

Final Draft: August 7, 2015

BELL STREET CRUISE TERMINAL LEASE AGREEMENT

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BELL STREET CRUISE TERMINAL LEASE AGREEMENT

THIS BELL STREET CRUISE TERMINAL LEASE AGREEMENT (the “Agreement”) is made as of this ___ day of August 2015 by and between the PORT OF SEATTLE, a Washington municipal corporation, and NORWEGIAN CRUISE LINE HOLDINGS LTD., a Bermuda corporation.

WHEREAS, the Port of Seattle is the owner of the Bell Street Cruise Terminal at Pier 66 Seattle, Washington; and

WHEREAS, Norwegian Cruise Line Holdings is the parent corporation of Norwegian Cruise Line Corporation, Ltd. and Prestige Cruise Holdings, Inc. and operates leading global cruise lines spanning market segments from contemporary to luxury under the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands; and

WHEREAS, the Port of Seattle and Norwegian Cruise Line Holdings wish to partner in the redevelopment of the Bell Street Cruise Terminal to better accommodate the future needs and trends for cruising in the Alaska market; and

WHEREAS, the Port of Seattle will lease the Bell Street Cruise Terminal to Norwegian Cruise Line Holdings, Norwegian Cruise Lines Holdings will redevelop the Bell Street Cruise Terminal and commit to minimum passenger guarantees over the term of this Agreement, and the parties will commensurately share in certain revenues generated from the Bell Street Cruise Terminal over the term of this Agreement, all as set forth below;

NOW THEREFORE, for and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

ARTICLE 1: DEFINITIONS

The following terms shall have the meanings specified in this Article, unless otherwise specifically provided. Other terms may be defined in other parts of the Agreement.

1.1 Affiliated Lines. Affiliated Lines shall mean and refer to any cruise lines and/or brands owned and controlled, whether directly or indirectly, by Norwegian Cruise Line Holdings Ltd. As of the date of this Agreement, Norwegian Cruise Lines Holdings owns and controls Norwegian Cruise Line Corporation, Ltd. and Prestige Cruise Holdings, Inc., which between them operate the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands.

1.2 Agreement. “Agreement” shall mean and refer to this agreement, together with the Exhibits and all agreements supplemental to or modifying this agreement, whether made contemporaneously herewith or subsequent hereto.

1.3 Allowance. “Allowance” shall have the meaning set forth in Section 6.14 below.

1.4 Alteration. “Alteration” shall have the meaning set forth in Section 7.1 below.

1.5 Basic Guarantee. “Basic Guarantee” shall have the meaning set forth in Section 11.7 below.

1.6 Bell Street Cruise Terminal. “Bell Street Cruise Terminal” shall mean and refer to the Bell Street Cruise Terminal Lease Area, the Bell Street Cruise Terminal Parking Area and the Bell Street Cruise Terminal Preferential Use Area, together with the personal property currently located thereon. The street address for the Bell Street Cruise Terminal is 2225 Alaskan Way, Seattle, Washington, 98121.

1.7 Bell Street Cruise Terminal Lease Area. “Bell Street Cruise Terminal Lease Area” shall mean and refer to that portion of the parcel of land legally described in Exhibit A hereto as depicted on Exhibit B hereto, together with all improvements now existing or to be constructed on that portion of the parcel.

1.8 Bell Street Cruise Terminal Parking Area. “Bell Street Cruise Terminal Parking Area” shall mean and refer to that portion of the parcel of land legally described in Exhibit A hereto as depicted on Exhibit C hereto, together with all improvements now existing or to be constructed on that portion of the parcel.

1.9 Bell Street Cruise Terminal Preferential Use Area. “Bell Street Cruise Terminal Preferential Use Area” shall mean and refer to that portion of the parcel of land legally described in Exhibit A hereto as depicted on Exhibit D hereto, together with all improvements now existing or to be constructed on that portion of the parcel.

1.10 Commencement Date. “Commencement Date” shall mean and refer to October 1, 2015.

1.11 Cruise Season. “Cruise Season” shall mean and refer to that period of time occurring each calendar year that commences ten (10) days before the first, scheduled cruise ship call at the Bell Street Cruise Terminal in a given calendar year and extends until ten (10) days after the last, scheduled cruise ship calls at the Bell Street Cruise Terminal in the same calendar year. Depending on ship schedules, the Cruise Season will not necessarily be the same from year-to-year over the Term of this Agreement.

1.12 Cruise Ship Activities. “Cruise Ship Activities” shall mean and refer to all activities related to the berthing of cruise ships including, but not limited to, scheduling, security, passenger transportation and concierge services, baggage operations, deliveries, and stevedoring services.

1.13 Default Rate. “Default Rate” shall mean and refer to twelve percent (12%) per annum or the maximum interest rate permitted by law for this transaction in the State of Washington, whichever is less.

1.14 Environmental Laws. “Environmental Laws” shall mean and refer to any and all Legal Requirements relating to the protection of human health and the environment.

1.15 Event Activities. “Event Activities” shall mean and refer to parties, weddings, conferences, trade shows, meetings and the like at the Bell Street Cruise Terminal that are unconnected with Cruise Ship Activities.

1.16 Event License. “Event License” shall have the meaning set forth in Section 2.4 below.

1.17 Event of Default. “Event of Default” shall have the meaning set forth in Section 21.1 below.

1.18 Extension Period. “Extension Period” shall have the meaning set forth in Section 3.2 below.

1.19 Force Majeure. “Force Majeure” shall mean and refer to any events beyond the reasonable control of a party the consequence of which is that the party is unable to satisfy its obligations under the Agreement, which events include, but are not limited to, the following: acts of God including, without limitation, fire, a severe storm or an earthquake; labor unrest; changes in governmental laws, rules, policies or regulations that significantly interfere with vessel or terminal operations including the Passenger Vessel Services Act or similar or successor legislation; damage to a vessel or other circumstances that preclude a vessel from operating in the normal course; damage to the Bell Street Cruise Terminal or other circumstances that preclude the Bell Street Cruise Terminal from operating in the normal course; embargo on passengers by Canada; blockade of U.S. vessels impeding the ability to operate in the Alaska market; or an order, act, or restriction imposed by any civil or military authority affecting operations at the Port, of the vessels, or in the Alaska market. Force Majeure also includes acts of war or acts of terrorism that affect the ability to operate at the Bell Street Cruise Terminal or in the Alaska market and riots or insurrections at or near the Bell Street Cruise Terminal or the Affiliated Lines Alaska terminals.

1.20 Hazardous Substance. “Hazardous Substance” shall mean and refer to any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Environmental Laws.

1.21 Lease Fee. “Lease Fee” shall have the meaning set forth in Section 4.1 below.

1.22 Legal Requirements. “Legal Requirements” shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations and requirements (whether now or hereafter in effect) of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or of any other governmental, public or quasi-public authority, which may be applicable to or have jurisdiction over the Premises, or the sidewalks or streets adjacent thereto and all requirements, obligations and conditions of all instruments of record on the date of this Agreement. Legal Requirements shall also include all applicable rules and regulations of the Port pertaining to the Premises, whether now in existence or hereafter promulgated, for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public.

1.23 Lien. “Lien” shall mean and refer to any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on the Premises, the Project, and any Alteration, fixture, improvement or appurtenance thereto.

1.24 Marketing Allowance. “Marketing Allowance” shall have the meaning set forth in Section 12.2 below.

1.25 Marketing Fund. “Marketing Fund” shall have the meaning set forth in Section 12.2 below.

1.26 Mega-ship Marginal Passenger Incentive. “Mega-ship Marginal Passenger Incentive” shall have the meaning set forth in Section 12.3 below.

1.27 Mitigation Fund. “Mitigation Fund” shall have the meaning set forth in Section 6.15 below.

1.28 New Business Incentive. “New Business Incentive” shall have the meaning set forth in Section 12.4 below.

1.29 Notice of Default. “Notice of Default” shall mean and refer to written notice of any Event of Default to Tenant. Such notice, for all purposes, shall be in lieu of, and not in addition to, any notice required as a prerequisite to an unlawful detainer or similar action for possession of the Premises.

1.30 Outside Permitting Date. “Outside Permitting Date” shall have the meaning set forth in Section 6.7 below.

1.31 Permitted Encumbrances. “Permitted Encumbrances” means any and all encumbrances of record together with such matters that would be disclosed by a detailed inspection and/or survey of the Premises.

1.32 Port. “Port” or “the Port” shall mean and refer to the Port of Seattle, whose street address for purposes of notice is 2711 Alaskan Way, Seattle, Washington 98121, Attention: Director, Cruise & Maritime Operations and whose mailing address for purposes of notice is PO Box 1209, Seattle, Washington 98111, Attention: Director, Cruise & Maritime Operations. A copy of any notice shall also be provided to Port of Seattle, Attn: Managing Director, Maritime, 2711 Alaskan Way, PO Box 1209, Seattle, WA 98111.

1.33 Port Directed Cruise Fees. “Port Directed Cruise Fees” shall mean and refer to the Dockage Fee and Passenger Fee charged to passenger vessels and cruise ships under Section Four of the Port Tariff. In the event that the Port revises the way that it charges passenger vessels and cruise ships under the Port Tariff, “Port Directed Cruise Fees” shall then mean such other items that are intended to replace the Dockage Fee and/or Passenger Fee. For clarity, Port Directed Cruise Fees do not include: (i) fees associated with fresh water consumption, specifically including any hook-up fee, (ii) fees associated with security services (whether baseline or otherwise), (iii) fees associated with bunkering permits, (iv) fees associated with Memorandum of Understanding with the Department of Ecology or (v) fees, other than incremental Dockage Fees, associated with any delayed sailings. For the historic convenience of

the cruise lines, the Port has expressed the Port Directed Cruises Fees as part of a bundled, per passenger rate set forth in Item 4005 of the Port Tariff.

1.34 Port Tariff. “Port Tariff” shall mean and refer to the Port’s Terminals Tariff No. 5, as the same may be amended, modified or replaced from time to time.

1.35 Preferential Use Fee. “Preferential Use Fee” shall have the meaning set forth in Section 4.1 below.

1.36 Premises. “Premises” shall mean and refer to the Bell Street Cruise Terminal, subject to the Permitted Encumbrances.

1.37 Project. “Project” shall mean and refer to those certain improvements to the Bell Street Cruise Terminal sufficient to expand the capacity of the facility to handle at least four thousand five hundred (4,500) passengers both embarking and disembarking from a single vessel, all as outlined in the conceptual drawings prepared by Bermello Ajamil & Partners, Inc. updated April 15, 2015 and the associated cost estimate prepared by Rider Levett Bucknall dated April 29, 2015.

1.38 Project Costs. “Project Costs” shall mean and refer to all documented, out-of-pocket costs of construction of the Project, specifically including the cost of designing, engineering, environmental review, permitting and constructing the Project, including applicable sales tax. The Project Costs shall not, however include any costs associated with furniture, fixtures or equipment that may be installed as part of, or ancillary to, the Project except to the extent such furniture, fixtures or equipment become so permanently affixed to and incorporated into the Premises that they have become part of the building of which the Premises is a part.

1.39 Removable Fixtures. “Removable Fixtures” shall have meaning set forth in Section 7.5

1.40 Rent. “Rent” shall mean and refer collectively to sums denominated as the Lease Fee, Preferential Use Fee or any other sums or charges otherwise payable by Tenant under the terms of this Agreement. Failure by Tenant to pay any sum denominated as Rent in the time and manner set forth herein shall entitle the Port to pursue any or all remedies specified in this Agreement as well as remedies specified in RCW Chapter 59.12 or otherwise allowed by law.

1.41 Secondary Use. “Secondary Use” shall have the meaning set forth in Section 2.4.2 below.

1.42 Security. “Security” shall have the meaning set forth in Section 5.1 below.

1.43 Tenant. “Tenant” shall mean Norwegian Cruise Line Holdings Ltd., a Bermuda corporation, whose address for purposes of notice is 7665 Corporate Center Drive, Miami, Florida 33126, Attention: Senior Vice President, Destination and Strategic Development with a copy of any notice to be provided to 7665 Corporate Center Drive, Miami, Florida 33126, Attention: General Counsel.

1.44 Tenant's Operations. "Tenant's Operations" shall mean and refer to all operations of Tenant, including the Affiliated Lines, in the conduct of Tenant's business as a cruise and terminal operator, including those operations conducted on the Premises or conducted off the Premises and related to operations conducted on the Premises.

1.45 Term. "Term" shall have the meaning set forth in Section 3.1 below.

1.46 Unamortized Value of Tenant's Net Investment. "Unamortized Value of Tenant's Net Investment" shall mean and refer to the unamortized amount of Tenant's net investment where Tenant's net investment shall be amortized on a straight-line basis with no residual value over the fourteen (14) Cruise Seasons from 2017 through 2030. As used in this Section, Tenant's "net investment" shall be equal to the total documented Project Costs paid by Tenant less the amount of the Allowance and Mitigation Fund paid to Tenant by the Port.

ARTICLE 2: LEASE; PREFERENTIAL USE; CONDITION AND USE OF PROPERTY

2.1 Grant of Rights to Tenant. Subject to all of the provisions, covenants and agreements contained in this Agreement, the Port hereby grants to Tenant, and Tenant hereby accepts, the following rights:

2.1.1 *Lease*. The Port leases to Tenant the Bell Street Cruise Terminal Lease Area, together with the removable furniture and fixtures currently therein, for the Term.

2.1.2 *Preferential Use*. The Port grants to Tenant a right of preferential use on a non-continuous, ship-by-ship basis to the Bell Street Cruise Terminal Preferential Use Area. The right of preferential use shall be limited to Cruise Ship Activities for each Cruise Season over the Term. Tenant shall have no rights in the Bell Street Cruise Terminal Preferential Use Area outside of the Cruise Season.

2.1.3 *Parking License*. The Port grants to Tenant an irrevocable license to make use of the Bell Street Cruise Terminal Parking Area each day upon which a cruise ship calls at the Bell Street Cruise Terminal for a period of time commencing four hours before the cruise ship is scheduled to call at the Bell Street Cruise Terminal and terminating four hours after the cruise ship departs; provided, however, Tenant shall: (i) to the maximum extent possible consistent with efficient operation of the Bell Street Cruise Terminal, make available at least one lane of the Bell Street Cruise Terminal Parking Area after 4:30 p.m. for use by the Anthony's Restaurant valets and (ii) cooperate fully in resolving traffic issues associated with the cruise operations at the Bell Street Cruise Terminal.

2.2 Lease Exhibits B, C, and D. The Port and Tenant acknowledge that the plans for the redevelopment of the Bell Street Cruise Terminal are preliminary and subject to change. As a result, while Exhibits B, C and D reflect the best information available to the parties today regarding the boundaries of the Bell Street Cruise Terminal Lease Area, the Bell Street Cruise Terminal Parking Area, and the Bell Street Cruise Terminal Preferential Use Area, they are preliminary. The parties explicitly recognize that the precise boundaries of one or more of these areas may change. As part of the redevelopment of the Bell Street Cruise Terminal, the Port will, with Tenant's reasonable assistance, prepare revised drawings accurately reflecting the Bell Street Cruise Terminal Lease Area, the Bell Street Cruise Terminal Parking Area, and the Bell

Street Cruise Terminal Preferential Use Area. The Port shall complete these documents and deliver to Tenant proposed, final Exhibits B, C, and D (the “Proposed Exhibits”) depicting the final configuration and boundaries of these areas. Unless Tenant provides the Port with objection to the Proposed Exhibits within ten (10) days of receipt, the Proposed Exhibits shall automatically become incorporated herein as Exhibits B, C and D and the preliminary Exhibits B, C and D shall thereafter be of no force and effect. In the event that Tenant has any objection to the Proposed Exhibits, the parties shall meet promptly and in good faith to resolve those objections.

2.3 Condition and Use of Property. Tenant is fully familiar with the physical condition of the Premises, has received the same in good order and condition and accepts them in their present condition. Tenant may use the Premises for the uses set forth in ARTICLE 8 hereof so long as such uses are in conformity with all Legal Requirements affecting the Premises, and Tenant will not, by action or inaction, take or allow any action or thing which is contrary to any legal or insurable requirement or which constitutes a public or private nuisance or waste. The Port shall have no obligation whatsoever to make any improvements to the Premises, and the Port expressly disclaims any representations or warranties about the condition of the Premises or the Project.

2.4 Rights Reserved to the Port. The Port specifically reserves to itself the following rights over the Term:

2.4.1 Irrevocable License for Event Activities. The Port reserves to itself, and Tenant expressly grants to the Port, an irrevocable, assignable license (the “Event License”) to make use of the Bell Street Cruise Terminal Lease Area for Event Activities during the Cruise Season. In the exercise of the rights granted under the Event License, the Port or its assignee:

2.4.1.1 Shall secure Tenant’s prior approval, which shall not be unreasonably withheld, conditioned or delayed, for the use of the particular portion of the Bell Street Cruise Terminal Lease Area before scheduling of any Event Activity during the Cruise Season;

2.4.1.2 Shall not materially interfere with any Cruise Ship Activities, it being understood between the Parties that Cruise Ship Activities shall have priority over Event Activities;

2.4.1.3 Shall return that portion of the Premises actually occupied pursuant to Event Activities in substantially the same condition in which received;

2.4.1.4 Shall pay to Tenant the sum of one hundred dollars (\$100.00) per event, per day as an offset for the reasonable cost of any utilities consumed in the enjoyment of the Event License; and

2.4.1.5 Shall provide commercial general liability insurance, including liquor liability coverage, against claims for injury or death to persons or damage to property occurring on or about that portion of the Bell Street Cruise Terminal Lease Area actually occupied in an amount not less than \$2,000,000 combined single limit for each occurrence. Such insurance shall name Tenant as an additional insured. Notwithstanding Section 14.2, this

insurance shall, to the extent of the limits set forth in this Section 2.4.1.5, be primary and non-contributory with any insurance carried by Tenant pursuant to Section 14.2. To the extent such insurance is provided directly by the Port, it shall have the ability to self-insure consistent with the requirements of Chapter 48.62 of the Revised Code of Washington.

In the event of the Port or its assignee makes use of the Event License, all charges deriving from and/or revenues attributable to such use shall accrue to the benefit of, and shall be billed and retained by, the Port. Tenant shall not otherwise charge the Port or its assignee any fee associated with the use of the Event License. Tenant agrees that it will use good faith efforts to enter into an agreement with the Port's selected manager of Event Activities that is similar in scope and substance to that certain Use Agreement dated June 1, 2012 between Columbia Hospitality, Inc. and Cruise Terminals of America, LLC and that, among other things, provides further definition around confirmation of Events Activities, use of any furniture and equipment, cleaning, and inspections during the Cruise Season; provided, however, Tenant shall not be required to enter into any agreement that is inconsistent with the requirements of this Agreement or the sublease contemplated by Section 24.4.

2.4.2 Secondary Use. The Port reserves the right of secondary use ("Secondary Use") of the Bell Street Cruise Terminal Preferential Use Area during the Cruise Seasons for the berthing of other than cruise vessels, for the loading and discharging of cargoes of such vessels, and for cargo storage and operations incidental thereto. In the exercise of these secondary use rights, the Port:

2.4.2.1 Shall not materially interfere with any of Tenant's Operations authorized in this Agreement, it being understood between the parties that Cruise Ship Activities shall have priority over the Secondary Use;

2.4.2.2 Shall return that portion of the Bell Street Cruise Terminal Preferential Use Area actually occupied under the right of Secondary Use in substantially the same condition in which received;

2.4.2.3 Shall reimburse Tenant (to the extent paid by Tenant) for the reasonable cost of any utilities consumed in the enjoyment of the Secondary Use; and

2.4.2.4 Shall provide commercial general liability insurance against claims for injury or death to persons or damage to property occurring on or about that portion of the Bell Street Cruise Terminal Preferential Use Area actually occupied in an amount not less than \$2,000,000 combined single limit for each occurrence. Such insurance shall name Tenant as an additional insured. Notwithstanding Section 14.2, this insurance shall, to the extent of the limits set forth in this Section 2.4.2.4, be primary and non-contributory with any insurance carried by Tenant pursuant to Section 14.2. To the extent such insurance is provided directly by the Port, it shall have the ability to self-insure consistent with the requirements of Chapter 48.62 of the Revised Code of Washington.

In the event of such secondary use by the Port, all charges deriving from and/or revenues attributable to such use shall accrue to the benefit of, and shall be billed and retained by, the Port.

Except as specifically provided in this Agreement, Tenant shall not charge the Port or its assignee any fee associated with the right of Secondary Use.

2.4.3 Other Rights Reserved to the Port. Tenant acknowledges that Tenant's right to utilize the Premises shall at all times be subject to the Port's reserved right described in Sections 22.4 and 25.9.

ARTICLE 3: TERM

3.1 Term. The Term of this Agreement shall commence on the Commencement Date and shall extend for approximately fifteen (15) years until the end of the Cruise Season in 2030 unless earlier terminated pursuant to the terms of this Agreement.

3.2 Extension. In the event that Tenant (in its sole discretion) wishes to extend the Term of this Agreement for an additional period of five (5) years, commencing at the end of the Cruise Season in 2030 and terminating at the end of the Cruise Season in 2035 (the "Extension Period"), Tenant shall provide the Port with written notice (in the manner provided in Section 25.1) of the same not earlier than the end of the Cruise Season in 2028 and not later than the beginning of the Cruise Season in 2029. In the event that the Port timely receives such notice and is likewise (in its sole discretion) interested in extending the Term of this Agreement, it shall provide Tenant written notice (in the manner provided in Section 25.1) of the same not later than ninety (90) days following receipt of Tenant's notice. In the event that both parties notify the other their mutual desire to extend the Term of this Agreement for the Extension Period, and unless either party otherwise provides notice of its intention to renegotiate the consideration required under ARTICLE 4, ARTICLE 11, ARTICLE 12, and Section 24.4 in its notice to the other party, this Agreement shall automatically extend for the Extension Period upon the same terms and conditions set forth in the Agreement. In the event that the either party indicates in its notice to the other party of an intention to renegotiate the consideration required under ARTICLE 4, ARTICLE 11, ARTICLE 12, and Section 24.4, the parties shall promptly commence negotiations on revised consideration for the Extension Period. In the event that either party fails to deliver notice as required in this Section 3.2 or the parties fail to agree, as reflected in a binding writing signed by both parties, on revised consideration amounts for the Extension Period by the end of the Cruise Season in 2029, any attempts to exercise the Extension Period shall be null and void and this Agreement shall automatically terminate on the end of the Cruise Season in 2030.

ARTICLE 4: RENT

4.1 Rental Amounts. For the lease rights granted under Section 2.1.1 and the parking license granted under Section 2.1.3, Tenant shall pay to the Port a lease fee ("Lease Fee") as set forth on Exhibit E. For the preferential use rights granted under Section 2.1.2, Tenant shall pay to the Port a preferential use fee ("Preferential Use Fee") as set forth on Exhibit E. The Lease Fee and Preferential Use Fee shall be due and payable annually in arrears at the end of the Cruise Season. As set forth in Section 11.2, the Port Directed Cruise Fees paid by Tenant for any Affiliated Lines shall operate as a credit against the Lease Fee and Preferential Use Fee (but not any leasehold excise tax that may be due thereon), and to the extent that the Port Directed Cruise Fees payable by Tenant for any Affiliated Lines are not sufficient to cover the Lease Fee and

Preferential Use Fee, Tenant shall remit any such shortfall no later than October 31 of each year of the Term. In the unlikely event of cruise vessel call by an Affiliated Line after September 30 in any given year, the Port Directed Cruise Fees paid by Tenant for that cruise vessel call shall operate as a credit against the Lease Fee and Preferential Use Fee for the next year of the agreement term.

4.2 Contract Rent. The Port and Tenant agree that the amounts denominated as the Lease Fee shall be the “Contract Rent,” as that term is defined in Chapter 82.29A of the Revised Code of Washington and Chapter 458-29A of the Washington Administrative Code, for the rights of possession and use of publicly owned real and personal property granted by this Agreement. All amounts denominated as Preferential Use Fee shall be consideration for rights less than possession and/or use of publicly owned real and personal property. By approving the terms of this Agreement in an open public meeting, it is the intention of the Port to declare that the “Contract Rent” as set forth in this Section 4.2 was the maximum amount attainable for the rights and responsibilities set forth in this Agreement, considering alternative uses for the Premises, and considering the condition, and any restrictions on the use, of the Premises.

4.3 Additional Responsibility. In addition to the Rent described in Section 4.1, Tenant covenants and agrees to pay the following: (a) taxes as set forth in Section ARTICLE 13, including (without limitation) leasehold excise tax; (b) insurance costs as set forth in Section 14.2; (c) Operating Expenses as set forth in Section 15.1; (d) utility charges as set forth in Section 15.2.1; (e) maintenance and repair expenses as set forth in ARTICLE 16 and (f) any other cost or expense associated with Tenant’s Operations on or occupation of the Premises, of whatever description, and whether imposed in the first instance on the Port or Tenant. In the event that the Port pays any of these amounts in the first instance or provides any services to Tenant for which Tenant is financially responsible, Tenant shall reimburse the Port for such amounts, and such reimbursement shall become due within thirty (30) days of invoice by the Port unless otherwise provided and shall be paid to the Port without deduction, set-off or abatement whatsoever.

4.4 Late Payment. If any payment of Rent is not received by the Port within ten (10) days of when due, Tenant shall pay to the Port a late payment charge equal to five percent (5%) of the amount of such delinquent payment of Rent in addition to the installment of Rent then owing, regardless of whether or not a Notice of Default has been given by the Port. In addition, if such delinquent payment of Rent (minimum \$5.00) and late charge are not received within fifteen (15) days of when such delinquent payment of Rent was originally due, Tenant shall further pay interest on such delinquent payment of Rent and late charge thereafter at the Default Rate. The Port and Tenant recognize that the damages which the Port will suffer as a result of Tenant’s failure to timely pay Rent are difficult or impracticable to ascertain, and agree that said interest and late charge are a reasonable approximation of the damages that the Port will suffer in the event of Tenant’s late payment. This provision shall not relieve Tenant from payment of Rent at the time and in the manner herein specified. Acceptance by the Port of any such interest and late charge shall not constitute a waiver of Tenant’s default with respect to said overdue amount, nor shall it prevent the Port from exercising any other rights or remedies available to the Port.

ARTICLE 5: BOND OR OTHER SECURITY

5.1 Security. Tenant shall, upon execution of this Agreement, obtain and deliver to the Port a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, cash deposit or other security in an amount equal to eight hundred thirty five thousand dollars (\$835,000.00) (hereinafter referred to as “Security”), to secure Tenant’s full performance of this Agreement, including the payment of all fees and other amounts now or hereafter payable to the Port hereunder. The amount, form, provisions and nature of the Security, and the identity of the surety or other obligor thereunder, shall at all times be subject to the Port’s approval, which approval shall not be unreasonably withheld or conditioned with respect to the form and nature of the Security. The Security shall remain in place at all times throughout the full term of this Agreement. No interest shall be paid on the Security and the Port shall not be required to keep the Security separate from its other accounts. No trust relationship is created with respect to the Security.

5.2 Return of Security. The Security is a part of the consideration for execution of this Agreement. If Tenant shall have fully performed all terms and conditions of this Agreement, any cash deposit security shall be paid to Tenant within sixty (60) days following the termination (or expiration) date without interest; otherwise the Port shall, in addition to any and all other rights and remedies available under this Agreement or at law or equity, retain title thereto.

5.3 Application of Security. The Port may apply all or part of the Security to unpaid rent or any other unpaid sum due hereunder, or to cure other defaults of Tenant. If the Port uses any part of the Security, Tenant shall restore the Security to its then-currently required amount within fifteen (15) days after the receipt of the Port’s written request to do so. The retention or application of such Security by the Port pursuant to this Section does not constitute a limitation on or waiver of the Port’s right to seek further remedy under law or equity.

ARTICLE 6: THE PROJECT

6.1 Construction of the Project. Promptly following the Commencement Date, Tenant shall commence construction of the Project and proceed, consistent with the needs associated with ongoing Cruise Ship Activities, to diligently complete the Project. The Project shall be constructed in good and workmanlike manner, in accordance with the final plans approved by the Port (as provided in this ARTICLE 6 and Exhibit F), in accordance with all Legal Requirements and the conditions of any governmental approvals, and with the requirements of the local fire insurance rating organization. The Project plans and specifications shall be prepared by a duly qualified architect (and engineer, if necessary) licensed in the State of Washington and employed by Tenant.

6.2 Project Management. Both the Port and Tenant shall utilize an experienced project manager to manage their respective responsibilities for the Project. Those project managers shall work collaboratively and proactively to manage the Project to meet all budget and schedule objectives.

6.3 Partnering for Success; Dispute Resolution Process. The Port and Tenant agree to work collaboratively and cooperatively to identify and engage in measures to prevent and resolve

potential sources of conflict before they escalate and potentially impact the Project budget and/or schedule and Event Activities. That parties likewise expect, and will require, that its team members, specifically including Tenant's design and construction firms, to adhere to the same principles. The parties therefore agree, in cooperation with their respective key team members, to develop and memorialize a dispute resolution process by which to clearly frame any disputes that may arise and identify an escalation path to foster the prompt and considered resolution of any such disputes.

6.4 Coordination.

6.4.1 Conference and Event Center. Tenant understands that the Port and its event center manager have scheduled a number of Event Activities in the Bell Street Cruise Terminal Lease Area during the period of time the construction of the Project will occur. Tenant will reasonably coordinate with the Port and its event center manager to permit those Event Activities to continue to the extent (but only to the extent) consistent with the Project's budget and schedule objectives. Tenant likewise understands that the Port and its event center manager operate the adjoining Bell Harbor International Conference Center and the ability to successfully generate revenue from that facility depends on the ability to operate the facility reasonably free from construction impacts. Accordingly, Tenant will reasonably conduct the construction of the Project at such times and in such a manner as to permit such Event Activities without material impact or interruption. Although Tenant expects to perform the construction of the Project during regular business hours, Tenant acknowledges that, from time-to-time to accommodate certain, agreed Event Activities and to mitigate the impact of particularly disruptive construction methods, it may need to conduct portions of the construction of the Project during non business hours. As Tenant's contractor develops its construction schedule, the parties will work together to identify those activities and/or windows of time where this may be required. In the event that the parties cannot agree on the extent to which this will be necessary, the Port shall may direct that the work be performed outside regular business hours and will be responsible, under the Mitigation Fund, to pay the cost differential associated with such off-hours work.

6.4.2 Pier 66 Facility Generally. In addition, Tenant understands that the larger Pier 66 property of which the Bell Street Cruise Terminal is a part is an operating facility, including public moorage, restaurants, and other activities. Tenant shall also coordinate with the Port and its tenants and use commercially reasonable efforts to minimize impacts on such tenants' operations as a result of the Project and its construction. Without limiting the generality of the foregoing, Tenant shall specifically coordinate any limitations on the use public/common space (including, but not limited to, the trash disposal facilities in the rear of the Bell Street Cruise Terminal) and any necessary utilities outages.

6.5 Port Review of Project. As of the date of this Agreement, there is only a preliminary conceptual design and cost estimate for the Project. The continued development of Project shall specifically be subject to the Port's review and approval from schematic design through construction and closeout in accordance with Exhibit F attached hereto. Tenant shall comply with the review procedures identified on Exhibit F or specifically procure the Port's written waiver of the condition or procedures specified in the waiver. Tenant shall not commence with any Project construction activities until the Port approves in writing the final plans and specifications for the Project.

6.6 Permits. Tenant shall undertake all necessary environmental review and obtain all necessary permits and governmental approvals for the Project, specifically including any discretionary permits. Notwithstanding the foregoing, the Port agrees that it will reasonably cooperate with Tenant in any such permit application and, to the extent a permit application must be made in the Port's name, the Port will apply in its name for any such permit. In addition, the Port shall, with assistance and support from Tenant and its selected consultants, serve as lead agency for the purpose of State Environmental Policy Act review, which review shall be conducted according to the Port's adopted rules. The Port and Tenant hereby agree not to unreasonably withhold their consent to the modification of Project plans in order to secure necessary governmental approvals. Tenant shall use commercially reasonable and good faith efforts to obtain all necessary governmental approvals from those authorities having jurisdiction as soon as practicably possible.

6.7 Tenant's Rights if Unable to Obtain Permits. In the event that the Tenant is not, despite making commercially reasonable efforts to do so, able to obtain the necessary permits and governmental approvals for the Project by February 1, 2016 and that precludes Tenant from substantially completing the construction of the Project before May 2017, the Port agrees that it will defer the increase in the Basic Guarantee until the 2018 Cruise Season (i.e. the Basic Guarantee for 2016 and 2017 will be 214,000 revenue passengers). In the further event that Tenant is not, despite making commercially reasonable efforts to do so, able to obtain the necessary permits and governmental approvals for the Project by May 1, 2016 (the "Outside Permitting Date"), Tenant shall then be entitled to terminate this Agreement upon written notice to the Port given within ten (10) days after the Outside Permitting Date; provided, however, unless the Port expressly agrees otherwise in writing Tenant shall continue to operate the Bell Street Cruise Terminal through the end of the 2016 Cruise Season (but have no further obligation to pursue the Project), at which time the termination shall be effective; and, for the 2016 Cruise Season, ARTICLE 11 shall apply, and Tenant shall be entitled to the Initial Operating Cost Offset payable in 2016 and the Marketing Allowance based on the total number of revenue passengers for the 2016 Cruise Season.. Tenant's obligation to use commercially reasonable efforts specifically include an obligation to make reasonable revisions to the Project to obtain the necessary permits, so long as the Project remains reasonably capable of processing a passenger vessel capable of carrying up to 4,500 passengers. For clarity (and without limiting any requirements in this ARTICLE 6 or Exhibit F around the need for the Port's consent prior to proceeding with the Project), Tenant may not undertake any demolition or other modification in the Premises prior to Outside Permitting Date unless either: (i) Tenant explicitly waives its right to terminate the Agreement under this Section 6.7 in writing, or (ii) the Port and Tenant specifically agree on the precise manner of restoration that must be undertaken for any portion of the Premises that is demolished or otherwise modified prior to the Outside Permitting Date in the event Tenant exercises the right to termination under this Section 6.7. In the event there is any restoration obligation, this Agreement will – notwithstanding the delivery of any termination notice under this Section – remain in full force and effect as to those specific areas for which there is a restoration obligation until the restoration is complete.

6.8 Contractor. The construction shall be undertaken by one or more qualified contractors appropriately licensed in the State of Washington. Tenant shall provide the Port a copy of Tenant's contract with Bermello Ajamil & Partners, Inc. and any prime contractor selected by it for the construction of the Project. The contract shall give the Port the right but not

the obligation to assume Tenant's obligations and rights under that contract if Tenant should default.

6.9 Construction Safety. Tenant and its contract shall comply with the Port's construction safety requirements, including the Port's Construction Safety Manual, which is available at <http://goo.gl/tBBp8n>.

6.10 Project Labor Agreement; Workforce Development. Tenant acknowledges the benefit to the Project of a project labor agreement and agrees that it or its selected construction contractor will execute such an agreement with the relevant building trades unions, on such terms as are acceptable to Tenant or its construction contractor, covering the Project. To the extent consistent with the project schedule and budget, Tenant agrees to reasonably consider and participate in measures designed to support workforce development in King County, including but not limited to the use of apprentices through the course of construction. The Port and Tenant will reasonably consult regarding the opportunity for such measures over the course of the Project.

6.11 Completion Bond. Before commencing with any construction, Tenant shall deliver to the Port a contractor's completion bond (or, in lieu of a completion bond, a payment and performance bond in the full amount of any construction contract) of a surety company licensed to do business in the State of Washington, running to the Port conditioned on the completion of the Project in accordance with the final plans approved by the Port (as provided in this ARTICLE 6 and Exhibit F) and the provisions of this Agreement, free and clear of all mechanics' or other liens and free and clear of all financing statements under the Uniform Commercial Code. This bond shall be in an amount and in a form and written by a company as the Port shall approve, which approval the Port shall not unreasonably withhold.

6.12 Submittals and As-Built Drawings. Within sixty (60) days following the completion of the Project, Tenant shall deliver to the Port: (a) a certified statement (subject to verification, audit and approval by the Port) from an officer of Tenant specifying the total construction cost in such detail as reasonably necessary to ascertain the costs of the Project, exclusive of all trade fixtures and business equipment and furnishings, the ownership of which is retained by Tenant at all times pursuant to Section 6.13 or 7.5; (b) a certification by the architect and engineer of record that the Project has been constructed in accordance with the approved drawings and specifications and in strict compliance with all Legal Requirements; (c) a certified proof in writing demonstrating that no liens exist on any or all of the construction; and (d) full and complete record documents of the Project in machine readable format in full conformance with the Port's then current CAD Standards Manual together with complete operations and maintenance manuals, warranty documentation, and any required certifications, commissioning reports, and final testing documents for the Project.

6.13 Ownership of Project. The Project, specifically including any furniture, fixtures and equipment that are permanently affixed to and incorporated that they have become part of the building and structures of which the Bell Street Cruise Terminal is a part, shall at once become a part of the realty and become the property of the Port. Ownership of Tenant's Removable Fixtures shall be as provided in Section 7.5.

6.14 Tenant Improvement Allowance. The Port will provide to Tenant a tenant improvement allowance (the “Allowance”) to offset up to one-half (½) of the documented Project Costs not to exceed fifteen million dollars (\$15,000,000) total. Except as set forth in this Section, the Port shall have no responsibility for Project Costs.

6.14.1 Conditioned on Payment of Prevailing Wages. Payment of the Allowance is specifically and expressly conditioned on Tenant’s payment of the applicable prevailing wage rates in connection with the labor performing construction of the Project and Tenant otherwise fully complying with Washington’s prevailing wage law, Chapter 39.12 of the Revised Code of Washington. The Port will provide such assistance as Tenant may reasonably request in complying with this requirement. Unless and until Tenant complies with the prevailing wage law, the Port shall have no obligation whatsoever to make payment of the Allowance.

6.14.2 Payment of Allowance. Tenant may request reimbursement of the Project Costs under the Allowance as follows:

6.14.2.1 As an accommodation to Tenant, the Port agrees to make partial payments of the Allowance prior to the completion of the Project; provided, however, the Port shall have no obligation to make any partial payment prior to the Outside Permitting Date or Tenant’s express, written waiver of the right to terminate this Agreement set forth in Section 6.7. In connection with any such partial payment request, Tenant shall submit to the Port invoices that reflect, on a percentage of completion basis, the work performed on the Project and the amounts paid for such work. Partial payment request may not be submitted more frequently than monthly. The partial payment request shall be accompanied by approved Statement(s) of Intent to Pay Prevailing Wage for every contractor and subcontractor for which payment is requested. The Port will promptly review the payment request and reasonably verify that the particular work for which reimbursement is sought has been performed and is in compliance with all of the requirements of this Agreement and that Tenant’s contractor is maintaining accurate redline as-built drawings as the Project progresses. The Port will then reimburse Tenant one-half of the properly incurred Project Costs within fifteen (15) days of the Port’s review and verification; provided, however, in no event will the Port reimburse more than the *lesser* of: (i) ninety percent (90%) of the Allowance, or (ii) ninety percent (90%) of the budget amount for the Project prior to the completion of the Project and satisfaction of the requirements below.

6.14.2.2 Upon completion of the Project, Tenant shall submit to the Port reasonable documentation certifying that the Project has been completed, identifying all Project Costs for which reimbursement is sought, and providing approved Affidavit(s) of Wages Paid for every contractor and subcontractor for which reimbursement is requested. The Port will promptly review the final payment request and reasonably verify that the Project has been performed and is in compliance with all of the requirements of this Agreement, specifically including Section 6.12 and the close-out requirements of Exhibit F. The Port will then reimburse Tenant one-half of the remaining, properly incurred Project cost (subject to the \$15 million cap on the Allowance amount) within fifteen (15) days of the Port’s review and verification.

6.14.3 Port Review. The Port’s review of approval of any plans or specifications or any requests for any payment under the Allowance shall not be deemed to be a representation

or warranty by the Port that the plans, specifications or Project construction complies with applicable Legal Requirements or are suited for their intended purpose.

6.14.4 Tenant Project Records. With respect to any Project costs for which reimbursement is sought by Tenant, Tenant shall keep true and accurate records which shall clearly show all invoices, reimbursement requests, reimbursement payments and relevant supporting documentation. Tenant further agrees to keep or make available electronically or at Tenant's corporate offices such records as the Port may reasonably request, relating to the Project and the Project Costs. Such Project records of Tenant shall be open for inspection by authorized representatives of the Port and available at all reasonable appointment times during business hours. Tenant shall retain all of its records related to any Project Costs for which reimbursement is sought for no less than two (2) years following the date of final reimbursement to Tenant under this Agreement.

6.14.5 Audit. The Port shall have the right for up to two (2) years following the date of final reimbursement to Tenant under this Agreement, to authorize one or more audits of Tenant's Project records pertaining to any request for reimbursement under this Agreement. Such audits shall be undertaken by the Port's auditor or a reputable firm of certified public accountants satisfactory to the Port and in either case such auditor shall be reimbursed on an hourly basis and not based in whole or in part on a percentage of recovery or contingency basis. The cost of such audits shall be borne by the Port, unless the results of such audits reveal an overpayment by the Port of more than three and one-half percent (3.5%) of the total amounts determined by audit to be due under this Agreement for the period of audit. In case of such overpayment, the cost of the audit shall be borne by Tenant. In any event, Tenant shall immediately repay all amounts overpaid together with interest at a rate equal to the prime rate published by Bank of America plus three percent (3%) per annum from the date of overpayment until repaid by Tenant. If circumstances arise whereby Tenant causes the auditor to incur excess costs, due to lack of timely preparation for the audit or lack of appropriate attention during the course of the audit, the excess costs will be passed on to Tenant. Tenant at its own expense shall supply all record forms in a type, style and form reasonably satisfactory to the Port.

6.14.6 Unused Portion of Allowance. In the event that the Tenant does not request reimbursement of the Project Costs up to the full amount of the Allowance, the remainder of the Allowance shall remain available for any subsequent Alterations that are eligible to be capitalized under then-current Port policy and that are made within the first ten (10) years of the Term, that are intended to improve the efficiency or effectiveness of the Bell Street Cruise Terminal (including necessary security improvements under Section 7.2), and which Alterations are, in addition to the requirements of ARTICLE 7, specifically approved by the Port for reimbursement under the remaining Allowance. Approval for reimbursement shall generally be subject to Port Commission authorization, but Port staff agrees to reasonably consider and recommend to the Port Commission use of any remaining portion of the Allowance for Alterations that meet the requirements of this Section. Use of any remaining portion of the Allowance for any Alterations shall specifically be subject to all of the requirements of this Section 6.14.

6.15 Mitigation Fund. In addition to, and not in lieu of, the Allowance, the Port will reimburse Tenant an amount not to exceed two hundred fifty thousand dollars (\$250,000) (the

“Mitigation Fund”) for construction-related mitigation measures specifically requested and approved by the Port to either: (i) permit Event Activities to occur in the Bell Street Cruise Terminal Lease Area notwithstanding the construction of the Project or (ii) reduce the impact of the Project construction activities on the adjoining Bell Harbor International Conference Center. The provision of the Mitigation Fund shall not operate to limit Tenant’s obligations under Section 6.4; rather, the Mitigation Fund shall be used, in the reasonable discretion of the Port, to provide additional, targeted mitigation to further the conduct of Event Activities without regard to the Project’s schedule and budget objectives. The Mitigation Fund shall be subject to all of the same requirements of the Allowance and shall be administered in the same manner as the Allowance. The Mitigation Fund shall apply exclusively to the Project, and any unused portion of Mitigation Fund shall not be available for any other Alterations.

6.16 Fit and Finish Fund. The Port and Tenant agree that the Port generates significant, additional revenue from the Bell Street Cruise Terminal by conducting Event Activities. The Port and Tenant further agree that those Event Activities may, in some instances, benefit from a fit and finish in certain elements of the Project that Tenant would not otherwise undertake for its operation of the Premises as a cruise terminal. Accordingly, the Port will create a fund (the “Fit and Finish Fund”), the purpose of which will be to reimburse Tenant for specific, agreed enhancements to the fit and finish of the Project that are expected to benefit only Event Activities. The Fit and Finish Fund will be in addition to, and not in lieu of, either the Allowance or Mitigation Fund and will be equal to five hundred thousand dollars (\$500,000). In the event that the Port believes a particular, proposed fit or finish in the Project would, for purposes of conducting Event Activities, benefit from a particular enhancement, the Port may request Tenant to undertake that enhancement as part of the Project. Tenant agrees that it will not unreasonably withhold its consent to any requested enhancement provided it may be completed without materially affecting either the Project schedule or the function of the Premises as a cruise terminal. Before proceeding with any enhancement to the fit and finish of the Project, the Port and Tenant shall specifically agree, in writing, on the cost associated of the enhancement. Otherwise, the Fit and Finish Fund shall be subject to all of the same requirements of the Allowance and shall be administered in the same manner as the Allowance. The Fit and Finish Fund shall apply exclusively to the Project, and any unused portion of the Fit and Finish Fund shall not be available for any other Alterations.

ARTICLE 7: ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

7.1 Alterations. Excepting only the Project, Tenant shall make no other alterations or improvements to or upon the Premises or install any fixtures (other than trade fixtures, business equipment or furnishings that can be removed without injury to the Premises) (collectively, “Alterations”) without first obtaining written approval from the Port, and subject to any and all conditions in such approval. The Port agrees that it will not unreasonably withhold or delay its consent to any proposed Alterations so long as they do not involve structural modifications to the Premises or any material modifications to the exterior of the Premises. And for any improvements that the Port reasonably concludes will adversely affect the functioning of the Premises as a cruise terminal for parties other than Tenant and/or the Affiliated Lines, the Port specifically reserves the right to require the removal of the Alterations and restoration of the Premises at the expiration or earlier termination of this Agreement.

7.2 Alterations Related to Security. Notwithstanding anything to the contrary in Section 7.1, Tenant shall, at its sole cost and expense, be obligated to provide any necessary Alterations required to satisfy any new security requirement related to cruise vessel Cruise Ship Activities and imposed by the United States Customs and Border Protection, Coast Guard, Transportation Security Administration or any other governmental agency responsible for security, and the Port agrees that it will not unreasonably withhold, delay or condition its consent to such Alterations. In the event that the cost required to satisfy any new security requirement (or integrated group of security requirements imposed as part of a single governmental agency action) is expected to exceed the sum of five hundred thousand dollars (\$500,000.00), the Port and Tenant shall, at Tenant's request, meet to discuss the implementation and funding of such Alteration(s).

7.3 Requirements for All Alterations. Any Alteration shall be performed (i) in a good and workmanlike manner, (ii) in compliance with all Legal Requirements, and (iii) in a manner that will not unreasonably interfere with or disturb the Port or its tenants. Any such Alterations shall expressly be subject to coordination with the Port and its event center manager and shall be performed at such times and in such a manner as to minimize material impact or interruption to Event Activities.

7.4 Ownership of Alteration. In the event Tenant makes any Alterations (other than the installation of trade fixtures, business equipment or furnishings that can be removed without injury to the Premises), they shall at once become a part of the realty and become the property of the Port.

7.5 Ownership of Removable Fixtures. Tenant shall retain ownership of all trade fixtures, business equipment and furnishings from time to time installed by Tenant at its expense and not so affixed that they have become part of the building and structures of which the Bell Street Cruise Terminal is a part (the "Removable Fixtures"). Tenant may remove any of the Removable Fixtures at any time during the Term and shall remove all thereof prior to the expiration of the Term and repair any damage caused by such removal. Any Removable Fixtures or other property of Tenant not removed at the expiration of the Term shall, at the election of the Port, become the property of the Port without payment to Tenant, or be deemed abandoned and removed by the Port, at Tenant's expense. Upon any removal of such property, Tenant shall promptly repair any and all damage to the Premises caused thereby and reimburse the Port for its costs and expenses in removing any such property not removed by Tenant and repairing any such damage not repaired by Tenant; this covenant shall survive the termination of this Agreement.

ARTICLE 8: USE

8.1 Use of Premises. Subject to and in accordance with all present and future Legal Requirements, Tenant covenants and agrees that it shall use the Premises as a cruise terminal and for cruise-related functions (travel agent functions, inaugural events and similar) and for no other use except as the Port may approve in its sole and absolute discretion.

8.2 General Standards Governing Use.

8.2.1 Tenant shall not use or occupy or permit the Premises or any part thereof to be used or occupied, not do or permit anything to be done in or on the Premises, in whole or in part, in a manner which would in any way (i) violate any present Legal Requirements or future Legal Requirements imposed during the Term, or (ii) violate any of the covenants, agreements, provisions and conditions of this Agreement, or (iii) violate the certificate of occupancy then in force with respect thereto, or (iv) may make it difficult for either the Port or Tenant to obtain fire or other insurance required hereunder, or (v) constitute a public or private nuisance.

8.2.2 Tenant shall not use or occupy or permit the Premises to be used or occupied, in whole or in part, in a manner which, in the Port's reasonable judgment, may or tends to, impair or interfere with (i) the character, reputation or appearance of the Premises or the Port; or (ii) the use of any other Port property, or occasion unreasonable and material discomfort, inconvenience or annoyance to, the Port or any of its tenants or occupants of any adjacent property.

8.2.3 Tenant shall comply with the Port's reasonable requirements related to the management and disposition of any Port-owned removable furniture and fixtures located in the Bell Street Cruise Terminal Lease Area. Prior the Commencement Date, the Port and Tenant shall develop an agreed list of the personal property present in the Premises, which list shall be confirmed in writing by both parties.

8.3 Security Requirements. Tenant acknowledges that that Bell Street Cruise Terminal is an environment subject to substantial security regulations and requirements that may materially affect the cost of operation. Tenant shall comply at all times with all local, state and federal laws, rules, regulations and security plans relating to homeland security (collectively, "Security Laws") applicable to Tenant, its operations, and the Premises. To the extent required, Tenant shall be responsible for the development and implementation of any government-required security plan ("Security Plan"). Tenant shall be solely responsible for all of its costs of complying with any applicable Security Laws and Security Plan as well as any fines or penalties incurred (whether by Tenant or the Port) as a result of its failure to comply with such Security Laws or Security Plan.

8.4 Signs. No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on or within the Premises, including the walls, windows and doors thereof, without the prior written approval of the Port, which approval shall not be unreasonably withheld, conditioned or delayed. At the termination or sooner expiration of this Agreement, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Tenant shall be removed by Tenant at its own expense, and Tenant shall repair any damage or injury to the Premises and correct any unsightly condition caused by the maintenance and removal of said signs, etc. Nothing in this Section 8.4 shall, however, be construed to give Tenant express or implied naming rights to Bell Street Cruise Terminal (which shall continue to be known by such name unless otherwise changed by the Port) or to require the Port to reasonably approve any signs or other advertising material that may convey that impression. Rather, any signage installed by Tenant shall generally be limited to those necessary for the efficient operation of the Bell Street Cruise Terminal as a cruise terminal and, other than temporary signs displayed in the interior passenger processing or passenger waiting areas, shall not function to publicly advertise, promote, or market Tenant or any of the Affiliated Lines.

ARTICLE 9: TENANT'S OPERATION AND MANAGEMENT OF PREMISES

9.1 Cruise Ship Activities. Except to the extent arising under the Port's right of Secondary Use, Tenant shall manage and coordinate all Cruise Ship Activities at the Bell Street Cruise Terminal in a manner that supports the growth of cruise business in Seattle, including:

9.1.1 *Scheduling*. Process all berth applications for the Bell Street Cruise Terminal for cruise ships. Tenant shall maintain an on-line, up-to-date ship schedule that shall be accessible to (but not modifiable by) the Port at all times.

9.1.2 *Security*. Manage the security operations at the Bell Street Cruise Terminal for all Cruise Ship Activities. This will include, as necessary, security staff that will provide security guards and security equipment operators for terminal security together with any commissioned police officers. In addition, in the event that the United States Federal Investigative Services, Coast Guard, Transportation Security Administration or any other governmental agency responsible for security imposes any material obligation for waterside security in connection with cruise vessel Cruise Ship Activities, Tenant shall be responsible, at its cost, for arranging for such security.

9.1.3 *Passenger Transportation and Concierge Services*. Coordinate with the cruise line tour operator all passenger movement within and through the Bell Street Cruise Terminal, ground transportation outside the Bell Street Cruise Terminal, including off-site staging areas, during disembarkation and embarkation, and concierge services for passengers. This specifically includes the public sidewalks to the north and south of the Bell Street Cruise Terminal on the east side.

9.1.4 *Baggage Operations*. Coordinate ship passenger luggage within the cruise terminal facilities.

9.1.5 *Deliveries*. Coordinate all deliveries, including provisions, stores and freight, with the port agent and stevedore company.

9.1.6 *Stevedoring Services*. Tenant shall engage the stevedoring services provider for all terminal handling, which shall include equipment, labor and the movement of luggage and ship provisions between the terminal and the dock, provided, however, the rates and charges for these terminal handling services shall at all times match industry standards. Tenant shall accommodate the vessel stevedoring services provider(s) selected by the respective cruise lines or their agents.

9.1.7 *Hospitality Services*. Coordinate all hospitality services, including food and beverage service, to passengers and guests on cruise ship days.

9.1.8 *Parking at Bell Street Cruise Terminal*. Tenant shall pay to the Port or its parking operator the then-prevailing market rates for the unassigned parking spaces provided to Tenant by the Port (whether pursuant to Section 10.2 or otherwise).

9.1.9 Street Use Permits and Meter Hoods. Apply for and obtain, at its cost and expense, all necessary street use permits and meter hoods associated with Cruise Ship Activities at the Bell Street Cruise Terminal.

9.2 Accommodation of Other Cruise Lines; Preferential Berthing Rights. The parties have an interest in maximizing the use of the Premises, and Tenant shall, subject to the preferential rights granted below, reasonably accommodate other cruise vessels and lines at the Bell Street Terminal at no more than then-prevailing market rates. Notwithstanding the foregoing, the Port recognizes that Tenant is making a substantial commitment to and investment in the Bell Street Cruise Terminal. As a result, for each Cruise Season during the Term, Tenant shall have a berthing preference for any of the Affiliated Lines for each day of the week, whether or not Tenant or any of the Affiliated Lines currently have a homeport ship operating from the Bell Street Cruise Terminal on that day, until eighteen (18) months before the start of each Cruise Season. While the Port or other cruise lines directly may request a berthing reservation at any time, Tenant shall not be required to confirm any such berthing request until eighteen months before the start of the Cruise Season and any election by Tenant or any of the Affiliated Lines to operate on that day shall, so long as it is made at least eighteen months before the start of the Cruise Season, have priority over any reservation request by another cruise line, regardless of when such request was received. Without regard to Tenant's berthing preference, Tenant shall reasonably accommodate any port-of-call vessels on any particular calendar day the Bell Street Terminal is not otherwise committed.

9.3 Event Activities. Tenant shall coordinate with the Port, or its assignee, in the exercise of rights granted under the Event License. Tenant shall specifically cooperate with the Port, or its assignee, to ensure that the portion of the Bell Street Cruise Terminal being used for Event Activities is in good condition and repair and that all building systems (including, but not limited to, electrical, HVAC, elevator/escalator, etc.) are operational and available for use in connection with the Event Activities.

9.4 Continuous Operations. During the Term of this Agreement, Tenant shall continuously conduct the business of operating and promoting the use of the Bell Street Cruise Terminal for Cruise Ship Activities and other approved uses during each Cruise Season.

9.5 Tours & Marketing. Tenant shall coordinate all media, travel agent and VIP tours with the tour operator, port agent, security, Port staff and other cruise line representatives. Tenant will likewise assist the Port in its efforts to market the Bell Street Cruise Terminal to additional cruise ship operators.

9.6 Environmental Stewardship. Tenant and its Affiliated Lines have worked closely with the Port, Washington Department of Ecology, and Puget Sound Clean Air Agency to reduce environmental impacts of cruise ship operations, including installation of shore-side electrical power at Terminal 91, equipping of ships for shore-side electrical power, and installation and operation of advanced wastewater treatment systems. With this collaborative effort a strong partnership has evolved as the cruise industry has grown in Seattle. Through this continued partnership and as part of the Agreement, the Tenant will give due consideration to environmental stewardship, including commitment to the elements listed below:

9.6.1 Continue to comply with April 20, 2004 memorandum of understanding (MOU) (as currently amended and as may be amended by mutual consent in the future) between Washington Department of Ecology, Cruise Line International Associate – Northwest and Canada and Port of Seattle, concerning water quality and waste management practices. Continue to provide information for and participate in annual review of MOU and seek consensus on modifications needed to the MOU during this process.

9.6.2 Connect all home-ported ships to shore-side electrical power when available. If ships are not equipped for shore-side power, while at berth use fuel with no greater than 1.0% sulfur content as provided in the North American Emission Control Act (or demonstrate approved, equivalent emissions through, for example, scrubber technology) or any more restrictive requirement imposed on all cruise lines calling at the Port of Seattle under the Port Tariff.

9.6.3 Comply with the best management practices (BMPs) for cruise terminal operations which the Port establishes annually in accordance with the Washington Department of Ecology, the provisions of the Federal Clean Water Act, Federal Clean Air Act, and the Puget Sound Clean Air Agency Regulations to help ensure the safekeeping of Elliot Bay, the marine environment, and air quality.

9.6.4 Participate in development of ocean going vessels emissions plan under Northwest Ports Clean Air Strategy; meet standards and reporting requirements as mutually agreed under that plan. Provide information for and participate in annual review of air quality performance with Port of Seattle and Puget Sound Clean Air Agency; seek consensus on modifications needed to emissions plan (e.g. shore-side power and fuel requirements) during this annual review process.

9.6.5 In support of shared environmental goals related to cruise-line-chartered motor coach operations and part of the annual planning for shore-side transportation operations, the Tenant and its Affiliated Lines will seek to minimize air emissions in considering options such as use of newer buses and engines, alternative fuels, advanced pollution control device retrofits and anti-idling programs. Tenant will work with Port staff and others to identify emission reduction opportunities and where feasible develop implementation plans and schedules, including partnership-funding mechanisms.

ARTICLE 10: PORT OBLIGATIONS RESPECTING CRUISE SHIP ACTIVITIES

10.1 Access Control; Security. The Port shall manage and program the Bell Street Cruise Terminal's security system. While the Port will also provide normal, day-to-day card reader access control services and day-to-day security patrols around the perimeter of the Port's Central Waterfront Project (of which the Bell Street Cruise Terminal is a part) at levels it reasonably considers appropriate, the Port will not otherwise be responsible for providing any security to the Bell Street Cruise Terminal. The Port shall provide Tenant with all necessary access to the Bell Street Cruise Terminal to carry out its duties under this Agreement and shall fully cooperate with Tenant to achieve the security plan for the Bell Street Cruise Terminal.

10.2 Parking at Bell Street Cruise Terminal.

10.2.1 The Port shall provide at then-prevailing market rates all parking services necessary for passengers associated with Cruise Ship Activities at the Bell Street Cruise Terminal.

10.2.2 The Port shall also provide, at then-prevailing market rates, up to sixty (60) unassigned parking spaces during the months of April through October on dates when ships requiring stevedoring services call and five (5) parking spaces at all other times in the Bell Street Pier Parking Garage for use by Tenant. Fifty (50) of the parking spaces provided during the months of April through October shall be made available by Tenant for use by the stevedores participating in Cruise Ship Activities at no cost to the stevedores, and five (5) of the parking spaces provided during the months of April through October shall be made available by Tenant for use by the United States Customs Service and the Immigration and Naturalization Service at no cost to either.

10.3 Marketing. The Port shall be primarily responsible for marketing the Bell Street Cruise Terminal to other cruise lines for Cruise Ship Activities.

10.4 Public Relations. The Port shall be responsible for all public affairs and community relations relating to the Bell Street Cruise Terminal. This shall include handling all press inquiries related to the Bell Street Cruise Terminal and its operations and issuing any press releases necessary or beneficial for the operation of the Bell Street Cruise Terminal. This shall also include attending all meetings related to, and coordinating all information necessary for, events such as Seafair, Maritime Week, etc. The Port shall not, however, be responsible for performing any public affairs or community relations for or on behalf of Tenant.

ARTICLE 11: CHARGES FOR TERMINAL USE; PASSENGER GUARANTEE

11.1 Terminal Charges. Tenant shall charge the Port Directed Cruise Fees to each user of the terminal, including the Affiliated Lines. Tenant shall otherwise have the right to establish fees for use of the Bell Street Cruise Terminal, specifically including (without limitation) those other amounts that the Port has otherwise included within the Bundled Port Fees for Cruise Ships in Item 4005 of Terminal Tariff No. 5. For clarity, among other fees, Tenant shall specifically have the right (but shall not be obligated) to charge an additional terminal management fee. To the extent that such additional amounts must be included in the Port Tariff, the Port will reasonably cooperate with Tenant in publishing such amounts.

11.2 Payment of Port Directed Cruise Fees. Tenant shall, subject only to the agreed caps set forth in Section 11.3, pay the Port one hundred percent (100%) of the Port Directed Cruise Fees for the Affiliated Lines and ninety percent (90%) of the Port Directed Cruise Fees for any cruise line other than the Affiliated Lines. Representing, in part, a fee for the use of the Bell Street Cruise Terminal, the Port Directed Cruise Fees payable by Tenant for the Affiliated Lines shall specifically operate as a credit against the Lease Fee and Preferential Use Fee owed by Tenant pursuant to Section 4.1.

11.2.1 Tenant shall, not later than five (5) days following each vessel call at the Bell Street Terminal (whether or not the vessel is associated with an Affiliated Line), report to the Port the total number disembarking and embarking passengers (i.e. the total revenue

passengers) associated with the visit. The report shall specifically identify the date of call, the vessel name, and the total number of disembarking and embarking passengers.

11.2.2 The Port shall, following receipt of the report, generate an invoice for Tenant based on the revenue passengers reported. The Port may elect to invoice Tenant vessel-by-vessel or on a consolidated period-by-period basis, but in any event, the Port shall itemize each vessel call separately. The Port will invoice 100% of the Port Directed Cruise Fees for vessels associated with an Affiliated Line and 90% of the Port Directed Cruise Fees for other vessels. If the Port does not timely receive the report required by Section 11.2.1, it shall have the right to generate an invoice for Tenant based on the assumption that there were embarking and disembarking passengers each equal to one hundred twenty percent (120%) of the published lower berth capacity of the particular vessel(s) for which no report was provided. In the event that this assumption, following receipt of the report, results in an under- or over-payment by Tenant, Tenant shall promptly remit the amount of the underpayment upon invoice by the Port, and the Port will promptly credit the amount of the overpayment against future amounts otherwise due under this Agreement.

11.2.3 Tenant shall, within fifteen (15) days of the date of the Port's invoice, submit payment; provided, however, in the event that the Port generally provides for a longer period of time to remit payment associated with Cruise Ship Activities under the Port Tariff, Tenant shall have the benefit of such longer period of time within which to remit payment.

11.2.4 Tenant shall keep true and accurate records, books and data that support the number of revenue passengers (both on Affiliated Lines and otherwise) passing through the Bell Street Cruise Terminal for a minimum of three (3) years following each Cruise Season. The records, books and data shall be open for inspection by authorized representatives of the Port at all reasonable times during business hours; provided, however, the Port shall only have the right to inspect Tenant's records to the extent reasonably necessary to verify the number of revenue passengers reported by Tenant. The cost of any audit of these records shall be borne by the Port unless the result of such audit reveals an understatement of the number of revenue passengers of more than one-half of one percent (0.5%), in which event the full cost of the audit will be paid by the Tenant.

11.3 Establishment of Port Directed Cruise Fees; Cap on Increase for Affiliated Line. The Port shall, in its sole discretion, be responsible for determining the Port Directed Cruise Fees. Notwithstanding the foregoing, the Port agrees to cap the increase in the Port Directed Cruise Fees payable by Tenant for the Affiliated Lines as follows:

11.3.1 For the year 2016, the Port will cap the increase to the passenger fee component of Port Directed Cruise Fees to the *lesser* of the year-over-year increase or five percent (5.0%). And for the years 2017-2030 (and the years 2031-2035, unless a party elects to renegotiate as provided in Section 3.2), the Port will cap the increase to the passenger fee component of Port Directed Cruise Fees to the *lesser* of the year-over-year increase or four and one-half percent (4.5%). As an example, if the Port decides to increase the passenger fee component of the bundled fee by 7% in 2017 and by 4% in 2018, the passenger fee component of the bundled fee under this Agreement would increase in 2017 by 4.5 % over the 2016 level and in 2018 by 4% over the 2017 level.

11.3.2 For the year 2016, the Port will cap increases to the dockage fee component of the Port Directed Cruise Fees (as expressed within the bundled, per passenger fee) to the *lesser* of the year-over-year increase or five percent (5.0%). And for the years 2017-2030 (and the years 2031-2035, unless a party elects to renegotiate as provided in Section 3.2), the Port will cap increases to the dockage fee component of the Port Directed Cruise Fees (as expressed within the bundled, per passenger fee) to the *lesser* of the year-over-year increase or four and one-half percent (4.5%). For clarity, the dockage fee is – in the absence of bundling – expressed on a per-linear-foot basis and calculated on the length-over-all of the vessel. The Port, for the convenience of the Tenant and other lines, converts this per-linear-foot number to a per-passenger number based on the length-over-all of the scheduled vessels and their capacities. The limitation on future increases in the dockage fee component is specifically with respect to the per-linear-foot amount and *not* the per-passenger amount. The per-passenger amount may vary by more or less than the increase in the per-linear-foot amount (and will not be limited to an increase of no more than 4.5%) depending on the relative year-over-year mix of vessels scheduled at all Port of Seattle facilities. As an example, if the Port decides to increase the dockage fee component of the bundled fee by 7% in 2017 and by 4% in 2018, the dockage fee component of the bundled fee under the Agreement, when expressed on a per-linear-foot basis, would increase in 2017 by 4.5 % over the 2016 level and in 2018 by 4% over the 2017 level. The actual change in the dockage fee component of the bundled fee under the Agreement, when expressed on a per-passenger basis, may vary more or less than these amounts.

11.3.3 In addition, the Port agrees that in the event it agrees to an annual, recurring cap on increases to the passenger fee component and/or dockage fee component of the bundled per-passenger fee to an amount less than 4.5% per year for any other cruise line, the cap on Tenant’s rate of growth for the passenger fee component and/or dockage fee component in, respectively, Section 11.3.1 and 11.3.2, shall (other than for one-off, non-recurring concessions) be reduced to such lower amount. As an example, if the Port agrees to a long-term berthing agreement with another cruise line, and the Port agrees the cruise line will have no increase in the Port Directed Cruise Fees for the first year of the agreement and will be capped at a 4% increase for the following three years, Tenant shall *not* be entitled to benefit of the first-year, non-recurring “no increase” but shall be entitled to the benefit of the recurring “4% cap” in the second through fourth years.

11.4 DOE Memorandum of Understanding Program Fee. To the extent included by the Port in the bundled, per passenger fee in the Port Tariff, Tenant shall continue to pay to the Port any fee assessed by the Department of Ecology related to the Memorandum of Understanding between the Department of Ecology and the several cruise lines operating in Puget Sound.

11.5 Other Requirements of Port Tariff; Incremental Dockage. Tenant shall otherwise comply with the other provisions of the Port Tariff applicable to its operations or those of the Affiliated Lines, including (without limitation) Items 4000 and 4001. Tenant shall likewise be responsible for any nondiscriminatory fees imposed by the Port, set forth in the Port Tariff, and associated with any delayed sailing, including (without limitation) any incremental dockage fees that would apply to the extended time at berth.

11.6 No New Fees. Except as may otherwise be agreed by the parties, the Port agrees that, for the Term of the Agreement, it will not impose any new port fees or assessments other

than: (i) those mandated by federal, state, or other local governmental entities, and (ii) reimbursable costs associated with new or additional services requested by Tenant. Notwithstanding the foregoing, the Port may at any time (and without the consent of Tenant) elect to discontinue its assessment and/or collection of any of the fees otherwise eligible for inclusion in the bundled fee.

11.7 Passenger Guarantees. Subject only to an event of Force Majeure (including the failure to complete the Project as provided in Section 6.7), in each Cruise Season for the Term of the Agreement (including the Extension Period unless a party elects to renegotiated as provided in Section 3.2) other than the 2016 cruise season, Tenant guarantees a minimum of 276,000 revenue passengers per Cruise Season at the Bell Street Cruise Terminal (the “Basic Guarantee”). For the 2016 Cruise Season, the Basic Guarantee shall be 214,000 revenue passengers. For purposes of meeting the Basic Guarantee, passengers from any of the Affiliated Lines, both homeport and port-of-call, will be counted, and each passenger will be counted each time the Port Directed Cruise Fees are due and paid for such passenger. For purposes of the Agreement, port-of-call vessels include both vessels making an in-transit call at the Bell Street Terminal and those vessels which, although not homeported in Seattle, make one or more turnaround calls at the Bell Street Terminal. The reconciled number of Tenant passengers for whom the bundled per-passenger fee is paid will be used for purposes of determining whether the Basic Guarantee has been met. In the event that Tenant fails to meet the Basic Guarantee for any Cruise Season, Tenant shall nonetheless pay the Port the amount of the Port Directed Cruise Fees for the shortfall no later than October 15 of the calendar year for which Cruise Season there was a shortfall. Tenant shall not be entitled to apply excess passengers in any Cruise Season to offset a shortfall in any other Cruise Season.

ARTICLE 12: FINANCIAL INCENTIVES BY THE PORT

12.1 Initial Operational Cost Offset. The Port acknowledges that Tenant will incur substantial costs that it does not today bear for assuming the obligations of operating the Bell Street Cruise Terminal under this Agreement. In order to partially offset those initial costs, the Port of Seattle will pay Tenant the sum of four hundred fifty thousand dollars (\$450,000.00) (the “Initial Operational Cost Offset”). This amount shall be payable by the Port to Tenant no later than May 15, 2016; provided, however, in the event that Tenant has not yet lost the right to terminate this Agreement under Section 6.7 (whether as a result of the Outside Permitting Date having past or Tenant having waived the right to terminate) as of May 2, 2016, the Initial Operational Cost Offset shall then be payable in two, equal annual installments of two hundred twenty five thousand dollars (\$225,000) each, no later than May 15, 2016 and April 30, 2017. The Initial Operational Cost Offset shall be a one-time payment and shall not be repeated at any time, specifically including during the Extension Period.

12.2 Marketing Allowance. In consideration of, among other things, Tenant’s willingness to commit to the Basic Guarantee for the Term of this Agreement, the Port of Seattle agrees to create a marketing fund (the “Marketing Fund”) funded with an allowance (the “Marketing Allowance”) equal to ten percent (10%) of the total Port Directed Cruise Fees paid by Tenant for all revenue passengers sailing on Affiliated Lines’ vessels; provided, however, in the event that the Term of the Agreement is extended to include the Extension Period, the Marketing Allowance for the Extension Period shall be only five percent (5%) of the total Port

Directed Cruise Fees paid by Tenant for all revenue passengers sailing on Affiliated Lines' vessels.

12.2.1 Payment of Marketing Fund. The Port will pay the Marketing Allowance to Tenant no later than October 31 of each calendar year (starting in 2016) based on the number of revenue passengers sailing on vessels associated with the Affiliated Lines during the previous Cruise Season as reported by Tenant pursuant to Section 11.2.1 and for which the Port Directed Cruise Fees have been paid as provided by Section 11.2.3.

12.2.2 Use of Marketing Fund. The Marketing Fund may be used for third-party expenses incurred after the Commencement Date and associated with the marketing of cruises (and associated excursions) sailing from Seattle to the Alaska market (including, but not limited to, Juneau, Skagway, Hoonah, Ketchikan, Sitka, Glacier Bay, Hubbard Glacier and Sawyer Glacier). Tenant's marketing may be in any form that Tenant or the Affiliated Lines determines is reasonable, in their sole discretion. Without limitation, the marketing may include television, radio, print publications, internet, mobile devices, direct mailings, signage, and product placement. For clarity, neither the Port of Seattle nor Bell Street Cruise Terminal need be explicitly mentioned in the marketing materials; rather, the marketing materials must be focused on or otherwise promoting a cruise product (or associated excursions) that sails from Seattle to the Alaska market.

12.2.3 Confirmation of Permitted Use. The Port acknowledges that Tenant's annual expenditures for the marketing of cruises (and associated excursions) sailing from Seattle to the Alaska market significantly exceed the amount of the Marketing Allowance. As a result, the Port is not requiring Tenant to request reimbursement for the Marketing Allowance. However, the Port shall have the right, for up to eighteen (18) months following each annual payment of the Marketing Fund, to require Tenant to certify that its third-party expenses for marketing of cruises (and associated excursions) sailing from Seattle to the Alaska market exceeds the amount of the Marketing Allowance and to provide the Port reasonable evidence of its expenditures at least in the amount of the Marketing Allowance (i.e. Tenant is not required to provide evidence of *all* of its expenditures; only expenditures at least as great as the amount of the Marketing Allowance) for the twelve-month period preceding the particular payment(s) for which the certification and evidence are requested.

12.3 Mega-ship Marginal Passenger Incentive. In consideration of, among other things, Tenant's willingness to redevelop the Bell Street Cruise Terminal to accommodate a new Breakaway-Plus class ship that will provide, based on the Basic Guaranty, at least sixty two thousand annual revenue passengers more than those currently provided by the smaller, Affiliated Line's vessel that currently calls at the Bell Street Cruise Terminal, the Port of Seattle agrees to pay Tenant an incentive (the "Mega-ship Marginal Passenger Incentive") in each calendar year one or more of the Affiliated Lines homeport a Breakaway-Plus class (or larger) vessel at the Bell Street Cruise Terminal. The Mega-ship Marginal Passenger Incentive will be equal to forty-five percent (45%) of the total Port Directed Cruise Fees paid by Tenant for up to sixty-two thousand (62,000) revenue passengers sailing on Affiliated Lines' vessels after the first two hundred fourteen thousand (214,000) revenue passengers sailing on Affiliated Lines' vessels. Stated differently, the Mega-ship Marginal Passenger Incentive shall be payable for the 214,001st revenue passenger through the 276,000th revenue passenger sailing on an Affiliated

Lines' vessel. To the extent that Tenant qualifies for the Mega-Ship Marginal Passenger Incentive, it will be paid based on Port Directed Cruise Fees actually payable by Tenant for revenue passengers sailing on the Breakaway-Plus class ship (i.e. the bundled homeport passenger rate for the particular day of the week on which the vessel calls); no effort will be made to determine the particular rate actually paid by the 214,001st revenue passenger through the 276,000th revenue passenger. The Mega-ship Marginal Passenger Incentive will be payable by the Port not later than October 31 of each year for the Cruise Season occurring that calendar year. The Mega-ship Marginal Passenger Incentive shall *not* apply for the Extension Period.

12.4 New Business Incentive. In order to incentivize Tenant to bring more homeport cruise business to the Bell Street Cruise Terminal and to encourage Tenant to substitute an additional Breakaway-Plus class vessel for the second weekend sailing from the Bell Street Cruise Terminal, the Port agrees to pay Tenant an incentive (the "New Business Incentive") equal to ten percent (10%) of the Port Directed Cruise Fees paid by Tenant for:

12.4.1 All revenue passengers associated with a new Affiliated Lines homeport vessel calling at the Bell Street Cruise Terminal any day Monday through Friday (i.e., on a day of the week the terminal is not currently in use by an Affiliated Line homeport vessel). The number of additional, marginal passengers shall be measured by, and limited to, the actual number of revenue passengers associated with the new homeport vessel. For example, if Tenant deploys a new 2,000-passenger homeport vessel departing/returning on Monday that makes 14 calls during the Cruise Season and provides 58,000 revenues passengers over the course of the Cruise Season, all 58,000 revenue passengers shall be subject to the New Business Incentive; and

12.4.2 The additional, marginal revenue passengers that result from an increase of thirty percent (30%) or more in the number of revenue passengers associated with an Affiliated Lines homeport vessel on a day of the week the terminal is currently in use by an Affiliated Line homeport vessel. The increase in the number of revenue passengers may result from either an increase in the number of vessel calls by the particular homeport vessel or an increase in the size of the vessel utilized on a particular day of the week, specifically taking account of the number of vessel calls during the Cruise Season. The number of additional, marginal passengers shall be measured by, and limited to, one hundred four percent (104%) of the stated lower berth capacity of the relevant Affiliated Lines vessels. For example, if Tenant substitutes a homeport vessel with a stated lower berth capacity of 3,500 passengers that calls 16 times in a Cruise Season for a vessel with stated lower berth capacity of 2,400 passengers that was calling 17 times in the Cruise Season, the number of revenue passengers associated with the new vessel shall be equal to 116,480 (116,480 revenue passengers = 3,500 passengers x 2 (for embarkation and disembarkation) x 104% x 16 calls) and the number of revenue passengers associated with the old vessel shall be equal to 84,864 (84,864 revenue passengers = 2,400 passengers x 2 (for embarkation and disembarkation) x 104% x 17 calls). The increase in revenue passengers is more than thirty percent (i.e. 37.25%), so 31,616 revenue passengers shall be deemed to be additional, marginal revenue passengers subject to the New Passenger Incentive during that Cruise Season.

So long as Tenant maintains the increase in revenue passengers, the New Business Incentive shall be payable for up to three (3) consecutive years. The amount of revenue passengers subject to the New Business Incentive shall be calculated annually relative to the original number of

revenue passengers associated with a particular homeport service by an Affiliated Line. For example, in the scenario outlined above, if Tenant increased the number of vessel calls for the new vessel in the second year to 17 for the Cruise Season, the number of additional, marginal revenue passengers subject to the New Business Incentive would increase to 38,896 revenue passengers (i.e. 123,760 revenue passengers (3,500 passengers x 2 (for embarkation and disembarkation) x 104% x 17 calls) – 84,864 revenue passengers = 38,896 revenue passengers). The New Business Incentive will be payable by the Port not later than October 31 of each year for the Cruise Season occurring that calendar year. The New Business Incentive *shall* apply for the Extension Period.

12.5 Offset for Leasehold Excise Tax. Rather than require Tenant to separately pay any required leasehold excise tax that may be due under Sections 4.2 and 13.1, the Port may, with Tenant's consent, reduce the amount of the Marketing Allowance, the Mega-Ship Marginal Passenger Incentive and/or the New Business Incentive by an amount sufficient to satisfy Tenant's leasehold excise tax obligation under Sections 4.2 and 13.1.

ARTICLE 13: REAL AND PERSONAL PROPERTY TAXES

13.1 Payment of Real Property Taxes by Tenant. Tenant shall be liable for, and shall pay throughout the term of this Agreement, all license and excise fees payable for, or on account of, the activities conducted on the Premises and any taxes on the Premises and/or on the leasehold interest created by this Agreement and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, fees payable hereunder, whether imposed on Tenant or on the Port and including, without limitation, leasehold excise tax due under Chapter 82.29A of the Revised Code of Washington. Tenant shall reimburse the Port for all such taxes paid or payable by the Port. With respect to any such taxes payable by the Port that are on or measured by the rent or fee payments hereunder, Tenant shall pay to the Port with each rent or fee payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Tenant shall be payable by Tenant to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Tenant shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

13.2 Tenant's Personal Property Taxes. Tenant shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other personal property placed or installed in and upon the Premises by Tenant. If any such taxes on Tenant's personal property or trade fixtures are levied against the Port or the Port's property, and if the Port pays the taxes based upon such increased assessment, Tenant shall, upon demand, repay to the Port the taxes so levied.

ARTICLE 14: INDEMNITY AND INSURANCE

14.1 Indemnity.

14.1.1 The Port, its employees and agents will not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage was caused, sustained, or alleged to have been sustained by Tenant or by others,

including but not limited to all persons directly or indirectly employed by Tenant, or any agents, contractors, or subcontractors of Tenant, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failing or interruption of utility service) whatsoever related in any way to the Premises, or related in any way to Tenant's use of the Premises, except to the extent caused by or resulting from the Port's reckless acts or gross negligence.

14.1.2 Tenant shall defend (with counsel reasonably approved by the Port), indemnify, and hold harmless the Port, its employees and agents from any and all loss, damages and expenses (including attorneys' fees, costs and expenses of litigation) for or from: (a) any activity, work or thing done, permitted or suffered by Tenant in or about the Premises or out of the use or occupancy of the Premises by Tenant or any licensee, assignee or concessionaire of Tenant (collectively, the "Tenant Parties"); and (b) any accident, injury, death or damage whatsoever caused to any party in or about the Premises or upon the sidewalks adjacent thereto, whether or not caused by the negligence of Tenant or any Tenant Parties; (c) any fault or negligence by Tenant or any Tenant Parties or of any of their respective officers, agents, employees, guests or invitees; and (d) any failure on Tenant's part to comply with any of the covenants, terms and conditions contained in this Agreement.

14.1.3 Notwithstanding the foregoing, the Port shall defend (with counsel reasonably approved by the Tenant), indemnify, and hold harmless Tenant, its employees and agents from any and all loss, damages and expenses (including attorneys' fees, costs and expenses of litigation) to the extent arising from any activity, work or thing done, permitted or suffered by the Port in or about the Premises or out of the use or occupancy of the Premises by the Port or any licensee, assignee or concessionaire of the Port (collectively, the "Port Parties") pursuant to Sections 2.4.1, 2.4.2, 16.2, 22.4, or 25.9.

14.1.4 Tenant and the Port agrees that the foregoing indemnities specifically cover actions brought by their own respective employees, and thus Tenant and the Port each expressly waive for the benefit of the other Party but not for the benefit of any third parties including the other Party's employees its immunity under industrial insurance (including Title 51 RCW) as necessary to effectuate this indemnity. Tenant and Port agree and acknowledge that this provision is the product of mutual negotiation.

14.1.5 Notwithstanding anything to the contrary in this Section 14.1, to the extent that RCW 4.24.115 is deemed to apply to any indemnification obligation arising under this Section 14.1 (and only to that extent), in the event of the concurrent negligence of Tenant, its subtenants, licensees, assignees, concessionaires, agents, employees, or contractors on the one hand and the negligence of the Port, its agents, employees or contractors on the other hand, Tenant's obligation to indemnify the Port as set forth in this Section 14.1 shall be limited to the extent of Tenant's negligence and that of Tenant's officers, sublessees, assignees, agents, employees, contractors or licensees, including Tenant's proportional share of costs, court costs, attorneys' fees, consultants' fees and expenses incurred in connection with any claim, action or proceeding brought with respect to such injury or damage.

14.2 Insurance.

14.2.1 Required Policies. Tenant shall obtain and keep in force, at its sole cost and expense the following types of insurance, in the amounts specified and in the form hereinafter provided for:

14.2.1.1 *Marine General Liability Insurance.* Tenant shall obtain and keep in force a commercial marine liability policy of insurance, written on ISO Form CG 00 01 10 01 (or equivalent), that protects Tenant and the Port, as an additional insured using ISO Form 20 26 (either 11 85 or 07 04 revision) or equivalent, against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the tenancy, use, occupancy or maintenance of the Premises, to include dock and cargo handling, and passenger loading/unloading liability while using the Port's Pier 66 for the berthing and docking of cruise vessels. Such insurance shall be on occurrence basis providing single limit coverage in an amount not less than five million dollars (\$5,000,000) per occurrence. If the policy has a general policy annual aggregate it shall not be less than \$10 Million. The policy shall contain a minimum \$100,000 sub-limit that covers damage to premises rented or leased to Tenant, including fire damage. The policy shall be endorsed to make the Tenant's insurance primary and non-contributory to any insurance the Port may carry. The policy shall be endorsed with a waiver of subrogation or waiver of the transfer of the rights of recovery in favor of the Port. The Port shall be submitted upon Lease inception, a copy of the additional insured endorsement and other endorsements that validates the coverage requirements of this section.

14.2.1.2 *Commercial General Liability Insurance.* To the extent that the commercial marine liability policy of insurance does not provide coverage for the landside general liability exposures associated with the leasing and operating from the Bell Street Cruise Terminal, Tenant shall also obtain and keep in force a commercial marine liability policy of insurance, written on ISO Form CG 00 01 10 01 (or equivalent), that protects Tenant and the Port, as an additional insured using ISO Form 20 26 (either 11 85 or 07 04 revision) or equivalent, against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the tenancy, use, occupancy or maintenance of the Premises of Bell Harbor at Pier 66. Such insurance shall be on occurrence basis providing single limit coverage in an amount not less than two million dollars (\$2,000,000) per occurrence. The policy shall contain a minimum \$100,000 sub-limit that covers damage to premises rented or leased to Tenant, including fire damage. The policy shall be endorsed to make the Tenant's insurance primary and non-contributory to any insurance the Port may carry. The policy shall be endorsed with a waiver of subrogation or waiver of the transfer of the rights of recovery in favor of the Port. The Port shall be submitted upon Lease inception, a copy of the additional insured endorsement and other endorsements that validates the coverage requirements of this section.

14.2.1.3 *Protection and Indemnity Insurance* – Tenant shall obtain vessel liability insurance coverage in the amount of no less than \$10 million per occurrence for all vessels owned, chartered or in the care and custody of the Tenant that will dock and utilize the Port of Seattle's Pier 66 facilities.

14.2.1.3.1 Coverage shall be written on marine vessel form issued by the American Institute of Marine Underwriters such as the SP-23, the SP-38,

and the American Institute of Marine Underwriters (equivalent forms accepted upon review).

14.2.1.3.2 Port of Seattle shall be insured on the master policy as an additional insured, while the vessel(s) are in Port at Bell Harbor Marina.

14.2.1.3.3 Coverage shall include wreck removal and pollution liability with limits no less than \$10 million per occurrence

14.2.1.4 *Automobile Liability Insurance.* Tenant shall obtain and keep in force a commercial automobile liability policy of insurance, written on ISO Form CA 00 01 07 97 (or equivalent), that protects Tenant and the Port against claims for bodily injury and property damage based upon, involving or arising out of motor vehicle operations on or about the Premises and all areas appurtenant thereto. Tenant shall provide a Waiver of Subrogation on this policy in favor of the Port. Such insurance shall cover any “Auto” (i.e. owned, hired and non-owned) and shall be on an occurrence basis providing single limit coverage in an amount not less than one million dollars (\$1,000,000) per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations.

14.2.1.5 *Property Insurance.* Tenant shall obtain and keep in force property insurance using an ISO CP 10 20 Cause of Loss Broad Form (or an equivalent manuscript form) insuring Tenant’s personal property (including the Removable Fixtures) and any Alterations the ownership of which may be retained by Tenant (specifically including “betterments and improvements”) made by or for Tenant against physical damage, including loss of use of the Premises. The policy shall include coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of damaged property including any undamaged sections of the Premises required to be demolished or removed by reason of the enforcement of any Legal Requirement as the result of a covered cause of loss. The amount of such insurance shall be procured on a replacement cost basis (or the commercially reasonable and available insurable value thereof if, by reason of the unique nature or age of the improvements involved, such latter amount is less than full replacement cost). The policy shall also contain an agreed valuation provision in lieu of any coinsurance clause. The Port of Seattle shall be included as an Additional Insured and Loss Payee on Tenant’s property insurance policy with respect to the Port’s interest in Alterations.

14.2.1.6 *Insurance During Construction of Project and Material Alterations.* For the duration of the Project and any subsequent, material Alterations, Tenant shall require its prime contractor to maintain a program of insurance throughout the duration of this construction as provided in Exhibit G.

14.2.1.7 *Stop Gap and Other Coverages.* Tenant shall also obtain and keep in force during the Term of this Agreement, Stop Gap Employers Liability insurance and, if applicable, longshoremen’s and Harbor Workers Act, Jones Act, or Federal Employers Liability Act coverage in the amounts required by law.

14.2.1.8 *Other Insurance.* The limits of insurance specified in this Section shall be subject to periodic adjustment to reflect changes in insuring practices for similar properties in the same geographic area and changes in insurance products.

14.2.2 Insurance Policies.

14.2.2.1 *Insurance Companies.* Insurance required hereunder shall be in companies duly licensed to transact business in the State of Washington, and maintaining during the policy term a General Policyholders Rating of ‘A-’ or better and a financial rating of ‘IX’ or better, as set forth in the most current issue of “Best’s Insurance Guide.”

14.2.2.2 *Deductibles* No insurance required herein shall contain a deductible or self-insured retention in excess of \$100,000 without the prior written consent of the Port.

14.2.2.3 *Cancellation/Non-Renewal* - Insurance is to remain current throughout the term of the Lease. The Port shall receive documentation annually to include a certificate of insurance and any applicable endorsements to validate the insurance required herein has been purchased and is compliant with the Lease requirements within 10 (ten) days of each insurance renewal. Should any insurance required herein be terminated, cancelled, or not renewed, the Tenant will have five (5) days to obtain replacement insurance from the date of the termination, cancellation or non-renewal notice Tenant receives from their insurer(s). In the event the insurance is not replaced within the five (5) days, the Lease will be considered under Default in accordance with Section 14.

14.2.2.4 *Evidence of Insurance.* Tenant shall deliver, or cause to be delivered, to the Port, certificates of insurance, additional insured endorsements, loss payee endorsements for property insurance, waivers of subrogation and any other documentation or endorsement that provides evidence of the existence and amounts of such insurance, the inclusion of the Port as an insured as required by this Lease, and the amounts of all deductibles and/or self-insured retentions. Upon request by the Port, Tenant shall deliver or cause to be delivered to the Port, certified copies of the policies of insurance that Tenant has purchased in order for the Port to verify insurance coverage, limits, and endorsements or view any exclusions to the Tenant’s insurance policies.

14.2.2.5 *No Limitation of Liability.* The limits of insurance required by this Lease or as carried by Tenant shall not limit the liability of Tenant nor relieve Tenant of any obligation hereunder.

14.2.3 Waiver of Subrogation. Without affecting any other rights or remedies, Tenant (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the Port, its officers, agents and employees (whether in contract or in tort) on account of any loss or damage occasioned to Tenant arising out of or incident to the perils required to be insured against under this Lease. Accordingly, Tenant shall cause each insurance policy required by this Section 14.1.2 to further contain a waiver of subrogation clause. The effect of such release and waiver of the right to

recover damages shall not be limited by the amount of insurance carried or required or by any deductibles applicable thereto.

14.2.4 Increase in Port's Cost of Insurance. Tenant shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of Rent and shall be paid by Tenant to the Port upon the monthly rental day next thereafter occurring.

ARTICLE 15: OPERATING EXPENSES; UTILITIES

15.1 Operating Expenses; Responsibility for Operations and Maintenance. Beginning on the Commencement Date and continuing thereafter during the Term of this Agreement, Tenant shall pay directly to all third parties the total of all the costs and expenses incurred with respect to the operation of the Premises and the services provided for the benefit of the Tenant (the "Operating Expenses"), it being understood and agreed that the Port shall not be required to furnish any services and/or utilities of any nature to the Premises during the Term of the Agreement, Tenant hereby assuming full and sole responsibility for the supply and payment for all services, operational costs and utilities.

15.2 Utilities.

15.2.1 *Telephone.* Tenant shall, at its sole cost and expense, arrange for the furnishing of all phone service (including public pay phones) necessary for the operation of the Premises, and Tenant covenants and agrees to pay all charges therefor directly, to the applicable public utility or governmental authority furnishing such service to the Premises, the amounts due for such services.

15.2.2 *Electrical, Natural Gas, Water, Sewer and Others Utilities.* Tenant covenants and agrees to pay all charges for all electrical, internet access, natural gas, water, sewer, surface water management and other utility services or charges necessary for the operation of the Premises as either:

15.2.2.1 Indicated by separate meter(s) measuring Tenant's consumption thereof or,

15.2.2.2 Determined by the Port on a pro rata basis in the event that the Premises or any portion thereof is part of a building or any larger premises to which any of these utilities services are furnished on a consolidated or joint basis. Tenant's pro rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required.

15.2.3 *Interruption.* With respect to any utility service provided to the Premises as a part of a building or any larger premises of which the Premises are a part, the Port shall have the right to shut down electrical or other utility services to the Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations, reconnections, or for any other

reason, with respect to any utility system for which the Port has responsibility pursuant to Section 16.2 (singularly or collectively, "Utility Work"), regardless of whether the need for such Utility Work arises in respect of the Premises, any other part of the building or larger premises. Whenever possible, the Port shall give Tenant no less than two (2) days prior notice for such utility shutdown. The Port shall not be liable to Tenant for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Premises, except when such losses result from the Port's gross negligence or willful misconduct.

15.3 Energy Conservation. Tenant shall provide such information about utility usage about the Premises as the Port may reasonably request. The Port shall have the right to institute such reasonable policies, programs and measures as may be necessary or desirable, in the Port's discretion, for the conservation and/or preservation of energy or energy related services, or as may be required to comply with any applicable codes, rules and regulations, whether mandatory or voluntary, and Tenant agrees, at its cost, to comply with the same.

15.4 Port Not Responsible. The Port shall not be required to furnish any services or utilities of any nature to the Premises during the Term of this Agreement, Tenant hereby assuming full and sole responsibility for the supply of and payment for all utilities and services. Furthermore, the Port shall not be liable in any way to Tenant for any failure or defect in the supply or character of electrical energy or water and sewer service furnished to the Premises by reason of any requirement, act or omission of the public utility providing such service or for any other reason, provided the foregoing is not intended to lessen the Port's obligations under Section 16.2 below.

ARTICLE 16: REPAIR AND MAINTENANCE; COMPLIANCE WITH LAWS

16.1 Tenant's Duty to Repair and Maintain. Tenant shall, at its sole cost and expense, keep all furniture, fixtures, operating equipment (including the passenger gangways, passageways, and mobile ramps as well as luggage handling conveyors), and all security equipment necessary for Cruise Ship Activities in good order, maintenance and repair. Tenant shall undertake all maintenance and make all repairs and replacements, ordinary, as well as extraordinary, foreseen and unforeseen, which may be necessary or required so that at all times the furniture, fixtures, and operating equipment shall be in thorough good order, condition and repair. Tenant shall likewise keep the Premises neat, clean and in sanitary condition and follow best practices for hygiene to keep the Premises free from infestation of pests and conditions which might result in harborage for, or infestation of, pests.

16.2 Port's Duty to Repair and Maintain. The Port shall be otherwise be responsible for any and all repairs and maintenance to the Premises, including but not limited to: (i) the piling and dock structure supporting the piers/wharves, (ii) the fender panel system, (ii) the float system (yokohamas), (iii) the maintenance and cleaning of the dock safety ladders, (iv) the elevators and escalators within the Premises, (v) the roof, foundations, structural elements, walls and windows, (vi) the fire suppression system, (vii) the HVAC system, (viii) the security system for the building of the Bell Street Cruise Terminal is a part, and (ix) any electrical, natural gas, water or sewer utility systems (unless the responsibility of the utility provider supplying the applicable utility); provided, the Port's obligation to provide such maintenance and repair for any items

installed or substantially modified during the course of the Project shall be subject to Tenant providing the documentation required by Section 6.12. The Port shall perform this work at its sole cost and expense, except to the extent that any such repairs may be required as a result of damage caused by negligence of Tenant, the Affiliated Lines, or their agents, employees, invitees or licensees, in which event the work shall be at the cost or expense of Tenant. The Port shall promptly commence such repair or maintenance work called to its attention by Tenant and thereafter diligently prosecute the same to completion within a commercially reasonable period of time after receipt of such notice by Tenant. In the event Tenant is unable to utilize all or a material portion of the Premises for a period of time exceeding five (5) days as a result of the Port's failure to maintain and repair the Premises in accordance with this Section 16.2, Rent shall be abated in proportion to the area of the Premises rendered unusable until the Port completes the necessary repair or maintenance so as to render the affected portion of the Premises tenantable again.

16.3 Continuing Compliance. Throughout the Term of this Agreement, Tenant shall, at its own cost and expense, promptly and diligently observe and comply with:

16.3.1 All Legal Requirements and the requirements of any fire insurance rating organization and all insurance companies writing policies covering the Premises or any part or parts thereof, whether or not such compliance shall require repairs, changes or alterations in and about the Premises, or repairs, changes or alterations incident to or as the result of any use or occupation of the Premises by Tenant or interfere with the use and enjoyment of the Premises or any part thereof by Tenant, and whether or not the same now are in force or at any time in the future during the Term may be passed, enacted, or directed; provided, Tenant's obligations shall not extend to any structural elements of the Premises except to the extent such structural elements: (i) were created, (ii) were materially modified, or (iii) should have been materially modified to comply with applicable Legal Requirements (including the Americans with Disabilities Act), all during the course of the Project;

16.3.2 Procure, maintain and comply with all permits, licenses and other authorizations required for any use of the Premises or any part thereof then being made and for proper erection, installation, operation and maintenance of any improvements or any part thereof; and

16.3.3 Comply with any instruments of record at the time in force affecting the Premises or any part thereof.

Tenant shall defend (with counsel approved by the Port), fully indemnify, and hold entirely free and harmless the Port from any action, suit or proceeding and all costs, expenses, claims, fines, penalties, and damages that may in any manner arise out of or be imposed because of the failure of Tenant to comply with this covenant. Tenant's obligations of indemnity under this Section shall survive the expiration or earlier termination of this Agreement.

16.4 Waste. Tenant will not do or permit or suffer any waste, damages, disfigurement or injury to or upon the Premises or any part thereof.

16.5 Semi-Annual Condition Surveys. The parties shall conduct an inspection of all the Premises semi-annually, before and after the Cruise Season to observe and note the condition of, cleanliness of and existing damage to the Premises and to determine repairs and maintenance required to be performed. Responsibility for repairing any problems or defects noted shall be as provided in Sections 16.1 and 16.2.

ARTICLE 17: COMPLIANCE WITH ENVIRONMENTAL LAWS

17.1 Hazardous Substances. Tenant shall not introduce or allow the introduction of any Hazardous Substance in or about the Premises in any manner that could be a detriment to the Premises or in violation of any Environmental Law. In addition, Tenant shall not cause any Hazardous Substances to migrate off the Premises or release any Hazardous Substances into adjacent surface waters, soils, underground waters or air. Tenant shall provide the Port with Tenant's USEPA Waste Generator Number (if Tenant is required by applicable law or regulations to hold one), and with copies of all Material Safety Data Sheets (MSDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Tenant receives from, or provides to, any governmental unit or agency in connection with Tenant's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance on the Premises.

17.2 Violation of Environmental Law. If Tenant, or the Premises as a result of any action or inaction (other than the failure to Tenant to address the presence of any Hazardous Substance not the responsibility of Tenant under this ARTICLE 17) of Tenant, is in violation of any Environmental Law concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, Tenant shall promptly take such action as is necessary to mitigate and correct the violation. If Tenant does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation, to come onto the Premises, to act in place of the Tenant (Tenant hereby appoints the Port as its agent for such purposes) and to take such action as the Port deems necessary to ensure compliance or to mitigate the violation. If the Port has a reasonable belief that Tenant is in violation of any Environmental Law, or that Tenant's actions or inactions present a threat of violation or a threat of damage to the Premises, the Port reserves the right to enter onto the Premises and take such corrective or mitigating action as the Port deems necessary. All reasonable documented costs and expenses incurred by the Port in connection with any such actions shall become promptly due and payable by Tenant upon presentation of an invoice therefor.

17.3 Inspection; Test Results. The Port shall have access to the Premises to conduct an annual environmental inspection. In addition, Tenant shall permit the Port access to the Premises at any time upon advance reasonable notice for the purpose of conducting environmental testing at the Port's expense. Tenant shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the Port's written consent. Tenant shall promptly inform the Port of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises by any party other than the Port whenever the same becomes known to Tenant, and Tenant shall provide copies to the Port.

17.4 Removal of Hazardous Substances. Prior to vacation of the Premises, in addition to all other requirements under this Agreement, Tenant shall remove any Hazardous Substances

placed on the Premises during the term of this Agreement or Tenant's possession of the Premises, and shall demonstrate such removal to the Port's satisfaction; provided, however, the foregoing obligation shall not apply to any Hazardous Substances placed on the Premises (i) by the Port, its agents, and contractors, (ii) on the sublease premises during the term of any sublease to the Port, or (iii) by any party occupying or using the Premises pursuant to Event Activities or the Secondary Use. This removal and demonstration shall be a condition precedent to the Port's payment of any Security to Tenant upon termination or expiration of this Agreement. In no event shall Tenant be responsible for removing any Hazardous Substances existing on, in or under the Premises prior to the Commencement Date.

17.5 Remedies Not Exclusive. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the Port shall be entitled to full reimbursement from Tenant whenever the Port incurs any reasonable documented costs resulting from Tenant's use or management of Hazardous Substances on the Premises, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port, injuries to third persons or other properties, and loss of revenues resulting from an inability to re-lease or market the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of this Agreement).

17.6 Environmental Indemnity.

17.6.1 *By Tenant.* In addition to all other indemnities provided in this Agreement, Tenant agrees to defend, indemnify and hold the Port free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable documented litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from Tenant's failure to adhere to the requirements of this ARTICLE 17. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Agreement. Notwithstanding anything in this ARTICLE 17 to the contrary, in no event shall Tenant be liable for, and the foregoing indemnity shall not apply to, any Hazardous Substances existing on, in or under the Premises prior to the Commencement Date.

17.6.2 *By Port.* The Port agrees to defend, indemnify and hold Tenant free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any other Hazardous Substance either: (i) introduced to the Premises other than during the Term of this Agreement, (ii) migrating to/from the Premises other than as a result of Tenant's actions, or (iii) released on, about or adjacent to the Premises other than as a result of Tenant's actions. The Port's obligations under this Section shall survive the expiration or earlier termination of this Agreement.

ARTICLE 18: DAMAGE OR DESTRUCTION

18.1 Duty to Repair. If the Premises or any buildings or structures of which the Premises are a part are damaged by fire, the elements, earthquake, accident or other casualty (collectively, "Casualty"), the Port shall, except to the extent either party has the right to terminate this Agreement under Section 18.2, use reasonable efforts to repair and restore the Premises and/or the buildings or structures of which the Premises are a part as quickly as reasonably possible to substantially their former condition to the extent permitted by then-applicable Legal Requirements; *provided, however*, the Port's obligation to repair and restore shall not extend to any of Tenant's personal property, specifically including the Removable Fixtures.

18.2 Right to Terminate. Either Party may elect to terminate this Agreement in the event that the Port, in its reasonable judgment, concludes that the damage to the Premises or any buildings or structures of which the Premises are a part cannot be repaired within three hundred sixty (360) days of the Casualty (with the repair work and the preparations therefor to be done during regular working hours on regular work days); *provided, however*, Tenant shall have no right to terminate if the Casualty results from Tenant's negligence or breach of the terms of this Agreement. The Port shall advise Tenant of that fact within ninety (90) days of the date of the Casualty. In the event either Party elects to terminate this Agreement, such Party shall notify the other Party of the date, not more than thirty (30) days after receipt of the Port's notice described in the preceding sentence, on which the Agreement will terminate.

18.3 Abatement of Rent. Unless the Casualty results from Tenant's negligence or breach of the terms of this Agreement, the Lease Fee and Preferential Use Fee shall be abated in the same proportion that the Premises is rendered untenable or inaccessible through the date of substantial completion of the repairs to the Premises (or to the date of termination of the Agreement if either party shall elect to terminate the Agreement). Fees associated with the use of the Premises for Cruise Ship Activities under ARTICLE 11 shall not abate. The Port shall not otherwise be liable to Tenant for any loss in the use in the whole or any part of the Premises (including loss of business) and/or any inconvenience or annoyance occasioned by the Casualty, by any damage resulting from the Casualty, or by any repair, reconstruction or restoration.

18.4 Tenant's Duty to Repair. Except to the extent either party elects to terminate this Agreement under Section 18.2, Tenant shall, at its sole cost and expense, be responsible for any and all repair or restoration of its personal property, specifically including the Removable Fixtures, which repair or restoration may be necessary as a result of any casualty.

18.5 Waiver. Except as specifically set forth in this Agreement, Tenant hereby waives any right that Tenant may have, under any applicable existing or future law, to terminate this Agreement in the event of any damage to, or destruction of, the Premises or any buildings or structures of which the Premises are a part.

ARTICLE 19: SURRENDER

19.1 Surrender. At the expiration or earlier termination of this Agreement, Tenant shall quit and surrender the Property, together with any remaining improvements or modifications, in good condition and repair, normal wear and tear and damage by Casualty excepted.

19.2 Survival. Tenant's obligations under this Article shall survive the expiration or earlier termination of this Agreement. Other than on expiration or the earlier termination of this Agreement by the Port pursuant to any provision hereof, no modification, termination or surrender to the Port of this Agreement or surrender of the Premises or any part thereof shall be valid or effective unless agreed to and accepted by the Port in writing.

ARTICLE 20: IMPAIRMENT OF TITLE

20.1 Liens. Tenant will not directly or indirectly create or permit to be created and/or to remain a Lien upon the Premises, the Project, and any Alterations, fixtures, improvements or appurtenances thereto except those Liens expressly permitted by this Agreement. In the event any such Lien(s) have been created by or permitted by Tenant in violation of this provision, Tenant shall promptly discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Tenant shall also defend (with counsel reasonably approved by the Port), fully indemnify, and hold entirely free and harmless the Port from any action, suit or proceeding that may be brought on or for the enforcement of such lien(s).

20.2 Recording. Tenant covenants and agrees with the Port that Tenant shall not record this Agreement or any memorandum thereof without the Port's prior written consent, which shall not be unreasonably withheld. In the event that the Port or its lender requires this Agreement or a memorandum thereof to be recorded in priority to any mortgage, deed of trust or other encumbrance which may now or at any time hereafter affect the Premises in whole or in part, and whether or not any such mortgage, deed of trust or other encumbrance shall affect only the Premises, any part thereof, or shall be a blanket mortgage, deed of trust or encumbrance affecting other premises as well, the Tenant covenants and agrees with the Port that the Tenant shall execute promptly upon request from the Port any certificate, priority agreement or other instrument which may from time to time be requested to give effect thereto.

ARTICLE 21: DEFAULT

21.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" on the part of the Tenant with or without notice from the Port:

21.1.1 The vacating or abandonment of the Premises by Tenant.

21.1.2 The failure by Tenant to make any payment of rent, fees or any other payment required by this Agreement, within ten (10) days after receipt of written notice of such failure from the Port.

21.1.3 The failure by Tenant to observe or perform any covenant, condition, or agreement to be observed or performed by Tenant in this Agreement within thirty (30) days after written notice of such failure has been given by the Port to Tenant; provided, however, if the

failure cannot reasonably be cured within thirty (30) days, then it shall not be deemed an Event of Default under this Agreement if Tenant commences to cure the failure within such thirty (30) day period and thereafter diligently and in good faith continues to pursue the cure to completion.

21.1.4 The filing by Tenant of a petition in bankruptcy, Tenant being adjudged bankrupt or insolvent by any court, a receiver of the property of Tenant being appointed in any proceeding brought by or against Tenant, Tenant making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Tenant's interest in the Premises or on any personal property kept or maintained on the Premises by Tenant.

21.1.5 Any default by Tenant (as sublandlord) under that certain Bell Street Cruise Terminal Sublease of even date herewith, under which the Port subleases a portion of the Premises from Tenant for those portions of the Term outside the Cruise Season.

21.2 Remedies. In addition to, and not in lieu or to the exclusion of, any other remedies provided in this Agreement or to any other remedies available to the Port at law or in equity:

21.2.1 Whenever any default (other than a default under Section 21.1.4 above, upon which termination of this Agreement shall, at the Port's option, be effective immediately without further notice) continues unremedied in whole or in part for thirty (30) days after Notice of Default is provided by the Port to Tenant (or for ten (10) days after Notice of Default in the case of default for failure to pay any rent, fees or other required payment when due), this Agreement and all of Tenant's rights under it will automatically terminate if the Notice of Default so provides; provided, however, for the Events of Default identified in Sections 21.1.2 and 21.1.3, the Port shall not be required to provide any further notice beyond that required by Sections 21.1.2 or 21.1.3, and the Port shall have the right to terminate the lease immediately if Tenant fails to cure the event within the time provided by the notice required under Sections 21.1.2 and 21.1.3. Upon termination, the Port may reenter the Premises using such force as may be necessary and remove all persons and property from the Premises. The Port will be entitled to recover from Tenant all unpaid Rent, fees or any other documented payments and reasonable documented damages incurred because of Tenant's default including, but not limited to, the costs of re-letting, including tenant improvements, necessary renovations or repairs, advertising, leasing commissions, and attorney's fees and costs ("Termination Damages"), together with interest on all Termination Damages at the Default Rate, from the date such Termination Damages are incurred by the Port until paid.

21.2.2 In addition to Termination Damages, and notwithstanding termination and reentry, Tenant's liability for all Rent, fees or other charges (specifically including the Basic Guarantee) which, but for termination of this Agreement, would have become due over the remainder of the Agreement term ("Future Charges") will not be extinguished and Tenant agrees that the Port will be entitled, upon termination for default, to collect as additional damages, a Deficiency. "Deficiency" means, at the Port's election, either:

(a) An amount equal to Future Charges, less the amount of actual rent and fees, if any, which the Port receives during the remainder of the Agreement Term from others to whom the Premises may be rented, in which case such Deficiency will be computed

and payable in annual installments, in advance, on the first day of the month following termination of this Agreement and continuing thereafter until the date on which the Agreement Term would have expired but for such termination, and any suit or action brought to collect any portion of Deficiency attributable to any particular month or months, shall not in any manner prejudice the Port's right to collect any portion of the Deficiency by a similar proceeding; or

(b) An amount equal to Future Charges less the aggregate fair rental value of the Premises over the remaining Agreement Term, reduced to present worth. In this case, the Deficiency must be paid to the Port in one lump sum, on demand, and will bear interest at the Default Rate until paid. For purposes of this subsection, "present worth" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank in, or closest to, Seattle, Washington.

21.2.3 If this Agreement is terminated for default as provided in this Agreement, the Port shall use commercially reasonable efforts to re-let the Premises in whole or in part, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the Agreement Term), for such use or uses and, otherwise on such terms and conditions as the Port, in its sole discretion, may determine, but the Port will not be liable for, nor will Tenant's obligations under this Agreement be diminished by reason for any failure by the Port to re-let the Premises or any failures by the Port to collect any rent due upon such re-letting.

21.2.4 If upon any reentry permitted under this Agreement, there remains any personal property upon the Premises, the Port, in its sole discretion, may remove and store the personal property for the account and at the expense of Tenant. In the event the Port chooses to remove and store such property, it shall take reasonable steps to notify Tenant of the Port's action. All risks associated with removal and storage shall be on Tenant. Tenant shall reimburse the Port for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. The Port has the right to sell any property which has been stored for a period of 30 days or more, unless Tenant has tendered reimbursement to the Port for all expenses incurred in removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorneys' fees), second to the payment of storage charges, and third to the payment of any other amounts which may then be due and owing from Tenant to the Port. The balance of sale proceeds, if any, will then be paid to Tenant.

21.3 Remedies Cumulative. All rights, options and remedies of the Port contained in this Agreement shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the Port shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Agreement.

21.4 No Counterclaim or Setoff. If the Port shall commence any proceeding for non-payment of Rent, fees or of any other payment of any kind to which the Port may be entitled or which the Port may claim under this Agreement, Tenant will not interpose any counterclaim or setoff of any nature or description in any such proceeding; the parties specifically agreeing the Tenant's covenant to pay Rent, fees or any other payments under this Agreement are independent of all other covenants and agreements in this Agreement; *provided, however*, this

shall not be construed as a waiver of Tenant's right to assert such a claim in any separate action brought by Tenant.

21.5 Port Default. The Port shall not be in default under this Agreement unless the Port fails to perform its obligations under this Agreement within thirty (30) days after written notice from Tenant to the Port, or if such failure is not reasonably capable of being cured within such thirty (30) day period, the Port shall not be in default unless the Port has failed to commence the cure and diligently pursue the cure to completion. In the event of a Port default, Tenant shall be entitled to all remedies available at law and in equity. In addition, in the event the Port fails to timely cure a default as set forth in this Section 21.5, Tenant may take all actions reasonably necessary to remedy such default to enable Tenant to continue to utilize the Premises for the uses permitted under this Agreement; provided, however, that Tenant must deliver to the Port five (5) days prior written notice of its intention to exercise its rights hereunder. The Port will reimburse Tenant for all costs and expenses incurred by Tenant to cure such default by the Port within thirty (30) days of written demand accompanied by appropriate backup documentation; provided, however, that Tenant shall not charge a mark-up or other administrative or management fee for the work performed and provided that the costs shall be based on prevailing market and industry rates and practice.

ARTICLE 22: CONDEMNATION; EASEMENTS

22.1 Termination for Port Use. In the event the Port, in its sole discretion, requires the Premises or any substantial part thereof, then the Port may terminate this Agreement by written notice to Tenant not less than two (2) years prior to the date of termination set forth in the notice; provided, however, the Port shall – except as a part of a complete restructuring of its cruise ship homeport facilities equally affecting all operators of homeport cruise ship operations – have no right to terminate this Agreement to relocate any other cruise ship operator to the Premises; and provided, further, in the event that the Port terminates the Agreement for any other reason than the restructuring of its cruise ships homeport facilities, the Port shall, prior to or on the date of such termination at its sole cost and expense, provide Tenant with replacement premises proximate to downtown Seattle that are capable of servicing vessels of similar size to those accommodated by the Premises, which perform in a manner similar to the Premises, and which have a finish reasonably comparable to the Premises as of the date of termination, in order that Tenant may continue to conduct Tenant's Cruise Ship Activities for no less than the balance of the Term. If Tenant is not in default under any of the provisions of this Agreement on the effective date of termination, the Port shall refund any Rent prepaid by Tenant, to the extent allocable to any period subsequent to the effective date of the termination. In addition, the Port shall pay Tenant the Unamortized Value of Tenant's Net Investment. Tenant shall not otherwise be entitled to any compensation at termination for the bargain value of the leasehold or any relocation expenses.

22.2 Condemnation.

22.2.1 Termination on Substantial Taking. If any competent authority for any public or quasi-public use or purpose (other than the Port) takes or condemns (hereafter "takes" or "taking") the whole or materially all of the Premises at any time during the Term, or a portion of the Premises that in Tenant's reasonable discretion materially adversely affects Tenant's

ability to conduct the Cruise Ship Activities, this Agreement shall terminate. If Tenant is not in default under any of the provisions of this Agreement on the effective date of termination, the Port shall refund any Rent prepaid by Tenant, to the extent allocable to any period subsequent to the effective date of the termination. In addition, Tenant shall be entitled to participate in any compensation paid in the event of a taking of the whole or materially all of the Premises, not to exceed the Unamortized Value of Tenant's Net Investment. Tenant shall not otherwise be entitled to any compensation at termination for the bargain value of the leasehold or any relocation expenses, except to the extent such relocation expenses may be separately awarded to Tenant as part of any condemnation proceeding.

22.2.2 No Termination on Partial Taking. In the event of a taking of less than materially all of the Premises that does not materially adversely affect the Cruise Ship Activities, this Agreement shall nevertheless continue, but the Lease Fee and Preferential Use Fee to be paid by Tenant shall thereafter be reduced in proportion to amount of the Premises taken. Tenant shall not be entitled to participate in any compensation paid in the event of a partial taking. Instead, all compensation paid for the taking shall be payable to the Port, which shall restore the Premises as soon as reasonably practicable and without regard to whether the compensation may be insufficient to do so.

22.2.3 Temporary Taking. This Agreement shall not be affected if the taking is for a temporary period (hereafter "temporary taking") that does not materially adversely affect Tenant's ability to conduct the Cruise Ship Activities. The Tenant shall continue to pay the Lease Fee, the Preferential Use Fee and all other charges payable by Tenant under this Agreement in the manner and at the time specified in this Agreement. Except to the extent that the Tenant may be prevented from so doing pursuant to the terms of the order of the taking authority, Tenant shall also continue to perform and observe all its other obligations under this Agreement as though the temporary taking had not occurred. To the extent allocable to the Premises and impacting Tenant's rights of use and/or possession, Tenant shall be entitled to a share of any award made for the temporary taking. Otherwise, the award shall be payable to the Port for its interests in the larger property of which the Premises are a part. If the temporary taking materially adversely affects Tenant's ability to conduct the Cruise Ship Activities at the Premises, Rent shall be abated until cessation of the temporary taking.

22.3 Court Decree. In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its material obligations under this lease, then either party hereto may terminate this Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Tenant is not in default under any of the provisions of this Agreement on the effective date of termination, the Port shall refund any Rent prepaid by Tenant, to the extent allocable to any period subsequent to the effective date of the termination. In addition, the Port shall, to the extent consistent with the terms of the final decision, pay Tenant the Unamortized Value of Tenant's Net Investment. Tenant shall not otherwise be entitled to any compensation at termination for the bargain value of the leasehold or any relocation expenses.

22.4 Easements.

22.4.1 The Parties recognize that the Port facilities are continuously being modified to improve the utilities, services and premises used and provided by the Port. The Port, or its agents, shall, upon reasonable prior notice, have the right to enter the Premises of Tenant, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, fiber and communication service, the roadways and all other services and facilities, all as required by the Port for its own use or benefit. The Port and its authorized utility service provider is hereby granted a continuous easement or easements that the Port believes is necessary within the Property and Premises, without any additional cost to the Port for the purposes expressed hereinabove. *Provided, however,* that the Port by virtue of such use, does not deprive Tenant from its beneficial use or occupancy of the Property or Premises for an unreasonable period of time, not to exceed five (5) working days during the Cruise Season, without consent of Tenant.

22.4.2 In the event that the Port deprives Tenant from such beneficial use or occupancy, then an equitable reimbursement of pre-paid rent or an adjustment in rent for any extension, or in the cost required to modify its Premises to allow the Tenant to operate its business, will be negotiated and paid by the Port to Tenant. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse Tenant for the cost required to modify its Premises for the temporary period that Tenant is inconvenienced by such entry.

ARTICLE 23: NO WAIVER; LANDLORD'S RIGHT TO PERFORM

23.1 Receipt of Monies Following Termination. No receipt of monies by the Port from Tenant after the termination or cancellation of this Agreement in any lawful manner shall (a) reinstate, continue or extend the Term of this Agreement; (b) affect any notice theretofore given to Tenant; (c) operate as a waiver of the rights of the Port to enforce the payment of any Rent and fees then due or thereafter falling due; or (d) operate as a waiver of the right of the Port to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Agreement, or after the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Premises, the Port may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation and/or Tenant's liability hereunder.

23.2 No Waiver of Breach. The failure of either Party to insist in any one or more instances, upon a strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by the Port of the Rent or fees, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Port of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Port. The consent or approval of the Port to or of any act by Tenant requiring the Port's consent or approval shall not be deemed to waive or render unnecessary the Port's consent or approval to or of any subsequent similar acts by Tenant.

23.3 No Waiver of Rent. The receipt by the Port of any installment of the Rent, fees or of any amount shall not be a waiver of any Rent or any other amount then due.

23.4 Application of Payments. The Port shall have the right to apply any payments made by Tenant to the satisfaction of any debt or obligation of Tenant to the Port, in the Port's sole discretion and regardless of the instructions of Tenant as to application of any such sum, whether such instructions be endorsed upon Tenant's check or otherwise, unless otherwise agreed upon by both parties in writing. The acceptance by the Port of a check or checks drawn by others than Tenant shall in no way affect Tenant's liability hereunder nor shall it be deemed an approval of any assignment of this Agreement or subletting by Tenant.

23.5 Port's Right to Perform. Upon Tenant's failure to perform any obligation or make any payment required of Tenant hereunder, the Port shall have the right (but not the obligation) to perform such obligation of Tenant on behalf of Tenant and/or to make payment on behalf of Tenant to such parties. Tenant shall reimburse the Port the reasonable cost of the Port's performing such obligation on Tenant's behalf, including reimbursement of any documented amounts that may be expended by the Port, plus interest at the Default Rate.

ARTICLE 24: ASSIGNMENT AND SUBLETTING

24.1 Prohibition. Tenant shall not, in whole or in part, assign or sublet to any party other than Tenant of all or any part of the Premises, without the prior written consent of the Port in each instance. Nothing in this restriction, however, shall be construed to restrict Cruise Ship Activities, whether by the Affiliated Lines or otherwise, at the Premises. Tenant shall at the time the Tenant requests the consent of the Port, deliver to the Port such information in writing as the Port may reasonably require respecting the proposed assignee, subtenant or licensee including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee, subtenant or licensee. Within twenty (20) business days after receipt of all required information, the Port shall, in its sole discretion, elect one of the following: (a) to consent to such proposed assignment, sublease or license or (b) to refuse such consent.

24.1.1 As a condition for the Port's consent to any assignment, encumbrance or sublease, the Port may require that the assignee, sublessee or licensee remit directly to the Port on a monthly basis, all monies due to Tenant by said assignee, sublessee or licensee (except with respect to excess rentals otherwise due Tenant pursuant to Section 24.2). In addition, a condition to the Port's consent to any assignment, sublease or license of this Agreement or the Premises shall be the delivery to the Port of a true copy of the fully executed instrument of assignment, sublease or license and an agreement executed by the assignee, sublessee or licensee in form and substance satisfactory to the Port and expressly enforceable by the Port, whereby the assignee, sublessee or licensee assumes and agrees to be bound by the terms and provisions of this Agreement and perform all the obligations of Tenant hereunder.

24.1.2 In the event of any assignment, Tenant and each respective assignor, waives notice of default by the tenant in possession in the payment and performance of the Rent, covenants and conditions of this Agreement and consents that the Port may in each and every instance deal with the tenant in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Agreement and modify the same, and in general

deal with the tenant then in possession without notice to or consent of any assignor, including Tenant; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Tenant and of each respective assignor.

24.1.3 Tenant agrees that any sublease or license will contain a provision in substance that if there be any termination whatsoever of this Agreement then the subtenant or licensee, at the request of the Port, will attorn to the Port and the sublessee or licensee, if the Port so requests, shall continue in effect with the Port, but the Port shall be bound to the subtenant or licensee in such circumstances only by privity of estate. Nothing herein shall be deemed to require the Port to accept such attornment.

24.1.4 No assignment, subletting or license by Tenant shall relieve Tenant of any obligation under this Agreement, including Tenant's obligation to pay Base Rent, fees or other amount due hereunder. Any purported assignment, subletting or license contrary to the provisions hereof without consent shall be void. The consent by the Port to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

24.2 Excess Rental. If in connection with any assignment, sublease or license, Tenant receives rent or other monetary consideration, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in case of the sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder and out-of-pocket expenditures, operating costs or concessions incurred by Tenant in connection with such assignment, sublease or license, are appropriately taken into account, Tenant shall pay to the Port fifty percent (50%) of the excess of each such payment of rent or other consideration received by Tenant after its receipt.

24.3 Scope. The prohibition against assigning or subletting contained in this Article shall be construed to include a prohibition against any assignment or subletting by operation of law. Furthermore, unless Tenant is or becomes publicly traded on any recognized stock exchange (whether domestic or foreign), any sale, transfer or other disposition in the aggregate of fifty percent (50%) or more of the equity ownership in Tenant (i.e. stock with respect to tenant corporation, partnership interests with respect to a tenant partnership, etc.) shall be deemed an assignment. If this Agreement be assigned or if the Premises or any part thereof be sublet or occupied by anybody other than Tenant, the Port may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved and apportion any excess rent so collected in accordance with the terms of Section 24.2, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee), and Tenant shall not be released from performing any of the terms, covenants and conditions of this Agreement.

24.4 Sublease to Port. Notwithstanding anything to the contrary in this ARTICLE 24, the parties acknowledge that Tenant does not wish to operate from or manage the Bell Street

Cruise Terminal Lease Area outside of the Cruise Season, that Port intends to sublease all or substantially all of the Bell Street Cruise Terminal Lease Area from Tenant annually for the period outside of the Cruise Season (specifically including the Extension Period, if exercised), and that the Port's sublease during the period outside the Cruise Season is a material consideration for this Agreement. Accordingly, the Port expressly approves any such sublease and acknowledges that a material breach of any such sublease may also constitute a breach of the obligations of this Agreement.

24.5 Sublease to Manager. The Port acknowledges that Tenant may contract with or otherwise sublease the Premises to an independent manager for the fulfillment of the management obligations generally imposed by this Agreement. Notwithstanding anything to the contrary in Section 24.1, the Port agrees that it will not unreasonably disapprove or condition any such management agreement or sublease provided Tenant remains fully responsible to the Port for the fulfillment of any obligations under this Agreement.

24.6 Permitted Transfers. Notwithstanding anything in the foregoing to the contrary, the Port's consent shall not be required for any Permitted Affiliate Transfer or Permitted Successor Transfer (as such terms are hereinafter defined). If Tenant intends to make a Permitted Affiliate Transfer or a Permitted Successor Transfer, Tenant shall submit to the Port a notification of its intent to make such assignment or sublease (a "Permitted Transfer Notice") at least ten (10) business days prior to the date that such proposed assignment or sublease is to become effective unless such prior notice is prohibited by applicable Legal Requirements or confidentiality agreement (in which case Tenant shall provide notice to Landlord within ten (10) days after the proposed assignment or sublease). The Permitted Transfer Notice shall include evidence that such proposed assignment or sublease qualifies as a Permitted Affiliate Transfer or Permitted Successor Transfer, as applicable. For purposes hereof, a "Permitted Affiliate Transfer" is an assignment, sublease or other transfer to an assignee, sublessee or transferee that is at least fifty-one percent (51%) directly or indirectly owned by Tenant, that directly or indirectly owns at least fifty-one percent (51%) of Tenant, or that shares at least fifty-one percent (51%) common ownership with Tenant. For purposes hereof, a "Permitted Successor Transfer" is any transfer resulting from a merger with, or acquisition of 100% of the ownership interests in Tenant. Any Permitted Affiliate Transfer or Permitted Successor Transfer shall, notwithstanding the absence of a need for the Port's consent, still be subject to the requirements of Sections 24.1.1 through 24.1.4.

ARTICLE 25: MISCELLANEOUS

25.1 Notices. All notices required to be given hereunder shall be in writing and shall be delivered personally, by certified or registered mail, return receipt requested, by facsimile or by recognized overnight courier to the appropriate address indicated in ARTICLE 1 hereof or at such other place or places as either the Port or Tenant may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed delivered (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; (iii) on the date transmitted by electronically (including by facsimile or email), but only if the transmission is telephonically confirmed to have been received; or (iv) on the first business day after deposit with a recognized overnight courier if deposited in time to permit

overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

25.2 Force Majeure. In the event that either party shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of Force Majeure, delayed in performing work, or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party; and the provisions of this Section shall not operate to excuse Tenant from the prompt payment of Rent as required by this Agreement and shall not extend the term of this Agreement.

25.3 Promotion of Port Commerce. Tenant agrees that throughout the term of this Agreement it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Tenant further agrees that all incoming shipments of commodities to the Seattle area that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Tenant.

25.4 Labor Disputes. Tenant agrees to use its best efforts to avoid disruption to the Port, its tenants or members of the public, arising from labor disputes involving Tenant, and in the event of a strike, picketing, demonstration or other labor difficulty involving Tenant, to use its good offices, including the utilization of available legal remedies, to minimize and/or eliminate any disruption to the Port, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

25.5 Wireless Devices. Tenant shall not install any wireless devices and/or transmitters on or about the Premises without the prior written consent of the Port and subject to any and all conditions in such consent. Tenant specifically grants to the Port the power to regulate and control the use of unlicensed frequency bands (including, but not limited to, FCC Part 15 Subpart C, FCC Part 15 Subpart D (both asynchronous and Isochronous), IEEE 802.11 and BlueTooth (ISM), and FCC UNII 1 and UNII 2 (IEEE 802.11a)) on or about the Premises.

25.6 Port Management Agreement. As respects any portion of this Agreement that pertains to Washington State-owned aquatic lands under the Port's management, this Agreement is specifically subject and subordinate to the terms and conditions of the Port Management Agreement dated November 1, 1997 between the Washington State Department of Natural Resources and the Port of Seattle, which Port Management Agreement is hereby incorporated by this reference.

25.7 Non-Discrimination.

25.7.1 Services. Tenant shall not discriminate against any person or persons because of race, sex, age, creed, color, physical disability, HIV infection, veteran's status, marital status, sexual orientation, national origin or any other basis made unlawful (whether on a

national, state or local level) during the Term of this Agreement in furnishing, or by refusing to furnish, to any person in Tenant's Operations.

25.7.2 Employment. Tenant shall conduct its business in a manner that assures fair, equal and nondiscriminatory treatment of all full or part-time employees. Tenant shall not discriminate against any full- or part-time employee on the basis of race, sex, age, creed, color, physical disability, HIV infection, veteran's status, marital status, sexual orientation, national origin or any other basis made unlawful (whether on a national, state or local level) during the term of this Agreement. Tenant shall actively seek to hire and maintain a diverse work force.

25.8 Successors Bound. This Agreement and each of its covenants and conditions shall be binding upon and shall inure to the benefit of the parties hereto and their respective assignees, subject to the provisions hereof. Whenever in this Agreement a reference is made to the Port, such reference shall be deemed to refer to the person in whom the interest of the Port shall be vested, and the Port shall have no obligation hereunder as to any claim arising after the transfer of its interest in the Premises. Any successor or assignee of the Tenant who accepts an assignment of the benefit of this Agreement and enters into possession or enjoyment hereunder shall thereby assume and agree to perform and be bound by the covenants and conditions thereof. Nothing herein contained shall be deemed in any manner to give a right of assignment to Tenant without the prior written consent of the Port and otherwise in compliance with ARTICLE 24 hereof.

25.9 Access to Premises. The Port shall have the right to show the Premises at all reasonable times to any prospective purchasers or mortgagees of the same, and may at any time enter upon the Premises, or any part thereof, for the purpose of ascertaining the condition of the Premises or whether Tenant is observing and performing the obligations assumed by it under this Agreement, all without hindrance or molestation from the Tenant. The Port shall also have the right to enter upon the Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Tenant's failure to make any such repairs or perform any such work. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Tenant (except that no notice shall be required in the event of an emergency) or an authorized employee of Tenant at the Premises.

25.10 Time. Time is of the essence of each of Tenant's obligations hereunder.

25.11 Consent. Whenever the Port's prior consent or approval is required by this Agreement, the same shall not be unreasonably withheld but may, unless otherwise specifically provided by this Agreement, be granted or denied in the Port's sole and absolute discretion.

25.12 Attorneys' Fees. In the event either party requires the services of an attorney in connection with enforcing the terms of this Agreement or in the event suit is brought for the recovery of any Rent or fees due under this Agreement or the breach of any covenant or condition of this Agreement, or for the restitution of the Premises to the Port and/or eviction of Tenant during the Term of this Agreement, or after the expiration thereof, the prevailing party will be entitled to a reasonable sum for attorneys' fees, consultants' fees, witness fees and other costs, both at trial and on appeal.

25.13 Captions and Article Numbers. The captions, article and section numbers and table of contents appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Agreement nor in any way affect this Agreement.

25.14 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

25.15 Applicable Law; Waiver of Trial by Jury. This Agreement, and, the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of Washington. In any action on or related to the terms of this Agreement, the parties (for themselves and their successors and assigns) hereby waive any right to trial by jury and expressly consent to trial of any such action before the court. Exclusive jurisdiction and venue for any action relating hereto shall be in the state or federal courts located in King County, Washington.

25.16 Submission of Agreement. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of or option for leasing the Premises. This document shall become effective and binding only upon execution and delivery hereof by the Port and Tenant. No act or omission of any officer, employee or agent of the Port or Tenant shall alter, change or modify any of the provisions hereof.

25.17 Entire Agreement; Modification. This Agreement sets forth all covenants, promises, agreements, conditions and understandings between the Port and Tenant concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the Port and Tenant other than as are herein set forth. No subsequent alteration, amendment, change or addition to the Agreement shall be binding upon the Port or Tenant unless reduced to writing and signed by the Port and Tenant.

25.18 Relationship of the Port and Tenant. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Agreement nor any acts of Tenant and the Port shall be deemed to create any relationship other than that of Tenant and the Port.

25.19 Amendment to Cruise Terminals of America Lease. Tenant expressly acknowledges that the parties' ability to enter into this Agreement is dependent on the Port obtaining an agreement with its current cruise terminal operator and tenant, Cruise Terminals of America, LLC, to remove the Bell Street Cruise Terminal from Cruise Terminals of America's lease agreement. The Port and Tenant have cooperatively worked with Cruise Terminals of America to negotiate such an amendment. As partial consideration for this removal, Tenant has agreed to contract with Cruise Terminals of America for the operation and management of the Bell Street Cruise Terminal for the 2016 Cruise Season. In addition, the Port has agreed to pay Cruise Terminals of America the sum of one million dollars (\$1,000,000), one half (1/2) of which

shall be funded by Tenant. Accordingly, the Port and Tenant expressly agree that this Agreement shall specifically be subject to, and conditioned on, the Port obtaining a fully executed lease amendment with Cruise Terminals of America on terms and conditions acceptable to the Port and in the event that the Port is unable to do so, this Agreement shall – at the sole election of the Port – be null and void. And in the event that the Port does obtain a fully executed lease amendment with Cruise Terminals of America on these terms, Tenant agrees to pay to the Port (or, on the parties’ mutual agreement, to Cruise Terminals of America) one half (½) of the \$1,000,000 termination payment no later than the date such payment is due and payable to Cruise Terminals of America. Likewise, the Port and Tenant expressly agree that this Agreement shall specifically be subject to, and conditioned on, the Tenant obtaining a fully executed management amendment (or similar) with Cruise Terminals of America on terms and conditions acceptable to Tenant and in the event that the Tenant is unable to do so, this Agreement shall – at the sole election of either party – be null and void.

25.20 Amendment to Conference and Event Center Management Agreement with Columbia Hospitality. Tenant expressly acknowledges that the parties’ ability to enter into this Agreement is also dependent on the Port obtaining an agreement with its current conference and event center manager, Columbia Hospitality, Inc., to limit its right to make use of the Bell Street Cruise Terminal Lease Area. The Port and Tenant have cooperatively worked with Columbia Hospitality to negotiate such an amendment. As partial consideration for this agreement, Tenant has agreed to the limitations set forth in Section 6.4. In addition, the Port has agreed to create the Mitigation Fund. It is expected that the Port will further be required to contribute to any revenue loss Columbia Hospitality expects to incur from the amendment of its agreement, but Tenant shall *not* be obligated to share in any such amount. Accordingly, the Port and Tenant expressly agree that this Agreement shall specifically be subject to, and conditioned on, the Port obtaining a fully executed amendment to its Conference and Event Center Management Agreement with Columbia Hospitality on terms and conditions acceptable to the Port and in the event that the Port is unable to do so, this Agreement shall – at the sole election of the Port – be null and void.

25.21 Exhibits. Exhibits A, B, C, D, E, F, and G are attached to this Agreement after the signatures and by this reference incorporated herein.

ARTICLE 26: SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PORT OF SEATTLE

NORWEGIAN CRUISE LINE HOLDINGS LTD.

By: _____
Its: _____

By: _____
Its: _____

ARTICLE 27: ACKNOWLEDGMENTS

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of August 2015, before me, personally appeared _____ to me known to be the _____ of the PORT OF SEATTLE, a Washington 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 he/she was duly authorized to execute the same.

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 _____
Residing at: _____
My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of August 2015, before me, personally appeared _____ to me known to be the _____ of NORWEGIAN CRUISE LINE HOLDING LTD., a Bermuda 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 he/she was duly authorized to execute the same.

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 _____
Residing at: _____
My commission expires: _____

EXHIBIT A

- Legal Description of Bell Street Cruise Terminal -

Piers 64, 65, 66 Harbor Area

All harbor area lying in front of Blocks 171 and 172, Seattle Tide Lands together with that part of Blanchard Street vacated by City of Seattle Ordinance No. 31789. Located in the Southwest Quarter of Section 31, Township 25 North, Range 4 East, W. M. in King County, Washington described as follows:

Beginning at the Northwest Corner of Lot 1, Block 171, Seattle Tide Lands: thence South 52° 56' 53" East along the Inner Harbor Line a distance of 60.84 feet: thence continuing along said Inner Harbor Line South 48° 49' 51" East a distance of 1496.47 feet to the North Margin of Virginia Street; thence North 90° 00' 00" West along said North Margin a distance of 455.73 feet to the Outer Harbor Line; thence North 48° 49' 51" West along said Outer Harbor Line a distance of 1142.62 feet; thence continuing along said Outer Harbor Line North 52° 56' 54" West a distance of 447.42 feet to the South Margin of Battery Street; thence North 90° 00' 00" East along said South Margin a distance of 497.89 feet to the point of beginning.

EXHIBIT B

- Plan View of Bell Street Cruise Terminal Lease Area -

EXHIBIT C

- Plan View of Bell Street Cruise Terminal Parking Area -

EXHIBIT D

- Plan View of Bell Street Cruise Terminal Preferential Use Area -

EXHIBIT E

- Lease Fee and Preferential Use Fee -

<i>Period</i>	<i>Lease Fee</i>	<i>Preferential Use Fee</i>
Commencement – September 30, 2016	\$828,100	\$2,510,900
October 1, 2016 – September 30, 2017	\$865,400	\$2,624,200
October 1, 2017 – September 30, 2018	\$904,200	\$2,741,700
October 1, 2018 – September 30, 2019	\$944,800	\$2,864,900
October 1, 2019 – September 30, 2020	\$987,300	\$2,993,800
October 1, 2020 – September 30, 2021	\$1,031,700	\$3,128,300
October 1, 2021 – September 30, 2022	\$1,077,900	\$3,268,500
October 1, 2022 – September 30, 2023	\$1,126,500	\$3,415,800
October 1, 2023 – September 30, 2024	\$1,177,400	\$3,570,200
October 1, 2024 – September 30, 2025	\$1,230,200	\$3,730,200
October 1, 2025 – September 30, 2026	\$1,285,700	\$3,898,700
October 1, 2026 – September 30, 2027	\$1,343,700	\$4,074,300
October 1, 2027 – September 30, 2028	\$1,403,900	\$4,257,000
October 1, 2028 – September 30, 2029	\$1,467,000	\$4,448,200
October 1, 2029 – September 30, 2030	\$1,532,800	\$4,647,900
Extension Period		
October 1, 2030 – September 30, 2031	\$1,601,900	\$4,857,500
October 1, 2031 – September 30, 2032	\$1,673,800	\$5,075,500
October 1, 2032 – September 30, 2033	\$1,749,000	\$5,303,500
October 1, 2033 – September 30, 2034	\$1,828,000	\$5,542,900
October 1, 2034 – September 30, 2035	\$1,910,200	\$5,792,100

EXHIBIT F

- Procedures for Port Oversight of Project -

A. Port Comments and Approvals/Disapprovals.

1. The Port will respond to any information submitted for its review by approving the submission, approving the submission subject to certain comments, or disapproving the submission, in any case within ten (10) business days after the Port's receipt of the submittal. In the event that the Port disapproves any submission, the Port will include a narrative explaining its reasoning for such disapproval. The Port shall be reasonable in its review of all submittals so long as they are consistent with the requirements of this Agreement.

2. Tenant shall incorporate any comment or condition of the Port's approval prior to proceeding with the portion of the Project for which the Port provided such comment or condition. Tenant shall not proceed with any portion of the Project for which the Port has notified Tenant of its disapproval until such time as the Port has approved said portion.

3. In the event that Tenant fails to incorporate any such comment or condition or proceeds with any work disapproved by the Port, the Port shall specifically have the right to require the removal of the particular portion of the Project (and any other portion dependent thereon) to the extent that the portion violates this Agreement, a Legal Requirement or, in the Port's reasonable opinion, negatively affects the building or structure of which the Project is a part; otherwise, the Port shall have the right to remove the particular portion from eligibility for reimbursement under the Allowance.

B. Review of Plans and Specifications.

1. The Project plans and specifications shall be developed in a manner generally consistent with conceptual drawings prepared by Bermello Ajamil & Partners, Inc., the associated cost estimate prepared by Rider Levett Bucknall, and the Port input as provided in this Section.

2. The design of the project will be done in a collaborative method between the Port and Tenant. The parties agree to develop a review and discussion process for the major design decisions to allow the parties to exchange enough information to progress with the design of the project. Tenant shall, in consultation with the Port, develop a schedule for the development of the design that provides the Port sufficient advance notice of each major design development and iteration in order to ensure the Port has adequate resources available to meet the time limits imposed by this Agreement.

3. The Tenant and the Port will agree on the number and scope of construction packages that are issued, and will review them accordingly. Tenant shall deliver to the Port for the Port's review and approval two full sets and electronic copies of the final construction plans and specifications for each construction package of the Project, together with any associated engineering design calculations. The Port shall promptly, and in no event more than ten (10) business days following delivery by Tenant, review each set of plans and specifications.

4. Any design changes that Tenant may wish to make during the course of construction shall likewise be subject to the Port's review as provided in this Section B. The Port shall have the opportunity to undertake such review at the time the design change is first considered, without regard to the point in time that it may be presented to Tenant's contractor as a change order request or directive.

C. Construction Oversight.

1. Port Inspection of the Project. The Port will inspect the Project as it progresses and must be notified, in advance, if any portion of the Project work will be covered. Tenant and its contractor shall provide the Port and its inspectors reasonable access to the construction site and a means (e.g. ladders, lifts, etc.) for inspecting any work that isn't readily visible from a walk-through inspection.

2. Construction Document Management System. In order to better permit the parties to achieve the Project's budget and schedule objectives, the Port and Tenant (or its contractor) shall mutually agree on an electronic document management system to facilitate construction-related communication, the timely exchange of documents and submittals as required by this Agreement, and the secure storage of records related to the Project as it is constructed.

3. Schedule. Tenant shall submit a baseline, critical-path-method construction schedule to the Port's Project Manager for its review and approval prior to the commencement of construction. Tenant shall also provide the Port's Project Manager monthly schedule updates with narratives to this baseline schedule and three-week look-ahead schedules during the course of construction of the Project. These documents shall be in such form and number as the Port's Project Manager reasonably requests, which may include submissions in native (Microsoft Project or Primavera) format.

a. The Baseline Schedule narrative shall explain the basis for the Contractor's schedule of construction and any constraints.

b. Tenant shall submit accepted updated monthly schedules completed by Contractor with the pay application and require Contractor to include a written narrative describing the overall progress of the Work. The narrative shall include the following key aspects: (i) progress in the last period, (ii) Critical Path progress and schedule concerns, (ii) Changes to schedule logic or sequencing of the work, (iv) Potential Delays and Time Impact Analyses, (v) Submittal Status (focus on critical submittals and concerns), and (vi) Equipment and Material Delivery Status.

4. Review of Submittals.

a. As part of its preconstruction process, Tenant shall develop, with its designer and contractor, a log of all the submittals that are anticipated during the course of construction. These submittals generally include, but are not limited to, materials samples, product specifications, safety plans, shop drawings, working drawings, O&M manuals, commissioning plans and punch lists.

b. The Port project manager will be kept apprised of the status of reviews and submittals.

5. Change Orders.

a. Throughout the course of construction of the Project, Tenant shall also submit to the Port's Project Manager copies of all change order requests and proposed change orders. For any change order that extends or accelerates the Project schedule, the notice shall include an approved schedule analysis supporting the extension or acceleration and quantifying all cost impacts, if any.

b. Non-discretionary changes (such as those to address unknown site conditions or code compliance imposed by any authority as part of an inspection) will generally be eligible for reimbursement under the Allowance. Discretionary changes shall specifically be subject to the Port's review and approval, and the Port specifically reserves the right to indicate that any discretionary change is not subject to reimbursement under the Allowance.

c. It is the Port's expectation that Tenant will manage the Project to meet Project budget and schedule objectives. As a result, the Port would not generally expect to reimburse Tenant for unreasonable delays attributable either to Tenant or its contractor. Without limitation, this includes unreasonable delays by Tenant's contractor in providing notice of any event or condition that may entitle the contractor to an increase in its contract schedule or value and unreasonable delays by Tenant in responding to, processing or otherwise addressing issues that arise during the course of the Project.

6. Non-Conforming Construction. The Port has the right to inspect the Project as it progresses through completion and specifically reserves the right to issue notice to Tenant (an "NCR") of any non-conforming construction. Tenant shall resolve any issues identified in an NCR to the Port's reasonable satisfaction. In the event that Tenant fails to resolve such items to the Port's reasonable satisfaction, the Port shall specifically have the right to require the removal of the particular portion of the Project (and any other portion dependent thereon) that is noted in the NCR to the extent that the portion violates a this Agreement, a Legal Requirement, or in the Port's reasonable opinion, negatively affects the building or structure of which the Project is a part; otherwise, the Port shall have the right to remove the particular portion from eligibility for reimbursement under the Allowance.

7. Errors & Omissions. In the event that any additional construction, changes in the construction or delays in the construction result from any error or omission by Tenant's designer, Tenant shall make reasonable effort to obtain compensation for such change and delay from Tenant's designer.

8. Warranties. All contracts that are subject to reimbursement under this Agreement shall contain a provision: (i) that the Port of Seattle is a third-party beneficiary of the agreement, and (ii) that all representations, warranties and guaranties are fully assignable to, and may specifically be enforced by, the Port of Seattle.

9. Commissioning, O&M Manuals, Training, and Close Out.

a. Commissioning: Tenant shall be responsible for commissioning the Project. Tenant shall be responsible for hiring any necessary commissioning agent(s). Commissioning activities shall be performed in a manner consistent with the Port's processes and requirements, which will be provided by the Port's Project Manager for incorporation into the Project's construction contract specifications.

b. O&M Documentation and Training: Tenant shall be responsible to provide detailed operating and maintenance documentation and training for the Project. All such documentation and training shall be consistent with the Port's processes and requirements, which will be provided by the Port's Project Manager for incorporation into the Project's construction contract specifications.

c. Project Close Out: Tenant shall close out the project in a manner consistent with the Port's processes and requirements, which will be provided by the Port's Project Manager. The Port will not release final payment under the Allowance until final operations and maintenance (O&M) manuals, warranties, certifications, commissioning reports, and other required documents are received for the Project and the Port has received any necessary training.

d. As-built Documents: Tenant shall provide electronic project record documentation related to the Project in a manner consistent with the Port's processes and requirements, which will be provided by the Port's Project Manager. The Port will not release final payment under the Allowance until final record drawings are received and approved for the Project.

EXHIBIT G

- Insurance Requirements for Construction of Project -

During the course of construction for the Project and any material Alterations, the Tenant shall ensure that the prime contractor carries the following minimum insurance requirements.

1. Tenant's prime contractor shall procure and maintain insurance in accordance with the following terms:

a. All deductibles or self-insurance retentions are the responsibility of the Contractor. Contractor may meet required insurance limits through a combination of primary and umbrella or excess insurance.

b. Coverage shall not lapse or be terminated without the insurer's written notification to the Port, delivered by mail, not less than thirty (30) days prior to any such lapse or termination.

c. Contractor shall submit all endorsements along with the Certificate of Insurance at inception of the Lease and annually until three (3) years past the day of project completion.

d. Insurance shall remain in effect throughout the term of the contract.

e. Insurance shall be procured from commercially rated primary and excess insurance carriers, whether admitted or on surplus lines basis, that have an A.M. Best's rating of no less than "A Minus FSC VI" or higher.

f. Self-funding or self-insurance, for coverage other than workers compensation, is not permitted without a full description of the self-insured program, and evidence that losses and claims are funded and reserved in a solvent manner. A written request by the contractor and written approval by the Port is required for self-funded and self-insured programs. Deductibles or self-insured retentions above \$500,000 per occurrence or claim are considered a form of self-insurance and must be approved by the Port.

g. The Port's acceptance of the Contractor's certificate of insurance does not waive the Contractor's obligation to comply with the insurance requirements of this contract nor waive the obligation of the Contractor to provide copies of all endorsements that Port requests to show evidence of compliance with the insurance requirements.

2. The following types and amounts of insurance are required:

a. Commercial General Liability insurance on ISO Form CG 00 01 10 01 (or equivalent) for third party property damage, bodily injury, personal and advertising injury, and medical payments in an amount which is not less than \$5,000,000 per occurrence and \$5,000,000 annual aggregate and for products and completed operations. The Contractor's insurance shall

be primary and non-contributory (submit actual endorsement to the Port) with respect to any insurance the Port carries and apply separately to each insured. The Port's insurance shall be excess over any insurance from the Contractor. Port shall be named as an additional insured for all work arising out of Contractor's work, including "on-going" and "completed operations" using ISO Form CG 20 26 or an equivalent endorsement approved by the Port. This endorsement must be submitted to the Port along with the Certificate of Insurance. The policy shall include a waiver of the transfer of the rights for recovery in favor of the Port by endorsement of which a copy shall be forwarded to the Port.

i. The limits above shall be on a per project basis with full limits available to this project. This shall be evidenced using an appropriate per project limits endorsement.

ii. The completed operations coverage shall extend for three (3) years past the date of project completion.

b. Automobile Liability Insurance shall be provided in an amount no less than \$ 1,000,000 per occurrence on a combined single limit basis for bodily injury and property damage using ISO Form CA 00 01 (or equivalent).

c. Professional Liability Insurance (Errors and Omissions). Contractor shall provide Professional Liability (E&O) insurance in an amount not less than \$2,000,000 per loss and in the policy aggregate for all work that involves preparing engineering load plans and other professional work as it relates to the Contract. If coverage is to be provided on a claims-made basis, the Contractor shall warrant that any policy retroactive date precedes the effective date of this Contract. In addition, continuous coverage must be maintained throughout the Agreement and for 30 days beyond the completion of the Contract.

d. Provide contractor's pollution liability coverage, with the Port named as an additional insured on the policy, in an amount not less than \$ 2,000,000 per occurrence. The policy term coverage shall extend to all incidents, claims, damages, and losses, including defense costs that are caused by pollution and hazardous material incidents that arise from the operations of the contractor as it relates to the services to be performed under this contract, and to extend to claims occurring during the project, including claims from incidents occurring during the project period but reported after project completion, for up to 60 days following the end of the project.

i. The policy shall cover incidents, first party (Port) claims, damages, and losses, at the project site, including clean-up and remediation as well as third party bodily injury, third party property damage, and clean-up/remediation, both on and off the project site.

ii. Coverage shall extend to both upland or land side at the project site, as well as for project work occurring over or in water, if applicable.

3. Contractor is responsible for complying with the Washington State laws that pertain to industrial insurance (Reference Revised Code of Washington, Title 51 Industrial Insurance) for its employees. Contractor shall submit a current employer liability certificate as issued by the Washington Department of Labor and Industries that shows the status of

Contractor's worker compensation account prior to commencing work, including those Contractors who are qualified self-insurers with the state.

4. Contractor is fully responsible for ascertaining whether any federal industrial insurance laws apply to this agreement such as from the Federal Employers' Liability Act, the Jones Act, or the United States Longshore and Harbor Workers Compensation Act. Contractor shall comply with all required workers compensation requirements whether through purchase of commercial insurance or as a qualified self-insurer relative to federal industrial insurance laws.

5. Subcontractor's working on behalf of the prime contractor shall have minimum limits of commercial general liability limits of \$ 1 Million per occurrence and include the Port as an additional insured on this policy.

6. Contractor shall submit a written safety plan to Port Construction Safety Management in advance of the work.