

# MEMORANDUM

Agenda Item No. 14(A)(3)


**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** February 3, 2015

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

**SUBJECT:** Resolution approving  
Amendment Number 3 to 1998  
Cruise Terminal Agreement  
("Agreement") between Miami-  
Dade County and Carnival  
Corporation ("Carnival"),  
including extending Agreement  
term by ten years through  
September 30, 2028, with  
Carnival having one seven-year  
option to renew; approving cruise  
terminal improvements to be paid  
by the County, estimated to cost  
\$10,000,000.00

The accompanying resolution was prepared by the Port of Miami Department and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.

  
\_\_\_\_\_  
R. A. Cuevas, Jr. *for*  
County Attorney

RAC/cp

# Memorandum



**Date:** February 3, 2015

**To:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over the name in the "From:" field.

**Subject:** Resolution Authorizing Execution of Amendment No.3 to the Cruise Terminal Agreement between Miami-Dade County and Carnival Corporation

## Recommendation

It is recommended the Board of County Commissioners ("Board") approve the accompanying resolution authorizing the execution of Amendment No. 3 to the Cruise Terminal Agreement ("Agreement") between Miami-Dade County ("County") and Carnival Corporation ("Carnival").

## Scope

PortMiami is located within District 5, which is represented by Commissioner Bruno A. Barreiro. The impact of this agenda item is countywide as PortMiami is a regional asset and generates employment for residents throughout Miami-Dade County.

## Fiscal Impact/Funding Source

This Amendment provides Carnival annual incentives to homeport the new *Carnival Vista* (which will be Carnival's largest vessel with a standard occupancy of 4,000 passengers) in Miami-Dade County beginning late 2016. This Amendment also extends the term of the current Agreement, which would otherwise expire on September 30, 2018, for an additional ten (10) years to September 30, 2028. Carnival will have the option to extend the Agreement for one (1) additional seven-year term.

The minimum annual net revenues to be generated from this Amendment are the largest contained in any Port contract and are nearly identical to the existing annual Carnival commitment that would otherwise expire in 2018. The ten (10) year extension effectively increases the minimum total contractual guarantee from approximately \$76 million to an estimated \$305 million (after County meets its incentive obligations, which are paid from Port operating revenues).

In annual terms, Carnival shall pay the County Minimum Annual Guaranteed Payments ranging from \$24.4 million in FY 2015 to \$37 million in FY 2028. Such payments guarantee a minimum equivalent of 1.5 million Passenger Movements per fiscal year. This guarantee represents approximately seventy percent of Carnival's actual throughput in FY 2014.

In exchange for this 13 year commitment, the County shall continue to pay Carnival two separate marketing incentives that were provided for under previous amendments to the Agreement. The first incentive, which was established as a Marketing Incentive under Amendment 1, remains unchanged. This incentive relates to parking revenues and is provided to all major cruise lines at PortMiami based on their respective proportional share of PortMiami's multi-night cruise passenger throughput. The second incentive, which was established as an additional Annual Marketing Incentive under Amendment No. 2, is being replaced and renamed by a similar incentive now termed the Supplemental Annual Marketing Incentive. The Supplemental Annual Marketing Incentive is based on passenger thresholds as set forth in Exhibit D. Although both the earlier Annual Marketing Incentive and the new Supplemental (superseding) Annual Marketing Incentive are stepped such that Carnival's incentive entitlement increases as its annual PortMiami passenger throughput increases,

under the new Supplemental Annual Marketing Incentive Carnival's annual passenger throughput incentive-eligibility threshold is lower (1.3 million passengers versus 1.9 million passengers) while its annual incentive-payment entitlements are higher (by \$2.3 million at the minimum threshold and \$3.2 million at next year's projected volumes). The annual combined value of these incentives, which are to be paid from Port operating revenues, ranges from approximately \$6 million to \$9 million annually over the life of the Agreement, providing Carnival meets its minimum passenger threshold commitments.

Providing Carnival performs above the minimum threshold by 600,000 passengers (consistent with our projections for the coming Fiscal Year of 2.1 million passenger moves), then Carnival shall pay the Port \$36.3 million. Based on this volume, Carnival would receive a \$4.5 million Supplemental Incentive payment. Carnival would also be entitled to a share of parking revenue that varies from year to year. The expected range of Carnival parking revenues would be between \$4.6 million and \$5.5 million. Based on anticipated net cash flow to the Port, the new Amendment is the financial equivalent to the existing Agreement, except that it extends the Carnival commitment to our Port for an additional decade, which is viewed favorably by our bond holders and rating agencies.

As part of this Amendment, Carnival will homeport the *Carnival Vista* in Miami commencing late 2016 for a minimum of 24 of the first 36 months of deployment. The County commits to making certain terminal improvements to Terminals D and E as per the attached Exhibit C and its accompanying terminal sketches. These modifications are estimated to cost no more than \$10 million and are the sole responsibility of the County. The funding for such improvements comes from a reallocation of the Port's FY 2015 adopted capital budget. The remainder will be included in the Port's FY 2016 capital budget, which will come from Port bonds/loans, FDOT grants, federal grants, tenant funds and/or operating funds.

Carnival is current on all their obligations to the Port and their account is in good standing with the County.

#### **Track Record/Monitor**

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

#### **Background**

PortMiami and Carnival have shared a long and prosperous relationship over the last 43 years. Carnival began operations from Miami in 1972 and has continued to grow their business ever since. Today, Carnival Corporation is the largest worldwide vacation company with nine different cruise brands operating a fleet of more than 100 cruise ships.

Carnival Cruise Line is the largest of the nine (9) brands and PortMiami's largest cruise brand in terms of passenger volumes. Carnival has played a major role in making PortMiami the Cruise Capital of the World. This past FY 2014 was Carnival's busiest Miami deployment ever, with 2.3 million passengers generating \$24 million in net revenue.

On October 15, 1998, the Board approved Resolution R-1196-98, authorizing a Cruise Terminal Agreement for conducting cruise vessel berthing operations at the Port with guaranteed passenger volumes. This Agreement had a 15 year term with a five-year renewal term at Carnival's option exercisable in 2013. Subsequently, on June 15, 2010, the Board approved Amendment No. 1, via

Resolution R- 967-10, executing the optional renewal period early and extending the term for another five (5) years through FY 2018. This Amendment No. 1 also outlined Carnival's Minimal Annual Guarantees and incorporated the concept of a Unitary Fee, combining all Port fees into one rate per passenger. It also established the parking revenue related Marketing Incentive discussed earlier. Subsequently, on May 3, 2011, the Board approved Amendment No. 2 via Resolution R-343-11, whereby Carnival agreed to homeport its then-latest newbuild (*Carnival Breeze*) in Miami. This Amendment No. 2 also committed the Port to make certain terminal improvements to Terminal D and provided for a new Supplemental Annual Marketing Incentive County Payment obligation tied to Carnival's annual PortMiami passenger throughput performance.

Carnival currently has two (2) newbuild ships under construction, the *Carnival Vista*, due in the spring 2016, and a sister ship slated for delivery in March 2018. Both Carnival and the Port have been working to secure Miami as the Caribbean homeport for the new 133,500 ton *Carnival Vista*. The *Carnival Vista*, with 4,000 passengers at double-occupancy, will be the largest vessel in the Carnival fleet. The *Carnival Vista* will sail its inaugural season in Europe followed by Caribbean itineraries from Miami in late 2016. Carnival intends to announce this deployment to the industry after Board approval.

Responding to the desire to homeport the *Carnival Vista* in Miami, the proposed Amendment No. 3 to the Cruise Terminal Agreement is respectfully recommended for approval. Under the terms of the Agreement, Carnival commits the following to the County:

- Newbuild Ship: Carnival shall homeport the new *Carnival Vista* in Miami beginning late 2016 for a minimum of 24 months of the first 36 months.
- Term: The term of the Agreement will be extended an additional ten (10) years (from its existing expiration in 2018) through the fall of 2028. Carnival shall have the option to extend the Agreement for one (1) additional seven (7) year term, upon twelve (12) months written notice to the County before the end of the then existing term, on the same existing terms and conditions set forth in the Agreement and as amended via this Amendment No. 3.
- Unitary Fee: Carnival agrees to retroactively increase its Unitary Fee payable to the County commencing February 1, 2015 to \$16.80 per passenger embarkation and per passenger disembarkation. The agreed to FY 2015 Unitary Fee provides Carnival with the lowest net port fees (excluding water credits) of any multi-day cruise line operating at PortMiami. The County has the right to increase this fee each Fiscal Year by up to three percent compounded annually as shown in Exhibit A. This Unitary Fee is consistent with previously approved unitary fees and approximates the capital, operating, maintenance and overhead costs (per passenger movement) associated with providing PortMiami's cruise passenger services.
- Minimum Annual Payments: Commencing retroactively to February 1, 2015, Carnival shall guarantee a Minimum Annual Payment to the County equivalent to 1.5 million passenger movements each FY as per Exhibit B. Such gross guarantees range from \$24 million in FY 2015 to \$37 million in 2028.

In consideration of Carnival's commitments outlined above, Carnival will receive the following:

- Capital Improvements: The County commits to making certain capital improvements at Cruise Terminals D and E to allow for simultaneous berthing of a Vista-class vessel at Terminal D and a Conquest-class vessel at Terminal E, with both ships able to berth both portside and starboard side. The County shall also make improvements to Terminal E to

accommodate six (6) security screening machines and additional seating for approximately 1,000 passengers. These improvements, outlined in Exhibit C, are estimated to cost approximately \$10 million and are the sole responsibility of the County. The improvements shall be completed by the County, sufficient to obtain a temporary certificate of occupancy, no later than October 15, 2016.

- Supplemental Annual Marketing Incentive: Commencing retroactively to February 1, 2015, the County will provide a Supplemental Annual Marketing Incentive based on certain annual passenger thresholds as set forth in Exhibit D. The Supplemental Annual Marketing Incentive structure (Exhibit D) shall replace the current Annual Marketing Incentive set forth in Amendment No. 2, Section 3(i). The Supplemental Annual Marketing Incentive payment obligations to Carnival may increase by up to 3% per year compounded corresponding to the County's election to increase Carnival's Unitary Fee by up to 3% per year compounded. The County's Supplemental Annual Marketing Incentive payment shall be payable to Carnival within 60 days of the close of each fiscal year. This Supplemental Annual Marketing Incentive, to be paid for from Port operating funds, is in addition to other parking revenue related incentives payable to Carnival and is consistent with the structure of incentives provided for in other Board-approved cruise line agreements.
- Shortfall Payments: Carnival shall continue to pay no less than its Minimum Annual Guaranteed Payment, subject to certain credits to which Carnival may be entitled for exceeding prior Fiscal Year minimum passenger throughput requirements. If during any fiscal year the Unitary Fee incurred by Carnival fails to equal the Minimum Annual Guaranteed Payment, Carnival shall pay the difference to the County within sixty (60) days of the Differential Notice by the County. However, Shortfall Payment Credit Mechanism will exist as follows:
  - Surplus Credits: Surplus amounts shall accrue to a Reconciliation Account each fiscal year when Carnival exceeds the Minimum Annual Guaranteed Payment for that year, not to exceed \$6 million in aggregate during the life of the Agreement. Carnival shall be entitled to use up to \$6 million in Surplus Credit in any fiscal year.
  - Shortfall Mechanism: If Carnival has a Shortfall Payment and lacks sufficient Surplus Credits in the Reconciliation Account to reduce such Shortfall Amount to zero, Carnival may elect to defer up to \$2 million of such payment in any fiscal year (other than the last fiscal year of the agreement) until the Differential Notice for the following fiscal year is issued by the County. If such following year's Differential Notice shows that Carnival has sufficient Surplus in the Reconciliation Account to reduce the prior year's Shortfall Amount to zero, then the prior year's Shortfall Payment shall be reduced to zero and considered paid. If the Differential Notice shows Carnival does not have sufficient Surplus to reduce the prior year's balance, then the remaining Shortfall Amount shall be payable to the County within sixty (60) days of the Differential Notice.
  - At the end of the term (or the extension period, if exercised), the County shall retain any surplus amounts.

This Amendment extends the term of the Agreement, which shall now expire on September 30, 2028, with Carnival having the option to extend the Agreement for one (1) additional seven (7) year term,

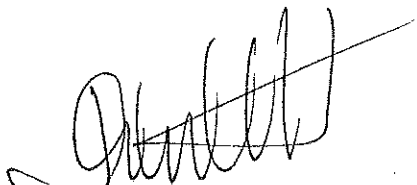
upon twelve (12) months written notice from Carnival before the end of the then existing term, on the same existing terms and conditions set forth in the Agreement as amended by this Amendment No. 3.

The effective date of this Amendment shall be upon the approval of this Amendment No. 3 by the Board and the first of either (1) the expiration of any applicable Mayoral Veto period, or (2) the approval and execution of the Amendment by the Mayor or the Mayor's Designee, and filing of such approval with the Clerk of the Board.

Carnival is headquartered in the County and employs approximately 3,000 shoreside employees. It is estimated that Carnival has a total economic impact of more than \$1 billion annually to the County. These contributions to the cruise industry and sizable economic impact make Carnival an extremely respected business partner.

**Delegated Authority**

The resolution authorizes the County Mayor or County Mayor's designee to execute Amendment No. 3 to the Agreement on behalf of Miami-Dade County and to exercise any cancellation, termination, and/or other County rights conferred in the Agreement as amended.

  
\_\_\_\_\_  
Jack Osterholt, Deputy Mayor



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** February 3, 2015

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

**SUBJECT:** Agenda Item No. 14(A)(3)

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 Mayor'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. 14(A)(3)  
2-3-15

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

RESOLUTION APPROVING AMENDMENT NUMBER 3 TO 1998 CRUISE TERMINAL AGREEMENT BETWEEN MIAMI-DADE COUNTY AND CARNIVAL CORPORATION, INCLUDING EXTENDING AGREEMENT TERM BY TEN YEARS THROUGH SEPTEMBER 30, 2028, WITH CARNIVAL HAVING ONE SEVEN YEAR OPTION TO RENEW; APPROVING CRUISE TERMINAL D AND E IMPROVEMENTS TO BE PAID FOR BY COUNTY, ESTIMATED TO COST APPROXIMATELY \$10,000,000.00; AND AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AMENDMENT NUMBER THREE ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION, TERMINATION, AND/OR OTHER COUNTY RIGHTS CONTAINED IN THE AGREEMENT AS AMENDED

**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 Amendment Number 3 to the 1998 Cruise Terminal Agreement with Carnival Corporation as amended by prior amendments, in substantially the form attached hereto; and

**Section 2.** Authorizes the County Mayor or the County Mayor's designee to execute this Amendment No. 3 in substantially the form attached hereto for and on behalf of Miami-Dade County after review and approval by the County Attorney's Office and to exercise any cancellation, termination, and/or other County rights contained in the 1998 Cruise Terminal Agreement as amended.



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:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 3<sup>rd</sup> day of February, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the 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.



Steven B. Bass

**Amendment No. 3 to the Cruise Terminal Agreement  
Between Miami-Dade County and Carnival Corporation**

THIS AMENDMENT No. 3 to the October 20, 1998 Cruise Terminal Agreement between Miami-Dade County and Carnival Corporation ("Amendment No. 3") is made and entered into this \_\_\_\_\_ day of February, 2015, 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 Carnival Corporation, a Panamanian corporation, hereinafter referred to as "Carnival."

WHEREAS, Carnival is the largest cruise company in the world and operates a fleet of approximately 100 vessels; and

WHEREAS, Carnival is the Port's largest cruise customer; and

WHEREAS, on October 20, 1998, the Miami-Dade Board of County Commissioners (the "Board") approved a Cruise Terminal Agreement between the County and Carnival by Resolution No. R-1196-98, as amended by Amendment No. 1 dated June 30, 2010 ("Amendment No. 1") approved by Resolution No. 697-10, and as amended by Amendment No. 2 dated May 3, 2011 ("Amendment No. 2") approved by Resolution No. 343-11 (together, the "Agreement"); and

WHEREAS, Carnival shall Home-Port the Carnival Vista at the Port, commencing in the fall of 2016 for a minimum of 24 months of the first 36 months of the ship's in-service deployment by Carnival; and

WHEREAS, Carnival and the County intend to extend the term of the Agreement from its current expiration on September 30, 2018 for ten (10) years to September 30, 2028, with one seven-year Carnival option to renew the Agreement (as amended through this Amendment No. 3); and

WHEREAS, Carnival agrees to increase its Minimum Annual Guaranteed Payment to the County to an amount equal to 1.5 million Passenger Movements (which is defined to be the sum of all passenger embarkations and debarkations per Fiscal Year) times the then effective Unitary Fee; and

WHEREAS, the County shall make the capital improvements to Terminals D and E in the manner agreed by the parties as further set forth in Section 5 herein; and

WHEREAS, capitalized terms used herein but not defined herein shall have the meanings set forth in the Agreement

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 effective date of this Amendment No. 3 is conditioned upon approval of this Amendment No. 3 by the Miami-Dade County Board of Commissioners and the first to occur of either (1) the expiration of any applicable Mayoral Veto period, or (2) the approval and execution of Amendment No. 3 by the Mayor or the Mayor's Designee, and filing of such approval with the Clerk of the Board of County Commissioners; provided that such conditions are satisfied, the effective date of the Agreement shall be deemed February 1, 2015.
2. Subject to the terms of the Agreement, as previously amended, and this Amendment No. 3, Carnival hereby agrees to Home-Port the Carnival Vista for a minimum of 24 of 36 months commencing in the fall of 2016; provided the vessel is delivered on time by the shipyard. If the vessel is not delivered by the shipyard on time, this obligation shall commence upon delivery of the vessel to Carnival by the shipyard and its placement into revenue service.
3. Section 4 of the Agreement is amended such that the Agreement, as amended hereby, shall expire on September 30, 2028, with Carnival having the option to extend the Agreement for one additional seven (7) year term, upon twelve (12) months prior written notice to County from Carnival before the end of the then existing term, on the same terms and conditions set forth in the Agreement as amended through this Amendment No. 3.
4. Section 7 of Amendment No. 1 is deleted in its entirety, including Exhibit B thereto, and replaced with the following:

Section 3(d)(i) of the Agreement is deleted and replaced as follows: (i) Commencing February 1, 2015, Carnival Vessels shall berth at the Port during each Fiscal Year a sufficient number of times to generate the Minimum Annual Guaranteed Payment from the Unitary Fee payable to the County during each Fiscal Year that this Amendment remains in effect until contract expiration on September 30, 2028 or any applicable exercised extension period. The new Minimum Annual Guaranteed Payment (the "New MAGP") is set forth in Exhibit B attached, which replaces as of February 1, 2015, in its entirety, Exhibit B from Amendment No. 1 (the "Prior MAGP").
5. The County shall, at its sole cost and expense, make capital improvements to Terminals D and E to allow for the simultaneous berthing of a Vista class ship at Terminal D and a Conquest class ship at Terminal E, with both ships being able to berth either portside or starboard side to the Terminal, and make additional improvements at Terminal E to accommodate six (6) security screening stations/aisles and additional seating for a total of 1,000 passengers, all as more particularly set forth in attached composite Exhibit C-1 to this Amendment No. 3 (6 pages in total: one (1) page of narrative description and five (5) pages of preliminary conceptual drawings). Pages 4 and 5 of Exhibit C-1 represent two alternative proposed improvement elements on a portion of the second floor of Cruise Terminal E (proposed Revised Concept Sketches E-2A and E-2B, respectively). Selection of sketch E-2A versus sketch E-2B, both of which have been approved by Carnival, will be decided by the Port in the future depending on further regulatory review. The improvements shall be substantially completed by the County (sufficient to

obtain a temporary certificate of occupancy) no later than October 15, 2016. An initial proposed planning level project schedule is attached as Exhibit C-2 hereto, however, the parties acknowledge and agree that this proposed schedule may change, provided, however, the County shall use diligent efforts to cause a temporary certificate of occupancy for the improvements to be issued by October 15, 2016.

6. Section 5 (ii) of Amendment No. 1 is deleted in its entirety, including Exhibit A thereto, and replaced with the following:

(ii) Carnival agrees that the Unitary Fee beginning February 1, 2015 shall be \$16.80 per passenger embarkation and per passenger debarkation. Commencing October 1, 2015, the County may increase the Unitary Fee each Fiscal Year of the Term (as may be extended hereunder) by not more than three percent (3%) per year annually, as set forth in attached Exhibit A (the "Unitary Fee"). Other than the Unitary Fee, the Parties acknowledge and agree that there are no other fees, rates, or tariffs paid by Carnival to the County or the Seaport Department under the Agreement or the Port Tariff. The County shall not increase the Unitary Fee payable by Carnival unless such increases are equally imposed (on the same percentage basis) on all other multiple night cruise operators at the Port. The County shall provide Carnival with no less than ninety (90) days prior written notice of any such proposed increase in the Unitary Fee.

7. Effective on midnight of January 31, 2015, Section 3(i) of Amendment No. 2, including Attachment A thereto, shall be deleted in their entirety and replaced with the following:

3(i) "This subsection (i) and Attachment A are intentionally deleted."

8. Effective 12:01 a.m. February 1, 2015, the County shall provide Carnival with the following additional benefits:

Payment of an annual marketing incentive supplement (in addition to the Market Incentive already provided by Section 11(iii) of Amendment No. 1), in the amount set forth in **Exhibit D** hereto (the "Supplemental Annual Marketing Incentive"), subject to and based on the passenger movement thresholds set forth in **Exhibit D**. Notwithstanding the foregoing, the amount of the Supplemental Annual Marketing Incentive due Carnival for Fiscal Year 2015 shall be calculated as set forth in note 4 to Exhibit D. The County shall pay Carnival the incentives due pursuant to **Exhibit D** within sixty (60) days of the end of each Fiscal Year. The Supplemental Annual Marketing Incentive shall be in addition to any other payments or financial incentives payable by the County to Carnival under the Agreement. If in any Fiscal Year of the Term (as may be extended hereunder) the County increases the Unitary Fee by up to 3% per Fiscal Year, then in such event the amount of the Supplemental Annual Marketing Incentive payment due Carnival for the corresponding Fiscal Year shall increase by the same percentage increase (up to 3%). In the event the County does not increase the amount of the Unitary Fee due in any Fiscal Year of the Term (as may be extended hereunder), then the Supplemental Annual Marketing Incentive due Carnival in the corresponding Fiscal Year shall not increase.

9. Section 8 of Amendment No. 1 to this Agreement is deleted in its entirety and amended to read as follows:

Section 3(d)(ii) of the Agreement is amended to include a Shortfall Payment credit mechanism as follows:

Within sixty (60) calendar days following the end of each Fiscal Year, County shall calculate the actual Unitary Fees paid by Carnival for such Fiscal Year based on the passenger manifests submitted by Carnival, and shall send a written notice (the "Differential Notice") to Carnival setting forth the difference (positive or negative) between the actual fees paid and the New MAGP for such Fiscal Year (the "Differential"). If the Differential for any Fiscal Year is a negative amount (a "Shortfall Amount") or a positive amount (a "Surplus"), the Differential Notice shall confirm the Shortfall Amount or Surplus to Carnival. Subject to the terms below, if the Differential Notice for the first Fiscal Year reflects a Shortfall Amount, Carnival shall pay to County, within sixty (60) calendar days of receipt of such notice, the Shortfall Amount. If a Differential Notice reflects a Shortfall Amount for any Fiscal Year following the first Fiscal Year, Carnival shall pay to County, within sixty (60) calendar days of receipt of such notice, the Shortfall Amount, subject to Carnival's right to credits from the Reconciliation Account (defined below) as hereinafter provided. If the Differential for any Fiscal Year (including the first Fiscal Year) is a Surplus, then no shortfall payment shall be due from Carnival for such Fiscal Year and County shall allocate the Surplus to an account (the "Reconciliation Account") held by County to be used solely for the purposes described herein. Such Surplus shall be carried forward to future Fiscal Years, subject to the terms outlined herein, as a credit against any Shortfalls for future Fiscal Years such that any future Shortfall shall first be credited against the amounts of any existing Surplus in the Reconciliation Account prior to any payment by Carnival hereunder. Surplus amounts shall accrue each Fiscal Year where Carnival exceeds the New MAGP for that year, not to exceed Six Million Dollars (\$6,000,000.00) in the aggregate from October 1, 2014 through the remaining term of this Agreement as amended by this Amendment No. 3 (the "Surplus Cap"). Any amount in excess of the Surplus Cap remaining in the Reconciliation Account at the expiration or termination of this Agreement shall be retained by the County. The parties acknowledge and agree that as of September 30, 2014, the Surplus in the Reconciliation Account amounts to One Million Five Hundred Thousand Dollars (\$1,500,000.00).

Beginning Fiscal Year 2015 (October 1, 2014) and during the remainder of the Term of this Agreement, including the Term as amended by this Amendment No. 3 (and any extension thereof), Surplus amounts may accumulate each year, not to exceed Six Million Dollars (\$6,000,000.00) in the aggregate, including any remaining funds in the Reconciliation Account. For the avoidance of doubt, a Surplus in the Reconciliation Account shall apply and be used as a credit against a Shortfall Amount during any extended Term pursuant to the exercise of Carnival's option set forth in Section 3 above, in the same manner as during Term of this Agreement. To the extent funds in the Reconciliation Account are used during the Term as credits against Shortfall Amounts as hereinabove provided, then any future Surplus shall be used to replenish the account up to the Surplus Cap. If the Reconciliation Account contains unused Surplus funds at the end of the Term of this Agreement as

amended by this Amendment No. 3, the County shall be entitled to retain all such funds. Carnival's obligations to pay the New MAGP are subject to the terms of the Agreement including, without limitation, Articles 21A and 21B.

Notwithstanding anything to the contrary herein, the payment by Carnival to the County of the Shortfall Amount as to any Fiscal Year shall represent the sole and exclusive liability of Carnival for failing to reach the New MAGP for such Fiscal Year and the fact that there exists a Shortfall shall not, in itself, constitute an event of default under the Agreement.

Notwithstanding the foregoing, beginning Fiscal Year 2015 (October 1, 2014) and during the remainder of the Term of this Agreement, including the Term as amended by this Amendment No. 3, if Carnival has a Shortfall Amount in any Fiscal Year, and lacks sufficient credits in the Reconciliation Account to reduce such Shortfall Amount to zero, then any portion of the Shortfall Amount remaining after the available Reconciliation Account credits are consumed, shall be paid by Carnival to the County within sixty (60) calendar days of Carnival's receipt of the County's Differential Notice, provided, however, that Carnival may elect to defer up to \$2,000,000 of such payment in any Fiscal Year other than last Fiscal Year of the Agreement, until receipt of the County's Differential Notice for the following Fiscal Year. If such following Fiscal Year's Differential Notice shows that Carnival has a sufficient Surplus in the Reconciliation Account to then reduce the prior year's Shortfall Amount to zero, then such Surplus shall be deemed consumed and extinguished to the extent necessary to reduce the prior year's Shortfall Amount to zero and the prior year's Shortfall Amount payment obligation shall be deemed satisfied. If such Differential Notice indicates the Reconciliation Account lacks sufficient Surplus to reduce the prior Fiscal Year's Shortfall Amount to zero, then the prior Fiscal Year's Shortfall Amount shall be reduced by the amount of then available Surplus in the Reconciliation Account and any remaining Shortfall Amount shall be paid by Carnival to the County within sixty (60) calendar days of Carnival's receipt of such Differential Notice.

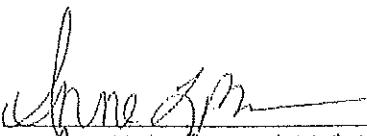
10. The Agreement, as amended by this Amendment No. 3 and all of the terms, conditions, and warranties contained therein, are hereby reaffirmed and shall continue in full force and effect except as specifically modified by this Amendment No. 3.
11. The WHEREAS clauses set forth above are incorporated into the body of this Amendment No. 3 as if fully set forth herein.
12. This Amendment No. 3 shall be governed by Florida Law.

[Signature page follows]

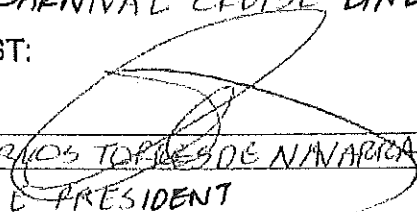
IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed in their respective corporate names by the appropriate officers, and have their respective corporate seals to be affixed hereto, all as of the day and year first written above.

CARNIVAL CORPORATION

MIAMI-DADE COUNTY, FLORIDA

By:   
ANNE BRAMMAN  
SVP & CFO  
CARNIVAL CRUISE LINE

ATTEST:

By:   
CARLOS TORRES DE NAVARICA  
VICE PRESIDENT

ATTEST:

Clerk of the Board

\_\_\_\_\_. Approved as to form and  
legal sufficiency





**Amendment No. 3 to the Cruise Terminal Agreement  
Between Miami-Dade County and Carnival Corp.**

**Exhibit A – Unitary Fees**

<b>Fiscal Year</b>	<b>Unitary Fee</b>
<b>FY 2015*</b>	<b>\$16.80</b>
<b>FY 2016</b>	<b>\$17.30</b>
<b>FY 2017</b>	<b>\$17.82</b>
<b>FY 2018</b>	<b>\$18.36</b>
<b>FY 2019</b>	<b>\$18.91</b>
<b>FY 2020</b>	<b>\$19.48</b>
<b>FY 2021</b>	<b>\$20.06</b>
<b>FY 2022</b>	<b>\$20.66</b>
<b>FY 2023</b>	<b>\$21.28</b>
<b>FY 2024</b>	<b>\$21.92</b>
<b>FY 2025</b>	<b>\$22.58</b>
<b>FY 2026</b>	<b>\$23.26</b>
<b>FY 2027</b>	<b>\$23.95</b>
<b>FY 2028</b>	<b>\$24.67</b>

*\* Effective February 1, 2015, the Unitary Fee shall be \$16.80 per passenger embarkation and per passenger disembarkation*

**Should Carnival exercise its optional 7-year Extension Term, the Unitary Fees shall be as follows:**

<b>Fiscal Year</b>	<b>Unitary Fee</b>
<b>FY 2029</b>	<b>\$25.41</b>
<b>FY 2030</b>	<b>\$26.17</b>
<b>FY 2031</b>	<b>\$26.96</b>
<b>FY 2032</b>	<b>\$27.77</b>
<b>FY 2033</b>	<b>\$28.60</b>
<b>FY 2034</b>	<b>\$29.46</b>
<b>FY 2035</b>	<b>\$30.34</b>

The Unitary Fee shown above reflects an annual increase of 3% each FY of the Term and, if applicable, the exercised 7-year Extension Term.



**Amendment No. 3 to the Cruise Terminal Agreement  
Between Miami-Dade County and Carnival Corp.**

**Exhibit B – Minimum Annual Guarantees**

<b>Fiscal Year</b>	<b>New Minimum Annual Guaranteed Payment (New MAGP)</b>
<b>FY 2015*</b>	<b>\$ 24,362,000</b>
<b>FY 2016</b>	<b>\$ 25,950,000</b>
<b>FY 2017</b>	<b>\$ 26,730,000</b>
<b>FY 2018</b>	<b>\$ 27,540,000</b>
<b>FY 2019</b>	<b>\$ 28,365,000</b>
<b>FY 2020</b>	<b>\$ 29,220,000</b>
<b>FY 2021</b>	<b>\$ 30,090,000</b>
<b>FY 2022</b>	<b>\$ 30,990,000</b>
<b>FY 2023</b>	<b>\$ 31,920,000</b>
<b>FY 2024</b>	<b>\$ 32,880,000</b>
<b>FY 2025</b>	<b>\$ 33,870,000</b>
<b>FY 2026</b>	<b>\$ 34,890,000</b>
<b>FY 2027</b>	<b>\$ 35,925,000</b>
<b>FY 2028</b>	<b>\$ 37,005,000</b>

*\*Minimum Annual Guaranteed Payment for FY 2015 is prorated.*

**Should Carnival exercise its optional 7-year Extension Term, the Minimum Annual Guaranteed Payments shall be as follows:**

<b>Fiscal Year</b>	<b>New Minimum Annual Guaranteed Payment (New MAGP)</b>
<b>FY 2029</b>	<b>\$ 38,115,000</b>
<b>FY 2030</b>	<b>\$ 39,255,000</b>
<b>FY 2031</b>	<b>\$ 40,440,000</b>
<b>FY 2032</b>	<b>\$ 41,655,000</b>
<b>FY 2033</b>	<b>\$ 42,900,000</b>
<b>FY 2034</b>	<b>\$ 44,190,000</b>
<b>FY 2035</b>	<b>\$ 45,510,000</b>

The New MAGPs shown above reflect an annual increase of 3% each FY of the Term and, if applicable, the exercised 7-year Extension Term. Notwithstanding the foregoing, Carnival's New MAGP will not increase in any FY in which the County does not increase Carnival's Unitary Fee and, to the extent the County increases Carnival's Unitary Fee for a particular FY by less than 3%, Carnival's New MAGP for that FY will only increase by the same percentage increase.

**Amendment No. 3 to the Cruise Terminal Agreement  
Between Miami-Dade County and Carnival Corp.**

**Exhibit C-1 – Terminals D & E Capital Improvements**

**Cruise Terminal D Concourse and Runway:**

1. Four new doors, one new bollard, extended runway (approx. 140' terminal side and approx. 128' water side) and concourse (approx. 86' in length) with life safety egress stairs.

**Cruise Terminal E Upgrades:**

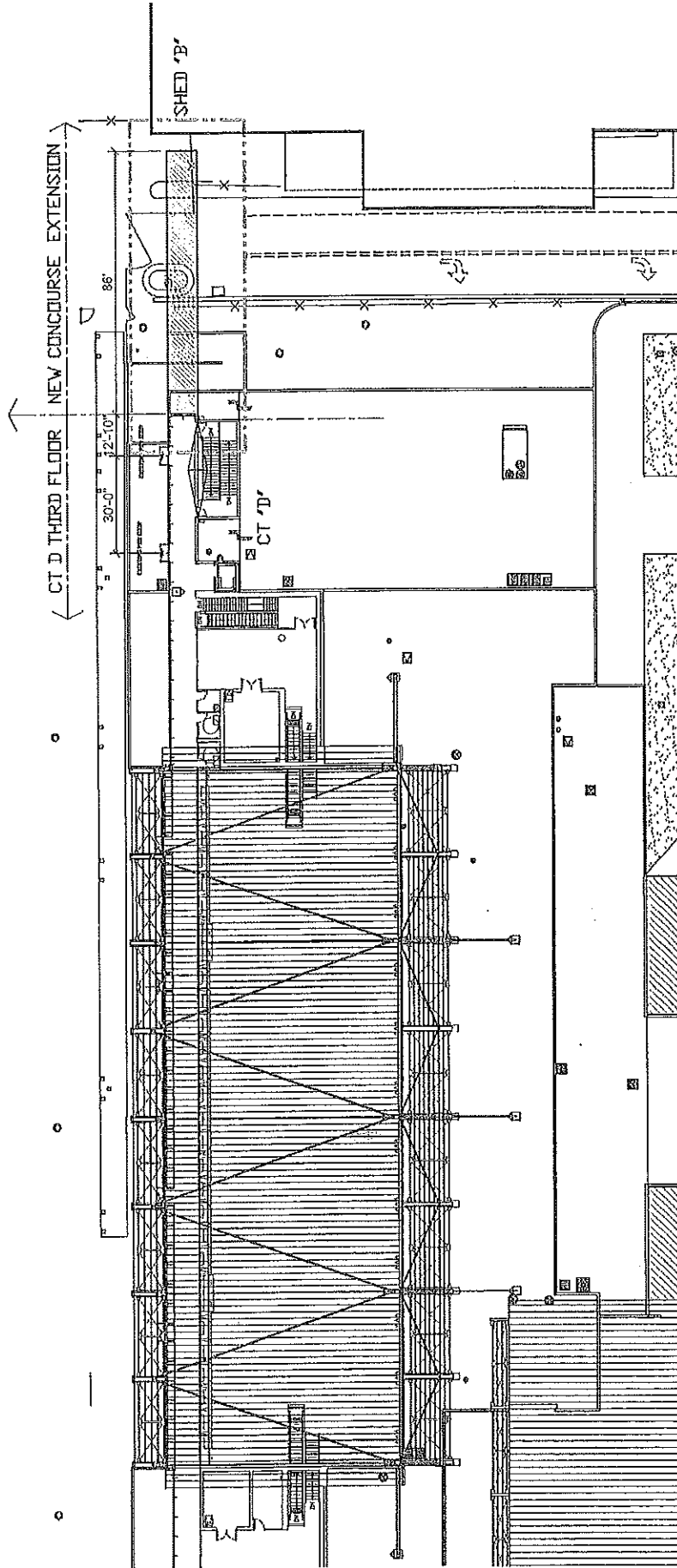
1. Exterior seating and trash receptacles.
2. Queuing area for Passenger Screening Machines (overall new security lobby approx. 6,800 sq. ft. and approx. 2,000 sq. ft. queuing area).
3. Additional secondary area (re-purpose office near escalator).
4. New offices on the ground floor.
5. Demolition of existing Carnival office area on the 2<sup>nd</sup> floor east.
6. Reduce size of second floor existing break room for approx. 20-25 people
7. New CCL Office area on the 2<sup>nd</sup> floor west (new construction).
8. Additional seating for the second floor area to reach 1,000 total seats.
9. Regulatory requirements, ADA and Life Safety items to include: egress paths, fire alarm system, fire suppression system, BMS, etc.
10. Interior and exterior finishes similar to existing Cruise Terminal E.

**Cruise Terminal "E" Concourse and Runway:**

1. Two new doors, one new bollard, runway (approx. 129' terminal side and approx. 160' water side) and Concourse (approx. 117' in length) for a Conquest Class. Includes demo/reconstruction of CT 10 and life safety egress stairs.

\*The above project work scope is graphically outlined in five sketches dated 1-14-15 and the complete project is estimated to cost less than \$10,000,000.

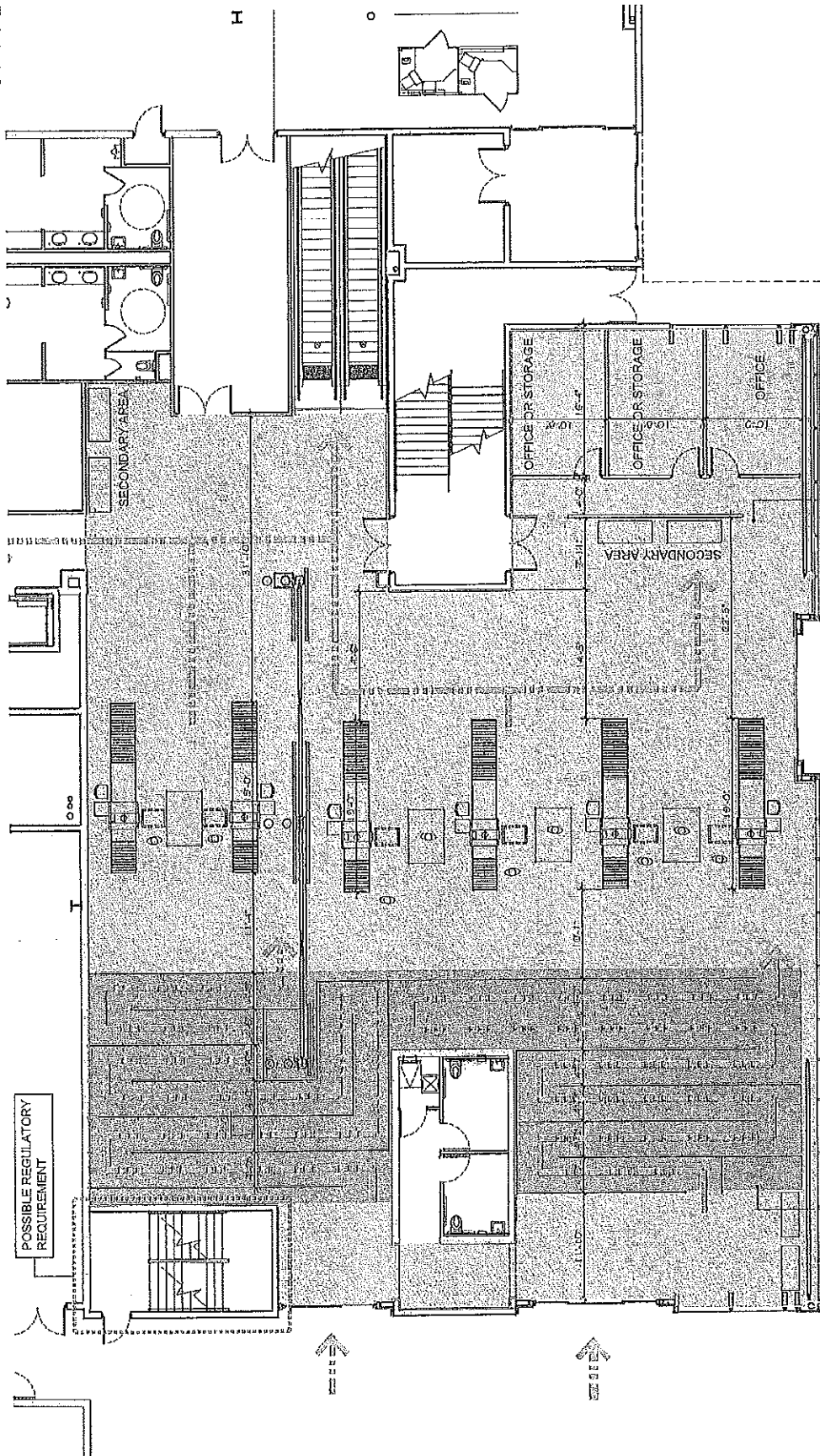
01-14-2015



CRUISE TERMINAL D  
THIRD FLOOR  
PROPOSED CONCEPT SKETCH D-1

NOT TO SCALE  
FOR REFERENCE ONLY.

01-14-2015



# CRUISE TERMINAL E GROUND FLOOR PROPOSED CONCEPT SKETCH E-1

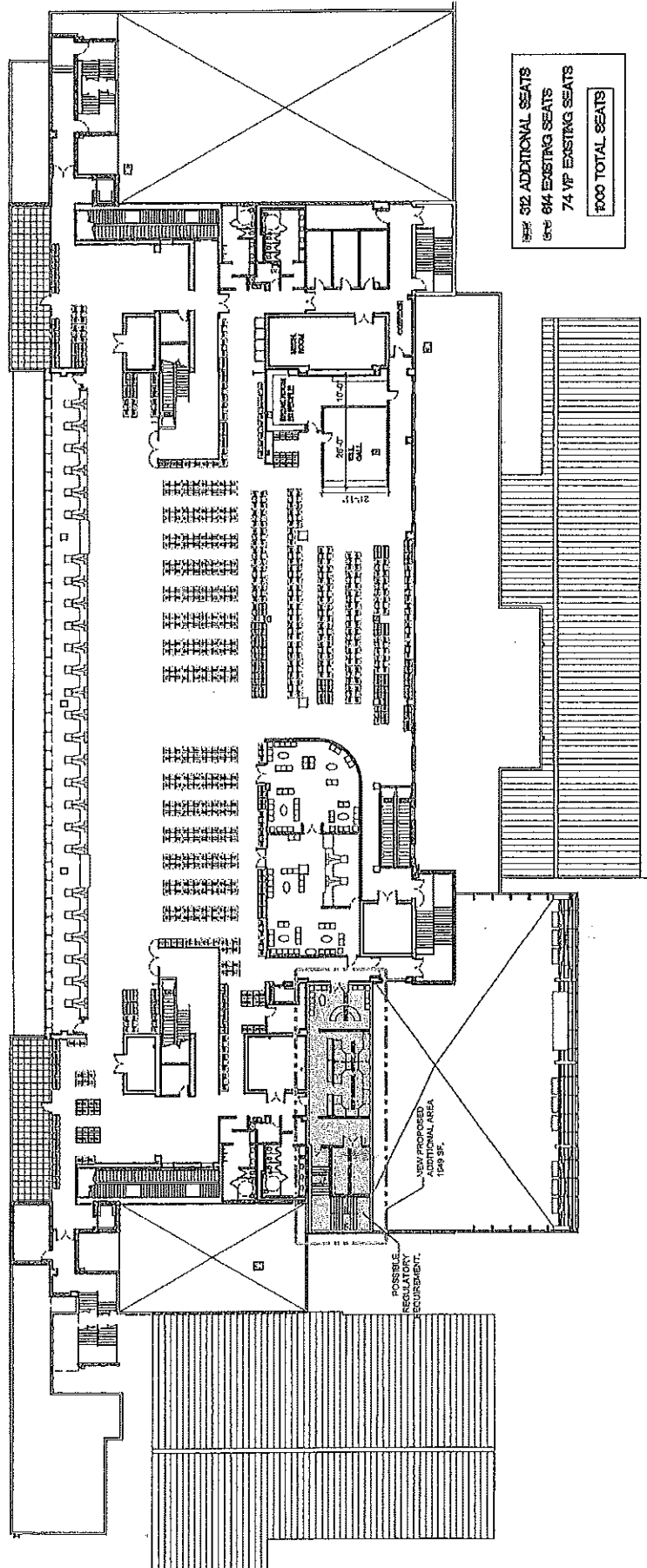
POSSIBLE REGULATORY  
REQUIREMENT

OVERALL NEW  
SECURITY LOBBY CT "E"  
+/- 6,784.00 SF

NEW SECURITY LOBBY AREA  
+/- 2,033 SF (QUELING) @ 10 SF  
PER PERSON +/- 208 PASSENGERS

SCALE: 3/32" = 1'-0"  
FOR REFERENCE ONLY.

01-14-2015  
OPTION A

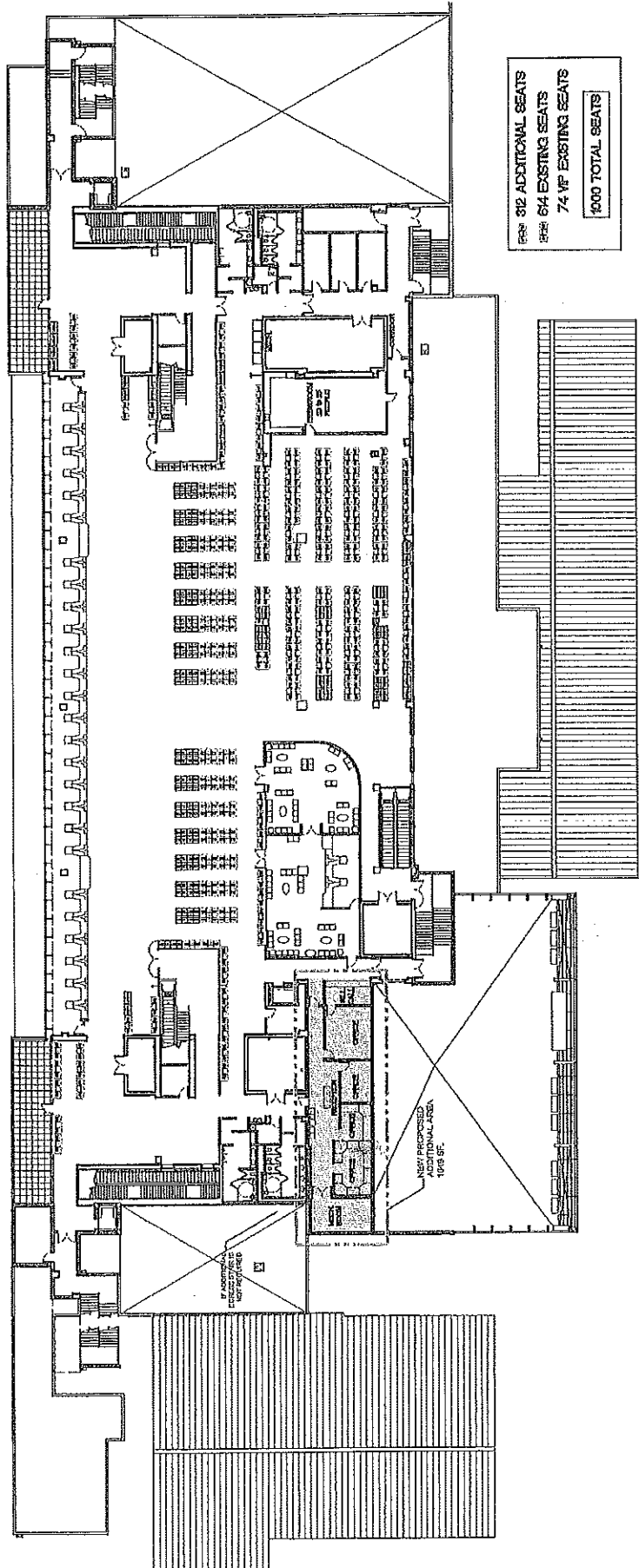


NEW 512 ADDITIONAL SEATS  
GRE 614 EXISTING SEATS  
74 VP EXISTING SEATS  
1000 TOTAL SEATS

# CRUISE TERMINAL E SECOND FLOOR PROPOSED REVISED CONCEPT SKETCH E-2A

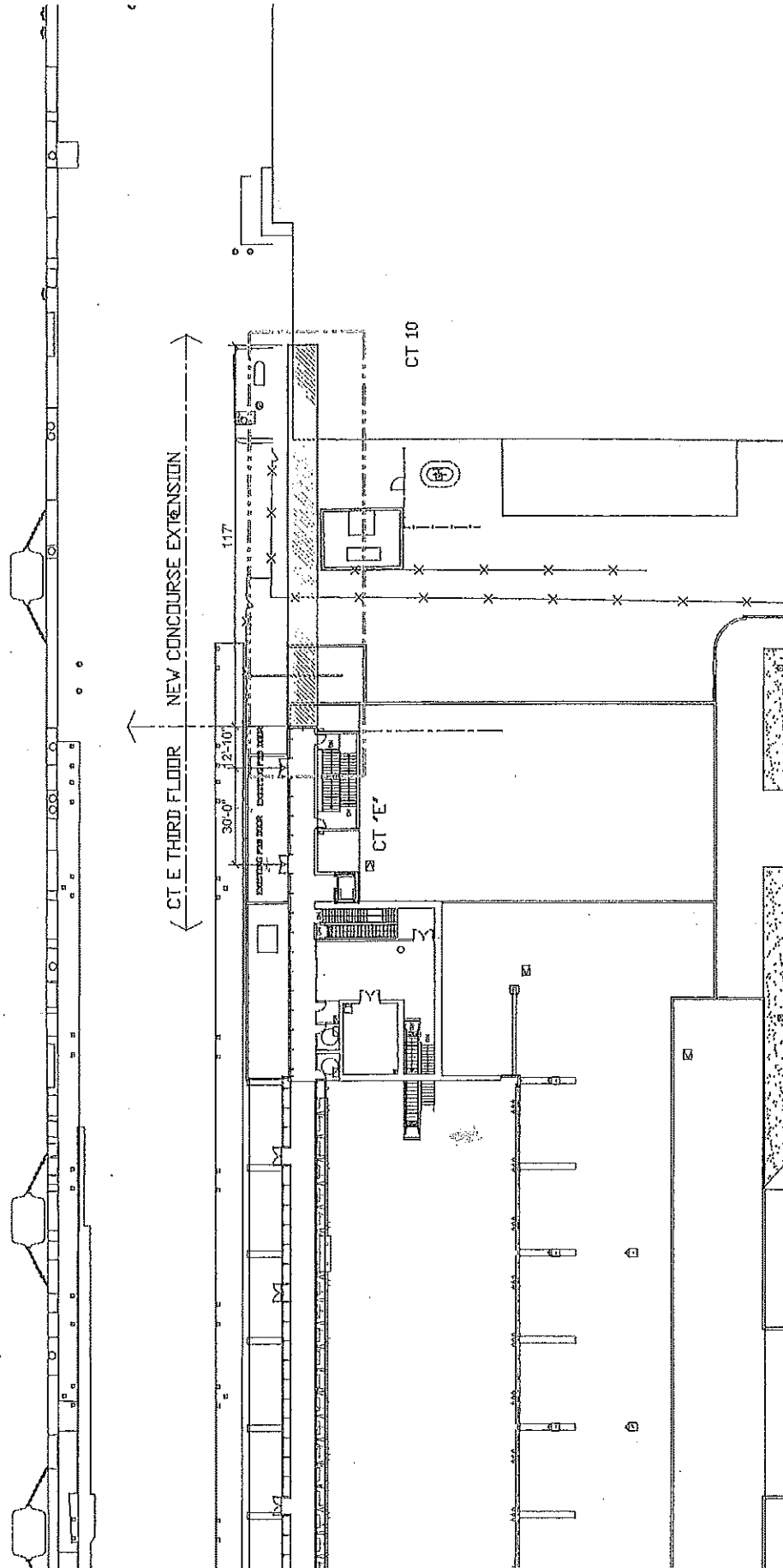
SCALE: 1/32" = 1'-0"  
FOR REFERENCE ONLY.

01-14-2015  
OPTION B



# CRUISE TERMINAL E SECOND FLOOR PROPOSED REVISED CONCEPT SKETCH E-2B

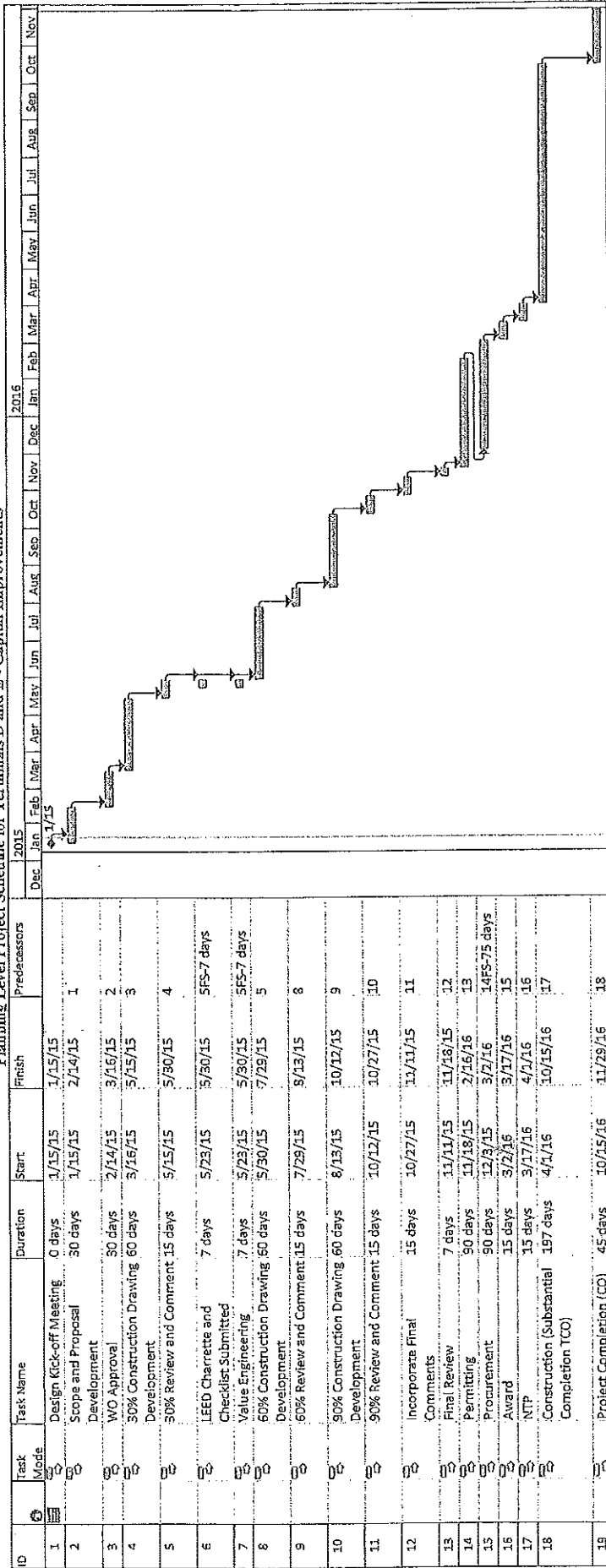
01-14-2015



CRUISE TERMINAL E  
THIRD FLOOR  
PROPOSED CONCEPT SKETCH E-3

NOT TO SCALE  
FOR REFERENCE ONLY.

Exhibit C-2  
Planning Level Project Schedule for Terminals D and E - Capital Improvements



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Project: CT D & E Improvements S Date: 1/20/15	Task	Project Summary	Inactive Milestone	Manual Summary Rollup	Deadline
	Split	External Tasks	Inactive Summary	Manual Summary	Progress
	Milestone	External Milestone	Manual Task	Start-only	
	Summary	Inactive Task	Duration-only	Finish-only	



**Amendment No. 3 to the Cruise Terminal Agreement  
Between Miami-Dade County and Carnival Corp.**

**Exhibit D – Supplemental Annual Marketing Incentive**

<b>Passenger</b>	<b>Threshold</b>	<b>Total Incentive To CCL</b>
1,300,000	1,350,000	2,025,000
1,350,001	1,400,000	2,100,000
1,400,001	1,450,000	2,175,000
1,450,001	1,500,000	2,250,000
1,500,001	1,550,000	2,325,000
1,550,001	1,600,000	2,400,000
1,600,001	1,650,000	2,475,000
1,650,001	1,700,000	2,550,000
1,700,001	1,750,000	2,625,000
1,750,001	1,800,000	2,700,000
1,800,001	1,850,000	2,775,000
1,850,001	1,900,000	2,850,000
1,900,001	1,950,000	3,220,000
1,950,001	2,000,000	3,590,000
2,000,001	2,050,000	3,950,000
2,050,001	2,100,000	4,320,000
2,100,001	2,150,000	4,690,000
2,150,001	2,200,000	5,060,000
2,200,001	2,250,000	5,420,000
2,250,001	2,300,000	5,790,000
2,300,001	2,350,000	6,160,000
2,350,001	And Greater	6,530,000

- (1) Passenger embarkations and debarkations (total passenger movements) based on ship manifest.
- (2) The above Supplemental Annual Marketing Incentive payment schedule will increase by a maximum of 3% per Fiscal Year (commencing in FY 2016) corresponding to the County-imposed and determined annual percent increase to the Unitary Fee in the corresponding Fiscal Year. By example, if the County elects to increase the Unitary Fee for FY 2016 by 3%, then the Supplemental Annual Marketing Incentive payment schedule for Fiscal Year 2016 would correspondingly increase by 3%; if the County, however, does not increase the Unitary Fee for Fiscal Year 2016, then the above Supplemental Annual Marketing Incentive payment schedule for corresponding Fiscal Year 2016 would not change.
- (3) Passenger movements beyond 2,350,001 will receive the same per passenger marketing incentive as provided for in the final tier of this schedule.
- (4) The above chart commences in FY 2016. For FY 2015, the applicable Supplemental Annual Marketing Incentive due to Carnival shall be calculated as follows: if Carnival's FY 2015 Port of Miami passenger movements fall between 1,900,001 and 1,950,000, the FY 2015 Supplemental Marketing Incentive shall be \$2,050,000; between 1,950,001 and 2,000,000, the FY 2015 Supplemental Annual Marketing Incentive shall be \$2,200,000; between 2,000,001 and 2,050,000, the FY 2015 Supplemental

**Amendment No. 3 to the Cruise Terminal Agreement  
Between Miami-Dade County and Carnival Corp.**

**Exhibit D – Supplemental Annual Marketing Incentive**

Annual Marketing Incentive shall be \$2,340,000; between 2,050,001 and 2,100,000, the FY 2015 Supplemental Annual Marketing Incentive shall be \$2,490,000; between 2,100,001 and 2,150,000, the FY 2015 Supplemental Marketing Incentive shall be \$2,640,000; between 2,150,001 and greater, the FY 2015 Supplemental Marketing Incentive shall be \$2,790,000; between 1,300,000 Port of Miami passenger movements and 1,999,999 passenger movements, the 2015 Supplemental Annual Marketing Incentive shall be \$1 per passenger.