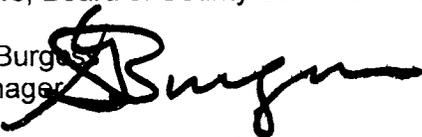


# Memorandum

MIAMI-DADE  
COUNTY

**Date:** November 16, 2010

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Resolution Authorizing Execution of Cruise Terminal Agreement between Miami-Dade County and Prestige Cruise Holdings

Agenda Item No. 8(Q)(1)(A)

## **RECOMMENDATION**

It is recommended that the Board of County Commissioners (Board) approve the accompanying resolution authorizing the execution of a Cruise Terminal Agreement ("Agreement") between Miami-Dade County ("County") and Prestige Cruise Holdings ("PCH").

## **SCOPE**

The Port of Miami (Port) is located within District 5 – Commissioner Bruno A. Barreiro. The impact of this agenda item is countywide, as the Port is a regional asset and generates employment for residents throughout Miami-Dade County.

## **FISCAL IMPACT/FUNDING SOURCE**

This Agreement provides PCH with preferential berthing rights while providing the Port a minimum annual guarantee of no less than twelve (12) vessel calls per year throughout the Agreement's three (3) year term. The Agreement is expected to generate \$900,000 of revenue to the Port over its initial three year term.

Annual PCH revenues to the County during fiscal years 2009 and 2010 were \$117,128 and \$124,000, respectively.

## **TRACK RECORD/MONITOR**

The Seaport Department staff members responsible for monitoring the Agreement are Juan Kuryla, Deputy Port Director; Kevin Lynskey, Assistant Director, Business Initiatives; and Hydi Webb, Business Development Manager.

## **BACKGROUND**

Oceania Cruises Inc., ("Oceania") has been headquartered in Miami-Dade County since the company was created in 2002. This upper-premium cruise line has been homeporting seasonally from the Port of Miami since 2003 with a series of 10-, 11-, and 12-day itineraries to the Caribbean and the Panama Canal. Oceania has a current cruise fleet consisting of three (3) cruise ships and will introduce its newest vessels, the *Marina* and *Riviera*, in 2011 and 2012, respectively. The *Marina* will arrive to the Port of Miami in February 2011. Inaugural activities, including the ship's christening, are currently being planned.

Oceania is owned by Prestige Cruise Holdings ("PCH"). Formed in 2007, PCH is a subsidiary of Apollo Management and the parent company of Oceania Cruises and Regent Seven Seas Cruises. While Oceania has traditionally homeported in Miami, Regent Seven Seas Cruises has traditionally homeported in Port Everglades. Both of these cruise brands are managed independently of each other.

Oceania has operated from the Port of Miami with a series of short-term agreements approved by the Board as follows:

- On October 7, 2003, the Board approved Resolution R-1093-03, which authorized the execution of a Cruise Terminal Agreement ("CTA") between Miami-Dade County and Oceania for a period of two (2) years, from October 1, 2003 through September 30, 2005.
- On September 8, 2005, the Board approved Resolution R-1042-05, Amendment No. 1 to the CTA, authorizing an extension of the term for another two (2) years, through September 30, 2007.
- On January 10, 2008, the Board approved Resolution R-39-08, Amendment No. 2 to the CTA, extending the term an additional (3) years, through September 30, 2010.

At this time, both the Port and Oceania desire to enter into a new contractual agreement between the County and Prestige Cruise Holdings.

Under the terms of this proposed Agreement, PCH commits to homeporting Oceania vessels at the Port Miami with a minimum of twelve (12) vessel calls each fiscal year. Additionally, PCH commits Miami as the exclusive homeport for Oceania vessels in South Florida (Palm Beach, Broward, Monroe, Brevard, and Miami-Dade Counties). PCH will not homeport any Oceania vessel in another South Florida port throughout the term of this Agreement, unless the Port is unable to provide Oceania with a suitable terminal within a required timeframe. In return, the County will grant PCH preferential berthing rights at Terminal J, as set forth in Exhibit A: Oceania Cruises' 2010-2011 berth schedule. PCH will update the berth schedule on an annual basis.

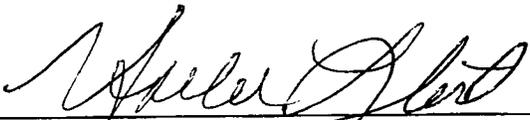
PCH will pay the County a total of \$16.60 for passenger wharfage for Fiscal Year 2010-2011 (FY11). This represents \$8.30 per embarking passenger plus \$8.30 per debarking passenger. Wharfage fees shall increase three percent (3%) each fiscal year throughout the term. The dockage rate for Oceania vessels shall be \$0.218 per gross registered ton for FY11 and also increase three percent (3%) each fiscal year throughout the term. As with all CTAs, these rates represent a discount from the existing Port of Miami Terminal Tariff No. 010.

The term of this Agreement is for a period of three (3) years. PCH shall have the option to request an extension of this Agreement for up to two (2) additional terms of one (1) year, upon PCH providing written notice to the County. Should this option be exercised, PCH and the County shall negotiate mutually-agreeable terms of the extension and such extension would be brought back to the Board for its consideration.

The Port of Miami is recognized a world-class port with a diversity of cruise brands appealing to a range of passenger budgets. The continuing presence of Oceania Cruises at the Port will solidify Miami's offering of an upper-premium cruise brand while continuing to support its operations with additional revenue.

#### **DELEGATED AUTHORITY**

In accordance with Section 28.3 of the Miami-Dade County Code related to identifying delegation of the Board authority, there are no authorities beyond that specified in the resolution which include the authority for the Mayor or Mayor's designee to execute the Agreement.

  
Assistant County Manager



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners **DATE:** November 16, 2010

**FROM:** R. A. Cuevas, Jr.  **SUBJECT:** Agenda Item No. 8(Q)(1)(A)  
County Attorney

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 8(Q)(1)(A)

11-16-10

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING EXECUTION OF A CRUISE  
TERMINAL AGREEMENT BETWEEN MIAMI-DADE COUNTY  
AND PRESTIGE CRUISE HOLDINGS; AND AUTHORIZING THE  
MAYOR OR DESIGNEE TO EXECUTE THE AGREEMENT FOR  
AND ON BEHALF OF MIAMI-DADE COUNTY

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board:

Section 1. Approves the execution of a Cruise Terminal Agreement between Miami-Dade County and Prestige Cruise Holdings in the form attached hereto and made a part hereof;

Section 2. Authorizes the Mayor or Designee to execute this Agreement after review and approval by the County Attorney's Office.

The foregoing resolution was offered by Commissioner \_\_\_\_\_,  
who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_  
and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman	
Jose "Pepe" Diaz, Vice-Chairman	
Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 16<sup>th</sup> day of November, 2010. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS  
  
HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Richard Seavey

**CRUISE TERMINAL AGREEMENT  
BETWEEN MIAMI-DADE COUNTY AND PRESTIGE CRUISE HOLDINGS**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between Prestige Cruise Holdings (hereinafter "PCH"), as agent for certain shipowners, and Miami-Dade County, Florida, a political subdivision of the State of Florida (hereinafter "the County"). PCH and the County are hereinafter collectively referred to as "the Parties."

**WITNESSETH:**

**WHEREAS**, the County owns certain lands located in Miami-Dade County, Florida, on which the Dante B. Fascell Port of Miami-Dade (hereinafter "the Port") is located; and

**WHEREAS**, the County operates the Port through the Miami-Dade County Seaport Department which is a department of the County; and

**WHEREAS**, PCH is in the cruise business and manages assets in the Oceania Cruises and Regent Seven Seas Cruises brands and manages and operates vessels operating under such brands ("Vessels"); and

**WHEREAS**, on January 10, 2008, via Resolution No. R-30-08, the Board approved Amendment No. 2 to the Cruise Terminal Agreement between Miami-Dade County and Oceania Cruises, Inc., which terminated September 30, 2010; and

**WHEREAS**, PCH has a significant economic impact on the County's economy; and

**WHEREAS**, PCH vessels intend to call on the Port with such frequency that PCH has requested the County to enter into a cruise terminal agreement; and

**WHEREAS**, in consideration of PCH's commitment to home port vessels at the Port as set forth in detail below, and other good and valuable consideration, the County finds it to be in its best interest to enter into a cruise terminal agreement with PCH on the terms and conditions hereinafter set forth;

**NOW, THEREFORE**, in consideration of the premises, and of the mutual covenants, term and conditions, and agreements hereinafter contained, the sufficiency of which are hereby acknowledged, the Parties hereto do and hereby mutually agree and bind themselves as follows:

**1. RULES OF CONTRACT INTERPRETATION**

For all purposes of this Agreement, unless otherwise expressly provided:

b

- (a) A defined term has the meaning assigned to it;
- (b) An accounting term not otherwise defined has the meaning ordinarily given to it by accountants in accordance with generally accepted accounting principles;
- (c) Words in the singular include the plural, and words in the plural include the singular;
- (d) A pronoun in one gender includes and applies to other genders as well;
- (e) The Parties hereto agree that this Agreement shall not be more strictly construed against either the County or PCH;
- (f) All exhibits and appendices attached hereto shall be deemed incorporated here; and,
- (g) All recitals set forth above shall be deemed incorporated herein.

## 2. DEFINITIONS

- (a) **"Affiliate"** An "affiliate" of, or a person "affiliated" with, a specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. Currently two luxury cruise brands are affiliates, which are Oceania Cruises and Regent Seven Seas Cruise.
- (b) **"Agreement"** means this Cruise Terminal Agreement between the County and PCH.
- (c) **"Applicable Laws"** means those applicable federal, state and local laws, rules, regulations, codes, ordinances, resolutions, administrative orders, schedules, permits, decrees, tariffs, orders and Seaport Department policies and procedures which govern or relate to the respective Parties' obligations and performance under this Agreement, all as they may be amended from time to time.
- (d) **"Berth"** shall mean that portion of the Terminal(s) utilized for the berthing of vessels.
- (e) **"Berth Schedule"** shall have the meaning set forth in Section 3(a)(i).
- (f) **"County"** means Miami-Dade County, a political subdivision of the State of Florida, and all departments, agencies and instrumentalities thereof,

including, without limitation, the Miami-Dade County Seaport Department.

- (g) **"DERM"** means the Miami-Dade County Department of Environmental Resources Management.
- (h) **"Dockage"** means the charge assessed for dockage under Port of Miami Terminal Tariff No. 010 per 24-hour period.
- (i) **"Effective Date"** shall have the meaning set forth in Section 4 hereof.
- (j) **"Fiscal Year"** means the County's fiscal year, which begins October 1 and ends September 30.
- (k) **"Force Majeure"** has the meaning set forth in Section 22.
- (l) **"Home Port"** means the Port from which a vessel embarks and disembarks passengers as the point of origination and conclusion.
- (m) **"Initial Term"** shall have the meanings set forth in Section 4 hereof.
- (n) **"Minimum Annual Guarantee"** means the minimum annual vessel calls that PCH commits to make to the County as set forth in Section 3(c).
- (o) **"Oceania Cruises"** means Oceania Cruises, a Panama corporation, registered to do business in the State of Florida.
- (p) **"Oceania Vessel"** means any vessel either owned, time or voyage chartered, or operated by Oceania Cruises.
- (q) **"PCH Vessel" or "PCH Vessels"** means a vessel or vessels owned or operated by PCH or its affiliates.
- (r) **"Preferential Berthing Rights"** means a first priority right and preference to PCH Vessels over any other ship requesting berthing rights as set forth in Section 3, but does not mean an exclusive berthing right.
- (s) **"Port"** means the Dante B. Fascell Port of Miami-Dade County.
- (t) **"Port Director"** means the Director of the Miami-Dade County Seaport Department.
- (u) **"Shortfall Payment"** means a payment made by PCH in any one Fiscal Year in which PCH generates fewer calls than committed through its Minimum Annual Guarantee.

- (v) **"Tariff" or "Port Tariff"** means the Port of Miami-Dade Terminal Tariff No. 010, Rates, Rules, and Regulations for the Seaport Facilities of Miami-Dade County, Florida, in effect on the effective date of this Agreement, which includes tariffs for dockage, wharfage, harbor, water fee, and rental, among others. The parties acknowledge and agree that the County may unilaterally revise or amend the terms and rates contained in the Tariff from time to time and at the County's sole discretion.
- (w) **"Terminal(s)"** means any and all land, facilities, buildings, gangways and improvements at the Port, excluding associated parking garages, described in Section 3.
- (x) **"Wharfage"** means the charge assessed for passenger wharfage under Port of Miami Terminal Tariff No. 010 per each embarkation and per each debarkation.

### 3. PCH AND PORT OF MIAMI PLEDGES

- (a) Terminal Use.
  - (i) The County hereby grants to PCH Preferential Berthing Rights to utilize Terminal J during the time periods when a PCH vessel is docked at the Port as set forth in the Berth Schedule (as defined below), as the same may be changed or updated by PCH pursuant to this Section 3, through the Initial Term of this Agreement. Attached hereto as Exhibit "A" is a schedule (the "Berth Schedule") of the date and PCH Vessels that PCH intends to berth at the Port during Fiscal Year 2010-11. PCH shall notify the County, in writing, of any changes to the Berth Schedule not less than twelve (12) months prior to the earliest date affected by the change to the Berth Schedule. In addition, PCH shall update the Berth Schedule on an annual basis. The Parties acknowledge that it is in the best interests of the cruise lines and the Port to work together cooperatively concerning scheduling to maximize the use of the Port's cruise terminal(s).
  - (ii) The County covenants and agrees that PCH shall have Preferential Berthing Rights to utilize Terminal J for the berthing of PCH Vessels for embarkation and disembarkation of passengers and for PCH Vessel related events such as inaugural sailings, travel agent and sales employee receptions related to "cruises to nowhere" and other promotional events associated with the marketing of a PCH Vessel or the Port so long as such events are reflected in the Berth Schedule, as changed or updated from time to time pursuant to Section 3(a)(i). "Terminal" shall mean Terminal J and PCH shall

receive Preferential Berthing Rights for the use of such Terminal. If PCH has multiple vessels on any particular day all of which Terminal J cannot accommodate, then the PCH shall have the right to use another terminal at which another cruise line has preferential berthing rights, provided that such use will not interfere with the preferential berthing rights of other cruise line Agreements.

- (iii) The County shall have the right to allow other vessels to use any Berth and the Terminal(s) at any time during which PCH has not been granted Preferential Berthing Rights pursuant to the Berth Schedule or pursuant to this Section 3 subject to the requirements of this Section 3(a). The assignment of particular terminals to cruise lines shall be at the sole discretion of the Port Director.

(b) Port Fees.

- (i) Wharfage: Notwithstanding and prevailing over any other provision to the contrary in the Tariff or otherwise and in consideration for providing the home port guarantee set forth in section (c), the wharfage rates that apply to passengers on an Oceania Vessel shall be \$8.30 for embarkation and \$8.30 for debarkation for Fiscal Year 2011.
- (ii) Dockage: Notwithstanding and prevailing over any other provision to the contrary in the Tariff or otherwise and in consideration for providing the home port guarantee set forth in section (c), the dockage rate that applies to Oceania Vessels shall be \$ .218 per gross registered ton for Fiscal Year 2011.
- (iii) The County may increase the Wharfage and Dockage PCH is charged pursuant to Section 3(b) in an amount equal to any percentage increase of the Wharfage and Dockage otherwise charged to cruise lines and Port users in general; provided, however, no such increase in dockage or wharfage shall be in excess of three percent (3%) per annum of the then existing rate chargeable to PCH; and provided, further, rates shall not be increased more than one time in each twelve month period.

(c) PCH Minimum Annual Guarantee and Home Port Commitment.

- (i) Commencing Fiscal Year 2011 and over the Initial Term, PCH shall have a Minimal Annual Guarantee of 12 vessel calls at the Port during each fiscal year. If PCH fails to meet this guarantee, it shall make a Shortfall Payment to the County within thirty (30) days of the end of the fiscal year in which the guarantee was not

met. Shortfall payments will be based on the average dockage and wharfage dollar amounts for all combined calls during a given fiscal year.

- (ii) PCH agrees that the Port shall be the exclusive Home Port in South Florida (i.e. Palm Beach, Broward, Monroe, Brevard, and Miami-Dade Counties) for all Oceania Vessels and PCH shall not Home Port any Oceania Vessels in another South Florida port from such time until the end of the Initial Term; provided, however, PCH shall have the right to seek a waiver of the requirement of this subsection, which will be granted upon written request to the Port Director, in the instance that County at the time of PCH's berthing request is unable to provide PCH with a suitable terminal for an Oceania vessel in the required timeframe. In the instance the County can not comply with such berthing request, PCH, at its sole option may commit the Oceania vessel to another port until such time as the Port of Miami can accommodate the Oceania vessel in question. PCH will not be considered to be in breach of this Agreement should it deploy a vessel away from Miami under the terms of this sub-Section.

#### **4. INITIAL TERM AND EFFECTIVE DATE**

This Agreement shall be effective ("Effective Date") upon its approval by the County's Board of County Commissioners and the expiration or waiver of any Mayoral veto period. Subject to the terms and conditions contained herein, the Initial Term of this Agreement shall be for a period of (3) three years from the effective date. PCH shall have the option to request an extension of this agreement for up to two (2) additional terms of one (1) year upon PCH providing notice to the County within one (1) month prior to the termination of the then-existing term, but the terms shall be negotiated between PCH and the County. If PCH exercises such option, the County and PCH shall seek to negotiate mutually-agreeable terms of extension in which case they shall enter into an agreement which shall reflect such agreed terms. Absent the execution of such an amendment, neither party shall be obligated to continue under the terms of this agreement beyond its stated term.

#### **5. PERMITTED USE OF TERMINAL**

- (a) No Unlawful or Unauthorized Use. PCH shall not use the Terminal(s) for any unlawful purpose, any use other than a cruise passenger terminal, or any use prohibited by Applicable Laws.

- (b) No Abandonment or Cessation of Service, Exceptions. During the Term, including any renewal term, PCH agrees not to abandon or cease service to the Terminal(s).
- (c) Port and Vessel Registration Requirements. Prior to operating any PCH Vessel from the Terminal(s), PCH must first register such vessel with the Port and deliver copies of all required vessel certifications, approvals, and operating permits to the Port.
- (d) Terminal Advertising and Promotions. The County shall have the right to advertise and/or promote in the interior and exterior of the Terminal(s) in the County's sole discretion.

**6. SECURITY, MAINTENANCE AND REPAIR OF THE TERMINAL(S)**

- (a) Terminal Maintenance & Security Responsibility.
  - (i) PCH shall have no responsibility or obligation to maintain the Terminal(s), except as provided in this Section 6(a). When using the Terminal(s), PCH shall at all times, at its own cost and expense, keep the Terminal(s) in a clean, orderly, secure, and safe condition, normal wear and tear excepted, and be responsible for security of the apron, wharf and interior portions of the Terminal(s) when using the Terminal(s).
  - (ii) The County shall:
    - a. Provide electricity, water and sewer service to the Terminal(s).
    - b. Maintain, repair and replace, as needed, the electrical, heating, ventilating, air-conditioning, elevators, escalators, mechanical, plumbing, safety systems, wiring systems, carpets, fixtures, furniture, lighting and structural components of the buildings and improvements comprising the Terminal(s) and paint the exterior and interior of the Terminal(s), as necessary, and keep same in good working order and operating condition to accommodate PCH's then current fleet throughout the Term.
    - c. Except as provided in Section (6)(a)(i) above, provide all necessary janitorial services in accordance with the County's current practice.

- d. Make repairs at its own cost and expense to all paved surfaces, all utilities and lighting at the Terminal(s) and the surrounding areas.
    - (iii) PCH shall not make any changes or alterations to the Terminal(s) without the prior written permission of the Port Director.
  - (b) PCH solely shall be responsible for complying with all federal, state and local security requirements related to PCH's operations at the Port. PCH agrees to indemnify and hold harmless the County for any security or security-related notice of violation or other fine or penalty of any kind or in any form whatsoever that is based on action or inaction by PCH or its affiliates, employees, contractors, subcontractors or passengers.
  - (c) County Rights to Enter Terminal Space. The County, its agents and representatives and federal, state and local law enforcement officers may at all times and without advanced notice, enter the Terminal(s) to view, inspect, and/or show the Terminal(s), or for any other purpose.
  - (d) Casualty.
    - (i) In the event that any of the Terminal(s) or any portion thereof, is damaged or destroyed by fire or other casualty, or the Port is inaccessible to PCH Vessels or passengers (including without limitation, due to damage or destruction to the Port bridge or waterway), the County shall promptly notify PCH of such an event and repair or remedy the damage or situation to the condition that existed immediately prior to such casualty or provide reasonably suitable temporary alternative accommodations, at the Port's option.
    - (ii) In the event of any such casualty that only affects the Terminal(s), the County shall make reasonable efforts to provide alternative berthing and terminal facilities at the Port to enable PCH to continue its operations until the affected Terminal(s) is/are restored.
    - (iii) In the event of a casualty, the provisions of this Agreement temporarily shall be suspended and the term of this Agreement shall be extended accordingly until reasonably suitable temporary accommodations are available on the Port.

**7. SIGNAGE AT TERMINAL(S)**

- (a) The County requires the use of international symbols for all safety and visitor signs (such as elevators, check-in, and safety instructions) and the County agrees to maintain such international signage at the Terminal(s) at all times, at its sole cost and expense.
- (b) PCH shall at all times be permitted to maintain temporary and removable signage inside of a particular Terminal for PCH and the PCH Vessels when PCH is using a particular Terminal provided same complies with the Miami-Dade County Sign Ordinance requirements or its successor as such may be amended from time to time, and all Applicable Laws, has been approved in advance by the Port Director, and is removed by PCH. PCH shall be solely responsible for all costs associated with the design, construction, installation and removal of such signage at the direction of the Seaport.
- (c) PCH acknowledges that the County has entered or may enter into agreements for commercial signs and advertising both within and outside Port terminal(s) and elsewhere on the Port. PCH agrees that this Agreement shall not preclude or in any way affect such commercial sign and advertising agreements, or the County's rights or ability to enter into such agreements in the future.

**8. CRUISE TERMINAL AGREEMENT NOT A LEASE**

It is agreed that this Agreement is not a lease, and that no interest or estate in real property or the improvements located in or at the Terminal(s) is created by this Agreement.

**9. COMMITMENT ON INDEMNITY AND INSURANCE**

- (a) Indemnification by PCH. PCH agrees to indemnify, protect and hold harmless the County, its agents and employees, from and against all suits, actions, claims, demands, damages, losses, penalties or fines, expenses, attorneys' fees, and costs of every kind or description to which the County, its agents or employees may be subjected which are caused by or arise out of, in whole or in part, the reckless or negligent acts or omissions or intentional misconduct of PCH or its agents, employees, officers or contractors which arise from, grow out of, or are connected in any way with either the occupation and use of the Terminal(s) by PCH or its agents, employees, officers, contractors, subcontractors, invitees or guests under this Agreement or any breach of this Agreement by PCH; except to the extent that such damage, loss or liability is caused by the negligence of, or intentional misconduct of the County or its employees, officers, agents, contractors, subcontractors, invitees or guests. This indemnity obligation

shall apply regardless of whether such suits, actions, claims, damages, losses, penalties, or expenses and costs be against or sustained by others to whom the County, its agents or employees may become liable. Upon request of the County, PCH shall undertake to defend, at its sole cost and expense, any and all suits brought against the County in connection with the matters specified in this Section.

- (b) Indemnification by County. The County does not agree to indemnify PCH.
- (c) No Actions to Invalidate Insurance Policies of County. PCH covenants that it will not permit to be done on or about or in the proximity of the Terminal(s), anything which shall invalidate the County's fire, casualty, liability or other insurance policies, if any, with respect to the Terminal(s) or violate any terms thereof, or increase the premiums payable therefore.
- (d) Environmental. PCH shall comply with all federal, state and local environmental laws and regulations applicable to the use, storage and handling of hazardous substances, hazardous materials, industrial wastes, hazardous wastes and wastes generated on or by PCH Vessels, in, on, or near the Terminal(s). PCH shall indemnify and hold harmless the County, its officers, employees, agents, successors and assigns from, and assume liability for, any and all claims, liabilities, causes of action, obligations, damages, penalties, costs, charges, and expenses (including, but not limited to, reasonable attorneys' fees, environmental response and remediation costs and the costs and expenses of appellate action, if any) imposed on, incurred by or asserted against the County by any party including, without limitation, governmental entities, to the extent it arises out of, is in connection with or relates in any way to any environmental condition or contamination or any violation of applicable Federal, state or local environmental law with respect to the Terminal(s), caused or created in whole or in part by PCH or its employees, officers, agents or guests.
- (e) Insurance Coverage Required. PCH shall procure and maintain throughout the Term, at its sole cost and expense, insurance coverage as required below. PCH shall furnish to Seaport Department, 1015 North America Way, Miami, Florida 33132-2081, Certificates of Insurance which indicate that the insurance coverage has been obtained which meet the requirements as outlined below:
  - (i) Workers' Compensation Insurance. Said insurance shall cover all persons employed by PCH (other than crew members of the PCH vessels) in and about the Terminal Area including coverage required under the United States Longshore and Harborworkers Compensation Act (if applicable) and/or as required by Florida Statute 440 or any successor thereto.

- (ii) Crew Insurance. Said insurance shall cover all persons employed as crew of the PCH vessels under a Protection and Indemnity Policy or a Marine Employers Liability Policy to provide coverage for liability under 46 USC Section 688, (The Jones Act) and under General Maritime Law.
- (iii) Public Liability Insurance. With respect to the use and activities of PCH and its employees, contractors, agents, customers and guests in and around the Terminal Area, Public Liability Insurance must be in place on a comprehensive basis in an amount not less than \$10,000,000 combined single limits for the death of, or personal injury to one or more persons and for property damage for each occurrence in connection with the use thereof, or the activities of PCH thereon. This coverage must also include but not be limited to embarkation and disembarkation of PCH Vessels. Miami-Dade County must be shown as an additional named insured with respect to this coverage.
- (iv) Pollution Liability Coverage. PCH shall maintain at its sole cost and expense for vessels used in connection with this Agreement, operation pollution liability coverage sufficient to satisfy all applicable requirements of CERCLA and OPA-90.
- (v) Vessel Liability Insurance (Hull and Machinery). Covering all PCH vessels used in connection with this Agreement, whether owned or chartered, in an amount not less than \$10,000,000 per occurrence for hull and property damage.
- (vi) Automobile Liability Insurance. Covering all owned, non-owned and hired vehicles used in connection with PCH's operations in an amount not less than \$500,000 combined single limit per occurrence for bodily injury and property damage.
- (f) Insurance Policy Requirements, Generally. Except for Protection and Indemnity Insurance and Hull and Machinery Insurance, all insurance policies required under subpart (e) above shall be issued by companies authorized to do business under the laws of the State of Florida with the following qualifications:

The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County Risk Management Division, or Companies holding a valid Florida Certificate,

or

as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida," issued by the State of Florida Department of Insurance and which are members of the Florida Guaranty Fund.

Certificates will indicate that no material modification or change in insurance shall be made without thirty (30) days advance notice to the certificate holder.

- (g) Injury or Damage, Notification to County. In the event of any injury or damage to persons or property in or around the Terminal(s), PCH shall notify the County in writing as soon as reasonably possible after it becomes aware of such injury or damage and shall promptly thereafter furnish to the County copies of all related reports given to PCH's insurance carrier or carriers.

#### **10. EXCLUSIVE VENUE AND CHOICE OF LAW**

It is mutually understood and agreed by the parties hereto, that this Agreement shall be governed by the laws of the State of Florida, and any applicable federal law, both as to interpretation and performance, and that any action at law, suit in equity or judicial proceedings for the enforcement of this Agreement or any provision hereof shall be instituted only in the courts of the State of Florida or federal courts and venue for any such actions shall lie exclusively in a court of competent jurisdiction in Miami, Miami-Dade County, Florida. This provision shall not apply to matters in regard to which exclusive jurisdiction is conferred upon by law upon the Federal Maritime Commission.

#### **11. NO ORAL CHANGE OR TERMINATION**

This Agreement and the Exhibits and appendices appended hereto and incorporated herein by reference constitute the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements or understandings between the parties with respect to the subject matter hereof, and no change, modification or discharge hereof in whole or in part shall be effective unless such change, modification or discharge is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought. This Agreement cannot be changed or terminated orally.

#### **12. COMPLIANCE WITH APPLICABLE LAWS**

Throughout the Term of this Agreement, PCH shall comply with all Applicable Laws relating to this Agreement, PCH's use of the Terminal(s) and PCH's use of the Port.

**13. NUISANCE**

PCH shall not commit any nuisance on the Port or in the Terminal(s) or do or permit to be done anything that may result in the creation or commission of a nuisance on the Port or in the Terminals.

**14. REPRESENTATIONS**

Each party represents to the other that this Agreement has been duly authorized, delivered and executed by such party and constitutes the legal, valid and binding obligation of such party, enforceable in accordance with its terms. The County represents that the execution, delivery and performance by County of this Agreement complies with all laws, rules, regulations and orders applicable to County; and that County has full authority to enter into and perform this Agreement in accordance with its terms.

**15. NO EXCLUSIVE REMEDIES**

No remedy or election given by any provision in this Agreement shall be deemed exclusive unless expressly so indicated. Wherever possible, the remedies granted hereunder upon a default of the other party shall be cumulative and in addition to all other remedies at law or equity arising from such event of default, except where otherwise expressly provided.

**16. FAILURE TO EXERCISE RIGHTS NOT A WAIVER**

The failure by either party to promptly exercise any right arising hereunder shall not constitute a waiver of such right unless otherwise expressly provided herein.

**17. EVENTS OF DEFAULT**

- (a) PCH shall be in default under this Agreement if any of the following events occur and continue beyond the applicable grace period:
  - (i) PCH fails to timely comply with any payment obligation arising hereunder which is not cured within thirty (30) days from PCH's receipt of written notice from the County of failure to meet such payment obligation.
  - (ii) PCH fails to perform or breaches any term, covenant, or condition of this Agreement which is not cured within sixty (60) days after receipt of written notice from the County specifying the nature of such breach; provided, however, that if such breach cannot reasonably be cured within sixty (60) days, PCH shall not be in

default if it commences to cure such breach within said sixty (60) day period and diligently prosecutes such cure to completion.

(iii) If PCH shall be adjudicated bankrupt, or if PCH shall make a general assignment for the benefit of creditors, or if in any proceedings based upon the insolvency of PCH are commenced and not dismissed within sixty (60) days of filing or a receiver is appointed for all the property of PCH which is not dismissed within sixty (60) days of such appointment.

(b) The County shall be in default under this Agreement if the County fails to perform or breaches any term, covenant, or condition of this Agreement and such failure is not cured within sixty (60) days after receipt of written notice from PCH specifying the nature of such breach; provided, however, that if such breach cannot reasonably be cured within sixty (60) days and such breach does not unreasonably interfere with the operations of PCH at the Port, the County shall not be in default if it commences to cure such breach within said sixty (60) day period and diligently prosecutes such cure to completion. The foregoing is without prejudice to PCH's rights pursuant to Section 6(e).

## **18 REMEDIES UPON DEFAULT**

Subject to Section 3(c)(viii) of this Agreement, upon the occurrence of a default under this Agreement not cured within the applicable grace period, the non-defaulting party may pursue all remedies available at law or in equity, including, without limitation, specific performance of this Agreement.

## **19. PORT BOND OBLIGATIONS**

Notwithstanding and prevailing over any other provision of this Agreement, the County reserves the right to increase the rates contained in this Agreement herein at a percentage increase no greater than that applied to other multiple-day cruise line operators upon a reasonable determination by the County's independent Financial Advisor that Port revenues in the aggregate will not be sufficient to meet the rate covenant and/or additional bonds tests on all outstanding Seaport bonds obligations or any bond coverage requirements contained therein. The County shall give PCH thirty (30) days written notice of its intent to increase the rates pursuant to this provision of the Agreement, and shall make reasonable efforts, within the limitations of the applicable bond documents, to provide PCH more than thirty (30) days notice. PCH shall have the right to terminate this Agreement by written notice to the County within thirty (30) days of the date of such notice. If PCH does not terminate this Agreement within the thirty (30) day period, the increased rates shall become effective immediately and PCH shall have no other recourse with respect to such increase.

**20. ATTORNEY FEES**

In the event an action is commenced by a party resulting from a default under this Agreement, each party shall bear their own attorney fees and costs.

**21. CONFLICT OF PROVISIONS**

If there is any conflict between the provisions of this Agreement and the provisions of an addendum, schedule, exhibit, and/or purchase order attached to this Agreement, the provisions of this Agreement shall prevail.

**22. FORCE MAJEURE; INABILITY TO PERFORM**

County and PCH shall not be liable for any failure, delay or interruption in performing their individual obligations hereunder due to causes or conditions beyond the reasonable control of the County, PCH, and their agents, employees, contractors, subcontractors, and guests including, without limitation acts of God, an act of state or war, public emergency, strikes, boycotts, picketing, work stoppages or labor troubles of any other type (whether affecting County, PCH, its contractors or subcontractors), providing that the party claiming the existence of a force majeure event delivers written notice to the other party of such event within fifteen calendar days of the commencement of such event.

**23. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, 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.

**24. ASSIGNMENT**

The term of this Agreement shall inure to the exclusive benefit of PCH and is binding upon PCH. PCH will not transfer, assign or pledge this Agreement or any rights hereunder without the prior written consent of the County. For the purposes of this Agreement, an assignment shall not be deemed to occur upon a transfer of stock or interest in PCH among its current shareholders.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties.

**25. OBLIGATIONS SURVIVING TERMINATION HEREOF**

Notwithstanding and prevailing over any contrary term or provision contained herein, including any early termination rights contained herein, in the event any party hereto exercises any lawful termination rights herein, the following obligations shall survive such termination and continue in full force and effect until the expiration of a one year term following the earlier of the effective date of such termination or the expiration of the Term: (i) any and all outstanding payment obligations hereunder of any party hereto arising prior to termination; (ii) any and all indemnity obligations hereunder of any party hereto; (iii) the exclusive venue and choice of law provisions contained herein, and (iv) any other term or provision herein which expressly indicates either that it survives the termination or expiration hereof or is or may be applicable or effective beyond the expiration or permitted early termination hereof.

**26. LACK OF AGENCY RELATIONSHIP**

Nothing contained herein shall be construed as establishing an agency relationship between the County and PCH and neither PCH nor its employees, agents, contractors, subsidiaries, divisions, affiliates or guests shall be deemed agents, instrumentalities, employees, or contractors of the County for any purpose hereunder, and the County, its contractors, agents, and employees shall not be deemed contractors, agents, or employees of PCH or its subsidiaries, divisions or affiliates.

**27. NON SOLICITATION**

The County agrees that it will not, and will direct its agents, representatives or employees not to, solicit any employee of PCH or any of its subsidiaries to become employed by the County or any of its affiliates, without the prior written consent of PCH.

**28. NOTICES**

All notices, demands and requests which may or are required to be given hereunder shall, except as otherwise expressly provided, be in writing, delivered by personal service, or shall be sent by telex, telecopy, telegram, United States Registered or Certified Mail, return receipt requested, postage prepaid, to the parties at the addresses and telecopy numbers listed below. Any notice given pursuant to this Agreement shall be deemed given when received. Any actions required to be taken hereunder which fall on Saturday, Sunday, or United States legal holidays shall be deemed to be performed timely when taken on the succeeding day thereafter which shall not be a Saturday, Sunday or legal holiday.

FOR COUNTY:

Bill Johnson  
Director, Seaport Department  
Miami-Dade County

1015 North America Way  
Miami, Florida 33132-2081  
Telephone Number: 305-371-7678  
Telecopy Number: 305-347-4852

with a copy to:

County Attorney  
111 Northwest 1st Street  
Suite 2810  
Miami, Florida 33128  
Telephone Number: 305-375-5151  
Telecopy Number: 305-375-5634

FOR PCH:

PCH Cruises, Inc.  
8300 NW 33<sup>rd</sup> Street  
Miami, Florida 33122  
Attention: Vice President, Port Operations  
Telephone Number: 305-514-2235  
Telecopy Number:

with a copy to:

PCH Cruises, Inc.  
7665 Corporate Center Drive  
Miami, Florida 33126  
Attention: General Counsel  
Telephone Number:  
Telecopy Number:

## 29. ACKNOWLEDGMENT BY PCH

- (a) Exclusive Franchise Arrangements and County Contracts. PCH acknowledges that the County may be a party to exclusive arrangements for the provision of various goods and services, including but not limited to ATMs, pay telephones, phone cards and vending machines at the Port. Accordingly, PCH shall not install, cause to be installed or permit to be installed pay telephones, ATMs, vending machines or any other device or service for which the County has a contract or agreement in or around the Terminal(s) by any person or entity other than the County, absent the consent of the County and the relevant party with whom the County has so contracted. The County has installed or may install at its expense pay telephones in the Terminal(s), and shall be entitled to all revenue derived therefrom.
- (b) Furniture. PCH acknowledges that the furniture and fixtures located in the Terminal(s) and terminal seating areas, are the property of the County. PCH shall not remove or otherwise alter such furniture and fixtures without the express written consent of the County.

- (c) Concessions. PCH acknowledges that the County has or may have concession agreements (such as car rental, retail shops or kiosks, ferry operations, etc.) at the Terminal(s). This Agreement shall not affect such concession agreements.
  
- (d) Notwithstanding and prevailing over any other provisions in this Agreement, PCH acknowledges that the County has the sole and exclusive right to any and all retail establishments, advertising signage or space, or any other revenue-generating activity, in, on or about the Terminal(s).

**30. COUNTERPARTS**

This Agreement may be signed in any number of counterparts and each counterpart shall represent a fully executed original as if signed by all parties hereto, and all such counterparts shall together constitute one and the same agreement. For purposes of the preceding sentence, a legible facsimile of a properly executed and delivered counterpart shall be acceptable.

**IN WITNESS WHEREOF**, the parties have caused this document to be executed by its duly authorized officers.

Signed, sealed and delivered  
in the presence of:

MIAMI-DADE COUNTY,  
FLORIDA, a political subdivision  
of the State of Florida

By: \_\_\_\_\_  
George M. Burgess  
County Manager

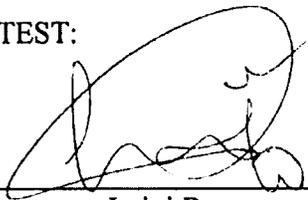
ATTEST:  
CLERK OF THE BOARD

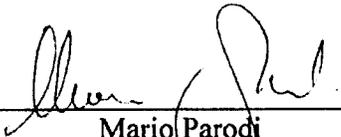
By: \_\_\_\_\_  
Deputy Clerk

Signed, sealed and delivered

Prestige Cruiese Holdings, Inc.

ATTEST:

By:  \_\_\_\_\_  
Luigi Razeto  
Senior Director Port Operations

By:  \_\_\_\_\_  
Mario Parodi  
Director Port Operations

## EXHIBIT A

### Oceania Cruises' 2010-2011 Berth Schedule

#### *Regatta*

November 27, 2010  
December 21, 2010  
January 2, 2010  
January 12, 2011  
January 22, 2011  
February 3, 2011  
February 15, 2011  
February 25, 2011  
March 9, 2011  
March 19, 2011  
April 12, 2011  
April 26, 2011

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Calls: 12

#### *Marina*

February 4, 2011  
February 5, 2011  
February 8, 2011  
March 16, 2011  
March 28, 2011

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Calls: 5

**Total Calls: 17**