OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

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

Resolution No. R-1345-08

Date: December 2, 2008

To: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Authorizing Execution of Business Settlement Agreement between Miami-Dade County and Royal Caribbean Cruises Ltd., Related to Outstanding Business Issues; and Execution of Amendment No. 1 to Amended and Restated Terminal Usage Agreement between Miami-Dade County and Royal Caribbean Cruises Ltd.

RECOMMENDATION

It is recommended that the Board approve the accompanying resolution authorizing execution of a Settlement Agreement between Miami-Dade County ("County") and Royal Caribbean Cruises Ltd., ("RCCL") related to outstanding business issues; and execution of Amendment No. 1 to the Amended and Restated Terminal Usage Agreement ("Amendment No. 1") between Miami-Dade County and Royal Caribbean Cruises Ltd., changing the service delivery model by implementing a Unitary Fee.

SCOPE

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

FISCAL IMPACT/FUNDING SOURCE

RCCL will pay the County $1,139,480.32 for the Facility Maintenance and Improvement Fee ("FMI Fee") imposed by the County during Fiscal Year 2006-07. This payment will be made in three (3) installments: The first payment in the amount of $284,870.08 shall be issued upon execution of the Settlement Agreement; the second payment in the amount of $284,870.08 shall be issued upon implementation of Phase 2 of the Unitary Fee process (described in the Background section of this memorandum); and the third and final payment in the amount of $569,740.16 shall be issued within thirty (30) days after the following date, whichever occurs later: (i) the date the County offers RCCL the opportunity to include stevedoring services within the Unitary Fee or (ii) August 30, 2009. Upon the County's receipt of the entire $1,139,480.32 balance, the County shall release RCCL (including its affiliates) from claims, penalties, and late charges specifically related to the FMI Fee.

Upon execution of the Settlement Agreement, the County shall commence providing upgrades for a One-Stop Shop processing center for U.S. Customs and Border Protection (CBP) in Cruise Terminals F and G. The timetable for completion of the project is anticipated to be October 2009. In addition, repairs to the third floor air conditioning system in Cruise Terminal G will be made no later than May 2009. All costs, expenses, and fees related to these two projects shall be borne by the Port. These improvements are anticipated to cost $1,850,000.00 and are included in the Port's Fiscal Year 2008-09 budget.

TRACK RECORD/MONITOR

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

An outstanding balance exists between the County and RCCL (as described in Section 7 of the Settlement Agreement). The amount due RCCL by the County is $320,494.02; while the amount due the County by RCCL is $452,992.99. Should this item be approved, the County and RCCL agree to waive the net outstanding balance of $132,498.97 and release each other with respect to the items detailed in Section 7.

BACKGROUND

On May 19, 1998, the Board approved resolution No. R-572-98, which authorized the execution of a ten (10) year Cruise Terminal Agreement ("CTA") (with two five year options on terms to be mutually agreed upon) with RCCL for the purpose of conducting cruise vessel berthing operations at the Port. Subsequently, on December 15, 1998, the Board approved resolution No. R-1453-98, which authorized the execution of an Amended and Restated Terminal Usage Agreement ("1998 TUA") with RCCL for the purposes of (i) extending the CTA to fifteen (15) years; (ii) increasing the incentive Tariff dockage and passenger wharfage rate reductions to twenty-seven percent (27%) (with a maximum of twenty-nine percent 29%); and (iii) increasing RCCL's minimum revenue guarantee to the County to $160 million over the fifteen (15) year term.

The 1998 TUA has been beneficial for both parties as it has provided the Port with significant guaranteed passenger volumes throughout the years in exchange for discounted dockage and wharfage rates for RCCL's passengers. Additionally, RCCL is a major tenant at the Port with long term leases for their world headquarters buildings.

As is often the case in these types of long term agreements, certain issues related to office lease payments, damages, reimbursable maintenance costs, new fees, utility charges, as well as late payment penalties arise throughout the years. For the past two years, the Port and RCCL have worked together in identifying all outstanding issues (some going back 7 or 8 years) and have agreed to settle these as recommended below. Additionally, during negotiations, the Port agreed to modify the way in which it bills RCCL for its fees.

Under the terms of the proposed Settlement Agreement, the Port commits to implement a more comprehensive service delivery model to include an expanded role in the coordination and provision of various mutually agreed-upon services, as well as simplify its billing process to RCCL by bundling all Port costs into the Unitary Fee. This new service delivery model will be implemented in the following three phases, subject to further approvals as required:

Phase 1 - Both parties agree to amend the 1998 TUA pursuant to Amendment No. 1 (Attachment A) to combine the four existing Port of Miami Terminal Tariff No. 010 ("Tariff") charges into a Unitary Fee as of the effective date of the Settlement Agreement. These charges are dockage, passenger wharfage, harbor fees, and water consumption. The Phase 1 Unitary Fee is $9.86 per embarking and $9.86 per disembarking passenger during Fiscal Year 2008-09.

Annual increases and guarantees for the dockage and passenger wharfage components shall be subject to the same percentage limitations on Net Port Fees for dockage and wharfage as contained in the 1998 TUA. Harbor fees shall be bound to Tariff increases as approved by the Board. The water consumption component shall be adjusted annually to capture anticipated water expenses and to reconcile any undercharge or overcharge from the previous fiscal year. In the final year of the 1998 TUA, any overpayment or underpayment shall be made in full within ninety (90) days. Any water charge increases to the existing Tariff rate shall require approval by the Board.

Phase 2 - The Port will explore models to provide terminal security as an optional Tariff item with the intent of offering the same to all cruise lines calling the Port. The County agrees to work with RCCL to determine the security model that works best for its operations at the Port. It is anticipated this service will be established in the summer of 2009. Once implemented, security charges shall be part of the Unitary Fee and the establishment of the actual rate and any modifications to it shall require Board approval.

Phase 3 - The Port will establish a pool of permitted stevedoring companies. RCCL may choose to use one of the Port's contracted stevedoring companies once the necessary contracts have been approved by the Board. Payment for such services shall be included in the Unitary Fee. The anticipated timeline to bring these contracts to the Board for its review is late summer 2009. The Port also anticipates offering a garbage collection service for future inclusion in the Unitary Fee by late summer 2009.

This new service delivery and billing model is integral to RCCL's future cruise vessel berthing operations at the Port. Should the Board approve this Settlement Agreement and subsequent implementation of Phases 1, 2, and 3 of the Unitary Fee, the County and RCCL will commence negotiations for a new long term Terminal Usage Agreement.

In September 2006, as part of the County's annual budget process, the Board adopted new/revised rates for various Port charges. Among these charges, a new FMI Fee was implemented effective October 1, 2006, sunsetting September 30, 2007. The FMI Fee was $0.64 for each embarking and $0.64 for each debarking passenger. From its inception, RCCL contended that the FMI Fee was illegally imposed pursuant to certain rate increase limitations provided in its original CTA. Additionally, RCCL contended that, since it had exceeded its minimum annual guarantees for several years, as defined in the 1998 TUA, the various funds received for this overage could be used to pay for requested terminal improvements. The County disagreed with RCCL's position on this matter and continued with the implementation of the FMI Fee.

RCCL unintentionally began paying the FMI Fee in Fiscal Year 2006-07 and subsequently suspended its payments. The total annual amount billed by the County to RCCL was $1,151,982.72. Currently, the outstanding balance RCCL owes the County is $1,139,480.32. Throughout the past year, several meetings have been held with RCCL's senior management to resolve this matter. Negotiations regarding this issue have resulted in RCCL agreeing to pay the FMI Fee in three (3) installments; each coinciding with the implementation of individual phases of the Unitary Fee. The first payment in the amount of $284,870.08 shall be issued upon

execution of the Settlement Agreement; the second payment in the amount of $284,870.08 shall be issued upon implementation of Phase 2 of the Unitary Fee; and the third and final payment in the amount of $569,740.16 shall be issued within (30) thirty days after the following date, whichever occurs later: (i) the date the County offers RCCL the opportunity to include stevedoring services within the Unitary Fee (Phase 3) or (ii) August 30, 2009. As part of this Settlement Agreement, the County will waive any late fees associated with the FMI Fee. All other cruise lines whose vessels called Miami during Fiscal Year 2006-07 have paid the FMI Fee.

An outstanding balance exists between the parties as described in Section 7 of the Settlement Agreement. The balance due RCCL by the County totals $320,494.02; while the amount due to the County by RCCL totals $452,992.99. The difference results in a net payment owed to the County by RCCL in the amount of $132,498.97. However, the Parties have agreed to waive this outstanding balance and release each other with respect to the items listed below:

- Amounts due RCCL by the County:
  - RCCL executed an overpayment of lease payments to the County in the amount of $320,494.02.

- Amounts due the County by RCCL:
  - Damages to the Passenger Gantry located at Cruise Passenger Terminal G on June 27, 2005, in the amount of $96,442.10.
  - The combined underpayment of billed maintenance costs for the 1050 Building for the period commencing April 1, 2005, through March 31, 2006, and the 1080 Building for the period commencing February 1, 2005, through January 31, 2006, in the amount of $76,401.50.
  - Late payment penalties resulting from the non-payment of particular invoices presented by the County in the amount of $122,862.49.
  - The non-payment of miscellaneous charges pertaining to the issuance of the Port identification badges in the amount of $25,347.88.
  - The non-payment of electrical charges in the amount of $29,394.63.
  - The non-payment of water and sewer charges in the amount of $221.30.
  - In 2001 and 2004, the Port did not increase the rental rates for the 1040 Building as stated in the lease agreement between the County and RCCL for such buildings, resulting in a net balance owed to the Port of $102,323.09.

Additionally, under the terms of the proposed Amendment No. 1, during any fiscal year that RCCL homeports more than five vessels of no less than 70,000 gross registered tons each at the Port for the entire fiscal year (i.e., starting with the sixth vessel), the County shall increase the volume incentive reduction applicable to all vessels for the fiscal year by one percent (1%), for passenger wharfage and dockage only, for each vessel in excess of five that RCCL homeports at the Port during such fiscal year (up to a maximum volume incentive reduction of two percent (2%) for passenger wharfage and dockage only). The volume incentive reductions shall not increase by more than one percent (1%) during any fiscal year and shall not apply in subsequent fiscal years if the total number of vessels are subsequently reduced.

DELEGATION OF AUTHORITY

In accordance with Section 2-8.3 of the Miami-Dade County Code related to identifying delegation of Board authority, there are no authorities beyond those specified in the resolution which include the authority for the Mayor or designee to execute the Agreement and to exercise any cancellation and renewal provision.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: December 2, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(Q)(1)(H)

Please note any items checked.

_____ **"4-Day Rule" ("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**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(Q)(1)(H)
12-2-08

RESOLUTION NO. **R-1345-08**

RESOLUTION AUTHORIZING EXECUTION OF BUSINESS SETTLEMENT AGREEMENT BETWEEN MIAMI-DADE COUNTY AND ROYAL CARIBBEAN CRUISES LTD., RELATED TO OUTSTANDING BUSINESS ISSUES; AND EXECUTION OF AMENDMENT NO. 1 TO THE AMENDED AND RESTATED TERMINAL USAGE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND ROYAL CARIBBEAN CRUISES LTD.; AND AUTHORIZING THE COUNTY MAYOR OR DESIGNEE TO EXECUTE THE AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY; AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS CONFERRED THEREIN

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 execution of Business Settlement Agreement between Miami-Dade County and Royal Caribbean Cruises Ltd., related to outstanding business issues; and execution of Amendment No. 1 to the Amended and Restated Terminal Usage Agreement between Miami-Dade County and Royal Caribbean Cruises Ltd., in substantially the form attached hereto and made a part hereof.

Section 2. Authorizes the County Mayor or designee to execute Business Settlement Agreement; and Amendment No. 1 to the Amended and Restated Terminal Usage Agreement after review and approval by the County Attorney's Office; and to exercise any cancellation and renewal provisions conferred therein.

The foregoing resolution was offered by Commissioner **Sally A. Heyman**, who moved its adoption. The motion was seconded by Commissioner **Carlos A. Gimenez** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman **aye**
Barbara J. Jordan, Vice-Chairwoman **aye**

Jose "Pepe" Diaz	**absent**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Joe A. Martinez	**aye**	Dennis C. Moss	**aye**
Dorrin D. Rolle	**aye**	Natacha Seijas	**aye**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of December, 2008. 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: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. JMM

Jess M. McCarty

BUSINESS SETTLEMENT AGREEMENT BETWEEN MIAMI-DADE COUNTY AND ROYAL CARIBBEAN CRUISES LTD. RELATED TO OUTSTANDING BUSINESS ISSUES

THIS AGREEMENT (hereinafter the "Agreement") is entered this _____ day of _____, 2008, by and between Royal Caribbean Cruises Ltd. (hereinafter "RCCL"), a Liberian corporation, and Miami-Dade County, Florida, a political subdivision of the State of Florida (hereinafter the "County"). RCCL 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 is located which the County operates through its Seaport Department (hereinafter the "Port"); and

WHEREAS, on December 30, 1998, the County and RCCL entered into an Amended and Restated Terminal Usage Agreement ("1998 TUA") for an extension to the term of the original Terminal Agreement approved by the Miami-Dade County Board of County Commissioners ("Board") on May 19, 1998 to 15 years; an increase in the incentive off Port Tariff rates for dockage and passenger wharfage to 27% (with a maximum of 29%); and an increase in the minimum revenue guarantee to the County to $160 million over the 15 year term; and

WHEREAS, the County and RCCL have an interest in implementing a new and expanded service delivery and billing model for cruise vessels calling in Miami; and

WHEREAS, certain business issues have arisen between RCCL and the County related to lease payments, facility damage and utility charges, the Facilities Maintenance and Improvement Fee in Fiscal Year 2006-07 (as further described in Section 6) and otherwise; and

WHEREAS, the Parties now wish to amicably resolve these particular issues inclusive of outstanding debts, and memorialize their agreement in this document;

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. It is the intent of the Parties to implement a more comprehensive service delivery model to include an expanded role for the Port in the coordination and provision of security, garbage removal, stevedoring, and other mutually agreed-upon services. It is also the intent of the Parties to simplify billing, bundling all Port costs into a single, per passenger rate hereinafter referred to as the "Unitary Fee."

The Parties agree to implement this new service delivery model in three phases, subject to further approvals as required:

Phase 1 - Unitary fee consisting of existing Port tariff items only (section 2 below)

Phase 2 - Unitary fee consisting of Phase 1 plus the addition of a security component (section 3 below)

Phase 3 – Unitary fee consisting of Phases 1 and 2 plus the addition of garbage removal and stevedoring services (section 4 below)

It is mutually acknowledged and agreed that Phase 2 and Phase 3 of the implementation of the Unitary Fee will require further approval by the Board, in addition to approval of this Agreement.

2. **Phase 1** - Upon execution of this Agreement and as an initial step toward implementing a new service delivery and billing model, the Parties agree to amend the 1998 TUA pursuant with Amendment No. 1 (attached as Attachment A) so as to combine the following existing fees into a Unitary Fee as of the effective date of this agreement: passenger wharfage, dockage, harbor fees, and a charge for water consumption.

   The parties further amend the 1998 TUA to provide for a Unitary Fee for Phase 1 of $9.86 per embarking and $9.86 per debarking passenger during Fiscal Year 2008-09. Annual increases and guarantees for the dockage and wharfage components shall be subject to the same percentage limitations on Net Port Fees for dockage and wharfage as are contained in the 1998 TUA. Harbor fees will be bound to annual increase as set forth in the Port's tariff and approved by the Board. The water charge portion of the Unitary Fee shall be adjusted each year to capture anticipated water expenses and to reconcile any undercharge or overcharge from the previous Fiscal Year. In the final year of the Agreement, any overpayment or underpayment will be made in full within ninety (90) days. Such water charge adjustments shall require annual approval by the Board.

3. **Phase 2** - The Port will explore models to provide terminal security as an optional Tariff item with the intent of providing all cruise lines with ships sailing from the Port the option to procure this function through the County. The County agrees to work with RCCL to determine the security model that works best with their operations at the Port. It is anticipated this service could be implemented in the summer of 2009. Once implemented, security charges shall be part of the Unitary Fee subject to Board approval.

4. **Phase 3** – The Port shall establish a pool of permitted stevedoring companies. RCCL may choose to use one of the Port's contracted stevedoring companies once the necessary contracts have been approved through the Board, and payment

for such services shall be included in the Unitary Fee. The anticipated timeline for Board approval is late summer 2009. The Port anticipates also offering a garbage collection service for future inclusion in the Unitary Fee by late summer 2009.

5. The Parties agree that a new service delivery and billing model is integral to RCCL's future operations at the Port and that the terms and conditions of the expanded service delivery model and Unitary Fee shall be memorialized in a new Terminal Usage Agreement to be agreed upon by the Parties and executed after the implementation of Phases 1, 2 and 3.

6. On September 20, 2006 as part of its fiscal year 2006-07 budget, the County imposed a Facilities Maintenance and Improvement Fee of $0.64 for each cruise passenger embarking and $0.64 for each cruise passenger debarking at the Port. The balance RCCL owes the County is $1,139,480.32. RCCL shall pay the balance of the fee to the County in three (3) payments. The first payment in the amount of $284,870.08 shall take place upon execution of this Agreement. The second payment in the amount of $284,870.08 shall be made upon implementation of Phase 2 of the unitary fee. The third and final payment in the amount of $569,740.16 shall be issued within (30) thirty days of the following, whichever occurs later: 1) August 30, 2009, or 2) the date the County offers RCCL the opportunity to include stevedoring in its Unitary Fee. Upon full payment of the $1,139,480.32 by RCCL, the County shall release RCCL including its affiliates from claims, penalties and late charges specifically related to the Facilities Maintenance and Improvement Fee imposed by the County on September 20, 2006 as part of its fiscal year 2006-07 budget.

7. The Parties acknowledge outstanding balances as follows:

   A. Amounts due RCCL by the County:
      i. RCCL executed an overpayment of lease payments to the County in the amount of $320,494.02.

   B. Amounts due the County by RCCL:
      i. Damages to the Passenger Gantry located at Passenger Terminal G on June 27, 2005 in the amount of $96,442.10.
      ii. The underpayment of billed maintenance costs for the 1050 Building for the period commencing April 1, 2005 through March 31, 2006 and the 1080 Building for the period commencing February 1, 2005 through January 31, 2006 in the amount of $76,401.50.
      iii. Late payment penalties resulting from the non-payment of particular invoices presented by the County in the amount of $122,862.49.

iv. The non-payment of miscellaneous charges pertaining to the issuance of the Port identification badges in the amount of $25,347.88.

v. The non-payment of electrical charges in the amount of $29,394.63

vi. The non-payment of water and sewer charges in the amount of $221.30

vii. In 2001 and 2004, the Port did not increase the rental rates for the 1040 Building, as stated in the Lease Agreement between the Miami-Dade County and RCCL equaling a balance of $102,323.09 owed to the Port.

The amounts due to RCCL by the County total $320,494.02. The amounts due to the County by RCCL total $452,992.99. Both Parties agree to waive this outstanding balance and release each other with respect to the items detailed above.

8. The Port agrees to provide upgrades to Terminals F & G to improve the passenger experience. Upon execution of this Agreement, the County shall commence designing, permitting and bidding of a One-Stop Shop processing for Customs & Border Protection (CBP) in the lower levels of Terminals F & G. The timetable for completion of this project is anticipated to be in October 2009.

The Port further acknowledges that repairs are necessary to the 3rd floor air conditioning system in Terminal G. The importance of this work is a priority and repairs/modifications to the system will be made no later than May 2009. All costs, expenses, and fees related to the foregoing projects shall be borne by the Port.

9. The parties agree and state that no promise, inducement or agreement not expressly contained herein has been made, and that this Agreement contains the entire agreement between the parties hereto and that the terms of this Agreement are contractual and not a mere recital.

10. 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 proceeding for the enforcement of this Agreement or any provisions hereof shall be instituted only in 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.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed in their respective corporate names by their appropriate officers, and have their respective corporate seals affixed thereto, all as of the date first written above.

BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE
COUNTY, FLORIDA

By: _____
County Manager

ATTEST:
CLERK OF THE COURT

By: _____
Deputy Clerk

Approved as to Form
and Legal Sufficiency.

ROYAL CARIBBEAN CRUISES LTD.

LEGAL

By: _____
Name: Craig Milan
Title: Senior Vice President
Land Operations

ATTEST:

By: _____
Name: Dustin Nason
Title: Manager, Worldwide Port Operations
Guest Port Services

Attachment A

AMENDMENT NO. 1 TO THE AMENDED AND RESTATED TERMINAL USAGE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND ROYAL CARIBBEAN CRUISES, LTD.

THIS AMENDMENT ("First Amendment") is made and entered into this _____ day of _____, 2008, by and between Miami-Dade County, Florida, a political subdivision of the State of Florida, hereinafter referred to as the "County," which owns and operates the Dante B. Fascell Port of Miami-Dade, hereinafter referred to as the "Port," and Royal Caribbean Cruises, Ltd., a Liberian corporation, hereinafter referred to as "RCCL."

WHEREAS, on May 19, 1998, by Resolution No. R-572-98, the Miami-Dade Board of County Commissioners approved a Terminal Usage Agreement between the County and RCCL providing RCCL with ten (10) years of preferential berthing rights regarding Terminals 3, 4, and 5; a 15% incentive off Port Tariff rates for harbor fee, dockage and passenger wharfage; and an annual guarantee of no less than $6,000,000 in Net Port Fees per year; and

WHEREAS, on December 30, 1998, by Resolution No. 1453-98, the County and RCCL entered into an Amended and Restated Terminal Usage Agreement ("1998 TUA") for an extension to the term to fifteen (15) years; an increase in the incentive discount off Port Tariff rates for dockage and passenger wharfage to 27% (with a maximum of 29%); and an increase in the minimum revenue guarantee to the County to $160 million over the 15 year term; and

WHEREAS, the County and RCCL now desire to enter into this first Amendment to the 1998 TUA in order to change the service delivery model by implementing a "Unitary Fee" inclusive of current tariff items and make other changes as forth below;

NOW, THEREFORE, and in consideration of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The parties agree to implement a per passenger "Unitary Fee" that shall include passenger wharfage, dockage, harbor fee and water consumption. The attached Exhibit A provides a schedule of the Unitary Fee for the remaining term of the Agreement. Passenger wharfage and dockage as detailed in Exhibit A shall continue to be referred to as "Net Port Fees" for the purposes of this 1998 TUA as amended by this First Amendment and shall be credited towards RCCL's minimum annual guarantee. The harbor fee and water charges shall not be counted towards RCCL's minimum annual guarantee.

2. During any fiscal year that RCCL homeports more than five vessels of no less than 70,000 gross registered tons each at the Port for the entire fiscal year (i.e. starting with

the sixth vessel), the County shall increase the volume incentive reduction applicable to all vessels for the fiscal year by one percent (1%) for passenger wharfage and dockage only for each vessel in excess of five that RCCL homeports at the Port during such fiscal year, up to a maximum volume incentive reduction of two percent (2%) for passenger wharfage and dockage only. The volume incentive reductions shall not increase by more than one percent (1%) during any fiscal year and shall not apply in subsequent fiscal years if total vessels are thereafter reduced.

3. The Agreement and all of the terms, conditions and warranties contained therein, are hereby reaffirmed and shall continue in full force and effect except as specifically modified by this amendment.

4. The whereas clauses set for above are incorporated into the body of this First Amendment as if fully set forth herein.

5. This First Amendment shall be governed by Florida Law.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed in their respective corporate names by the appropriate officers, and have their respective corporate seals to be affixed hereto, all as of the day and year first written above.

BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE
COUNTY, FLORIDA

By: _____
County Manager

ROYAL CARIBBEAN CRUISES LTD.

By: _____
Name:
Title:

ATTEST:
CLERK OF THE COURT

By: _____
Deputy Clerk

ATTEST:

By: _____
Name:
Title:

_____Approved as to Form
and Legal Sufficiency.

AMENDMENT NO. 1 TO THE AMENDED AND RESTATED TERMINAL USAGE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND ROYAL CARIBBEAN CRUISES, LTD.

THIS AMENDMENT ("First Amendment") is made and entered into this _____ day of November, 2008, by and between Miami-Dade County, Florida, a political subdivision of the State of Florida, hereinafter referred to as the "County," which owns and operates the Dante B. Fascell Port of Miami-Dade, hereinafter referred to as the "Port," and Royal Caribbean Cruises, Ltd., a Liberian corporation, hereinafter referred to as "RCCL."

WHEREAS, on May 19, 1998, by Resolution No. R-572-98, the Miami-Dade Board of County Commissioners approved a Terminal Usage Agreement between the County and RCCL providing RCCL with ten (10) years of preferential berthing rights regarding Terminals 3, 4, and 5; a 15% incentive off Port Tariff rates for harbor fee, dockage and passenger wharfage; and an annual guarantee of no less than $6,000,000 in Net Port Fees per year; and

WHEREAS, on December 30, 1998, by Resolution No. 1453-98, the County and RCCL entered into an Amended and Restated Terminal Usage Agreement ("1998 TUA") for an extension to the term to fifteen (15) years; an increase in the incentive discount off Port Tariff rates for dockage and passenger wharfage to 27% (with a maximum of 29%); and an increase in the minimum revenue guarantee to the County to $160 million over the 15 year term; and

WHEREAS, the County and RCCL now desire to enter into this first Amendment to the 1998 TUA in order to change the service delivery model by implementing a "Unitary Fee" inclusive of current tariff items and make other changes as forth below;

NOW, THEREFORE, and in consideration of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The parties agree to implement a per passenger "Unitary Fee" that shall include passenger wharfage, dockage, harbor fee and water consumption. The attached Exhibit A provides a schedule of the Unitary Fee for the remaining term of the Agreement. Passenger wharfage and dockage as detailed in Exhibit A shall continue to be referred to as "Net Port Fees" for the purposes of this 1998 TUA as amended by this First Amendment and shall be credited towards RCCL's minimum annual guarantee. The harbor fee and water charges shall not be counted towards RCCL's minimum annual guarantee.

2. During any fiscal year that RCCL homeports more than five vessels of no less than 70,000 gross registered tons each at the Port for the entire fiscal year (i.e. starting with the sixth vessel), the County shall increase the volume incentive reduction applicable to all vessels for the fiscal year by one percent (1%) for passenger wharfage and dockage

only for each vessel in excess of five that RCCL homeports at the Port during such fiscal year, up to a maximum volume incentive reduction of two percent (2%) for passenger wharfage and dockage only. The volume incentive reductions shall not increase by more than one percent (1%) during any fiscal year and shall not apply in subsequent fiscal years if total vessels are thereafter reduced.

3. The Agreement and all of the terms, conditions and warranties contained therein, are hereby reaffirmed and shall continue in full force and effect except as specifically modified by this amendment.

4. The whereas clauses set for above are incorporated into the body of this First Amendment as if fully set forth herein.

5. This First Amendment shall be governed by Florida law.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed in their respective corporate names by the appropriate officers, and have their respective corporate seals to be affixed hereto, all as of the day and year first written above.

BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE
COUNTY, FLORIDA

By: _____
County Manager

ATTEST:
CLERK OF THE COURT

By: _____
Deputy Clerk

_____Approved as to Form
and Legal Sufficiency.

ROYAL CARIBBEAN CRUISES LTD.

LEGAL

By: Craig Milan
Name: CRAIG MILAN
Title: SVP - Land Operations
Craig Milan
Senior Vice President
Land Operations

ATTEST:

By: _____
Name: _____
X Title: _____
Dustin Nason
Manager, Worldwide Port Operations
Guest Port Services

Exhibit A
Unitary Fee

Rates: Per Passenger

	FY 09	FY 10	FY 11	FY 12	FY 13
Dockage	$ 3.08	$ 3.18	$ 3.27	$ 3.37	$ 3.47
Wharfage	6.13	6.32	6.51	6.70	6.90
Harbor Fees	0.09	0.09	0.09	0.10	0.10
Water	0.56	0.58	0.59	0.61	0.63
	9.86	**10.16**	**10.46**	**10.78**	**11.10**

Note: Net Port Fees as defined in Section 3(a) of the Amended and Restated Terminal Usage Agreement consist soley of Wharfage and Dockage fees.

Harbor fees are not subject to the same increase limitations as Net Port Fees.

Water charges shall be adjusted to capture anticipated water expenses and to reconcile any undercharge or overcharge from the previous Fiscal Year. In the final year of the Agreement, any overpayment or underpayment will be made in full within 90 days.

NOTE: RATES ARE ESTIMATED TO RISE 3% ANNUALLY