

Item No. 10d attach

Meeting Date: June 25, 2024

Preferential Berthing Agreement

THIS PREFERENTIAL BERTHING AGREEMENT (the "**Agreement**") is made as of this ___ day of June 2024, by and among the Port of Seattle ("**Port**"), on the one hand, and Holland America Line N.V. in its capacity as general partner of Cruiseport Curacao C.V. ("**HAL**"), Princess Cruise Lines, Ltd., a Bermuda corporation ("**PCL**"), and Carnival Cruise Line, a division of Carnival Corporation, a Panama corporation ("**CCL**"), (HAL, PCL, and CCL collectively hereinafter referred to as the "**Carnival Lines**").

WHEREAS, the Port is the owner of a two-berth cruise facility located at its Terminal 91 (the "**Smith Cove Cruise Terminal**") and a single berth cruise facility located at its Terminal 66 (the "**Bell Street Cruise Terminal**"); and

WHEREAS, the Carnival Lines wish to secure, and the Port is willing to grant, the preferential right to operate from and berth their vessels at the Smith Cove Cruise Terminal for a period of up to ten years, with an additional five year option exercisable by the parties on the terms set forth in Section 1 below;

WHEREAS the Port of Seattle and the Carnival Lines share goals around decarbonization and creating economic benefit in the community and wish to formalize these shared goals.

WHEREAS, the Carnival Lines have made investments in shoreside infrastructure to allow vessels to plug in and the Port of Seattle and the Carnival Lines share the goal of allowing other cruise lines to utilize these facilities to further the shared decarbonization goals.

NOW THEREFORE, in consideration of the mutual premises set forth, the parties agree as follows:

1. Term. This Agreement shall, unless earlier terminated pursuant to any provision hereof, be effective for the 2024 through 2033 cruise seasons (the "**Term**"). References to "Term" in this Agreement shall include any extension thereof pursuant to the option referenced in this Section 1. For the Smith Cove Cruise Terminal, the typical cruise season runs from mid-April through mid-October. Subject to the Port's sole consent, if the Carnival Lines are in compliance with the terms and conditions of this Agreement, and achieve the commitments in Section 6.5 below, the Carnival Lines shall have the option to request a five (5) year extension of the Term through the 2038 cruise season. In the event the Carnival Lines wish to extend the Term through the 2038 cruise season, the Carnival Lines shall provide the Port with written notice of the Carnival Lines' request to exercise such option between July 1, 2030 and November 1, 2030. No later than ninety (90) days after receipt of such written notice, the Port, in its sole discretion, may provide the Carnival Lines with written confirmation of the Port's consent to the extension. The Port's failure to provide the Carnival Lines with such written notice within the stated ninety (90) day period shall constitute the Port's refusal to consent to the extension, and the Agreement shall terminate after the 2033 cruise season.

2. Preferential Berthing Rights.

2.1 Cruise Berth Days. The Smith Cove Cruise Terminal has two berths, a west berth of approximately 1200 linear feet, and an east berth of approximately 1300 linear feet. Each of those two berths is available for use Sunday through Saturday, mid-April through mid-October. Unless otherwise specifically agreed, only one cruise vessel may utilize each berth on any day. As used herein, each day of the week during the cruise season for each cruise berth at the Smith Cove Cruise Terminal is referred to as a "**Cruise Berth Day.**" (In other words, each Sunday during the cruise season for a particular berth is considered a Cruise Berth Day; each Monday during the cruise season for a particular berth is considered a Cruise Berth Day; etc.)

2.2 Guaranteed Berthing Preference. For each cruise season during the Term, the Carnival Lines shall have a guaranteed berthing preference for each Cruise Berth Day utilized by the Carnival Lines for a minimum of twelve (12) calls during the prior cruise season at the Smith Cove Cruise Terminal. For the avoidance of doubt, based on 2023 usage, during the 2024 Alaska Cruise Season, the Carnival Lines will have a berthing preference for two berths on Saturday and Sunday and for one berth on Tuesday and Thursday. The parties acknowledge that the berthing preferences are not brand-specific and any of the Carnival Lines may utilize any of the berthing preferences referenced herein.

2.3 Port of Call Vessels. The Port shall, without the necessity of providing the Carnival Lines the right of first refusal, have the ability to schedule individual port of call vessels on any calendar day not otherwise committed to the Carnival Lines under Section 2.2.

2.4 Bell Street Cruise Terminal. For the avoidance of doubt, the Carnival Lines shall have no preferential berthing rights at the Bell Street Cruise Terminal, or any other future terminal operated by the Port of Seattle, under this Agreement. Notwithstanding, the Carnival Lines or any Affiliated Lines may schedule vessel calls at the Bell Street Cruise Terminal by agreement with the terminal operator.

3. Port's Operation and Maintenance of Terminal.

3.1 General Standard. The Port shall throughout the Term, ensure that the Smith Cove Cruise Terminal and ancillary port facilities are maintained and operated consistent with good maritime practices and industry standards for a functional cruise ship terminal and otherwise as necessary to ensure that the Smith Cove Cruise Terminal is able to be utilized by the Carnival Lines for its intended purpose.

3.2 Parking and Busing. All costs for transporting people and baggage between the designated passenger vehicle parking area, Ride Share based hub location on terminal in support of the Smith Cove Cruise Terminal and the passenger terminal building at the Smith Cove Cruise Terminal and all operating costs and equipment related to the parking area and shuttle system including any additional or unforeseen labor expense shall be the responsibility of the cruise terminal operator at Smith Cove Cruise Terminal. The Port, or its contractors, tenants or agents, may collect a vehicle parking fee from the cruise passengers who use the secure

parking area which supports the Smith Cove Cruise Terminal based on a per day charge for the length of time they are away on their cruise.

3.3 The Port reserves the right of secondary use of all or any part of the Smith Cove Cruise Terminal for berthing of vessels operated by companies, other than the Carnival Lines, for loading and discharging cargoes of such vessels, for transporting cargo, and for cargo storage and operations incidental thereto, provided that such secondary use of the Smith Cove Cruise Terminal by the Port shall not unreasonably interfere with the Carnival Lines' operations as authorized in this Agreement. In the event of such secondary use by the Port, all applicable charges shall accrue to the benefit of and shall be billed and retained by the Port.

4. Port Fees.

4.1 Bundled Fees.

4.1.1 General Rule. For the Term, the Port agrees that it will continue to "bundle" its fees associated with the use of the Smith Cove Cruise Terminal and express them on a per-passenger basis as currently set forth in Port of Seattle Marine Terminals Tariff No. 5. The bundled per-passenger fee consists solely of the: (i) Passenger Fee (as defined below), (ii) Dockage Fee (as defined below), (iii) baseline security fees, (iv) fresh water connection fee, and (v) fire department fee for bunkering permit. As in previous cruise seasons, variable fees dependent on use (for example, water use or extra security) or delay are excluded from the bundled fee and will be billed separately based on actual quantity/time used and rates then in effect.

4.1.2 No New Fees. Except as may otherwise be agreed by the parties, the Port agrees that, for the Term of the Agreement, neither it nor its cruise terminal operator at Smith Cove Cruise terminal will charge any new port fees or assessments other than: (i) those described in Section 4.2 below; (ii) those mandated by federal, state, or other local governmental entities; and (iii) reimbursable costs associated with new or additional services requested by the Carnival Lines. Notwithstanding the foregoing, the Port may at any time (and without the consent of the Carnival Lines) elect to discontinue its assessment and/or collection of any of the fees otherwise eligible for inclusion in the bundled fee.

4.2 Future Capital Investment. Notwithstanding Section 4.1.2, the Port shall be entitled to impose reasonable additional surcharges on the Carnival Lines associated with the cost of any fixtures, improvements, equipment or other capital items that are made or added to the Smith Cove Cruise Terminal during the Term of the Agreement. The Carnival Lines may provide recommendations or suggestions regarding future capital improvement projects.

4.3 Limitations on Cost Escalation.

4.3.1 Passenger Fee; Dockage Fee

4.3.1.1 If ninety percent (90%) of the calls by vessels operated by Affiliated Lines in the 2024 cruise season are shore-power enabled, the

passenger fee component of the bundled fee (the “**Passenger Fee**”), and the dockage fee component of the bundled fee (“**Dockage Fee**”) shall be 90% of the Passenger Fee and Dockage Fee described in the published tariff for the 2024 cruise season;

4.3.1.2 For the 2025 through 2028 cruise seasons the Passenger Fee and Dockage Fee shall be increased by four and a half percent (4.5%) annually, or the rate of increase in the published tariff for such cruise season, whichever is lower;

4.3.1.3 For the 2029 cruise season, the Passenger Fee and Dockage Fee will be ninety percent (90%) of the Passenger Fee and Dockage Fee described in the published tariff for the 2029 cruise season;

4.3.1.4 For the 2030 through 2033 cruise seasons, the Passenger Fee and Dockage Fee shall be increased by four and a half percent (4.5%) annually, or the rate of increase in the published tariff for such cruise season, whichever is lower; and

4.3.1.5 Should the Port consent to a Carnival Lines request to exercise the option described in Section 1 above, the Passenger Fee and Dockage Fee that shall apply during the 2034 cruise season shall be ninety percent (90%) of the Passenger Fee and Dockage Fee described in the published tariff for the 2034 cruise season, and for the 2035 through 2038 cruise seasons, the Passenger Fee and Dockage Fee shall be increased by four and a half percent (4.5%) annually, or the rate of increase in the published tariff for such cruise season, whichever is lower.

4.4 Other Components in the Bundled Fee.

4.4.1 Baseline Security Fee. Any increases in this fee will be limited to actual documented increases in the third-party cost of providing this service. To the extent that there is any current markup imposed on this fee, the Port and/or its cruise terminal operator may continue to charge and collect such markup (specifically including on any allowable increase) but will not increase or otherwise change the methodology for calculating such markup.

4.4.3 DOE Memorandum of Understanding Program Fee. Any increases in this fee will be limited to those assessed by the Department of Ecology. The Port has advised the Carnival Lines that the Department of Ecology may elect to bill this fee directly to the Carnival Lines, in which event it would no longer be assessed by the Port as part of the Tariff.

4.4.4 Fire Department Fee for Bunkering Permit. Any increases in this fee will be limited to those assessed by the Seattle Fire Department.

4.5 Other Items. Reimbursable items not included in the bundled fee under

Section 4.1.1 will continue to be charged in a manner consistent with the 2023 cruise season for the Term of the Agreement but at rates then in effect for such items.

5. Minimum Passenger Guarantees.

5.1 Basic Guarantee. The Carnival Lines agree that in each cruise season for the Term of the Agreement they will guarantee a combined minimum of 550,000 revenue passengers (275,000 unique passengers) per year across the Smith Cove Cruise Terminal, the Bell Street Cruise Terminal, and any future Port of Seattle cruise terminal (the "**Basic Guarantee**"). For purposes of meeting the Basic Guarantee, (i) revenue passengers from both home port and port of call vessels will be counted and each revenue passenger will be counted; and (ii) revenue passengers from calls by vessels operated by Affiliated Lines will be counted, each time the bundled per-passenger fee is paid for such revenue passenger. For purposes of the Agreement, port of call vessels include both vessels making an in-transit call at the Smith Cove Cruise Terminal, the Bell Street Cruise Terminal, or any future Port of Seattle cruise terminal, and those vessels which, although not home ported in Seattle, make one or more turnaround calls at the Smith Cove Cruise Terminal, the Bell Street Cruise Terminal, or any future Port of Seattle cruise terminal. The reconciled number of revenue passengers for whom the bundled per-passenger fee is paid will be used for purposes of determining whether the Basic Guarantee has been met.

5.2 Shortfall in Revenue Passengers Under the Basic Guarantee. In the event that the Carnival Lines (together with the Affiliated Lines) fail to bring a combined minimum of 550,000 revenue passengers (275,000 unique passengers) for any cruise season, the Carnival Lines shall make good on the shortfall at a rate equal to the bundled fee payable under this Agreement for the calendar year in which it was to be paid. The shortfall amount, if any, is due no later than December 31 of the year the shortfall occurs.

5.3 Use of Excess Revenue Passengers. In the event that the Carnival Lines fail to bring a minimum of 550,000 revenue passengers (275,000 unique passengers), for any cruise season, they may designate up to 10,000 revenue passengers (5,000 unique passengers) in excess of the minimum from the immediately preceding cruise season within the Term of this Agreement to satisfy the Basic Guarantee.

5.4 Market Incentive Credit. Starting in the 2025 cruise season, if the Carnival Lines have satisfied the Basic Guarantee for any given year, they shall be entitled, in addition to the benefits set forth above in Section 4, to a Market Incentive Credit up to a maximum of \$600,000 per cruise season. Prior to the beginning of the 2025 cruise season, the parties will agree to a baseline number in two categories, 1) Increases in the number of days of pre/post stays by cruise guests, as determined by Intercept surveys from the Port of Seattle, and 2) contracting dollars spent by Carnival Lines to local, small, tribal and disadvantaged businesses in provisioning sourcing. Annual increases in growth will be eligible for the following incentives for each of the two categories:

Less than 1.00% = \$0

Between 1.00-1.99% = \$100,000

Between 2.00-2.99% = \$150,000

Between 3.00-3.99% = \$200,000

Between 4.00-4.99% = \$250,000

5.00% and above = \$300,000

The baseline will reset prior to the 2029 cruise season to the highest year's achievement between 2025-2028, or the baseline for the 2025 cruise season, whichever is higher. If the term is extended in accordance with the option referenced in Section 1, the baseline will reset prior to the 2034 cruise season to the highest year's achievement between 2025-2033, or the baseline for the 2025 cruise season, whichever is higher.

The Carnival Lines will be entitled to a credit in accordance with the thresholds identified above to be applied against the bundled fees for the subsequent cruise season.

5.5 Audit. The Carnival Lines shall maintain during the term of this Agreement true and accurate records, books and data to the extent relevant or necessary to reasonably determine the Carnival Lines compliance with Section 5.4, and that support the number of revenue passengers (both on Affiliated Lines and otherwise) passing through Terminal 91 for a minimum of three (3) years following each cruise season, and as may from time to time be requested by the Port, in accordance with generally accepted accounting principles. The Port shall be permitted to audit and examine all such records and books of account relating to this Agreement, upon reasonable notice. The records, books and data shall be made available for inspection by authorized representatives of the Port at upon reasonable notice during business hours; provided, however, the Port shall only have the right to inspect the Carnival Lines records to the extent reasonably necessary to verify the number of revenue passengers reported by the Cruise Lines and entitlement to credits under Section 5.4. 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%), or an overstatement of entitlement to a credit under Section 5.4, in which event the full cost of the audit will be paid by the Carnival Lines.

6. Environmental Stewardship. The Carnival Lines have worked closely with the Port of Seattle, and partners like 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, 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. The Port and Carnival Lines will work together to resolve environmental issues as they arise; this will further grow the business relationship. Through this continued partnership and as part of this Agreement, the Carnival Lines will provide the Port with necessary data, during the cruise season, as requested as well as providing a summary following each cruise season over the term of this Agreement, for tracking, reporting and communicating environmental progress. Additionally the Carnival Lines will support the elements listed in the attached Exhibit A and Exhibit B and the items below:

6.1 Cruise MOU. The Carnival Lines will continue to comply with agreements with Washington Department of Ecology concerning water quality, and vessel discharge management practices. Carnival Lines will continue to provide information for and participate in annual reviews of such agreements and seek consensus on modifications needed to any agreements during this process.

6.2 Shore Power. All homeported vessels will be shore power capable by the 2026 Cruise Season. The Carnival Lines will connect all home-ported ships unless shore power is unavailable for connection due to actions of the Port of Seattle or Seattle City Light (such as maintenance or outages). On an annual basis the Carnival Lines will meet with the Port of Seattle staff to evaluate home-porting operations and strategies to increase the use of shore power toward a goal of achieving 100-percent use. These requirements are subject to reasonable modification in the future.

The Port may, at its option, for purposes of internal and external air quality and emission program planning, tracking, and communications, obtain from the vessel captain, owners or its representatives information about the methods by which ships achieve ECA compliance, (compliance as managed by USCG) about exhaust gas cleaning system operations and fuel use while inside ECA, and about the use of shore power at berth. Information provided will help inform the Northwest Ports Clean Air Strategy, regional and Port emission inventory updates, and implementation of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals.

6.3 Air Quality and Greenhouse Gas Emissions Inventory. On at least an annual basis, the Carnival Lines will participate, with Port of Seattle and partners, in evaluating, planning and/or developing strategies to reduce emissions from ocean going vessels in accordance with the Northwest Ports Clean Air Strategy and in support of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals. This will include participation in Emission Inventories conducted by the Port of Seattle, on an annual basis.

6.4 Sustainability Partnerships. In support of shared sustainability goals and strategies (e.g. air quality, water quality, waste management, energy efficiency, and items described in Exhibit A) for on-terminal transportation (e.g., shuttle buses), equipment (e.g., cargo handling equipment), regional ground transportation (e.g., motor coach operations and Transportation Network Companies), and as part of the annual planning for shore-side transportation operations, the Carnival Lines will strive to minimize air emissions. This includes demonstrated efforts to employ options such as preferred contracting, incentives, use of newer and/or low and zero-emission buses and engines, low and zero-emission fuels in vehicles and equipment, building efficiency measures, advanced pollution control device retrofits and anti-idling programs. The Carnival Lines will work with Port of Seattle and partners, on at least an annual basis, to identify joint sustainability opportunities, projects, and programs. Where feasible and when agreed upon, the Carnival Lines will work with Ports and partners to develop implementation plans, schedules, and joint communication strategies which may include an option for partnership-funding mechanisms.

6.5 GHG reductions. Carnival Corporation's GHG reduction goals are generally aligned with the Port of Seattle's. The Northwest Ports Clean Air Strategy (the NWPCAS) sets a vision to phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5°C. The Port of Seattle GHG reduction goals include scope 1 and 2 targets to achieve an absolute reduction of 50% by 2030 from a 2005 baseline and net zero by 2040, and scope 3 targets to achieve

an absolute reduction of 50% by 2030 from a 2007 baseline and carbon neutral by 2050. Carnival Corporation's goals are to reduce scope 1 GHG emissions intensity by 20% by 2026 from a 2019 baseline and to pursue net zero by 2050. In pursuit of these goals, the Carnival Lines agree to the following:

6.5.1 The Carnival Lines agree to bunker non-fossil fuel as a demonstration project in Seattle during the 2024 cruise season, subject to availability. The Carnival Lines will collaborate with the Port on the scope of the demonstration project, the total cost of which will be at least \$500,000, but not to exceed \$600,000. As part of the project, a detailed report summarizing the demonstration project will be compiled and shared with the Port of Seattle. The report will include a description of key learnings and recommendations for employing use of similar fuels at scale. Upon receipt, review and approval of the detailed report of the demonstration project by the Port, Carnival Lines will be entitled to a \$300,000 credit against the bundled fees for the 2024 season, if the report is received prior to September 15, 2024, or otherwise for the 2025 cruise season if received prior to September 15, 2025.

If the parties agree that a minimum amount of suitable fuel is not available in 2024, the parties will attempt this demonstration project again during the 2025 season subject to the same availability constraints as above, and the \$300,000 credit associated with the receipt, review and approval of the detailed report of the demonstration project would be applied against the bundled fees for the 2025 cruise season if the report is received by September 15, 2025, or 2026 cruise season if received by December 31, 2025.

The Port and Carnival Lines will jointly work on a campaign to ensure the non-fossil fuel pilot test is leveraged to draw broad awareness among Government stakeholders, fuel supply chain and regulators to support economic transition of maritime alternative fuels.

6.5.2 Carnival Corporation supports the 2023 International Maritime Organization (IMO) Strategy on Reduction of GHG Emissions from Ships and will support the associated short-, mid- and long-term GHG reduction measures to be put in place by the IMO in the coming years, which are intended to create the incentives required to achieve its levels of ambition. As an example, the Carnival Lines fully support the development of economic measures to support the availability and cost-competitiveness of non-fossil fuel in Seattle and will strive for a minimum of 5% non-fossil fuel by 2030 across all homeport ships in Seattle.

6.5.3 Carnival Corporation's GHG reduction goals are generally aligned with the Port of Seattle's Northwest Ports Clean Air Strategy (NWPCAS). Carnival Corporation commits to a reduction of annual greenhouse gas emissions per Available Lower Berth Day of at least 20% by 2030 compared to a 2019 baseline. Both parties acknowledge that IMO GHG intensity measures for cruise are likely to change.

6.5.4 Carnival Corporation will strive to demonstrate a reduction in total (absolute) GHG emissions across its global fleet compared to a 2008 baseline by 2030. Carnival Lines will give due consideration to the Port's goal of reducing absolute GHG emissions by 50% by 2030. Carnival Corporation also commits to developing potential decarbonization pathways

and associated prerequisite assumptions regarding fuel supply and/or technology advancements and will share the results with the Port by December 31, 2026.

6.5.5 The Carnival Lines and the Port will meet annually to review progress on commitments, decarbonization and environmental action, and overall performance. This annual review may be combined with other annual meetings and reviews described elsewhere in this Agreement. The Port will consider these factors in determining whether to consent to a request to extend the term as described in Section 1. The GHG emissions accounting methodology, including well to wake accounting and boundary of measurement will utilize the methodologies developed through the Pacific Northwest to Alaska Green Corridor (PNW2AK) to the extent possible. Any portions of a required methodology not determined through the PNW2AK collaboration will be developed and mutually agreed to by the Parties within 6 months of the PNW2AK Emissions Methodology being developed, but not later than December 31, 2026.

7. Force Majeure.

7.1 Performance Excused. Notwithstanding any language that may be construed to the contrary herein, the Carnival Lines will not have to satisfy the Basic Guarantee or any of its other obligations if an event of Force Majeure (as defined below) occurs. Likewise, the Port will not have to satisfy its obligations under this Agreement if an event of Force Majeure (as defined below) occurs. The party claiming Force Majeure must promptly give the other party notice of such event of Force Majeure.

7.2 Definition. As used in this Agreement, the term “Force Majeure” means 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; outbreak of disease or pandemic; damage to a vessel or other circumstances that preclude a vessel from operating in the normal course; damage to the Smith Cove Cruise Terminal or other circumstances that preclude the Smith Cove 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 Smith Cove Cruise Terminal or in the Alaska market and riots or insurrections at or near the Smith Cove Cruise Terminal or the Carnival Lines’ Alaska terminals.

7.3 Reduction in Basic Guarantee. Notwithstanding the foregoing, the Basic Guarantee for the period during which the event of Force Majeure is continuing shall be reduced in a fair and equitable manner taking into account the extent of the impact of the event of Force Majeure on the Carnival Lines’ operations at the Smith Cove Cruise Terminal, the Bell Street

Cruise Terminal, or any future Port of Seattle cruise terminal. The Carnival Lines shall not be entitled to any Market Incentive Credit during any period of time for which it is excused from meeting the Basic Guarantee (unless, notwithstanding the event of Force Majeure, the Carnival Lines meet the Basic Guarantee).

7.4 Recognition of Long-Term Planning. The parties acknowledge that the Carnival Lines' itineraries need to be published sufficiently in advance of the actual cruise season (generally more than one year) to enable the Carnival Lines to market the cruises and otherwise make appropriate arrangements with ports-of-call and otherwise. Accordingly, if an event of Force Majeure occurs and is continuing and may have a duration that extends into a subsequent cruise season, the Carnival Lines may, at such time as they must finalize itineraries for the subsequent cruise season, notify the Port that they will need to cancel all or part of the calls for that season, in which event the Basic Guarantee will not be applicable to that season.

8. Damage, Destruction or Condemnation. Should any part of the Smith Cove Cruise Terminal necessary for the operation of the Smith Cove Cruise Terminal be either (i) damaged or destroyed by fire or other casualty such that it cannot, with due diligence, be repaired within one sixty (60) days of the occurrence to an extent necessary to enable the Carnival Lines to utilize the Smith Cove Cruise Terminal for its intended purpose, or (ii) taken by condemnation by any federal, state or other local governmental entity such that the remainder of the Smith Cove Cruise Terminal cannot, with due diligence, be modified within sixty (60) days after the effective date of the condemnation so as to enable the Carnival Lines to utilize the Smith Cove Cruise Terminal for its intended purpose, the Port shall have the option to terminate this Agreement and, in that event, neither party shall be obligated to pay any amount for termination. The Port shall provide its written notice of termination not more than ninety (90) days after the occurrence giving rise to the right to terminate. If the Port elects to continue this Agreement notwithstanding such occurrence, it shall proceed with due diligence to complete any work necessary to restore or repair the Smith Cove Cruise Terminal to meet its obligations under this Agreement, but both parties shall be excused, as an event of Force Majeure, from satisfying their obligations, including, in the case of the Carnival Lines, their obligation to satisfy the Basic Guarantee, for the period from the date of the damage, destruction or condemnation until the completion of the restoration and repair.

9. Termination for Default. If a party shall default in its obligations under this Agreement and shall fail to cure the default within fifteen (15) days after notice from the non-defaulting party (unless the default is not curable, in which event there shall be no requirement of notice or cure period), the non-defaulting party may, by notice to the defaulting party, terminate this Agreement. The termination of this Agreement shall not terminate the liabilities and obligations of the parties already accrued as at termination.

10. Defaults. Except as otherwise expressly provided above, in the event a party shall default in its obligations under the Agreement, the other party shall have all rights and remedies available to it at law or in equity.

11. Other Benefited Parties.

11.1 Affiliated Lines. The Carnival Lines are owned by, or under the direct control of, Carnival Corporation and/or Carnival plc. The parties specifically agree that the Carnival Lines may satisfy their obligations under this Agreement through vessels owned by: (i) CCL, PCL or HAL, and/or (ii) any other operating line(s) owned by Carnival Corporation and/or Carnival plc (the "**Affiliated Lines**"). Likewise, the Affiliated Lines shall, when making use of the Smith Cove Cruise Terminal, be entitled to any benefits hereunder, and any revenue passengers provided by such Affiliated Lines shall specifically apply, as designated by the Carnival Lines under the terms of this Agreement, towards the satisfaction of the Carnival Lines' obligations hereunder, including but not limited to the Carnival Lines' obligations pursuant to the Basic Guarantee.

11.2 No Other Assignment. Except as expressly set forth in Section 11.1, the benefits provided under this Agreement are personal to the Carnival Lines and shall not, in whole or in part, be assigned, licensed or otherwise transferred to any party other than the Carnival Lines. The prohibition against assignment, license or transfer specifically includes a prohibition against any assignment, license or transfer by operation of law.

12. Other Terms.

12.1 Notice. All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail or by recognized overnight courier addressed as follows:

To the Port:

Port of Seattle
Attention: Cruise Operations
and Business Development Manager
P.O. Box 1209
2711 Alaskan Way
Seattle, WA 98111

To the Carnival Lines:

Holland America Line N.V.
Princess Cruise Lines, Ltd

Carnival Cruise Lines, a division of
Carnival Corporation
450 Third Avenue West, Seattle, WA 98119
Attn: Robert Morgenstern, Senior Vice
President, Alaska Operations

and

With a Copy to:

Port of Seattle
Attention: General Counsel
P.O. Box 1209
2711 Alaskan Way
Seattle, WA 98111

With a Copy to:

Carnival Corporation Legal Department
24305 Town Center Drive
Santa Clarita, CA 91355
Attn: Daniel Howard
Deputy General Counsel

or to such other respective addresses as either party hereto may hereafter from time to time

designate in writing. 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 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.

12.2 Joint and Several Liability. The Carnival Lines shall be jointly and severally liable under this Agreement with respect to any amounts payable under this Agreement. It is understood and agreed that for convenience the term "Carnival Lines" and associated verbs are plural, but each of the companies constituting the Carnival Lines shall have all of the benefits hereunder and shall be entitled to exercise any of the rights hereunder.

12.3 Insurance. The Carnival Lines shall provide the Port evidence of commercial general liability insurance against claims for bodily injury, personal injury and property damage arising out of the tenancy, use, occupancy or maintenance of the Smith Cove Cruise Terminal and all areas appurtenant thereto as defined in this Agreement. The policy shall include the Port as an additional insured and Carnival Lines insurance shall be primary and non-contributory to any insurance the Port carries. The policy shall also contain a waiver of subrogation in favor of the Port. The limits of coverage shall be no less than \$5 million per occurrence and \$5 million in the annual aggregate, such limits permitted to be obtained through a combination of primary and excess liability/umbrella cover. The policy shall not have specific exclusions for claims arising on docks, piers or wharves, nor any exclusions for bodily injury or property damage that incur on or due to gangways, bridges, or passenger loading bridges that are used to load and unload passengers between the cruise ships and landside on Smith Cove Terminal. . The Carnival Lines shall provide the Port evidence of automobile liability insurance on a combined single limit basis for bodily injury and property damage for all owned, non-owned, rented or leased automobiles brought onto the Smith Cove Cruise Terminal and all areas appurtenant thereto as defined in this Agreement.

12.3.1 The Carnival Lines shall provide the Port evidence of insurance coverage as follows:

- a. Protection and indemnity coverage for each cruise ship that will dock and operate out of Smith Cover Terminal and all areas appurtenant thereto as defined in this Agreement. The protection and indemnity policy shall provide coverage against third party claims for loss of life, injury, illness, and property damage, and coverage for wreck removal and oil pollution for occurrences in which Carnival Cruise is the liable party to the incident that caused the damages. Coverage limits per occurrence shall be no less than \$10 million per occurrence.
- b. First party coverage that shows coverage for the hull and vessel itself,
- c. Coverage for protection and indemnity as offered by Carnival Cruise's entry into one or more International Group P&I Clubs is acceptable to the Port.

d. The Port shall be provided with evidence of the above required insurance when the Agreement commences and annually thereafter no later than ten (10) days from the date of when the expiring insurance expired.

12.3.2 The Carnival Lines are responsible for ensuring that it meets any and all insurance requirements relative to Revised Code of Washington Title 51 Industrial Insurance, and, if applicable, the insurance requirements that pertain to the United States Longshore and Harbor Worker's Compensation Act and the Jones Act.

12.3.3 The Carnival Lines shall notify the Port of any mid-term insurance cancellation.

12.3.4 Indemnification. The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Carnival Lines or by others including, but not limited to, all persons directly or indirectly employed by the Carnival Lines or any agents, contractors, or subcontractors of the Carnival Lines, as a result of any condition (including existing or future defects in the Smith Cove Cruise Terminal) or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Smith Cove Cruise Terminal and the areas adjacent thereto, or related in any way to the Carnival Lines' use or occupancy of the Smith Cove Cruise Terminal and of areas adjacent thereto. The Carnival Lines agree to defend, indemnify and to hold and save the Port harmless from all liability or expenses (including attorneys' fees, costs, and all expenses of litigation) in connection with any such items of actual or alleged injury or damage, except to the extent such injury or damage is caused by the negligence or intentional conduct of the Port. The Carnival Lines expressly agree that their duty to defend and indemnify the Port includes negligent acts which are concurrent, contributory, or both by the Port, resulting in said damage or injury. However to the extent this Agreement is construed to be subject to RCW 4.24.115, and where the injury or damage arises from the concurrent negligence of the Port and the Carnival Lines, the Carnival Lines' indemnity will only extend to its negligence.

12.4 Captions. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

12.5 Governing Law: Venue. This Agreement shall be construed under the laws of Washington. Exclusive jurisdiction and venue for any action relating hereto shall be in the state or federal courts located in King County, Washington.

12.6 Attorneys' Fees. In the event that either party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and in the further event that one party shall substantially prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in

the trial court and in any appellate courts.

12.7 Invalidity of Particular Provisions. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

12.8 Amendments. No modification or amendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

12.9 Conflicts or Inconsistencies. In the event the provisions of this Agreement conflict with or are inconsistent with any other Port agreement or Port requirement regarding use of the Smith Cove Cruise Terminal, the provisions of this Agreement shall control.

12.10 Port Management Agreement. With respect to 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 (DNR) and the Port of Seattle, which Port Management Agreement is hereby incorporated by this reference, any future Port Management Agreement between the Port and DNR that is executed during the Term of the Agreement, which will be provided to the Carnival Lines upon request.

12.11 Security. Carnival Lines 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, or other security equal to THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00) (hereinafter referred to as "Security"), to secure the full performance under 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. The Security shall remain in place at all times throughout the full term of this Agreement. If the Security is in a form that periodically requires renewal, the Carnival Lines must renew the Security not less than 45 days before the Security is scheduled to expire. 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. The Port may apply all or part of the Security to any unpaid sum due hereunder, or to cure other defaults of Carnival Lines. If the Port uses any part of the Security, the Carnival Lines 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. The Security is a part of the consideration for the execution of this Agreement.

12.12 COMPLIANCE WITH ALL LAWS, ETHICAL STANDARDS AND ANTI-CORRUPTION. The parties agree to abide by their respective ethical standards, practices and internal policies. Each party will comply with all local, state, federal, and other laws, rules, regulations, or other requirements applicable to its operations, including those relating to environmental compliance, worker safety, anti-corruption, economic sanctions, trade restrictions, labor and human trafficking.

PORT OF SEATTLE

HOLLAND AMERICA LINE N.V.

By: _____

By:

Its: _____

Its:

PRINCESS CRUISE LINES, LTD

CARNIVAL CORPORATION

By: _____

By: _____

Jan Swartz

Its: _____

Its: EVP, Strategic Operations

EXHIBIT A

The Carnival Lines makes the following sustainability, equity, and workforce development commitments:

- The Carnival Lines will continue to provide ongoing leadership and engagement in the Green Corridor.
- The Carnival Lines will use reasonable commercial efforts to enter into multi-party shore power agreements with all other cruise lines at Terminal 91, allowing access to any proprietary equipment by December 31, 2024 with entities who have made requests, or within one hundred twenty (120) days of any future requests. Charges relating to access to such shore power equipment will be on a cost-recovery basis as outlined in a Shore Power Use Agreement between Carnival and any other operating line and must be made available in a non-discriminatory manner. The Shore Power Use Agreement is inclusive of use, repair and maintenance costs to be proportionally shared among users based on call volume. Third party cruise lines are directly responsible for their own equipment costs, user personnel costs and modifications needed for use where not required by Carnival. Third Party users will also contract with an Authorized Contractor for shoreside services necessary to connect/disconnect cruise ships and ongoing monitoring of shore power equipment. The Carnival Lines will negotiate in good faith with the Port regarding a potential sale of the Carnival owned shore power equipment at Terminal 91 at fair market value prior to the easements relating to such shore power equipment expiring in 2029.
- Additionally, it is the intent of the Port of Seattle to require all cruise vessels (from all brands) to plug in to shore power in the future.
- The Carnival Lines will continue to partner with the Department of Ecology and others on public engagement and policy making regarding EGCS operations and wash water.
- The Carnival Lines will continue to participate in the ECHO and Quiet Sound programs.
- The Carnival Lines will continue to participate in and adhere to the Port's Stormwater Best Management Practices.
- The Carnival Lines will communicate to booked cruise guests through pre-cruise travel communications how to choose lower GHG alternatives for transport to and from the cruise terminals, and will coordinate with the Port on standards relating to taxis, TNCs, and other transportation options.
- The Carnival Lines will provide incentives for ground handlers who use lower GHG alternative forms of transportation, and require that all motorcoaches in Seattle have a 2007 model year engine or newer, or with emission controls that achieve the equivalent level of air quality.

- If Carnival Lines contracts directly with stevedores at Smith Cove Terminals, the Carnival Lines will encourage stevedores use of low emission equipment with a zero emission shoreside goal by 2030. Carnival lines will partner with the Port, Stevedore and other parties to achieve this 2030 goal.
- The Carnival Lines will work with local non-profits on donations of reusable goods.
- Twice per cruise season on mutually convenient dates and times, the Carnival Lines will provide ship tours for education and workforce development purposes.
- The Carnival Lines will develop a Responsible Sourcing pilot program for Seattle that promotes small, diverse, disadvantaged, tribal and local suppliers, and focuses on capability building with key suppliers.
- The Carnival Lines will use reasonable efforts to partner with Maritime focused non-profit entities to assist in creating curriculum and experiential field-based learning opportunities and internships for students as part of Maritime-focused workforce development programs.
- Carnival Lines will collaborate with the Port on Anti-human trafficking efforts and will sign on to the Port Allies Against Human Trafficking Pledge.
- The Carnival Lines will participate in an annual review of their efforts with respect to diversity with ground handlers, and participate to a reasonable extent in programs related to equity.

EXHIBIT B

Carnival Lines Reporting Requirements

Prior to the beginning of the Season, the Carnival Lines will submit the following information for each vessel scheduled to call at the Port of Seattle:

- Shore power capability status per ship
- Advance Wastewater Treatment system type
- Exhaust Gas Cleaning System by type and usage
- Other emission reduction technology and/or innovations on board each vessel
- the Carnival Lines will identify which of their vessels currently have ALS or other noise reduction technology, as well as planned retrofits

Weekly during the season, The Carnival Lines will submit the following information for the previous week for each vessel calling at the Port of Seattle.

- Shore power connection per call, including whether a ship connected, start time of connection, any times of disconnection, duration of connection, power (kw), and energy (kWh) consumed during connection and the total utility costs per shore power connection. If Connection failed, include documentation and explanation of reasons for failure to assist in problem solving.
- Fuel type(s) used onboard, per vessel, and fuel specifications (e.g., origin, sulfur content, and other criteria).
- Fuel consumption quantity by fuel type and use (e.g. main, auxiliary, boiler operating engines, pilot fuel, etc.), including fuel type switching activity.

ANNUAL REPORTS: In addition to the information above, annually, the Carnival Lines will submit an annual report with the following information, by December 1st of each cruise season. Such annual report will include:

1. Quiet Sound participation as further described in Exhibit A
2. Other emission reduction technology and/or innovations on board each vessel
3. Provisions sourcing via local, small, diverse, WMBE and disadvantaged businesses, as further described in Exhibit A.
4. Disaggregated organizational demographics by hierarchy, shipboard and land based
5. Any additional metrics requested as mutually agreed. .
6. The Carnival Lines will report progress on food waste and single use plastics reduction efforts via annual sustainability reporting, and regionally communicate such efforts.
7. To measure GHG emissions and progress toward GHG reduction targets, the Carnival Lines agrees to share data on total GHG emissions and GHG emissions intensity (GHG emission per-available-lower-bed capacity) as needed to contribute to emissions inventories (including Port of Seattle GHG inventories) that may occur on an annual basis.

8. On an annual basis the Carnival Lines will meet with the Port of Seattle staff to evaluate home-porting operations and strategies to increase the use of shore power toward a goal of achieving 100-percent use per shore-power capable call.
9. On at least an annual basis, the Carnival Lines will participate, with Port of Seattle and partners, in evaluating, planning and/or developing strategies to reduce emissions from ocean going vessels in accordance with the Northwest Ports Clean Air Strategy and in support of Port of Seattle's Century Agenda and greenhouse gas emission reduction goals.
10. On at least an annual basis, Carnival Lines will work with Port of Seattle and partners to identify joint sustainability opportunities, projects, and programs.