

**AMENDMENT NO. 1 TO  
PORT OF TACOMA/CITY OF TACOMA DEPARTMENT OF PUBLIC UTILITIES  
OPERATING AGREEMENT**

This Amendment No. 1 to the Port of Tacoma/City of Tacoma Department of Public Utilities Operating Agreement (“Amendment”), effective September 1, 2020, is made and entered into by and between the Port of Tacoma (“Port”), and The Northwest Seaport Alliance as licensee/agent of the Port of Tacoma (“NWSA”), and the City of Tacoma, Department of Public Utilities, Beltline Division dba Tacoma Rail (“Tacoma Rail”), collectively the “Parties”.

**RECITALS**

A. The Port and Tacoma Rail entered into that Port of Tacoma/City of Tacoma Department of Public Utilities Operating Agreement dated July 1, 2013, (“Operating Agreement”) which set forth the Parties’ rights and obligations in relation to the 1990 Beltline Agreement and the 1993 Agreement, as those terms are defined in the Operating Agreement, in order to maximize the performance of the Port and the rail system and enhance the level of coordination between their respective organizations, and to facilitate the handling of increased rail traffic volumes.

B. As described in the recitals of the Operating Agreement, on August 30, 1984, the Parties entered into a Lease (“TACSIM Lease”) whereby the City of Tacoma Department of Public Utilities leased certain property to the Port for use as a rail intermodal yard.

C. The Northwest Seaport Alliance (NWSA) is a marine cargo port development authority operating alliance formed in 2015 under RCW 53.57 and Federal Maritime Commission authorization and is governed by the Commissions of the Ports of Tacoma and Seattle pursuant to which the NWSA has the responsibility and authority to manage and operate certain properties owned and leased by each of the Ports, pursuant to the License Agreements entered into between each of the Ports and the NWSA, which includes the property and subject matter that is subject to the Operating Agreement.

D. Per Lease Amendment No. 3 to said TACSIM Lease (“Amendment No. 3), the Parties have agreed to two rent options for the remaining five year term of the TACSIM Lease. The selection of either rent option depends upon the yearly decision of Lessee under the TACSIM Lease to extend or not to extend the term of the Operating Agreement by an additional year.

E. In order to effectuate the terms of TACSIM Lease Amendment No. 3, the Parties have agreed to amend the Operating Agreement to provide an option to extend its term in one year increments.

**AGREEMENT**

1. The following is added as Section 6.1.1. to the Operating Agreement:

6.1.1. Term Extension. As further described in TACSIM Lease Amendment No. 3, starting in 2020, Lessee under the TACSIM Lease has the option in each year of the





