

LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT (“Termination Agreement”) is made this ____ day of _____ 20__, by and between the PORT OF SEATTLE, a Washington municipal corporation (“the Port”) and PACCAR Inc., a Delaware Corporation (“Tenant”).

WHEREAS the Port and Tenant are parties to that certain Aircraft Hangar Site Lease Agreement, dated September 22, 2000, as amended (Lease No. AIR002128) (the “Lease Agreement”) pursuant to which the Port provides land at Seattle-Tacoma International Airport (the “Airport”) for the development and operation of hangar space; and

WHEREAS, the Lease Agreement is set to expire by its terms on May 31, 2031 (the “Expiration Date”); and

WHEREAS, Tenant has secured an opportunity to lease space at King County International Airport (Boeing Field) for its hangar operations and has requested the Port to grant an early termination of the Lease Agreement; and

WHEREAS, the Port has reviewed Tenant’s request and is willing to allow termination of the Lease Agreement prior to the Expiration Date, subject to and in accordance with the terms and conditions of this Termination Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Effectiveness. The Port and Tenant hereby acknowledge that notwithstanding the full execution and delivery of this Termination Agreement, early termination of the Lease Agreement as described herein is expressly conditioned upon satisfaction by Tenant of all obligations set forth herein, including, without limitation, the conditions related to the Tenant Work (as defined below) in accordance with Section 3 below, including the Port’s approval of the Work Plan (as defined below) and acceptance of Final Completion (as defined below). If Tenant fails to pay and perform all obligations set forth herein, including those under the Lease Agreement as referenced herein, and unless and until the conditions described in Section 3.c. are satisfied, early termination of the Lease Agreement shall be deemed null and void, and Tenant’s obligations and the Port’s remedies under the Lease Agreement shall continue in full force and effect as if this Termination Agreement had not been executed.

2. Early Lease Termination. Subject to all of the terms and conditions hereof, the parties agree that the Lease Agreement shall terminate effective as of the date set forth in the written notice from the Port to Tenant, as described in Section 3.c.ii below, confirming the Port’s acceptance of Final Completion of the Tenant Work, with such date to be the last day of the calendar month in which the Port provides such notice confirming Final Completion (“Termination Date”). Notwithstanding the early

termination of the Lease Agreement and the release of liability provided for herein, Tenant shall remain liable, with respect to the period of its tenancy prior to the Termination Date, for the full payment and performance of all of its obligations under the Lease Agreement and the Port shall have all the rights and remedies with respect to such obligations as set forth in the Lease Agreement.

3. Required Tenant Work.

a. In addition to the other requirements set forth in this Termination Agreement, early termination of the Lease Agreement as described herein shall be conditioned upon Tenant's completion, at its sole cost and expense, of the work items generally described below (the "Tenant Work"), as in accordance with the provisions of this Section 3:

Tenant Work	
PFAS Removal	<p>Tenant shall remove from the Premises and improvements the Per- and polyfluoroalkyl substances (PFAS)-containing fire suppression system as listed below:</p> <ul style="list-style-type: none">➤ All waste material handling and disposal shall be conducted in accordance with applicable Washington State Dangerous Waste Regulations (Chapter 173-303 WAC).➤ Note, Aqueous Film Forming Foam (AFFF) concentrate is likely/expected to be classified as a WA State Dangerous Waste due to PFAS as a Halogenated Organic Compound (HOC) that triggers State-only Persistent Waste regulations.➤ All waste materials (liquid and solid) must be contained and disposed of off-site, discharge to the Port's Industrial Wastewater System is not allowed➤ Tenant shall decommission and remove any piping/equipment that has been in contact with AFFF. Piping that has not been in contact with AFFF may be repurposed for a water-based system with Port concurrence.
Water Based Fire Suppression System Installation	<p>Tenant shall replace/repurpose the PFAS system in the hangar with a water-based sprinkler suppression system in accordance with the 2022 Edition of NFPA 13. The intent is for the hangar area to be used by or for motorized equipment with a use-appropriate water-based fire suppression system, but not aircraft storage.</p>

	For system design purposes, the hazards shall be considered similar in nature to a repair garage.
Underground Fueling System Removal	<p>Tenant shall remove the entire aircraft fueling system as described in WAC 173-360A-0810 (permanent closure via removal), including, but not limited to:</p> <ul style="list-style-type: none"> ➤ Removal of underground storage tank ➤ Removal of underground piping and associated components in connection with the fueling system ➤ Removal and remediation of any contaminated soil ➤ Restoration of site to condition prior to removal

b. General Requirements for Tenant Work. The Tenant Work shall be designed, performed and completed in accordance with the approved Work Plan, this Termination Agreement and its exhibits, in compliance with all applicable federal, state and local laws, ordinances, codes and regulations (“Legal Requirements”) and in compliance with (as may be applicable), the Sea-Tac Schedule of Rules and Regulations, the Regulations for Airport Construction, the Tenant Design and Construction Process Manual (also known as the “Tenant Roadmap”), the CAD Standards Manual, the Port’s mechanical, electrical, water and waste, and industrial waste and storm drainage standards and any other, similar document establishing requirements and/or standards for design and construction at the Airport (“Port Standards”).

c. Conditions Precedent to Termination. Early termination of the Lease Agreement as described herein is expressly conditioned on, and subject to satisfaction of, the following conditions precedent:

- i. Work Plan. Following execution of this Termination Agreement, Tenant shall complete and provide to the Port a set of drawings and specifications developed by the Tenant and its contractors detailing the Tenant Work to be conducted in conformity with the scope identified in Section 3.a above and all requirements of this Termination Agreement (collectively, the “Work Plan”). The Work Plan must be approved by the Port prior to Tenant’s commencement of the Tenant Work and Port reserves the right to propose reasonable modifications or additions to the Work Plan consistent with the description of the Tenant Work described above. Upon the Port’s written approval of the finalized Work Plan, (a) the approved Work Plan (drawings and specifications) will be attached to this Agreement and deemed incorporated by reference herein and (b) Tenant shall promptly commence performance of the Tenant Work in accordance with the approved Work Plan and the terms and conditions of this Termination Agreement. The Port’s approval of the Work Plan shall not be deemed to be

a statement of compliance with all Legal Requirements and Tenant shall remain fully responsible for ensuring that the Work Plan and completed Tenant Work complies with all Legal Requirements.

- ii. Performance and Completion. Upon completion of the Tenant Work as detailed in the Work Plan, reaching substantial completion and with all punch list items closed out, Tenant will provide the Port with written notice certifying that all Tenant Work has been completed in accordance with the Work Plan and the terms and conditions of this Termination Agreement (“Final Completion”), together with a reproducible final copy of the plans as-built for the Tenant Work along with electronic files in a format compatible with the Port’s CAD Standards Manual, to enable the Port to update its existing files to reflect the as-constructed changes made by Tenant. Within ten (10) days of receiving Tenant’s written notice, the Port will inspect the Tenant Work, and if determining that the Tenant Work has reached Final Completion, in the Port’s commercially reasonable discretion, the Port will issue written notice of its concurrence of Final Completion, and confirmation of the Termination Date of the Lease Agreement.

d. Contractor Insurance. Prior to commencement of any of Tenant Work in the Premises, Tenant shall cause all persons and entities engaged by Tenant to perform the Tenant Work, including general contractors and all subcontractors (“Tenant’s Contractors”), as a condition precedent to commencement of any of Tenant Work, to provide proof of general liability insurance and auto mobile liability insurance substantially comparable to those insurances, including minimum limits, required of Tenant under the Lease Agreement.

- i. The Tenant’s Contractors’ general liability insurance shall be primary and non-contributory with respect to any insurance the Port carries and apply separately to each insured. The Port shall be named as an additional insured for all work arising out of the Tenant Work, including “on-going” and “completed operations” using ISO Endorsement Form CG 20 26 11 85 or an equivalent endorsement approved by the Port. Completed operations coverage shall continue for three (3) years beyond project completion and include the Port as an additional insured. The additional insured coverage shall remain as primary insurance with respect to any other insurance or self-insurance the Port may carry. Evidence of coverage shall be provided by means of a Certificate of Insurance and additional insured endorsement during this timeframe.
- ii. The Tenant’s Contractors’ automobile liability insurance shall insure Tenant’s Contractors against any and all claims for bodily injury, including death, and damage to or destruction of property of any kind, arising from their operations under their respective contracts. All such insurance shall name the Port as additional insured.

4. Consideration. For and in consideration of the early termination of the Lease Agreement, Tenant's performance of the Tenant Work, and the other mutual covenants and promises herein, no termination fee will be paid by either party for termination of the Lease Agreement prior to the Expiration Date. Tenant shall remain fully responsible for and shall pay the Port all amounts accruing under and due to the Port under the Lease Agreement, including, without limitation, all Base Rent, up to and through the Termination Date.

5. Surrender of Premises. Tenant hereby agrees to vacate the Premises and surrender and deliver exclusive possession of the Premises to the Port on or before the Termination Date in accordance with all terms and conditions of the Lease Agreement. On or before the Termination Date, in addition to performance of the Tenant Work, Tenant shall, at Tenant's sole cost and expense, remove or cause to be removed from the Premises any and all furniture, equipment and trade fixtures and repair all damage resulting from such removal all in full accordance with the terms of the Lease Agreement upon the expiration or earlier termination of the Lease Agreement, including, without limitation, removal of any Hazardous Substances placed on or in the Premises by Tenant or as a result of Tenant's use and occupancy thereof, and deliver the Premises to the Port in as good condition as they were prior to Tenant's possession, normal wear and tear excepted. If Tenant fails to complete such removal and/or repair any damage caused by such removal within thirty (30) days of the Termination Date, the Port may (but shall not be obligated to) do so and may charge the reasonable costs thereof to Tenant. Subject to performance of the Tenant Work and termination of the Lease Agreement, and for clarity, upon termination of the Lease Agreement the Port will retain the hangar building and other improvements on the Premises, in accordance with the Lease Agreement. Notwithstanding any vacation or surrender of the Premises prior to the Termination Date, Tenant shall remain fully liable for all Base Rent and other charges under the Lease Agreement up to and through the Termination Date.

6. Representations and Warranties of Tenant. Tenant represents and warrants to the Port that as of the date hereof and as of the Termination Date (a) Tenant has not heretofore assigned or sublet all or any portion of its interest in the Lease Agreement or the Premises; (b) no other person, firm or entity has any right, title or interest in the Lease Agreement; (c) Tenant has the full right, legal power and actual authority to enter into this Termination Agreement and to terminate the Lease Agreement without the further consent of any person, firm or entity; and (d) Tenant has the full right, legal power and actual authority to bind Tenant to the terms and conditions hereof. Tenant further represents and warrants to the Port that as of the date hereof there are no, and as of the Termination Date there shall not be any, mechanic's liens or other liens encumbering all or any portion of the Premises, by virtue of any act or omission on the part of Tenant, its contractors, agents, or employees. Notwithstanding the termination of the Lease Agreement and the release of liability provided for herein, the representations and warranties set forth in this Section 6 shall survive the Termination Date for a period of twelve (12) months and Tenant shall be liable to the Port for any inaccuracy or any breach thereof.

7. Representations and Warranties of Landlord. Landlord represents and warrants to the Port that as of the date hereof and as of the Termination Date: (a) Landlord has not heretofore assigned or sublet all or any portion of its interest in the Lease Agreement or the Premises; (b) Landlord has the full right, legal power and actual authority to enter into this Termination Agreement and to terminate the Lease Agreement without the further consent of any person, firm or entity; and (c) Landlord has the full right, legal power and actual authority to bind Tenant to the terms and conditions hereof. Notwithstanding the termination of the Lease Agreement and the release of liability provided for herein, the representations and warranties set forth in this Section 7 shall survive the Termination Date for a period of twelve (12) months and Landlord shall be liable for any inaccuracy or any breach thereof.

8. Mutual Release. Effective as of the Termination Date, in consideration of the promises set forth herein, the Port and Tenant, for themselves and their heirs, representatives, executors, administrators, successors and assigns, hereby mutually release, acquit and forever discharge each other and their respective officers, directors, subsidiaries, affiliates, agents, employees, representatives, attorneys, insurers, either past or present, and all persons acting under them by and through, or in concert with any of them, from any and all actions, causes of action, obligations, costs, expenses, damages, losses, claims, liabilities, suits, debts and demands, of whatever character, in law or in equity, whether presently known or unknown, relating to the Lease Agreement, and neither party shall have any further obligations under the Lease Agreement; *provided, however*, this release shall not extend to any obligation by Tenant to: (i) indemnify the Port against third-party liability under Section 17(a) of the Lease Agreement occurring or accruing (or alleged to have occurred or accrued) during the Term of the Lease Agreement and prior to the Termination Date, (ii) indemnify the Port against liability for violation of the environmental standards as set forth in Section 35(g) of the Lease Agreement occurring or accruing (or alleged to have occurred or accrued) during the Term of the Lease Agreement and prior to the Termination Date (or occurring or accruing after the Termination Date if arising out of events occurring during the Term of the Lease Agreement and prior to the Termination Date), (iii) pay Base Rent or any other sums due the Port under the Lease Agreement, which amounts accrue between the date of this Termination Agreement and the Termination Date, (iv) to comply with any other term or to pay and perform any obligation under the Lease Agreement between the date of this Termination Agreement and the Termination Date, or (v) to comply with any other term or to pay and perform any obligation under this Termination Agreement; and *provided however*, that this mutual release shall not extend to any obligation by Landlord to: (i) comply with any term or to pay or perform any obligation of Landlord under the Lease Agreement between the date of this Termination Agreement and the Termination Date; or (ii) to comply with any term or to pay and perform any obligation under this Termination Agreement.

9. Security Deposit. Tenant and the Port acknowledge that the Port holds Security in the form of a standby letter of credit provided by Tenant. In accordance with the Lease Agreement and the terms of this Termination Agreement, the Port will return

the Security to Tenant upon Tenant's full and timely pay and performance of all obligations under the Lease Agreement and this Termination Agreement.

10. Agreements with the United States. This Termination Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the Port and the United States (including, without limitation, grant assurances), the execution and/or imposition of which has been or may be required as a condition precedent to the transfer of federal rights or property to the Port for Airport purposes and the expenditure of federal funds for the extension, expansion or development of the Airport or airport system.

11. Governing Law. This Termination Agreement shall be construed and enforced in accordance with the laws of the State of Washington without regard to choice of law principles. In the event that any term, covenant, condition or other provision of this Termination Agreement is held to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Termination Agreement shall remain in full force and effect.

12. Defined Terms; Fair Construction. Capitalized terms not defined herein shall have the meaning ascribed to them in the Lease Agreement. The parties acknowledge and agree that the language of this Termination Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the parties. The captions and paragraph numbers appearing in this Termination Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such paragraphs nor in any way affect this Termination Agreement.

13. Attorneys' Fees. In the event any party requires the services of an attorney in connection with enforcing the terms of this Termination Agreement or in the event that suit is brought for the breach of any representation, warranty, covenant or condition of this Termination Agreement, the prevailing party shall be entitled to a reasonable sum for attorneys' fees, consultants' or experts' fees, witness fees and other costs, both at trial and on appeal.

14. Successors and Assigns. This Termination Agreement and each of its covenants and conditions shall be binding upon, and shall inure to the benefit of, the parties hereto and the respective successors and assigns.

15. Commission Approval. The submission of this Termination Agreement to Tenant does not constitute an offer to Tenant to allow early termination of the Lease Agreement or otherwise. This Termination Agreement shall have no force and effect until (i) it is duly approved by the Commission, subject to any conditions of such approval; and (ii) it is executed by both Tenant and the Port.

16. Counterparts. This Termination Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall

constitute but one and the same instrument. Furthermore, this Termination Agreement may be executed by original signature and/or by original signature scanned and delivered electronically (e.g., via facsimile or electronic mail), and any counterpart so executed and delivered shall be deemed to have been duly and validly executed and delivered for all purposes.

17. Entire Agreement; Modification. This Termination Agreement sets forth all covenants, promises, agreements, conditions or understandings between the parties hereto and concerning the subject matter hereof. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties other than as are set forth herein. No subsequent alteration, amendment, change or addition to this Termination Agreement shall be binding unless reduced to writing and signed by all parties hereto.

DATED as of the date first set forth above.

PORt OF SEATTLE

Tenant: Paccar, Inc.

By: _____

By: _____

Its: _____

Its: _____