

010839-008

EIGHTH AMENDMENT TO LEASE
BETWEEN
PORT OF SEATTLE AND EAGLE MARINE SERVICES, LTD.
TERMINAL 5

THIS EIGHTH AMENDMENT TO LEASE made as of October 21,
19 99, by and between the PORT OF SEATTLE, a Washington municipal corporation,
hereinafter called "Port," and EAGLE MARINE SERVICES, LTD., a Delaware corporation,
hereinafter called "Lessee,"

RECITALS: Dec 13 1999

A. WHEREAS, the parties entered into a lease agreement dated September 26, 1985 ("Basic Lease") covering certain premises and activities by Lessee at Terminal 5, Seattle, Washington, which lease was subsequently amended by First Amendment dated March 25, 1986 (FMC No. 224-010839-001); Second Amendment dated August 11, 1987 (FMC No. 224-010839-002); Third Amendment dated February 14, 1989 (FMC No. 224-010839-003); Fourth Amendment dated August 8, 1989 (FMC No. 224-010839-004); Fifth Amendment dated August 11, 1992 (FMC No. 224-010839-005); Seventh Amendment dated July 1, 1994 (FMC No. 224-020839-007); and

B. WHEREAS, by Sixth Amendment dated June 1, 1994 the parties provided for assignment of Lessee's interest from AMERICAN PRESIDENT LINES, LTD., to EAGLE MARINE SERVICES, LTD., and provided for an increase of the leased area by approximately 75 acres with a corresponding increase in rental and an option to further increase the Premises by approximately 30 additional acres with a further corresponding increase in rental, and documented certain improvements with amortization payments added to the rental schedule following undertaking of development of the Premises as described therein subject to the conditions and restrictions of the applicable environmental and land use laws and regulations, and documented other provisions; and

C. WHEREAS, the parties now wish to further revise the Basic Lease, as previously amended, to modify provisions relating to berth deepening, vessel calls, and Liquidated Damages;

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

1. Basic Lease paragraph 1. (LEASED PREMISES AND EQUIPMENT), as previously amended (added under Sixth Amendment Section 2 (e) (ii)), is further amended with the addition of the following as subparagraph 1. (e) (ii) (G):

"(G) The Port will complete deepening (as described below) along the 2,500 lineal feet of ship berthing area adjacent to the Original Premises and the 400 lineal feet of berthing area immediately to the north of that 2,500 lineal feet of berth shown on Exhibit A-6. The Port will pay for the cost of such deepening, including removal and refurbishment of 1,000 lineal feet of existing mid-berth timber fender system and the installation of an underwater steel sheet pile wall of equal length, reinstallation of refurbished fender system with new timber fender piling and two foam filled rubber fenders, and dredging of the 1,000 foot mid-berth to elevation - 50 feet at mean lower low water (MLLW); addition of steel piles between the existing pile bents along the 740 lineal feet of south berth, and dredging of this area to elevation -45 feet at MLLW.

"(1) The Port will deepen the north and middle 2,000 feet of existing berth, as measured from the north end of the 400-foot berth extension, to a depth of -50 feet below Mean Lower Low Water (MLLW).

"(2) The Port will deepen to a depth of -45 feet below MLLW the existing berth beginning at the south end of the preceding 2,000-foot section, and proceeding south 740 feet. The Port will endeavor to commence the deepening as quickly as possible and exercise reasonable efforts to complete before March 2000 State of Washington underwater work closure.

"(3) The Port will deepen the remaining 160 feet of the south berth as far as structural constraints allow in the Port's reasonable judgement."

2. Basic Lease paragraph 1. (k) (added under Sixth Amendment Section 3 (k)) (LIQUIDATED DAMAGES...) is amended with the addition of the following as subparagraph (v):

(v) KJR RADIO TOWERS.

Lessee will not make a claim or expect any payment for Liquidated Damages as described in Basic Lease paragraph 1. (k) (added under Sixth Amendment Section 3 (k)) or for any other damages or for any breach on contract related to the delay in the removal of the KJR radio towers from Terminal 5. The Port will continue its good faith efforts to remove the KJR radio towers as soon as the KRJ radio operation can relocate to its new broadcast site."

3. Basic Lease paragraph 5. (USE OF PREMISES AND CRANES), as previously amended, is further amended with the addition of the following as subparagraphs:

(h) During the term of this lease, Lessee or Lessee corporate affiliates will at all times maintain a weekly Seattle vessel call at Terminal 5 of a North American West Coast first-port-of-call (at Seattle) service using APL, APL corporate affiliate, or APL alliance partner post-panamax width vessels of a capacity equal to or exceeding 4,500 TEU, such as the C-11 class vessels currently calling in Seattle as of September 1999.

(i) If Lessee discontinues the service described in subparagraph (h), above, for any period of time during any given calendar year, unless that discontinuance is for force majeure reasons, Lessee will pay additional monthly rent to the Port during the following calendar year equal to full amortization of the actual structural costs (excluding dredging costs and including design and administration costs) of deepening, at 9.25% per year over the lease term remaining at completion of deepening, currently estimated to be nearly \$6 million. That amortization rental amount would be approximately \$50,000 per month for twelve (12) months (or \$600,000 for any year following a failure to meet the vessel call condition under (h) above during the preceding year). Phase 1 has been completed at a structural cost of \$1,509,000. The actual total structural costs will be established after the Port determines that the second and final phase of the deepening project is completed.

4. Exhibit F-8 (revised 6-18-99) is attached hereto, replacing Sixth Amendment Exhibit F.

5. This amendment and all future amendments or modifications to this instrument shall not become effective until such amendments or modifications have been approved pursuant to Federal Maritime Commission procedures.

6. Except as expressly amended by this amendment, all provisions of the Basic Lease, as previously amended, remain in full force and effect.

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

ATTEST:


PORT OF SEATTLE
a municipal corporation


By 
Secretary CLARE NORDQUIST
(CORPORATE SEAL) ASSISTANT SECRETARY

By 
President PATRICIA DAVIS
LESSOR

ATTEST:

EAGLE MARINE SERVICES, LTD.

By 
Secretary
(CORPORATE SEAL) Timothy J. Windle

By 
President F. M. Sevekow Jr.
LESSEE
Assistant Secretary

Notary to Eighth Amendment of Terminal 5 Lease
with Eagle Marine Services Ltd.

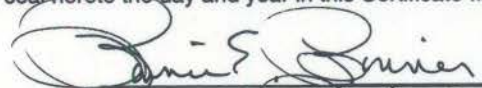
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of October, 1999.

Asst.

before me, the undersigned notary public in and for the State of Washington, duly commissioned and sworn, personally appeared PATRICIA DAVIS and CLARE NORDQUIST, to me known to be the President and Secretary, respectively, of the Port Commission of the PORT OF SEATTLE, a municipal corporation, the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were duly authorized to execute the same and that the seal affixed is the corporate seal of said corporation.

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



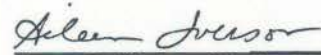
Notary Public in and for the State of
Washington, residing at Seattle
My appointment expires October 31, 1999

(ACKNOWLEDGMENT FOR CORPORATE LESSEE)

STATE OF California
) ss.
COUNTY OF Alameda

On this 4th day of October, 1999, before me personally appeared FM Sevelow, Jr and Timothy J. Windle, to me known to be the Assistant Secretary President and the Secretary, respectively, of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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


Notary Public in and for the State of
California, residing at Livermore, CA
My appointment expires July 29, 2002

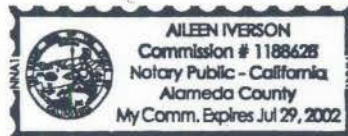


EXHIBIT I (Revised 6-18-99)

RENTAL SCHEDULE

Expansion Premises and Improvements (added by Sixth Amendment, dated as of June 1, 1994)

I. BASIC LAND AND IMPROVEMENTS RENT FOR THE 75 ACRE EXPANSION PREMISES AREA:

Period Beginning	Period Ending	Rate Per Acre Per Year	Rent Per Year	Rent Per Month
* 1-1-93	12-31-97	\$58,800	\$4,410,000	\$367,500.00
1-1-98	12-31-2002	\$79,153	\$5,936,475	\$494,706.25
1-1-2003	12-31-2007	\$106,550	\$7,991,250	\$665,937.50

Effective 1-1-2008, and every 5 years thereafter, rental rate per acre to be escalated by 34.61%.

* Subject to abatement or partial abatement due to construction. Basic Land and Improvements Rent shall commence upon the first day of the month following Facility Component Completion of any given facility (or land if no facility) unless otherwise specified in the Sixth Amendment.

II. SPECIAL IMPROVEMENTS RENT CAP (added by 6th Amendment, dated as of June 1, 1994 and modified by 8th Amendment):

Effective May 1, 1998	1	Construction Cost 1992\$ 3	Actual Cost Cap 7	Port % Share	Lessee % Share	Lessee Maximum Share	Monthly Special
							Improvements IN DOLLARS Rent 1996\$ 4
							9.25%
Intermodal loading yard (ILY) 1		\$6,200	\$7,393	31%	69%	\$5,101	\$41,647
Pile foundation for 5th and 6th runways (ILY)		\$467	\$557	75%	25%	\$137	\$1,120
Maintenance & Repair Facility (excluding demolition of existing building)		\$2,973	\$3,545	50%	50%	\$1,773	\$14,472
Maintenance and Repair Facility Demolition 2		\$300	\$300	50%	50%	\$150	\$1,225
Gatehouse and entry		\$4,665	\$5,563	100%	0%	\$0	\$0
Existing Gatehouse demolition		\$167	\$199	0%	100%	\$199	\$1,626
Net Book Value write-off of existing gatehouse & related assets 6		\$0	\$0	0%	100%	\$666	\$5,437
Overpass (for entrance roadway): Initial spending level		\$5,763	\$6,872	80%	20%	\$1,374	\$11,221
Overpass (for entrance roadway): Spending level increase for lengthened configuration		\$1,400	\$1,670	65%	35%	\$584	\$4,770
Existing CFS Demolition		\$1,095	\$1,306	80%	20%	\$261	\$2,132
New CFS (assumes CFS of 80,000 square feet)		\$3,252	\$3,878	100%	0%	\$0	\$0
Changes 8		\$7,310	\$7,310	0%	100%	\$7,310	\$60,135
TOTALS (or weighted averages) 5		\$33,592	\$38,594	55%	45%	\$17,556	\$143,785.21

NOTES:

1. ILY estimate excludes cost to protect METRO effluent line from loads of Intermodal Yard and soil removal and other costs to bring area to CY standard. Any such costs to be for the account of the Port.
2. Fixed amount of \$300,000 toward demolition of existing maintenance and repair building.
3. Estimated Actual Cost 1992\$ includes markup for design contingency, sales tax, outside services, management and overhead.
4. Monthly rent shown is based on amortization at a 9.25% annual percentage rate. Amortization amounts calculated over 360 months with payment at beginning of month, and continue for 30 years from first payment.
5. Does not include costs of Container Cranes or Intermodal Yard Cranes.
6. This payment is for the net book value write-off at 12-31-95 including NBV of the gate structure (\$499,000) plus other demolished assets (\$167,000) related to the gate.
7. The Actual Cost Cap is calculated by escalating the Estimated Actual Cost 1992\$ by 4.5% for four years.
8. **Changes (as defined in the lease) are added to this schedule as of 5-1-98 by the Eighth Amendment and the Lessee Maximum Share is subject to increase with any future Change additions and costs for Changes that are determined after the date of the Eighth Amendment. Current figures are based on actual costs determined and agreed as of 6-18-99.**