitcum Avenue, filed for record April 29, 1922, vacated Railroad Avenue, Sitcum and Commercial Avenues, and that certain unnamed street lying between the westerly line of Sitcum Avenue and Railroad and Commercial Avenues and between said Blocks Four (4) and Five (5), described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 39" W, along said right-of-way line, 85.00 ft.; thence N 17° 34' 23" E, 67.70 ft.; thence N 46° 06' 21" W, 73.00 ft.; thence N 43° 53' 39" E, 81.66 ft.; thence N 46° 06' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 40° 10' 22" E, 05.00 ft.; thence N 40° 49' 38" W, 223.80 ft. to the point of beginning; thence continuing N 40° 49' 38" W, 1800.00 ft.; thence N 49° 10' 22" E, 114.00 ft. to the westerly pierhead line of Sitcum Waterway; thence continuing N 49° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E and parallel with said pierhead line, 1800.00 ft.; thence S 49° 10' 22" W, 229.00 ft. to the point of beginning.

Containing 9.46 acres.

Prepared by DEC

Checked by _____

Approved by _____

Dated _____

EXHIBIT "A""R1"
Page 1 of 1

January 27, 1988

TACOMA TERMINALS, INC. (AREA "A-1")

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying within Blocks Five (5) and Six (6) Tacoma Tidelands, according to official map thereof filed in office of Commissioners of Public Lands at Olympia, September 3, 1895, and vacated Railroad Avenue, Sitcum and Commercial Avenues, described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 61.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 39" W, along said right-of-way line, 85.00 ft.; thence N 17° 34' 23" E, 67.70 ft.; thence N 40° 06' 21" W, 73.00 ft.; thence N 43° 53' 39" E, 81.66 ft.; thence N 46° 08' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 49° 10' 22" E, 95.00 ft.; thence N 40° 49' 38" W, 2023.80 ft. to the point of beginning; thence continuing N 40° 49' 38" W, 200.00 ft.; thence N 49° 10' 22" E, 114.00 ft. to the westerly pierhead line of Sitcum Waterway; thence continuing N 49° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E and parallel with said pierhead line, 200.00 ft.; thence S 49° 10' 22" W, 229.00 ft. to the point of beginning.

Containing 1.05 acres.

Prepared by DEC

Checked by _____

Approved by _____

Dated _____

EXHIBIT "A-1"

January 27, 1988

TACOMA TERMINALS, INC. (AREA A-2)

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying within Block Six (6), Tacoma Tidelands, according to official map thereof filed in office of Commissioners of Public Lands at Olympia, September 3, 1895, and vacated Railroad Avenue described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sitem Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 39" W, along said right-of-way line, 85.00 ft.; thence N 17° 34' 23" E, 67.70 ft.; thence N 46° 08' 21" W, 73.00 ft.; thence N 43° 53' 30" E, 81.66 ft.; thence N 40° 08' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 49° 10' 22" E, 95.00 ft.; thence N 40° 49' 38" W, 2223.80 ft. to the point of beginning; thence continuing N 40° 49' 38" W, 35.01 ft.; thence N 30° 48' 45" W, 45.85 ft.; thence S 58° 23' 15" W, 20.75 ft.; thence N 31° 14' 19" W, 118.18 ft.; thence N 49° 10' 22" E, 106.82 ft. to the westerly pierhead line of Sitem Waterway; thence continuing N 49° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E, and parallel with said pierhead line, 200.00 ft.; thence S 49° 10' 22" W, 229.00 ft. to the point of beginning.

Containing 1.05 acres.

Prepared by DFE

Checked by _____

Approved by _____

Dated _____

February 18, 1988

TACOMA TERMINALS, INC. (AREA A-3)

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying within Block Six (6), Tacoma Tidelands, according to official map thereof filed in office of Commissioners of Public Lands at Olympia, September 3, 1895, and between the Inner and Outer Harbor Lines of Commencement Bay, described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 39" W, along said right-of-way line, 85.00 ft.; thence N 17° 34' 23" E, 87.70 ft.; thence N 46° 08' 21" W, 73.00 ft.; thence N 43° 53' 39" E, 81.66 ft.; thence N 46° 08' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 49° 10' 22" E, 95.00 ft.; thence N 40° 49' 38" W, 2258.81 ft.; thence N 30° 40' 45" W, 45.85 ft.; thence S 56° 23' 15" W, 20.75 ft.; thence N 31° 14' 10" W, 118.16 ft. to the point of beginning; thence continuing N 31° 14' 19" W, 101.36 ft.; thence S 59° 24' 48" W, 18.30 ft.; thence S 31° 22' 19" E, 28.50 ft.; thence S 60° 00' 03" W, 1.39 ft. to reference point 'A'; thence N 40° 49' 38" W, 112.95 ft. to said Inner Harbor Line; thence continuing N 40° 49' 38" W, 11.78 ft.; thence N 49° 10' 22" E, 114.00 ft. to the westerly pierhead line of Sitcum Waterway extended; thence continuing N 49° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E, and parallel with said pierhead line, 200.00 ft.; thence S 49° 10' 22" W, 221.82 ft. to the point of beginning.

Containing 1.02 acres.

Also, the following described area (a-3) for access to area A-3: Beginning at reference point 'A' as described in the above description, thence S 60° 00' 03" W, 163.11 ft.; thence N 31° 31' 59" W, 95.30 ft.; thence N 49° 10' 22" E, 144.00 ft.; thence S 40° 49' 38" E, 124.71 ft. to the point of beginning.

Prepared by DEC

Checked by _____

Approved by _____

Dated _____

EXHIBIT "A-3"

February 18, 1988

TACOMA TERMINALS, INC. (AREA A-4)

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying between the Inner and Outer Harbor Lines of Commencement Bay, described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 30" W, along said right-of-way line, 85.00 ft.; thence N 17° 34' 23" E, 67.70 ft.; thence N 46° 06' 21" W, 73.00 ft.; thence N 43° 53' 39" E, 81.60 ft.; thence N 46° 06' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 49° 10' 22" E, 95.00 ft.; thence N 40° 49' 38" W, 2258.81 ft.; thence N 30° 48' 45" W, 45.85 ft.; thence S 58° 23' 16" W, 20.75 ft.; thence N 31° 14' 19" W, 219.52 ft.; thence S 59° 24' 48" W, 18.30 ft.; thence S 31° 22' 19" E, 28.56 ft.; thence S 60° 00' 03" W, 1.39 ft.; thence N 40° 49' 38" W, 112.95 ft. to said Inner Harbor line; thence continuing N 40° 49' 38" W, 11.78 ft. to the point of beginning; and reference point 'B'; thence continuing N 40° 49' 38" W, 200.00 ft.; thence N 49° 10' 22" E, 114.00 ft. to the westerly pierhead line of Sitcum Waterway extended; thence continuing N 49° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E, and parallel with said pierhead line, 200.00 ft.; thence S 49° 10' 22" W, 229.00 ft. to the point of beginning.

Containing 1.05 acres.

Also, the following described area (a-4) for access to area A-4: Beginning at reference point 'D' as described in the above description; thence S 49° 10' 22" W, 144.90 ft.; thence N 31° 34' 50" W, 10.78 ft.; thence S 59° 04' 50" W, 40.71 ft.; thence N 30° 19' 46" W, 36.19 ft. to the Inner Harbor line; thence continuing N 30° 19' 46" W, 149.31 ft.; thence N 40° 10' 22" E, 149.48 ft.; thence S 40° 49' 38" E, 200.00 ft. to the point of beginning.

Prepared by DEJ

Checked by _____

Approved by _____

Dated _____

EXHIBIT "A-4"

February 18, 1988

TACOMA TERMINALS, INC. (AREA A-5)

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying between the Inner and Outer Harbor Lines of Commencement Bay, described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 30" W, along said right-of-way line, 86.00 ft.; thence N 17° 34' 23" E, 87.70 ft.; thence N 46° 08' 21" W, 73.00 ft.; thence N 43° 53' 30" E, 81.68 ft.; thence N 46° 08' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 49° 10' 22" E, 95.00 ft.; thence N 40° 49' 38" W, 2258.81 ft.; thence N 30° 48' 45" W, 45.85 ft.; thence S 58° 23' 15" W, 20.75 ft.; thence N 31° 14' 19" W, 219.52 ft.; thence S 59° 24' 48" W, 18.30 ft.; thence S 31° 22' 19" E, 28.56 ft.; thence S 60° 00' 03" W, 1.39 ft.; thence N 40° 49' 38" W, 112.95 ft. to said Inner Harbor Line; thence continuing N 40° 49' 38" W, 211.78 ft. to the point of beginning and reference point 'C'; thence continuing N 40° 49' 38" W, 200.00 ft.; thence N 49° 10' 22" E, 114.00 ft. to the westerly pierhead line of Sitcum Waterway extended; thence continuing N 49° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E, and parallel with said pierhead line, 200.00 ft.; thence S 40° 10' 22" W, 229.00 ft. to the point of beginning.

Containing 1.05 acres.

Also, the following described area (a-5) for access to area A-5; beginning at reference point 'C' as described in the above description; thence S 49° 10' 22" W, 149.48 ft.; thence N 30° 19' 40" W, 203.40 ft.; thence N 49° 10' 22" E, 112.42 ft.; thence S 40° 49' 38" E, 200.00 ft. to the point of beginning.

Prepared by DEF

Checked by _____

Approved by _____

Dated _____

EXHIBIT "A-5"

January 27, 1988

TACOMA TERMINALS, INC. (AREA A-6)

TACOMA TERMINALS, INC. PREFERENTIAL BERTHING AREA

That area lying within Block Sixteen (16), State Land Commissioner's Replat of Blocks Thirteen (13) to Forty-Eight (48), both inclusive, Tacoma Tidelands, formerly in King County, sometimes known as Ashton's Replat, which plat was filed for record in the office of the Auditor of said County, December 23, 1918, and that portion of Block Sixteen A (16A), State Land Commissioner's Supplement Map of Replat of Blocks Thirteen (13) to Eighteen (18), both inclusive, Tacoma Tidelands, formerly in King County, showing replat of easterly half of Sittum Avenue, filed for record April 29, 1922, described as follows:

Commencing at the monument which is the intersection of East 11th Street and Sittum Avenue (Milwaukee Way) in the City of Tacoma, County of Pierce, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th Street; thence S 43° 53' 30" W, along said right-of-way line, 85.00 ft.; thence N 17° 34' 23" E, 67.70 ft.; thence N 46° 00' 21" W, 73.00 ft.; thence N 43° 53' 30" E, 81.60 ft.; thence N 46° 06' 21" W, 148.00 ft.; thence N 40° 49' 38" W, 102.05 ft.; thence N 49° 10' 22" E, 95.00 ft.; thence N 40° 49' 38" W, 123.80 ft. to the point of beginning; thence continuing N 40° 49' 38" W, 100.00 ft.; thence N 49° 10' 22" E, 114.00 ft. to the westerly pierhead line of Sittum Waterway; thence continuing N 40° 10' 22" E, 115.00 ft.; thence S 40° 49' 38" E and parallel with said pierhead line, 100.00 ft.; thence S 49° 10' 22" W, 228.00 ft. to the point of beginning.

Containing 0.53 acres.

Prepared by DEC

Checked by _____

Approved by _____

Dated _____

EXHIBIT "A-6"

February 18, 1988

TACOMA TERMINALS, INC. (AREA "B" NORTH) BRIDGE OPTION

Portions of Blocks 4, 5, 6, 7 and 10, Tacoma Tidelands, according to official map thereof filed in office of Commissioner of Public Lands at Olympia, September 3, 1895, Block Sixteen (16) State Land Commissioner's Replat of Blocks Thirteen (13) to Forty Eight (48), both inclusive, Tacoma Tidelands, formerly in King County, sometimes known as Ashton's Replat, which plat was filed for record in the office of the Auditor of said County, December 23, 1918, and that portion of Block Sixteen A (16A), State Land Commissioner's Supplement Map of Replat of Blocks Thirteen (13) to Eighteen (18), both inclusive, Tacoma Tidelands, formerly in King County, showing replat of easterly half of Sitcum Avenue, file for record April 29, 1922, vacated Railroad, Sitcum and Commercial Avenues, Hong Kong Street and that certain un-named street lying between the westerly line of Sitcum Avenue and Railroad and Commercial Avenues and between Blocks Four (4) and Five (5), described as follows:

Commencing at a monument which is the intersection of East 11th St. and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, Pierce County, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th St; thence S 43° 53' 39" W along said right-of-way line, 85.00 ft. to the point of beginning; thence S 43° 53' 39" W along said right-of-way line, 886.78 ft; thence S 49° 28' 45" W along said right-of-way line, 869.78 ft. to a point perpendicular to and 114.28 ft. from the easterly margin of the Puyallup Waterway, which margin is designated a combined pierhead and bulkhead line on Sheet 3 of 4, File No. E 8-5-23.1 of U.S. Corps of Engineers drawing dated August 23, 1950; thence N 32° 21' 10" W and parallel with said easterly margin, 70.0 ft; thence N 0° 35' 15" W, 92.32 ft; thence N 32° 21' 10" W, 1093.47 ft; thence N 57° 38' 50" E, 343.67 ft; thence S 32° 44' 59" E, 560.0 ft; thence S 32° 27' 23" E, 253.10 ft; thence S 55° 50' 18" E, 37.33 ft; thence S 30° 01' 05" E, 172.19 ft; thence S 51° 13' 48" E, 95.58 ft; thence N 40° 28' 45" E, 210.42 ft; thence N 43° 53' 39" E, 163.09 ft; thence N 27° 30' 51" W, 108.83 ft; thence N 34° 43' 14" W, 215.17 ft; thence N 28° 17' 33" W, 168.45 ft; thence N 32° 54' 21" W, 99.32 ft; thence N 30° 04' 47" W, 98.29 ft; thence N 31° 47' 08" W, 199.68 ft; thence N 30° 15' 22" W, 199.08 ft; thence N 31° 05' 44" W, 398.18 ft; thence N 29° 59' 30" W, 414.58 ft; thence N 31° 22' 50" W, 1260.23 ft. to the inner Harbor line; thence N 89° 21' 12" E, 237.57 ft; thence S 30° 19' 40" E, 38.19 ft; thence N 59° 04' 50" E, 40.71 ft; thence S 31° 34' 59" E, 108.08 ft; thence N 60° 00' 03" E, 184.60 ft; thence N 31° 22' 19" W, 28.58 ft; thence N 59° 24' 48" E, 18.30 ft; thence S 31° 14' 19" E, 219.52 ft; thence N 59° 23' 15" E, 20.75 ft; thence S 30° 48' 45" E, 45.85 ft; thence S 40° 49' 38" E, 2258.81 ft; thence S 40° 10' 22" W, 95.00 ft; thence S 40° 49' 38" E, 102.05 ft; thence S 40° 08' 21" E, 148.00 ft; thence S 43° 53' 39" W, 81.66 ft; thence S 40° 08' 21" E, 73.00 ft; thence S 17° 34' 23" W, 87.70 ft to said northwesterly right-of-way line of East 11th Street and the point of beginning.

Containing 57.07 acres

TOGETHER WITH AN EASEMENT for bridge access across Area "D", described as follows: Commencing at the monument which is the intersection of East 11th Street and Sitcum Avenue (Milwaukee Way), in the City of Tacoma, Pierce County, Washington; thence N 31° 11' 26" W, 51.74 ft; thence S 43° 53' 30" W, 828.00 ft; thence N 27° 30' 51" W, 187.80 ft; thence N 34° 43' 14" W, 215.17 ft; thence N 28° 17' 33" W, 168.45 ft; thence N 32° 54' 21" W, 99.32 ft; thence N 30° 04' 47" W, 98.29 ft; thence N 31° 47' 08" W, 60.00 ft. to the point of beginning; thence S 57° 38' 50" W, 441.33 ft; thence N 32° 44' 59" W, 60.00 ft; thence N 57° 38' 50" E, 442.34 ft; thence S 31° 47' 08" E, 60.00 ft. to the point of beginning.

SUBJECT TO an easement over the following area for access to Area "A", described as follows: Commencing at a monument which is the intersection of East 11th St. and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, Pierce County, Washington; thence N 31° 11' 26" W, 51.74 ft. to the northwesterly right-of-way line of East 11th St; thence S 43° 53' 30" W along said right-of-way line, 85.00 ft; thence N 17° 34' 23" E, 67.70 ft; thence N 46° 06' 21" W, 73.00 ft. to the point of beginning; thence N 40° 40' 38" W, 2180.74 ft.; thence N 49° 10' 22" E, 162.67 ft.; thence S 40° 49' 38" E, 40.00 ft.; thence S 49° 10' 22" W, 97.67 ft.; thence S 40° 49' 38" E, 540.00 ft.; thence N 49° 10' 22" E, 97.67 ft.; thence S 40° 49' 38" E, 140.00 ft.; thence S 49° 10' 22" W, 97.67 ft.; thence S 40° 49' 38" E, 840.00 ft.; thence N 49° 10' 22" E, 97.67 ft.; thence S 40° 49' 38" E, 40.00 ft.; thence S 49° 10' 22" W, 112.67 ft.; thence S 40° 49' 38" E, 578.13 ft.; thence S 43° 53' 30" W, 50.21 ft. to the point of beginning.

Prepared by DEC
Checked by _____
Approved by _____
Dated _____

January 29, 1988

TACOMA TERMINALS, INC. (AREA "B" SOUTH) BRIDGE OPTION

Portions of Blocks 11 and Block 3, if any, Tacoma Tidelands, according to official map thereof filed in office of Commissioner of Public Lands at Olympia, September 3, 1895, and a portion of Commercial Avenue vacated by Ordinance No. 3231 of the City of Tacoma, described as follows:

Commencing at a monument which is the intersection of the centerline of Portland Avenue (formerly Canal Street) and East 11th Street, in the City of Tacoma, Pierce County, Washington; thence N 52° 48' 44" E, 860.00 ft. to the intersection of the southerly right-of-way line of East 11th Street and the east boundary line of the Puyallup River as established by U.S. Engineers Flood Control Map dated September 28, 1940, File E-3-10-11; thence N 49° 28' 45" E along said southerly right-of-way line, 190.00 ft. to the point of beginning; thence continuing N 49° 28' 45" E along said southerly right-of-way line, 556.67 ft; thence N 43° 53' 39" E along said southerly right-of-way line, 42.60 ft; thence S 31° 13' 15" E, 610.0 ft; thence S 1° 13' 15" E, 80.00 ft; thence S 31° 13' 15" E, 1085.32 ft; thence S 29° 48' 50" W, 15.03 ft; thence N 60° 11' 10" E, 621.51 ft; thence S 2° 24' 37" E, 59.10 ft; thence S 87° 35' 23" W, 579.45 ft; thence N 02° 24' 37" W, 235.00 ft; thence N 14° 11' 02" W, 636.77 ft; thence N 31° 13' 15" W, 85.00 ft. to the point of beginning.

Containing 20.458 acres

TOGETHER WITH AN EASEMENT for ingress and egress over the following areas, described as follows: Commencing at the intersection of the centerline of Portland Avenue (formerly Canal Street) and East 11th Street, in the City of Tacoma, Pierce County, Washington; thence N 52° 48' 44" E, 860.00 ft. to the intersection of the southerly right-of-way line of East 11th Street and the east boundary line of the Puyallup River as established by U.S. Engineers Flood Control Map dated September 28, 1940, File E-3-10-11, and the point of beginning; thence southeasterly along said boundary line on a curve to the right, the center of which bears S 60° 19' 05" W, 3,110 ft., an arc length of 866.89, to the north line of property described in deed recorded under Auditor's Fee No. 1672671; thence N 87° 35' 23" E, 35.0 ft; thence N 02° 24' 37" W, 235.0 ft; thence N 14° 11' 02" W, 636.77 ft; thence N 31° 13' 15" W, 85.00 ft. to the southerly right-of-way line of East 11th Street; thence S 49° 28' 45" W, along said right-of-way line, 190.0 ft. to the point of beginning.

ALSO, Commencing at a monument at the intersection of the centerline of Portland Avenue (formerly Canal Street) and East 11th Street, in the City of Tacoma, Pierce County, Washington; thence N 52° 48' 44" E, 860.00 ft. to the intersection of the southerly right-of-way line of East 11th Street and the east boundary line of the Puyallup River as established by U.S. Engineers Flood Control Map dated September 28, 1940, File E-3-10-11, thence N 49° 28' 45" E along said southerly right-of-way line, 746.67 ft; thence N 43° 53' 39" E along said southerly right-of-way line, 42.60 ft. to the point of beginning; thence continuing N 43° 53' 39" E, 181.02 ft. to a curve to the right having a radius of 450.00 ft., the center of which bears S 77° 51' 20" W; thence southerly along said curve an arc length of 50.32 ft; thence S 05° 44' 15" E, 132.60 ft; to a curve to the left having a radius of 200.00 ft; thence along said curve an arc

TTI (AREA "B" SOUTH) BRIDGE OPTION
PAGE 2

length of 88.05 ft; thence S 31° 13' 15" E, 1011.97 ft; thence S 49° 18' 37" E, 80.47 ft; thence S 54° 49' 46" E, 258.07 ft. to a curve to the left having a radius of 1179.00 ft; thence along said curve an arc length of 110.23 ft; thence N 60° 11' 10" W, 346.12 ft; thence S 31° 13' 15" E, 165.19 ft; thence N 60° 11' 10" W, 813.96 ft; thence N 02° 24' 37" W, 69.10 ft; thence S 60° 11' 10" E, 821.51 ft; thence N 20° 48' 50" E, 16.03 ft; thence N 31° 13' 15" W, 1085.32 ft; thence N 01° 13' 15" E, 80.00 ft; thence N 31° 13' 15" W, 610.00 to the point of beginning.

Prepared by DTC

Checked by _____

Approved by _____

Dated _____

January 28, 1988

TACOMA TERMINALS, INC. (AREA "D") REVISED - BRIDGE OPTION

Portions of Blocks 4 and 10 of Tacoma Tidelands, according to official map thereof filed in office of Commissioner of Public Lands at Olympia, September 3, 1895, vacated Commercial and Railroad Avenues, described as follows:

Commencing at a monument which is the intersection of East 11th St. and Siftum Avenue (Milwaukee Way) in the City of Tacoma, Pierce County, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th St; thence S 43° 53' 30" W along said right-of-way line, 870.78 ft; thence S 49° 28' 45" W along said right-of-way line, 669.78 ft. to a point perpendicular to and 114.28 ft. from the easterly margin of the Puyallup Waterway, which margin is designated a combined pierhead and bulkhead line on Sheet 3 of 4, File No. E 8-5-23.1 of U.S. Corps of Engineers drawing dated August 23, 1950; thence N 32° 21' 10" W and parallel with said easterly margin, 70.0 ft; thence N 0° 35' 15" W, 92.32 ft; thence N 32° 21' 10" W, 1093.47 ft; thence N 57° 38' 50" E, 343.67 ft. to the point of beginning; thence S 32° 44' 59" E, 560.0 ft; thence S 32° 27' 23" E, 253.10 ft; thence S 55° 50' 16" E, 37.33 ft; thence S 30° 01' 05" E, 172.19 ft; thence S 51° 13' 46" E, 95.58 ft; thence N 49° 28' 45" E, 210.42 ft; thence N 43° 53' 39" E, 163.09 ft; thence N 27° 39' 51" W, 108.83 ft; thence N 34° 43' 14" W, 215.17 ft; thence N 28° 17' 33" W, 168.45 ft; thence N 32° 54' 21" W, 99.32 ft; thence N 30° 04' 47" W, 98.29 ft; thence N 31° 47' 08" W, 199.68 ft; thence N 30° 15' 22" W, 199.66 ft; thence N 31° 05' 44" W, 398.18 ft; thence N 29° 56' 30" W, 414.58 ft; thence N 31° 22' 50" W, 514.33 ft; thence S 49° 10' 22" W, 400.08 ft; thence S 32° 57' 51" E, 254.00 ft; thence S 31° 33' 50" E, 584.54 ft; thence S 32° 44' 59" E, 462.36 ft. to the point of beginning.

Containing 25.05 acres

Prepared by DEC

Checked by _____

Approved by _____

Dated _____

EXHIBIT "D" (B) "RI"

January 26, 1988

TACOMA TERMINALS, INC. AREA "E"

Portions of Blocks 8, 9 and 10, Tacoma Tidelands, according to official map thereof filed in office of Commissioner of Public Lands at Olympia, September 3, 1895, and vacated Commercial Avenue, Railroad Avenue, and Callao Street, described as follows:

Commencing at a monument which is the intersection of East 11th St. and Sitcum Avenue (Milwaukee Way) in the City of Tacoma, Pierce County, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th St; thence S 43° 53' 39" W along said right-of-way line, 070.78 ft; thence S 49° 28' 45" W along said right-of-way line, 633.69 ft. to a point perpendicular to and 150.00 ft. from the easterly margin of the Puyallup Waterway, which margin is designated a combined pierhead and bulkhead line on Sheet 3 of 4, File No. E 8-5-23.1 of U.S. Corps of Engineers drawing dated August 23, 1950; thence N 32° 21' 10" W and parallel with said easterly margin, 2532.47 ft to the point of beginning; thence S 57° 38' 50" W, 35.72 ft; thence N 32° 21' 10" W, 1012.77 ft. to the Inner Harbor Line of Commencement Day; thence N 69° 21' 11" E along said Inner Harbor Line, 379.62 ft; thence S 32° 57' 51" E, 935.79 ft; thence S 57° 38' 50" W, 345.99 ft. to the point of beginning.

Containing 0.42 acres

Prepared by D.F.O.

Checked by _____

Approved by _____

Date _____

EXHIBIT "E"

January 27, 1988

TACOMA TERMINALS, INC. AREA "F"

Portion of Block 10, Tacoma Tidelands, according to official map thereof filed in office of Commissioner of Public Lands at Olympia, September 3, 1895, described as follows:

Commencing at a monument which is the intersection of East 11th St. and Slicum Avenue (Milwaukee Way) in the City of Tacoma, Pierce County, Washington; thence N 31° 11' 25" W, 51.74 ft. to the northwesterly right-of-way line of East 11th St; thence S 43° 53' 39" W along said right-of-way line, 970.78 ft; thence S 49° 28' 45" W along said right-of-way line, 633.69 ft. to a point perpendicular to and 150.00 ft. from the easterly margin of the Puyallup Waterway, which margin is designated a combined pierhead and bulkhead line on Sheet 3 of 4; File No. E 8-5-23.1 of U.S. Corps of Engineers drawing dated August 23, 1950; thence N 32° 21' 10" W and parallel with said easterly margin, 550.07 ft to the point of beginning; thence S 57° 38' 50" W, 35.72 ft; thence N 32° 21' 10" W, 1972.50 ft; thence N 57° 38' 50" E, 35.72 ft; thence thence S 32° 21' 10" E, 1972.50 ft. to the point of beginning.

Containing 1.62 acres

Prepared by DEC

Checked by _____

Approved by _____

Date _____

EXHIBIT "F"

EXHIBIT B

AREA E - MILWAUKEE SITE

8.42 Acres

<u>Period</u>	<u>Annual Rental</u>	<u>Monthly Schedule</u>
Commencement of Lease To 5th Anniversary Date	\$ 336,800.00	\$28,066.66
5th to 10th Anniversary Dates	\$ 336,800.00	\$28,066.66
From the 10th anniversary date onward the annual rental will be the "lesser" of the following:		
(a) The figures hereafter set forth, or		
(b) The sum of percentage increases during each year of the preceding 5-year period, as set forth in the Consumer Price Index published by the Bureau of Labor Statistics, multiplied and applied to the rental for the preceding year.		
10th to 15th Anniversary Dates	\$ 421,000.00	\$35,083.33
15th to 20th Anniversary Dates	\$ 537,313.00	\$44,776.08
20th to 25th Anniversary Dates	\$ 752,238.00	\$62,686.50
25th to 30th Anniversary Dates	\$1,128,357.00	\$94,029.75

SB:ram
Exhibit B
12/31/87

EXHIBIT B

AREA F - MILWAUKEE SITE

1.62 Acres

<u>Period</u>	<u>Annual Rental</u>	<u>Monthly Schedule</u>
Commencement of Lease To 5th Anniversary Date	\$ 64,800.00	\$ 5,400.00
5th to 10th Anniversary Dates	\$ 64,800.00	\$ 5,400.00
From the 10th anniversary date onward the annual rental will be the "lesser" of the following:		
(a) The figures hereafter set forth, or		
(b) The sum of percentage increases during each year of the preceding 5-year period, as set forth in the Consumer Price Index published by the Bureau of Labor Statistics, multiplied and applied to the rental for the preceding year.		
10th to 15th Anniversary Dates	\$ 81,000.00	\$ 6,750.00
15th to 20th Anniversary Dates	\$103,379.00	\$ 8,614.92
20th to 25th Anniversary Dates	\$144,731.00	\$12,060.92
25th to 30th Anniversary Dates	\$217,097.00	\$18,091.42

SB:ram
Exhibits
3/31/88

EXHIBIT N-1

RENTAL SCHEDULE FOR LEASED PREMISES

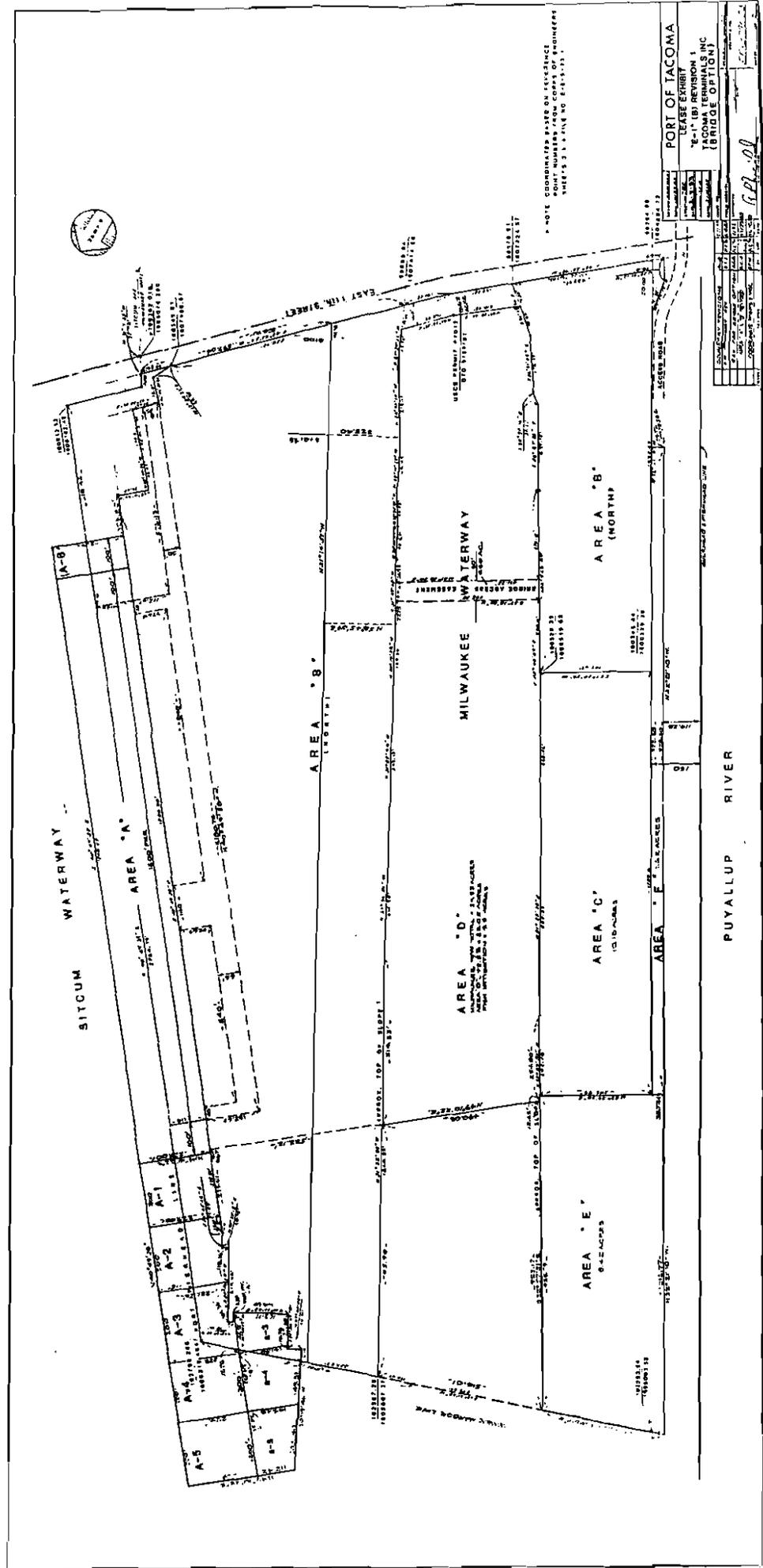
<u>Period</u>	<u>Annual Rental</u>	<u>Monthly Schedule</u>
Commencement of Lease To 5th Anniversary Date	\$ 878,579.00	\$ 73,214.92
5th to 10th Anniversary Dates	\$ 878,579.00	\$ 73,214.92
From the 10th anniversary date onward the annual rental will be the "lesser" of the following:		
(a) The figures hereafter set forth, or		
(b) The sum of percentage increases during each year of the preceding 5-year period, as set forth in the Consumer Price Index published by the Bureau of Labor Statistics, multiplied and applied to the rental for the preceding year.		
10th to 15th Anniversary Dates	\$1,177,974.00	\$ 98,164.50
15th to 20th Anniversary Dates	\$1,591,138.00	\$132,594.84
20th to 25th Anniversary Dates	\$2,355,193.00	\$196,266.09
25th to 30th Anniversary Dates	\$3,692,290.00	\$307,690.84

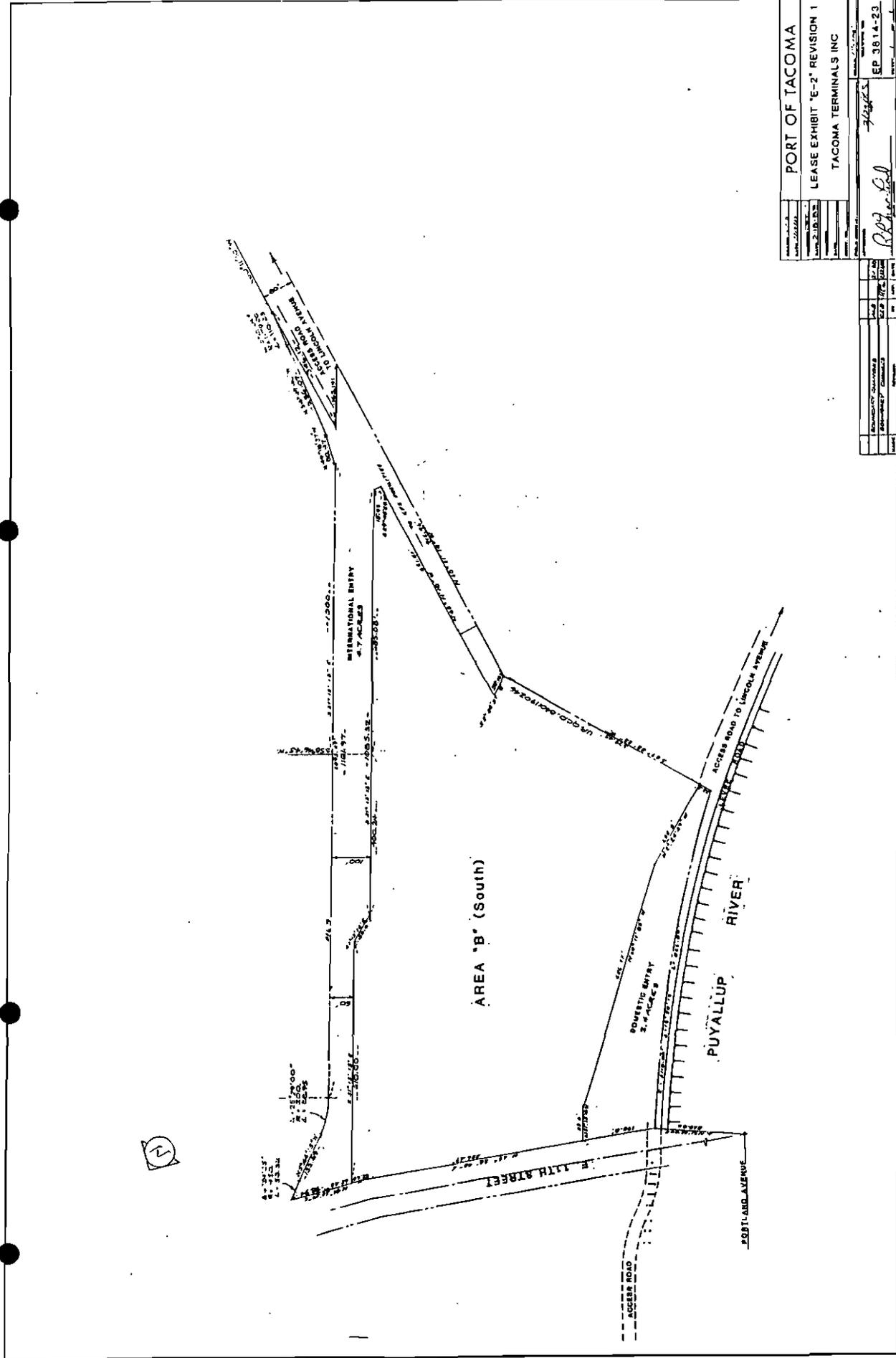
SD:ram
Exhibit N1
3/31/88

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PORT OF TACOMA	
LEASE EXHIBIT 'E-2' REVISION 1	
TACOMA TERMINALS INC	
DATE: 10/14/23	BY: [Signature]
PROJECT: EP 3814-23	SCALE: AS SHOWN

DATE	BY	REVISION
10/14/23	[Signature]	1

January 11, 1984

Mr. Jack Baker
Sea-Land Service, Inc.
100 West Harrison
Suite 505
P.O. Box 3045
Seattle, WA 98114

Re: Port of Tacoma-
Tacoma Terminals Inc.

Dear Jack:

Jack Helton requested that we modify our first proposal concerning certain changes to the lease and construction contract we have with Tacoma Terminals, Inc. These modifications to Paragraph 6 relative the office space and escalation for the dispatch facility have been made in the following proposal. Please destroy the original proposal.

1. In lieu of 20,000 square feet of office space in Area B, the Port will provide by separate leases in the World Trade Center which is to be built out of the terminal area at East-West Road and Port of Tacoma Road:

- PROPERTY
TACOMA
CLEANING
- a) 10,361 square feet of direct use office space and 1,240 square feet core space* for Sea-Land Freight Service. This square footage will be on a separate floor (4th or 5th floor) from Sea-Land Service. 56 outside vehicle parking spaces will be included.
 - b) 7,661 square feet of direct use office space and 738 square feet core space* for Sea-Land Service. This square footage will be on a separate floor from Sea-Land Freight Service. 40 outside vehicle spaces will be included.

* Building core is defined as elevators, elevator lobby, mechanical/electrical rooms, toilets, stairwells and closed hallways connecting stairwells or other fire code walls isolating the central core area of each floor.

2. Space provided in the World Trade Center in lieu of on-site space will meet the Plans and Specifications of the Construction Contract between the Port of Tacoma and Tacoma Terminals, Inc.

3. The separate leases for the World Trade Center Office space will;

a) Provide for availability of the space no later than the occupancy date for the on-site facilities.

b) Set the initial monthly rents as:

- 1) Sea-Land Freight Service - \$13,534.50 plus taxes
as stated in Article 36
- 2) Sea-Land Service - \$ 9,798.83 plus taxes as
stated in Article 36

c) Be for the same term as the on-site lease, i.e., a 30-year period commencing with the occupancy date and two five-year extension options.

d) Include the on-site lease provisions relating to Termination (Article 33) and rental escalation (Article 8) in direct proportion to the initial rents set in 3b above. However, the provisions of Article 33 may not be implemented independently from the remaining TTI lease.

e) Allow for sub-leasing by lessee in accordance with Article 28.

f) Include the on-site lease provisions relating to maintenance (Article 22), i.e., maintenance is the responsibility of lessee, with appropriate wording limiting the scope of maintenance responsibility to common use utilities, basic structure and direct-use and common use Core Space on each floor occupied. Maintenance responsibility for other common use areas or simple pro-rata sharing of overall building maintenance costs will not be included. Maintenance responsibility will be met by direct payments from the lessee to the building management.

g) Provide for separate meter for utilities to each company.

4. Simultaneously with execution of the World Trade Center leases, the rent for Area B will be reduced by \$23,333.33 per month. Additionally, the exhibits relating to termination and rental escalation will be reduced in direct proportion to the rent reduction and new exhibits included with each lease. Square footages in the Construction Contract will be reduced by 20,000 square feet to reflect the World Trade Center off-site space adjustment.

5. The on-site office space in Area B will be further reduced by 3,200 square feet and the monthly rent reduced by \$2,400.00 so as to enable Sea-Land Service to secure replacement space in Tukwila. The exhibits relating to termination and rental escalation will be reduced in direct proportion to the rent reduction.

6. The Port will prepare a separate lease for the off-site "dispatch facility" at the corner of Stewart and Lincoln Avenues. This "dispatch facility" will be leased to Sea-Land Freight Services as follows:

- a) The total 2.05 acre facility will consist of asphalt surfacing, drainage, utilities, wash stand, security fencing and lighting, entry driveway with minor landscaping, striping and a 1,800 square foot office building.
- b) The initial monthly rental will be \$4,577.00. The lease will include the on-site lease provision relating to rental escalation (Article 8) in direct proportion to this initial rent.
- c) Simultaneously, with the execution of the lease for the dispatch facility, the rent for Area B will be reduced by \$850.00 per month to compensate for transfer of the 1,800 square feet from Area B to the dispatch facility. Additionally, the exhibit relating to rental escalation will be reduced in direct proportion to the rent reduction and new exhibits included with each lease. Square footage in the construction contract will be reduced by 1,800 square feet to reflect the off-site dispatch facility space adjustment.
- d) The lessee shall not, except by prior written consent of the Port, assign this agreement or sublease any portion of the premises, such consent not to be unreasonably withheld.

- e) The lease term will be thirty (30) years with two five-year options to a total of forty years. Lessee will have termination rights with six month written notice at any time, however, liquidated damages equal to remaining monthly payments of \$2,244 per month for improvements calculated to present value at 10% will be paid by the lessee. If after lease has been in effect for ten (10) years the lessee desires to terminate, the Port at its discretion may allow the lease to be terminated on six-months written notice with no liquidated damages required.

- f) The lease will provide for availability of the completed "dispatch facility" no later than occupancy date for the on-site facilities.

If the foregoing is consistent with your understanding of our agreement, please have the appropriate person endorse and return a copy of this letter for our file. As soon as the legal descriptions and other technical data is available the Port will prepare and submit formal contract amendments reflecting the foregoing.

Very truly yours,

PORT OF TACOMA


 RICHARD DALE SMITH
 Executive Director

The understandings set forth in this letter are agreed to

By: J. A. Baker 1/18/84

RDS/im

Sea-Land Service, Inc.

100 WEST HARRISON STREET, SUITE 522
SEATTLE, WASHINGTON 98119

January 18, 1984

J. A. BAKER
Executive Vice President
Alaska Division

TELEPHONE:
(206) 938-6302

Mr. Richard D. Smith
Executive Director
Port of Tacoma
P. O. Box 1837
Tacoma, Washington 98401

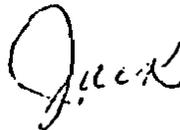
Dear Dick:

I am returning a signed copy of your January 11, 1984, letter which spells out our agreement concerning alternative office space to be provided by the Port of Tacoma.

It is our recommendation that we not amend the Terminal Operating and Lease Agreement between the Port of Tacoma and Tacoma Terminals at this time; but, instead, wait until shortly before occupancy and submit one amendment covering every change up to that point.

Please advise if you have any questions.

Sincerely,



JAB:kt
Enclosure

EXHIBIT "T"

WORLD TRADE CENTER OFFICE SPACE SUBLEASE

1 THIS LEASE, entered into this 10th day of November,
2 1988, between the PORT OF TACOMA, as Sublessor, and TACOMA
3 TERMINALS INC., as Sublessee, hereinafter also referred to as
4 "Landlord" and "Tenant",

5 WITNESSETH:

6 1. Premises: Sublessor leases to Sublessee, and
7 Sublessee rents from Sublessor, subject to the terms and
8 conditions herein set forth, that certain office space in
9 the World Trade Center Building, 3600 Port of Tacoma Road,
10 Tacoma, Washington, consisting of 18,504 square feet as
11 delineated on Exhibit "A" annexed hereto, and 96 parking
12 spaces adjacent thereto.

13 2. Term: This Sublease shall commence on execution
14 hereof, and shall terminate simultaneously with the Terminal
15 Operating and Lease Agreement dated March 1st 1983, between
16 the parties, or on April 30th 2015, whichever shall first occur.
17 Sublessor grants to Sublessee two successive five-year options
18 commencing on May 1st 2015.

19 3. Initial Basic Rent and Subsequent Increases: The
20 initial basic rent until May 31st 1995 shall be \$23,333.33
21 per month, due on or before the 5th day of each month, plus
22 Washington State leasehold tax if assessed on this Sublease, or
23 an amount equal to such tax if not so assessed. The rent, but
24 not such tax or equivalent, will thereafter increase as follows:

25 a) June 1st 1995 to May 31st 2000: Annual rent will
26 increase according to subparagraph (f) on June 1st 1995, limited
27 to a maximum of 25%.

28 b) June 1st 2000 to May 31st 2005: Annual rent will
29 increase according to subparagraph (f) on June 1st 2000, limited
30 to a maximum of 28%.

1 c) June 1st 2005 to May 31st 2010: Annual rent will
2 increase according to subparagraph (f) on June 1st 2005, limited
3 to a maximum of 40%.

4 d) June 1st 2010 to April 30th 2015: Annual rent will
5 increase according to subparagraph (f) on May 1st 2010, to a
6 maximum of 50%.

7 e) May 1st 2015 to December 31st 2025: May 1st 2015
8 increases to fair rental value.

9 f) Rent would increase by the sum of percentage increases
10 during each year of the preceding five-year period as set forth
11 in the March Consumer Price Index - All Urban Index - Seattle/
12 Everett, Washington - all items (1967=100) published by the
13 United States Department of Labor, Bureau of Labor Statistics,
14 herein referred to as the Index, multiplied and applied to
15 rental for the preceding year.

16 g) There shall be no security deposit.

17 h) The leased premises shall be used only for office
18 space, meeting rooms, and other unspecified uses compatible
19 with offices, e.g., lunch rooms, storage, vending machines, etc.
20 Commercial use compatible with the overall building use is per-
21 missible with approval of Sublessor.

22 1) The following exhibits or orders are made a part of
23 this sublease:

24 Exhibit "A" - Floor Location Plan

25 Exhibit "B" - Rules and Regulations

26 4. Taxes: Sublessee agrees to pay and to save Sublessor
27 harmless from any tax imposed on the interest of either party
28 in the premises or either of them by reason of this sublease.
29 Ad valorem real estate taxes shall be the responsibility of the
30 Landlord.

1 5. Uses: The leased premises are to be used only for
2 the uses specified in Section 3(h) hereof, and for no other
3 business or purpose without prior written consent of Landlord.
4 No act shall be done in or about the leased premises that is
5 unlawful or that will increase the existing rate of insurance on
6 the building. Tenant shall not commit or allow to be committed
7 any waste upon the leased premises, or any public or private
8 nuisance. Tenant shall not, without the prior written consent
9 of Landlord, use any apparatus, machinery or device in or about
10 the leased premises which will cause any substantial noise or
11 vibration. If any of Tenant's office machines and equipment
12 should disturb the quiet enjoyment of any other tenant in the
13 building, then Tenant shall provide adequate insulation, or take
14 such other action as may be necessary to eliminate the
15 disturbance.

16 Tenant and its agents, employees, servants, or those
17 claiming under Tenant, shall comply with all laws relating to
18 Tenant's use of the leased premises and shall observe such rea-
19 sonable rules and regulations as may be necessary to eliminate
20 the disturbance. Tenant and its agents, employees, servants, or
21 those claiming under Tenant shall comply with all laws relating
22 to Tenant's use of the leased premises and shall observe such
23 reasonable rules and regulations as may be adopted and published
24 by Landlord for the safety, care and cleanliness of the leased
25 premises or the land and building, including without limitation,
26 the Rules and Regulations which are Exhibit "B" hereto.

27 6. Maintenance, Service and Utilities: Landlord will
28 pay for maintenance except as hereafter provided. Tenant agrees
29 to pay for utilities and building services according to the
30 schedule annexed hereto as Exhibit "C". Tenant shall have

1 access to all books and records necessary to determine such
2 costs.

3 Landlord shall not be liable to Tenant for any loss or
4 damage caused by or resulting from any variation, interruption,
5 or failure of such services due to any cause other than act or
6 omission of Landlord. No temporary interruption or failure of
7 such services incident to the making of repairs, alterations,
8 or improvements, or due to accident or strike, or conditions or
9 events beyond Landlord's reasonable control shall be deemed an
10 eviction of Tenant or relieve Tenant from any of tenant's
11 obligations hereunder.

12 Before installing any equipment in the leased premises
13 that generates more than a reasonable amount of heat, Tenant
14 shall obtain the written permission of Landlord, and Landlord
15 may refuse to grant such permission if the amount of heat gener-
16 ated would place an undue burden on any air conditioning system
17 for the building.

18 7. Care of Leased Premises: Tenant shall take good care
19 of the leased premises. Tenant shall, at the expiration or ter-
20 mination of the Sublease, surrender and deliver up the leased
21 premises to Landlord in as good condition as when received by
22 Tenant from Landlord, or as thereafter improved, reasonable use
23 and wear excepted.

24 Tenant may make improvements to the interior of the
25 leased premises which shall not alter the exterior appearances
26 of the building, subject to the following conditions:

27 a) Such improvements shall comply with applicable laws
28 and regulations.

29 b) Landlord may, at expiration of Sublease, elect to have
30 such improvements removed at Tenant's expense and have premises

1 restored to the condition that existed prior to the improvements
2 being made, or, that such improvements remain in place and
3 become the property of the Landlord.

4 All damage or injury done to the leased premises by the
5 act or omission of Tenant or by any persons who may be in or
6 upon the leased premises with the consent of Tenant, including
7 the cracking or breaking of glass of any windows and doors,
8 shall be paid for by Tenant and Tenants shall pay for all damage
9 to the building or land caused by Tenant's misuse of the leased
10 premises or the appurtenances thereto. Tenant shall not put any
11 curtains, draperies or other hangings on or beside the windows
12 in the leased premises without first obtaining Landlord's
13 consent.

14 8. Locks, Keys and Access: At the termination of this
15 Sublease, tenant shall surrender all keys to the leased prem-
16 ises. Landlord and its janitor or engineer may retain a passkey
17 to the leased premises for the examination of the premises from
18 time to time with reference to any emergency or to the general
19 maintenance of the leased premises. Tenant will permit Landlord
20 and its agents to enter into and upon the leased premises at all
21 reasonable times for the purpose of inspecting the same or for
22 the purpose of cleaning, repairing, altering, or improving the
23 leased premises or the building. Nothing contained in this
24 section 8 shall be deemed to impose any obligation upon Landlord
25 not expressly stated elsewhere in this Sublease.

26 When reasonably necessary Landlord may temporarily close
27 entrances, doors, corridors, elevators, or other facilities
28 without liability to Tenant by reason of such closure and
29 without such action by Landlord being construed as an eviction
30 of Tenant or relieving Tenant from the duty of observing and

1 performing any of the provisions of this Sublease. Landlord
2 shall have the right to enter the leased premises for the
3 purpose of showing the leased premises to prospective tenants
4 within the period of one hundred eighty (180) days prior to the
5 expiration or sooner termination of this sublease term.

6 9. Damage or Destruction: If the leased premises shall
7 be destroyed or rendered untenable, either wholly or in part,
8 by fire or other unavoidable casualty, Landlord may, at its
9 option, restore the leased premises to their previous condition,
10 and in the meantime the basic and additional rent shall be
11 abated in the same proportion as the untenable portion of the
12 leased premises bears to the whole thereof; but unless Landlord
13 within thirty (30) days after the happening of any such casualty
14 shall notify Tenant of its election to so restore the leased
15 premises, this Sublease shall thereupon terminate and end.

16 In the event the building, without which the Tenant could
17 not effectively continue its normal operations, is completely
18 destroyed by fire or other casualty or damage to such an extent
19 that said damage cannot be repaired except over an extended
20 period of time, the parties hereto may mutually agree either to
21 continue or to terminate this agreement. If the parties elect
22 to continue this agreement, the Landlord shall commence with due
23 diligence to restore the building as nearly as practicable to a
24 condition comparable with that existing prior to the occurrence
25 of casualty. The rental due during the period of restoration
26 and until the tenant resumes its operations shall be abated in
27 the proportion that the untenable or unusable part of the
28 leased premises bears to the whole thereof.

29 If the parties agree to terminate this agreement after
30 the occurrence of any such major destruction, the obligations of

1 both parties hereto shall terminate as of the date of the occur-
2 rence or casualty, and the Tenant shall be relieved of any fur-
3 ther obligation to pay rental of any sort whatsoever.

4 Should the parties hereto be unable to agree under this
5 article whether to continue or to terminate this agreement, the
6 matter shall be decided by a court of competent jurisdiction.

7 10. Waiver of Subrogation: Whether the loss or damage
8 is due to the negligence of either Landlord or Tenant, their
9 agents or employees, or any other cause, Landlord and Tenant
10 do each herewith and hereby release and relieve the other from
11 responsibility for, and waive their entire claims of recovery
12 for any loss or damage to the real or personal property of
13 either located anywhere in the building, including the building
14 itself, arising out of or incidental to the occurrence of any
15 of the perils which may be covered by their respective fire
16 and lighting policies, with extended coverage endorsements.

17 11. Indemnification: Tenant shall defend and indemnify
18 Landlord and save it harmless from and against any and all
19 liability, damages, costs or expenses including attorneys' fees,
20 arising from any act, omission, or negligence of Tenant, or the
21 officers, contractors, licenses, agents, servant, employees,
22 guests, invitees, or visitors of Tenant in or about the leased
23 premises, or arising from any accident, injury or damage, how-
24 soever and by whomsoever caused, to any person or property,
25 incurring in or about the leased premises; provided that the
26 foregoing provision shall not be construed to make Tenant
27 responsible for loss, damage, liability, or expense resulting
28 from injuries to third parties caused by the negligence of
29 Landlord, or of any officer, contractor, licensee, agent,
30 servant, employee, guest, invitee, or visitor of Landlord.

1 Landlord shall defend and indemnify Tenant and save it
2 harmless from and against any and all liability, damages, costs,
3 or expenses including attorneys' fees, arising from any act,
4 omission, or negligence of Landlord, or the officers, contrac-
5 tors, licensees, agents, servant, employees, guest, invitees, or
6 visitors of Landlord in or about the leased premises, or arising
7 from any accident, injury, or damage, howsoever and by whom-
8 soever caused, to any person or property, occurring in or about
9 the leased premises; provided that the foregoing provision shall
10 not be construed to make Landlord responsible for loss, damage,
11 liability, or expense resulting from injuries to third parties
12 caused by the negligence of Tenant, or of any officer, contrac-
13 tor, licensee, agent, servant, employee, guest, invitee, or
14 visitor of Tenant.

15 12. Assignment and Subletting: Tenant shall not assign
16 any right hereunder or sublet any portion of the leased premises
17 except with the written permission of Landlord.

18 13. Advertising: Tenant shall not inscribe any inscrip-
19 tion or post, place, or in any manner display any sign, notice,
20 picture, placard, or poster, or any advertising matter
21 whatsoever, anywhere in or about the leased premises or the
22 building at places visible (either directly or indirectly as
23 an outline or shadow on a glass pane) from anywhere outside
24 the leased premises or the building without the prior written
25 consent of the Landlord. Any such consent by Landlord shall be
26 upon the understanding and condition that Tenant will remove the
27 same at the expiration or sooner termination of this Sublease,
28 and Tenant shall repair any damage to the leased premises or
29 the building caused thereby.

30 14. Liens and Insolvency: Tenant shall keep the leased

1 premises and the building free from any liens arising out of any
2 work performed, materials ordered, or obligations incurred by
3 Tenant. If Tenant becomes insolvent, voluntarily or involun-
4 tarily bankrupt, or if a receiver, assignee, or other liquidat-
5 ing officer is appointed for the business of Tenant, then
6 Landlord may terminate Tenant's right of possession under this
7 Sublease by written notice to Tenant given three (3) days prior
8 to the effective date of such termination.

9 15. Default-Penalty: Time is of the essence hereof, and
10 in the event Tenant shall violate or breach or fail to keep or
11 perform any covenant, agreement, term or condition of this
12 shall not be remedied within fifteen (15) days of, if no default
13 in the rental is involved, within thirty (30) days after notice
14 in writing thereof is given by Landlord to Tenant, specifying
15 the matter claimed to be in default, Landlord at its option may
16 immediately declare Tenant's rights under this Sublease termi-
17 nated, and re-enter the leased premises, using such force as may
18 be necessary, and repossess itself thereof, as of its former
19 estate, and remove all persons and property from the leases
20 premises.
21

22 In the event of default by Tenant, Tenant agrees to pay
23 liquidated damages to Landlord equal to that proportion of the
24 then effective liquidated damages in Exhibit "Q" to the parties
25 terminal operating and lease agreement of March 1st 1983, which
26 is equal to the then proportion of the rentals under this Sub-
27 lease compared to the rentals and charges under that Agreement.

28 Tenant shall pay to Landlord as a penalty for Tenant's
29 failure to pay any basic rent within seven (7) days from its due
30 date set forth in Section 3 hereof an amount equal to five-

1 tenths (0.5) percent of such delinquent rent.

2 16. Priority: Tenant agrees that this Sublease shall
3 be subordinate to any mortgages or deeds of trust that may
4 hereafter be placed upon the leased premises or the building
5 containing the same, and to any and all advances to be made
6 thereunder, and to the interest thereon, and all renewals,
7 replacements and extensions thereof; provided the mortgagee or
8 beneficiary named in said mortgages or deeds of trust shall
9 agree to recognize this Sublease in the event of foreclosure if
10 Tenant is not in default thereunder. Within fifteen (15) days
11 after written request from Landlord, Tenant shall execute any
12 documents that may be necessary or desirable to effectuate the
13 subordination of this Sublease to any such mortgages or deeds
14 of trust and shall execute estoppel certificates as requested
15 by Landlord from time to time in the standard form of any such
16 mortgagee or beneficiary.

17 17. Removal of Property: Any alterations, additions, or
18 improvements to the leased premises, including but not limited
19 to wall coverings, paneling, and built-in cabinet work, except-
20 ing movable furniture and trade fixtures, shall on the expira-
21 tion of the term become a part of the realty and belong to the
22 Landlord and shall be surrendered with the premises. If Tenant
23 shall fail to remove any of its property of any nature what-
24 soever from the leased premises or the building at the termi-
25 nation of this Sublease, or when Landlord has the right of
26 re-entry, Landlord may, at its option, remove and store said
27 property without liability for loss thereof or damage thereto,
28 such storage to be for the account and at the expense of Tenant.

29 If Tenant shall not pay the cost of storing any such
30 property after it has been stored for a period of thirty (30)

1 days or more, Landlord may at its option, sell, or permit to be
2 sold, any or all of such property at public or private sale, in
3 such manner and at such times and places as Landlord in its sole
4 discretion may deem proper, without notice to Tenant, and shall
5 apply the proceeds of such sale (i) first, to the cost and
6 expense of such sale, including reasonable attorneys' fees
7 actually incurred; (ii) second, to the payment of the costs of
8 charges for storing any such property; (iii) third, to the pay-
9 ment of any other sums of money which may then be or thereafter
10 become due Landlord from tenant under any of the terms thereof;
11 and (iv) fourth, the balance, if any, to Tenant.

12 18. Non-Waiver: Waiver by either party of any breach of
13 any term, covenant, or condition herein contained shall not be
14 deemed a waiver of such term, covenant or condition, or of any
15 subsequent breach of the same or any other term, covenant or
16 condition herein contained. The subsequent acceptance of rent
17 hereunder by Landlord shall not be deemed to be a waiver of any
18 preceding breach by Tenant of any term, covenant, or condition
19 of this Sublease, other than the failure of Tenant to pay the
20 particular rental so accepted, regardless of Landlord's
21 knowledge of such preceding breach at the time of acceptance
22 of such rent.

23 19. Surrender of Possession: Upon expiration of the
24 term of this Sublease, whether by lapse of time or otherwise,
25 Tenant shall promptly and peacefully surrender the leased
26 premises to Landlord.

27 20. Holdover: If Tenant shall, with written consent of
28 Landlord, hold over after the expiration of the term of this
29 Sublease, such tenancy shall be for an indefinite period of time
30 on a month-to-month tenancy, which tenancy may be terminated as

1 provided by the laws of the State of Washington. During such
2 tenancy, Tenant agrees to pay to Landlord the same rentals as
3 set forth herein, unless different rentals shall be agreed upon,
4 and to be bound by all of the terms, covenants, and conditions
5 herein specified, so far as applicable.

6 21. Condemnation: If all of the leased premises or
7 such portion of the building or land as may be required for
8 the reasonable use of the leased premises are taken by eminent
9 domain, this Sublease shall automatically terminate as of the
10 date Tenant is required to vacate the leased premises, and all
11 rentals shall be paid to that date. In case of a taking of a
12 part of the leased premises or a portion of the building or land
13 not required for the reasonable use of the leased premises, this
14 Sublease shall continue in full force and effect, and the rent-
15 als shall be equitably reduced based on the proportions by which
16 the floor area of the leased premises is reduced, such rent
17 reduction to be effective as of the date possession of such
18 portion is delivered to the condemning authority.

19 Any condemnation award or settlement will be apportioned
20 between the parties as their interest may appear. Tenant shall
21 have the right, however, to claim and recover from the condemn-
22 ing authority compensation for any loss to which Tenant may be
23 put for Tenant's moving expenses and for the interruption of or
24 damages to Tenant's business.

25 22. Notices: All notices under this Sublease shall be
26 in writing and delivered in person or sent by certified mail to
27 Landlord at the same place rent payments are made, and to Tenant
28 at the leased premises, or such addresses as may be hereafter
29 designed by either party in writing. Notices mailed as
30 aforesaid shall be deemed given on the date of such mailing.

1 23. Attorneys' Fees and Costs: If Tenant or Landlord
2 shall begin any action for any relief against the other,
3 declaratory or otherwise, arising out of this Sublease, includ-
4 ing any suit by Landlord for the recovery of rent or possession
5 of the leased premises, the losing party shall pay to the
6 successful party a reasonable sum for attorneys' fees in such
7 suit, and such attorneys' fees shall be deemed to have accrued
8 from the commencement of such action.

9 24. Captions and Construction: The titles to sections
10 of this Sublease are not a part of this Sublease and shall have
11 no effect upon the construction or interpretation of any part
12 thereof. This Sublease shall be construed and governed by the
13 laws of the State of Washington.

14 25. Landlord's Consent: Whenever Landlord's consent
15 is required under the terms hereof, such consent shall not be
16 unreasonably withheld.

17 26. Successors & Assigns: All of the covenants, agree-
18 ments, terms and conditions contained in this lease shall apply
19 to and be binding upon Landlord and Tenant and their respective
20 heirs, executors, administrators, successors, and assigns.

21 IN WITNESS WHEREOF, this Sublease has been executed this
22 10th day of November, 1988.

23 LANDLORD:

PORT OF TACOMA

24 By: [Signature]

Its President

25 By: [Signature]

26 Its Secretary

27 TENANT:

TACOMA TERMINALS INC.

28 By: [Signature]

29 Its Director

30 By: _____

Its

1 STATE OF WASHINGTON)
2 County of Pierce) ss.

3
4 On this 10th day of November , 1988, personally
5 appeared before me the undersigned, a Notary Public, in and
6 for the State of Washington, duly commissioned and sworn, ROBERT
7 G. EARLEY and PATRICK O'MALLEY, to me known to be the President
8 and Secretary of the PORT OF TACOMA, a municipal corporation,
9 that executed the foregoing instrument and acknowledged the said
10 instrument to be the free and voluntary act and deed of said
11 corporation, for the uses and purposes therein mentioned, and
12 on oath stated that they are authorized to execute the said
13 instrument and that the seal affixed is the corporate seal of
14 said municipal corporation.

15 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
16 day and year first above written.

17
18
19 
20 NOTARY PUBLIC in and for the
21 State of Washington, residing
22 at Tacoma

23
24
25 APPROVED AS TO FORM:

26
27 
28 Counsel for Port of Tacoma

29
30
SUBLEASE PAGE 14
9/19/88

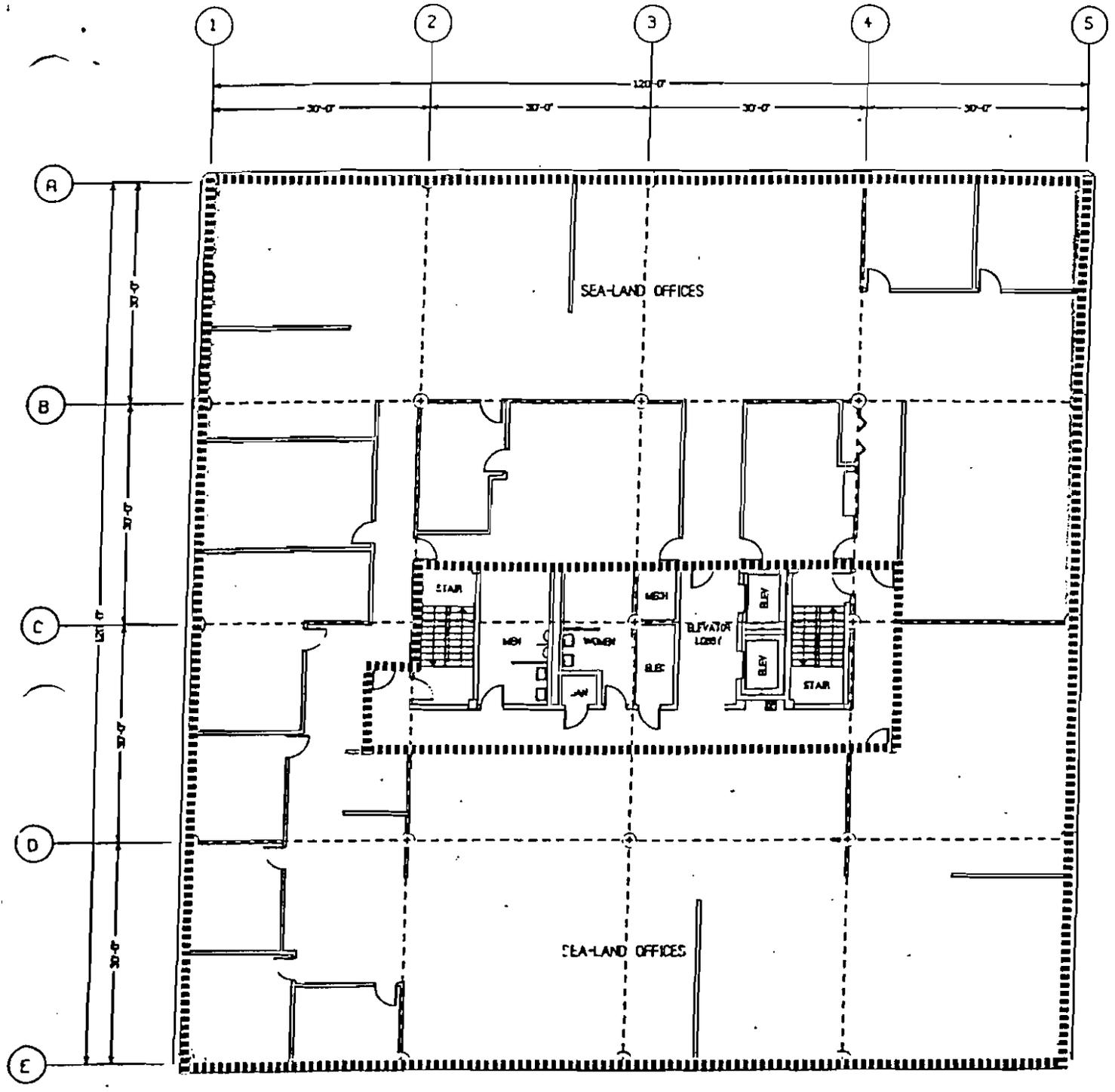


EXHIBIT "A" (Page 1): World Trade Center - 4th Floor
12,900 sq. ft.

FLOOR PLAN 4 ⊕



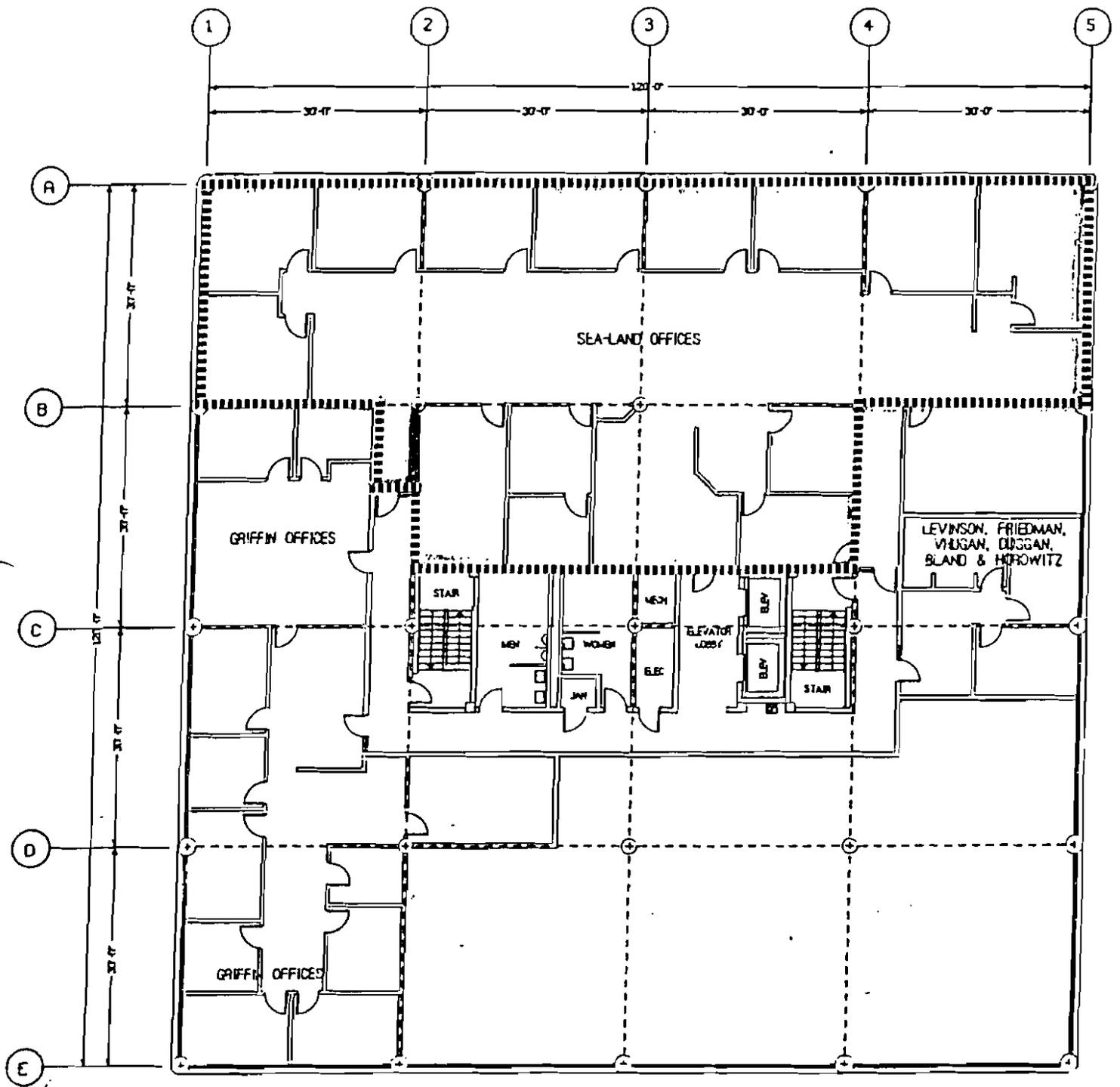


EXHIBIT "A"(Page 2): World Trade Center - 5th Floor
5,604 sq. ft.

FLOOR PLAN 5 ⊕

EXHIBIT "B"
RULES AND REGULATIONS

1. WEIGHT RESTRICTIONS. Safes, furniture and bulky articles shall be moved in or out of the premises only at such hours and in such manner as will least inconvenience other tenants. Such hours and manner shall be determined by Landlord upon request of Tenant. No safe or other articles weighing more than One Thousand (1,000) pounds shall be moved into the premises without the specific prior consent of Landlord. Landlord shall have the right to determine the exact location of any articles of weight within the premises.

2. SOLICITORS. Landlord shall make an effort to keep solicitors out of the building in which the premises are located. Tenant will cooperate with Landlord in his attempt to accomplish this end.

3. USE OF PREMISES. The use of premises will be restricted to that stated in Section 1 (f) of the Lease. The premises shall not be used for lodging or sleeping, and no animals or birds will be allowed therein.

4. DIRECTORY. A directory of tenants of the building in which the premises are located will be provided exclusively for display of the name and location of tenants only, and Landlord reserves the right to exclude any other names.

5. ENTRIES, PASSAGES AND STAIRWAYS. The building entries, passages and stairways shall not be obstructed by tenants or used for any purpose other than ingress and egress. Tenants shall not use such entries, passages, and stairways for storage at any time.

6. PERSONS DISTURBING TO OTHER TENANTS. Landlord reserves the right to exclude or expel from the building any person whose conduct is disturbing to tenants, or who shall violate in any manner these Rules and Regulations.

7. HOURS BUILDING WILL BE OPEN. General building hours will be 8:00 a.m. to 7:00 p.m., Monday through Friday, and 8:00 a.m. to 1:00 p.m. on Saturday. The building will be closed on holidays, Sundays, and hours not included in the general building hours. Landlord reserves the right to close and keep locked all entrance and exit doors of the building during such hours as Landlord may deem to be advisable for adequate protection of the building. Persons working in the building after 7:00 p.m., Monday through Friday, after 1:00 p.m. on Saturdays, on holidays or Sundays, will be able to exit the building at any time, but entrance will be limited to key holders or general building hours. The Port of Tacoma shall be a keyholder. Any arrangements for entrance contrary to hereto shall be made with Landlord.

8. NOISE/MISCELLANEOUS USES. Tenants shall not disturb other occupants of the building by making any undue or unseemly noise or install or operate in or upon the premises any machine or machinery of any kind other than office equipment, or keep or use thereon oils, burning fluids, gasoline, or other combustible materials. No explosives shall be brought into the building.

9. SMOKING. Smoking shall be confined to the leased premises. No smoking shall be allowed in common areas, including entries, passages, stairways, elevators, and bathrooms.

10. PARKING. General parking will be provided. Tenants will not park or cause to park unused cars in the general parking area for over then (10) hours per day.

11. RULES AND REGULATIONS. Tenants and their agents and employees at all times will observe, perform, and abide by all of the within Rules. Landlord is not responsible to any tenant for the non-observance or violation of the Rules and Regulations by any other tenant or its agents, employees, invitees, or licensees.

EXHIBIT "C"
 UTILITY AND MAINTENANCE CHARGES TO
TACOMA TERMINALS, INC. AT WORLD TRADE CENTER

Tacoma Terminals, Inc. shall pay for utility and maintenance services provided by the landlord on a proportioned actual costs basis as follows:

<u>Service</u>	<u>Percentage of Total Cost</u>
Electric, Water, Sewer	30.76%
HVAC Maintenance (Including All Tenant Space)	30.76
Elevator Maintenance	30.76
Miscellaneous Maintenance (All interior tenant space, building enhancements/ improvements excluded.)	30.76
Garbage Disposal, Parking Lot Maintenance, Landscape Maintenance, Window Washing (inside and outside)	30.76
Janitorial	Responsibility of Tacoma Terminals, Inc. is limited to their interior direct use space, all of the common use space on floor 4 (including hallway and restrooms), and proportion of shared common use space on floor 5 (including hallway and restrooms). This janitorial service will be handled directly by TFI either through the WTC Group or a contractor of their choice.

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