



**Diamond State Port Corporation
Board of Directors**

Resolution 24-03

Approve and Authorize Enstructure Development Plan

WHEREAS, the Diamond State Port Corporation (“DSPC”) adopted a strategic master plan in 2016 that outlined long-term goals for the maritime industry in Delaware, including seeking private partners and expanding the operations of the Port of Wilmington (“POW”).

WHEREAS, DSPC purchased the Edgemoor Property on the Delaware River in furtherance of its strategic master plan to expand operations at the POW (the “Edgemoor Property”) and to ensure deep water access to the Delaware River.

WHEREAS, DSPC partnered with GT USA Wilmington, LLC (“GT Wilmington”) in 2018 to maintain, operate, and expand the POW and the Edgemoor Property as part of a long-term Concession Agreement.

WHEREAS, on July 28, 2023, Enstructure Wilmington Holdings LLC (“Enstructure”) entered into a Stock and Asset Purchase Agreement with GT Wilmington pursuant to which Enstructure acquired GT Wilmington’s assets at the POW and succeeded GT Wilmington as concessionaire under the Concession Agreement.

WHEREAS, the Concession Agreement was amended on July 28, 2023 pursuant to the Second Amendment to Concession Agreement (the “Second Amendment”) and pursuant to such amendments, Enstructure was required to advance the development of the Edgemoor Property (the “Development Project”) by either (a) agreeing to undertake the Development Project and presenting a development plan to DSPC or (b) finalizing a development plan with other third-party shipping lines, developers and/or financing sources.

WHEREAS, the Second Amendment further requires Enstructure in connection with any capital improvement project involving the construction of facilities at any of the leased premises, including the development of Edgemoor, to cause its general contractor(s) to negotiate and enter into project labor agreements which shall, among other things, require the use of qualified union labor.

WHEREAS, the Second Amendment contemplates further amendments to the Concession Agreement to memorialize the parties’ detailed agreement with respect to the Development Project.

WHEREAS, Enstructure expressed its intent to undertake the Development Project as a public-private partnership and submitted a term sheet and presentation outlining a comprehensive development plan for Edgemoor and the POW (the “Development Plan”) to DSPC.



WHEREAS, the public-private partnership contemplates Enstructure and the DSPC providing funding as part of the Development Plan and the State of Delaware has approved the transfer and expenditure of such funding to the DSPC for this purpose, as contemplated in the Development Plan.

WHEREAS, DSPC and Enstructure have negotiated the terms of the Development Plan and have agreed on a final term sheet (the "Final Term Sheet"), which contemplates a third amendment to the Concession Agreement (the "Third Amendment") and a joint development agreement (the "Joint Development Agreement").

WHEREAS, the Final Term Sheet requires that the Development Project be in compliance with the Project Labor Agreement Enstructure executed with the Delaware Building and Construction Trades Council and that Enstructure proactively engage the community concerning the project and POW and Edgemoor Property operations generally.

WHEREAS, the Final Term Sheet has been presented to the Board of Directors of DSPC (the "Board").

WHEREAS, in furtherance of the Development Plan and the maintenance and development of the POW generally, DSPC intends to apply for and pursue government-funded financing opportunities, including federal grants ("Grants").

NOW, THEREFORE, BE IT RESOLVED: The Board hereby approves the Development Plan;

FURTHER RESOLVED, that the Board hereby authorizes each of the Chair and the Vice-Chair of the Board, acting individually, to: 1) execute the Final Term Sheet; 2) solicit the necessary concurrences; 3) negotiate and finalize final forms of the Third Amendment and the Joint Development Agreement, each of which shall be substantially consistent with the terms of the Final Term Sheet; 4) subject to securing any necessary concurrences, execute, deliver and perform final versions of the Third Amendment and Joint Development Agreement with Enstructure, with such changes as such Chair or Vice-Chair determines to be necessary, appropriate or advisable, the execution thereof to be conclusive evidence of such determination and the authority therefore; and 5) subject to securing any necessary concurrences, negotiate and execute all other agreements in furtherance of the Development Plan;

FURTHER RESOLVED, that the Board hereby authorizes each of the Chair and the Vice-Chair of the Board and any authorized officer of DSPC (each, an "Authorized Signatory"), acting individually, to: 1) submit applications, negotiate and execute agreements, and take all other actions in furtherance of obtaining Grants; 2) expend funds for professional services and other expenses to effectuate the Development Plan and to obtain Grants; and 3) expend funds received pursuant to a Grant in accordance with the terms of such Grant;

FURTHER RESOLVED, that each Authorized Signatory be, and each acting individually hereby is, authorized and directed to take such further actions and to execute and deliver, and to cause DSPC to perform its obligations under the agreements referenced in the foregoing resolution and such further agreements, instruments, certificates and any other documents as may be contemplated by or related to the agreements referenced in the foregoing resolution or as such Authorized Signatory determines to be necessary, appropriate or advisable to carry out the intent and effectuate the purpose of the foregoing resolution and the transactions contemplated thereby, the taking of such further action or the execution of



such further agreement, instrument, certificate or other document by such Authorized Signatory to be conclusive evidence of such determination and the authority therefore; and

FURTHER RESOLVED, that any and all actions heretofore taken by any Authorized Signatory in connection with or related to any of the matters set forth herein or contemplated hereby, including, without limitation, any and all actions taken in connection with the negotiation, preparation and execution of the agreements referenced in the foregoing resolutions, be, and hereby are, ratified, confirmed and approved in all respects as fully as if such actions had been presented to the Board for its approval and approved prior to the taking of such action.

Resolution NUMBER: 24-03: Approve and Authorize Enstructure Development Plan

<input checked="" type="checkbox"/>	Approved by DSPC Board of Directors
<input type="checkbox"/>	Denied by DSPC Board of Directors
<input type="checkbox"/>	Decision Deferred by DSPC Board of Directors
Date:	May 10, 2024 DSPC Board Meeting

EDGEMOOR DEVELOPMENT PROJECT

TERM SHEET

May [__], 2024

In accordance with the terms and conditions of the Concession Agreement, dated as of September 18, 2018, by and between Diamond State Port Corporation (“**DSPC**”) and Enstructure Wilmington Holdings LLC (together with its affiliates, “**Enstructure**” and together with DSPC, the “**Parties**”), as amended by the First Amendment thereto, dated as of December 31, 2019, and as further amended by the Second Amendment thereto, dated as of July 28, 2023 (as amended, the “**Existing Concession Agreement**”), Enstructure hereby submits this development plan, which is comprised of this term sheet (this “**Term Sheet**”) and the Edgemoor Development Presentation attached hereto as Exhibit A (the “**Development Presentation**”). Capitalized terms used herein but not otherwise defined will have the meanings ascribed to such terms in the Existing Concession Agreement.

This Term Sheet summarizes the principal terms under which DSPC and Enstructure intend to develop Edgemoor into a commercial marine terminal facility (the “**Development**”). In connection with the Development, the Parties intend to enter into definitive binding agreements consistent with this Term Sheet (collectively, the “**Development Documents**”).

1. **The Development.** The Development will be undertaken in three phases, with each phase having the following estimated annual TEU capacities:

Phase 1: 250,000 TEU per year

Phase 2: 400,000 TEU per year (650,000 total)

Phase 3: 550,000 TEU per year (1,200,000 total)

The Parties anticipate that Phase 1 will begin in late 2024 or early 2025. With respect to Phases 2 and 3, Enstructure: (a) will determine, at its sole discretion, whether and when to commence each phase; (b) will have discretion to adjust the scope of each phase (use, capacity and design) depending on commercial demand; and (c) may implement Phases 2 and 3 in smaller or larger increments.

2. **Integrated Operations.** Enstructure will operate the Existing Port of Wilmington and the newly operational commercial marine terminal facility at Edgemoor as a fully integrated facility. *See the Development Presentation for details.*

3. **Development Funding.**

- (a) Phase 1. The Parties estimate that, in addition to amounts previously invested by the Parties, the remaining cost to fund Phase 1 of the Development is approximately \$415,000,000.¹

¹ Preliminary estimate.

- (i) Funding Responsibilities. The Parties agree that, based on the estimated Project cost, the Phase 1 development costs will be allocated as follows:

Enstructure = \$150,000,000 (the “**Enstructure Commitment**”)

DSPC = \$215,000,000 (the “**DSPC Commitment**”)

PIDP Grant = \$50,000,000

- (ii) Timing; Use of Funds:

- (1) General Funds. 100% of the DSPC Commitment and [REDACTED] of the Enstructure Commitment will be contributed on a prorated “we go, you go” basis.
- (2) Equipment. [REDACTED] of the Enstructure Commitment will be earmarked for cranes and other operating equipment.² Any excess Enstructure Commitment not used for such purposes will be paid into general funds after 100% of DSPC Commitment is invested (with the Parties to proportionally share in any under-budget savings).
- (b) Phases 2 and 3. The amount of required funding for Phases 2 and 3 remains to be determined but current estimates are \$50,000,000 for Phase 2 and \$115,000,000 for Phase 3. The Parties agree that, unless otherwise agreed, Phases 2 and 3 will be fully funded by Enstructure; provided, however, that any remaining amounts of DSPC Commitment may be applied to the costs of Phase 2 or 3 above the anticipated budget(s) for such phases.
- (c) Other.
- (i) Development Savings. The Parties will proportionately share in any savings from the Development being completed under budget; provided, that, as set forth above, any remaining amounts of DSPC Commitment may be applied to the costs of Phase 2 or 3 above the anticipated budget(s) for such phases.
- (ii) Cost Overruns. If there are any actual or projected cost overruns in connection with Phase 1 scopes, the Parties will mutually agree on the funding responsibilities for such cost overruns. If the Parties are unable to agree on the funding responsibilities for cost overruns, neither Party will be required to continue funding the Phase 1 Development.
- (iii) Grant Funding. DSPC will receive credit for all state grant funding. Other than the PIDP Grant, the Parties will share 50/50 credit for all direct federal grant funding for the Development (and share 50/50 costs for pursuing such funding).
- (iv) Assistance with Financing. Upon Enstructure request, DSPC will use best efforts to assist Enstructure in securing favorable financing for the Enstructure Commitment, including by facilitating conduit financing for Enstructure. For the avoidance of doubt, Enstructure will have

² Subject to Enstructure’s final financing structure and approach.

flexibility over the manner of financing Development commitments, including, but not limited to, the ability to grant liens on any concession and/or equipment/improvements being financed.

(d) Pro Forma Budget. The terms set forth in this Term Sheet (including financial commitments, funding/cost overrun provisions, rent proposals, and the like) are based on the estimated Development budget and scope and are subject to the actual Development budget and scope being in line with current estimates. Actual budget and scope will be subject to mutual approval.

4. **Project Management**. Phase 1 will be managed and led by a third-party project manager (whose costs will be included in the Development budget). Enstructure will oversee and manage the project manager, and DSPC will retain customary oversight rights and responsibilities, including consent over certain material deviations from project design, scope, and cost. The Parties will form a joint oversight committee, which will meet periodically to discuss Development updates.

5. **Concession Agreement(s)**. The Parties acknowledge that the Existing Concession Agreement applies to both the Existing Port and Edgemoor and that, as a consequence of the Development, certain amendments to the Existing Concession Agreement will be required. Such amendments may include, at Enstructure's request, removing Edgemoor from the Existing Concession Agreement and entering into a new concession agreement between DSPC and Enstructure (or an affiliate) that applies to Edgemoor (the "**Edgemoor Concession Agreement**" and, together with the Existing Concession Agreement, the "**Concession Agreements**"). The Concession Agreements will include the following key terms relating to the Development:

(a) Edgemoor Concession Fee. The Parties agree that annual rent for Edgemoor will include the Base Rent and Variable Fee set forth below:

(i) Base Rent. Enstructure agrees to pay an annual base rent equal to the [REDACTED] ("Base Rent"), which will be phased in after substantial completion of Phase 1 in accordance with the following schedule:

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

(ii) Variable Fee. Commencing on the first anniversary following substantial completion of Phase 1, Enstructure agrees to pay DSPC an annual volume-based fee ("**Variable Fee**") as set forth herein.

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]



(b) Concession Agreement(s) Term. The Concession Agreement(s) will provide that, for both the Existing Port and Edgemoor, (i) the current initial 55-year term will reset upon certificate of occupancy for Phase 1, and (ii) Enstructure will have two (2) 15-year options to extend the term beyond the initial term (the “**Extension Terms**”). The first Extension Term will only be exercisable if Enstructure completes Phase 1 of the Development and agrees to contribute \$25,000,000 during the first Extension Term to capital improvements at the Existing Port. The second Extension Term will only be exercisable if Enstructure completes Phase 2 of the Development and agrees to contribute \$25,000,000 during the second Extension Term to capital improvements at the Existing Port.

(c) Other Concession Agreement Amendments.

(i) Section 4.9 of the Existing Concession Agreement will be amended to provide that the timeline for Enstructure’s Port Initial Capital Expenditure Obligation will be extended to December 31, 2042.

(ii) The Existing Concession Agreement will be amended as appropriate to remove or revise certain Edgemoor-specific terms (including, but not limited to, Sections 6.6(c), 6.6(e), and 16.2) if such terms are addressed differently in the Edgemoor Concession Agreement or other definitive Development agreement(s).

6. **Project Labor Agreement**. The Development will be performed in compliance with the Project Labor Agreement Enstructure executed with the Delaware Building and Construction Trades Council.

7. **Community Engagement**. Enstructure will take the lead at its sole discretion, with DSPC and other state agencies actively participating, in a community engagement effort related to the Development and Port operations generally.

8. **Definitive Agreements**. This Term Sheet reflects the intention of the Parties, but for the avoidance of doubt, neither this Term Sheet nor its acceptance will give rise to any legally binding or enforceable obligation on any Party. No contracts or agreements providing for the Development will be deemed to exist between DSPC and Enstructure unless and until final Development Documents have been executed and delivered. All Development Documents will contain customary provisions for a transaction of the nature described herein, including, but not limited to, customary representations, warranties, termination mechanics, and covenants.

[Signature Page Follows]

Agreed to and accepted by:

DIAMOND STATE PORT CORPORATION

By: _____
Name:
Title:

ENSTRUCTURE WILMINGTON HOLDINGS LLC

By: _____
Name: Matthew Satnick
Title: Authorized Representative

By: _____
Name: Philippe De Montigny
Title: Authorized Representative

EXHIBIT A

EDGEMOOR DEVELOPMENT PRESENTATION

Summary/Redacted



 ENSTRUCTURE



Port Delaware, The First State Gateway

May 2024

PORT
DELAWARE
THE FIRST STATE GATEWAY

AN ENSTRUCTURE COMPANY

Port Delaware: A Public Private Partnership

- Port Delaware, The First State Gateway, combining the existing Port of Wilmington with a new state of the art container facility at Edgemoor, will ensure the long-term success of Delaware's maritime industry → modern ports must accommodate larger deep-draft vessels to enable long-term viability of operations
- The Edgemoor container facility will be the most important new infrastructure project in Delaware since Route 1 → total project cost ~\$635 Million, with State funding less than 31% (~\$195 Million)
- This maritime gateway results in economies of scale to extend Port Delaware's commercial reach and maximize operating capacity, while creating thousands of new jobs, with huge economic benefits and significant additional state revenues
- This Public Private Partnership includes the highly skilled ILA workforce and a Project Labor Agreement with the Building and Construction Trades Council
- Enstructure is committed to launching a proactive community engagement initiative for the development of Edgemoor container facility and more broadly the operations of Port Delaware



With this P3, we leverage our experience/resources and close partnership with labor to transform the Port of Wilmington to Port Delaware, a state-of-the art full-service port facility that will successfully compete in the maritime industry for decades to come

Port Delaware: One Port, Two Terminals



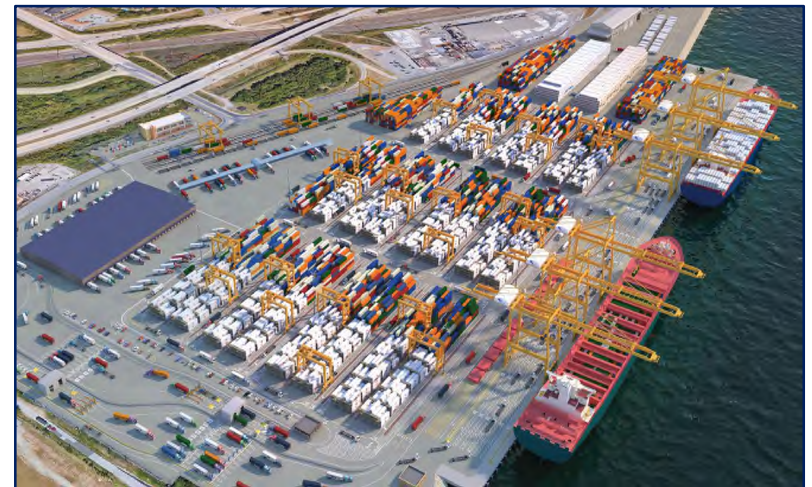
Port Delaware South (Port of Wilmington, Existing)



Expected Cargos

- Containers: retail goods, perishables, frozen food, etc.
- Bulk: road salt, fertilizer, agricultural products, energy, cement, etc.
- Breakbulk: palletized fruit, steel products, forest products
- Auto/RoRo: new and used vehicles, construction and farm equipment, military cargo

Port Delaware North (Edgemoor, New Development)



Expected Cargos

- Containers
 - Retail goods
 - Perishables
 - Frozen food
 - Forest products
 - Export products, etc.

Port Delaware, The First State Gateway → creates a major East Coast gateway with large scale infrastructure and a diverse service offering

Port Delaware: One Port, Two Terminals



Port Delaware will consist of Port Delaware South and Port Delaware North → this combined offering creates a major Mid-Atlantic gateway to service all Delaware importers and exports

Combined Facility Metrics and Economic Impact

- Upon completion, Port Delaware is expected to generate 11,480 total jobs and \$781.6 million of total wages each year
- In addition, Port Delaware is expected to generate \$76.2 million in state and local tax benefits each year

	Port Delaware South (Port Wilmington) Est. 1923	+	Port Delaware North (Edgemoor) Est. 2027	=	Port Delaware <i>The First State Gateway</i> 2027 & Beyond
Capacity (TEU + MT)	400,000 TEU + 3 million		1,200,000 TEU		1.6 million TEU + 3 million
Direct Jobs / Direct Wages	2,955 / \$230.1 million		3,168 / \$247.3 million		6,123 / \$477.4 million
Total Jobs / Total Wages	5,547 / \$377.2 million		5,933 / \$404.4 million		11,480 / \$781.6 million
State and Local Tax Benefits	\$36.9 million		\$39.4 million		\$76.2 million

Port Delaware is a key economic driver for Wilmington and the State of Delaware → the combined facility will drive substantial direct and total job growth, and state and local tax benefits

Construction Project Economic Impact

- The Port Delaware North construction project is expected to generate 5,987 construction jobs and \$427.1 million of construction wages, cumulatively
- In addition, the Port Delaware North construction project is expected to generate \$42.3 million of state and local taxes, cumulatively

		Port Delaware North (Edgemoor)	
		Jobs	Wages
Direct Construction	→	3,949	\$301.0 million
Total Construction	→	5,987	\$427.1 million
Construction State and Local Tax Benefits	→		\$42.3 million

The Port Delaware North construction project will create approximately 4,000 direct jobs and \$300 million of direct wages through the build-out period

Port Delaware: State of Delaware Benefits



Keeps Delaware competitive over long-term → deeper drafts accommodate newer and larger vessels, modern and efficient equipment to keep with industry standards

Full-service marine port operation that can handle diverse range of cargos and vessels

Significant development project → construction project to generate an estimated 5,987 total jobs, with 3,168 new direct jobs when fully operational

Public-private partnership & private investment in the state

Expanded state-wide economic opportunities and attracting new imports and exports, logistics centers and service providers

Increased tax revenues estimated at \$39.4 Million

Designed to be resilient to climate change due to higher elevation

Focus on environmental sustainability and community engagement

Major infrastructure project in a historically disadvantaged community and opportunity zone



Port Delaware development provides a multitude of economic and environmental benefits to the region → investment allows Delaware to remain competitive with current customers and drive new growth



Port Delaware provides distinct advantages for importers, exporters, and ocean carriers

Port Delaware North: Public-Private Partnership

Funding Source	Phase 0 <i>Spent-to-date</i>	Phase 1 <i>250k TEUs</i>	Phase 2 <i>650k TEUs</i>	Phase 3 <i>1.2m TEUs</i>	Total	% of Total
State / DSPC	\$35 <i>Mostly ARPA</i>	\$215 \$20 - DSPC/ARPA \$195 – Section 12 Bond Bill			\$250	39%
Federal and/or Other Grants		\$50	TBD	TBD	\$50	8%
Enstructure	\$20	\$150	\$50	\$115	\$335	53%
Totals	\$55	\$415	\$50	\$115	\$635	100%

Enstructure, a proven US P3 private partner, to make a significant additional investment in the state of Delaware for 50+ years and is committed to launching a proactive community engagement initiative for the development of Port Delaware North (Edgemoor, New Development) and more broadly the operations of Port Delaware