

	Item No.	6k supp
	Date of Meeting	December 10, 2019

# Assignment and Amendment of Trident Ground Lease to Lineage Logistics

December 10, 2019

# Ground Lease Terms

- Background
- Today's Actions:
  - Assignment of Trident Seafoods Ground Lease to Lineage Logistics
  - Amendment, Restatement, and Extension of Assigned Agreement

# Site location

- Buildings W-391 and W-392



# Lineage Logistics' Recent Awards

- Winner of the 2019 Better Practice Award by the U.S. Department of Energy's (DOE) Better Plants program
- Named to *Fast Company's* Annual List of The World's Most Innovative Companies for 2019
- Outstanding Supplier Achievement Award at the Safe Quality Food Institute's International Conference

# Ground Lease Terms

- Major Terms:
  - **Assignment:** From Trident Seafoods to Lineage Logistics
  - **Amendment:** Convert the existing four 5-year options to one 20-year term.
  - **Add Options:** add two 10-year options, at tenant's discretion
  - **Commencement Date:**
    - Assignment: on execution of Purchase and Sale Agreement and
    - Amendment: January 1, 2020.
  - **Updated Area:** Total area is 336,650 square feet (per updated survey)
  - **Rent:** 1/1/2020 is \$0.19/sf/mo., which represents an increase of 21.25% and is within the market range for this use.
  - **Escalations:**
    - CPI: adjustments every 12 months
    - Market rate: every 60 months, no downward adjustment.

# Ground Lease Terms

- **Security Deposit:** Letter of Credit or Surety Bond equal to 6 months of rent (compliant with Port Policy)
- **Add, Update, and Replace with Port's current term lease terms:**
  - Alterations; Ownership of Certain Installations (updated)
  - Maintenance and Repairs (updated)
  - Prevailing Wage (added)
  - Common Areas (added)
  - Insurance and Indemnity (updated)
  - Damage and Destruction (updated)
  - Assignment and Sublease (updated)
  - Default (updated)
  - Termination other than for default (updated and added)
  - Surrender and Holding Over (updated)
  - Environmental standards (updated and added)
- **Sublease:** 6,397 sf to Trident for three years (+2 one-year options to extend as R&D center)