

REVENUE COLLECTION AND DISBURSEMENT AGREEMENT

DATED AS OF DECEMBER 1, 2006

REVENUE COLLECTION AND DISBURSEMENT AGREEMENT

THIS REVENUE COLLECTION AND DISBURSEMENT AGREEMENT is entered into this 1st day of December, 2006, among the **BAYONNE LOCAL REDEVELOPMENT AUTHORITY** (the "BLRA"), a New Jersey statutory municipal entity; **ROYAL CARIBBEAN CRUISES LTD.** (the "Redeveloper"), a foreign corporation organized under the laws of the Republic of Liberia; **CAPE LIBERTY CRUISE PORT LLC** (the "Port Manager"), a Delaware limited liability company; and, **THE BANK OF NEW YORK**, (the "Agent"), a state banking corporation organized and existing under the laws of the State of New York (the Agent, together with the BLRA, Redeveloper and Port Manager, the "Parties").

WITNESSETH

WHEREAS, on September 1, 2005, the BLRA, Redeveloper and its affiliate, the Port Manager, entered into certain agreements, including a Usage Agreement by and between the BLRA and the Redeveloper dated as of September 1, 2005 as amended from time to time, including by an amendment executed on the date hereof (the "Usage Agreement"), and including the Terminal Operating Agreement by and between the BLRA and the Port Manager dated as of September 1, 2005 as amended from time to time, including by an amendment executed on the date hereof (the "Terminal Operating Agreement" and, together with the Usage Agreement, the "Transaction Documents"), in order to set forth the respective undertakings, rights and obligations of Redeveloper, Port Manager and the BLRA in connection with the redevelopment and use of the Cape Liberty Cruise Port ("Port"), all in accordance with Applicable Law; and,

WHEREAS, in order to modify the flow of funds from, and payment of expenses for, the operation of the Port, the Usage Agreement and Terminal Operating Agreement have been

amended as of the date hereof as described above, and the BLRA, Redeveloper, Port Manager and Agent have agreed to enter into this Revenue Collection and Disbursement Agreement (the "Agreement") in order to effectuate those modifications.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the Parties, intending to be legally bound hereby, agree as follows:

Section 1. Definitions. For purposes of continuity, capitalized terms not otherwise defined in the preambles hereto or in this Section 1 shall have the meaning assigned to such terms in Exhibit A appended hereto. The following terms shall have the meaning set forth in this Section 1:

“Agent” shall mean The Bank of New York, a state banking corporation organized and existing under the laws of the State of New York.

“Agent Fees” shall mean those fees payable to the Agent pursuant to Section 10(A).

“Agent’s Money Market Fund” shall mean the money market fund offered by the Agent that invests in obligations of, or guaranteed by, the United States of America, and that is rated at least "Am" or "Am-G" by Standard & Poor's Corporation or Moody's Investors Service.

“Agreement” shall mean this Revenue Collection and Disbursement Agreement.

“Annual Statement” shall have the meaning set forth in Section 10(D).

“BLRA Authorized Representative” shall mean each of the persons designated to act on behalf of the BLRA by the Transaction Documents or by written certificate furnished to Redeveloper, Port Manager or the Agent, as the case may be, containing the specimen signatures of such persons and signed on behalf of the BLRA by an authorized officer or representative of the BLRA.

"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which either state or federally chartered banking institutions in the City of New York, the State of New Jersey or the New York Stock Exchange are authorized or obligated by law or executive order to close.

"Cape Liberty Capital Reserve Charge" shall mean for purposes of this Agreement, the Capital Reserve Charge.

"Cape Liberty Capital Reserve Fund" shall mean the Cape Liberty Capital Reserve Fund created pursuant to Section 3.

"Cape Liberty Revenue Fund" shall mean the Cape Liberty Revenue Fund created pursuant to Section 3.

"Deposit Report" shall have the meaning set forth in Section 4.

"Funds" shall mean the Cape Liberty Revenue Fund and the Cape Liberty Capital Reserve Fund.

"Local Fiscal Affairs Law" shall mean N.J.S.A. 40A:5-1 et seq., as amended and supplemented.

"Monthly Statement" shall have the meaning set forth in Section 10(D).

"Parties" shall mean, for purposes hereof, the BLRA, the Redeveloper, the Port Manager and the Agent.

"Priority Charges Budget" shall have the meaning set forth in Section 5(A).

"Resolution" shall mean a resolution of the BLRA, duly adopted on September 22, 2005 and amended on February 16, 2006, entitled, "Resolution Authorizing the Issuance of Revenue Bonds (Royal Caribbean Project) of the City of Bayonne Redevelopment Agency", as supplemented by a supplemental resolution duly adopted on September 22, 2005 and amended

on February 16, 2006 entitled “Supplemental Resolution Authorizing the Issuance of Not To Exceed \$16,500,000 Revenue Bonds, Series 2006 (Royal Caribbean Project) of the City of Bayonne Redevelopment Agency and Determining Various Other Matters in Connection Therewith” and as supplemented by a certificate of the Executive Director of the BLRA dated as of March 16, 2006.

“Revenues” shall have the meaning set forth in Section 4.

“Surplus” shall have the meaning set forth in Section 7.

“Terminal Operating Expenses” shall mean, for purposes hereof, Actual Operating Expenses, but shall not include Priority Charges, the BLRA Financing Charge and the Cape Liberty Capital Reserve Charge.

“Transaction Documents” shall mean, only for purposes of this Agreement, the Usage Agreement and the Terminal Operating Agreement. For clarification purposes, this term as otherwise defined in Exhibit A shall remain unchanged.

“Withdrawal Directions” shall have the meaning set forth in Section 5.

Words importing persons include firms, associations and corporations; words importing the singular number include the plural number, and vice versa.

References to Sections and Exhibits shall, unless indicated otherwise, refer to Sections and Exhibits of this Agreement.

Section 2. Appointment of Agent. The BLRA, the Redeveloper and the Port Manager hereby appoint The Bank of New York, a state banking corporation organized and existing under the laws of the State of New York, as Agent hereunder, and The Bank of New York hereby accepts such appointment, upon and subject to the terms and conditions hereinafter set forth.

Section 3. Creation of Funds. The following Funds are initially created hereunder and shall be held by the Agent:

- (A) Cape Liberty Revenue Fund and
- (B) Cape Liberty Capital Reserve Fund.

Section 4. Deposit of Revenues. The BLRA, the Redeveloper and the Port Manager hereby agree to remit, or to cause to be remitted, to the Agent: Berthing Tariffs, Wharfage Fees, Working Capital Advances, Revenue Deficiencies, Minimum Fees and other miscellaneous revenues, if any, all to the extent such amounts are not paid in respect to BLRA Financing Charges (together, the "Revenues"), in such amounts and within the time periods prescribed in the Transaction Documents. To the extent that the Revenues are remitted to the Agent by wire transfer, the BLRA, the Redeveloper and the Port Manager, as applicable, agree to complete such wire transfers in accordance with the Agent's wire instructions appended hereto as Exhibit B. With each remittance of the Revenues, the BLRA, Redeveloper and/or Port Manager, as applicable, shall submit a written report to the Agent and to the BLRA, Redeveloper and Port Manager, as applicable (the "Deposit Report"), indicating the total amount of such Revenues and the amount of each applicable category of Revenues. Upon receipt of such Revenues, the Agent shall deposit same in the Cape Liberty Revenue Fund. The Agent shall be accountable only for moneys actually received.

Section 5. Application of Cape Liberty Revenue Fund. (A) On or before December 15th of each year the BLRA and the Redeveloper shall provide the Agent with a written report executed by the BLRA and the Redeveloper (the "Priority Charges Budget") itemizing the anticipated monthly budget for Priority Charges for the immediately subsequent calendar year. On or before the twentieth (20th) day of each month during the term hereof, the BLRA shall

provide the Agent (with a copy to the Port Manager and Redeveloper) with written directions executed by the BLRA (the "Withdrawal Directions") instructing the Agent to pay or transfer, as applicable, from the Cape Liberty Revenue Fund the following categories of expenses (in the amounts set forth in the Withdrawal Directions), to the following entities or Funds, as applicable, in the following order of priority: (i) Agent Fees to the Agent; (ii) Priority Charges to the BLRA; (iii) Terminal Operating Expenses to the Port Manager; (iv) Port Management Fee to the Port Manager; and, (v) the Cape Liberty Capital Reserve Charge to the Cape Liberty Capital Reserve Fund. On or before the twenty-fifth (25th) day of each month, the Agent shall make the payment of the Priority Charges described in the Withdrawal Directions without the approval of the Port Manager, provided the amount of such payment does not exceed the amount set forth in the Priority Charges Budget. For those Priority Charges that do exceed the amount set forth in the Priority Charges Budget, and for all of the other categories of expenses described in the Withdrawal Directions, the Agent shall proceed with such payments or transfers on the twenty-fifth (25th) day of the month, provided that the Agent does not receive a written objection from the Port Manager by the twenty-fifth (25th) day of such month. If a permitted objection notice is received to such payments or transfers before the twenty-fifth (25th) day of the month, the Agent shall not proceed with such withdrawal (other than with respect to Priority Charges equal to or less than the amount set forth in the Priority Charges Budget) until it receives written instructions executed by both the BLRA and the Port Manager, or an order from an arbitrator or court of competent jurisdiction.

(B) If at any time there shall not be a sufficient amount on deposit in the Cape Liberty Revenue Fund to comply with any Withdrawal Directions, the Agent shall withdraw an amount sufficient to make up such deficiency from the Cape Liberty Capital Reserve Fund and shall

deposit same into the Cape Liberty Revenue Fund, or, in the event that there is not a sufficient amount on deposit in the Cape Liberty Capital Reserve Fund to make such a deposit, then the Agent, on behalf of the BLRA, shall request from the Redeveloper, and Redeveloper shall promptly remit within fifteen (15) days of such request, the amount of such deficiency for deposit into the Cape Liberty Revenue Fund. Redeveloper shall, upon such remittance, identify to the Agent (with a copy to the BLRA) any such payment as a Working Capital Advance, a Revenue Deficiency or a Minimum Fee payment, as may be applicable.

Section 6. Application and Restoration of Cape Liberty Capital Reserve Fund. The Agent shall deposit funds in the Cape Liberty Capital Reserve Fund in accordance with the terms hereof. The Agent shall make withdrawals from the Cape Liberty Capital Reserve Fund in accordance with any Withdrawal Directions from the BLRA or pursuant to Section 5(B) as applicable, provided however that, with respect to any Withdrawal Directions, no objections were raised by the Port Manager pursuant to Section 5(A). The BLRA agrees that all deposits to, and withdrawals from, the Cape Liberty Capital Reserve Fund shall be made in accordance with the terms of the Transaction Documents.

Section 7. Surpluses. If, at the end of any calendar year, after payment of all expenses pursuant to all of the Withdrawal Directions delivered to the Agent during such calendar year a surplus exists in the Cape Liberty Revenue Fund (a “Surplus”), then the BLRA shall deliver Withdrawal Directions to the Agent (with a copy to the Port Manager) for the disbursement of such Surplus (in the amounts set forth in the Withdrawal Directions) in the following order of priority for payment as follows: (A) to repay Redeveloper for any Working Capital Advance; (B) to reimburse Redeveloper for any Revenue Deficiency paid under Section 5(B); (C) for deposit each calendar year in the Cape Liberty Capital Reserve Fund up to an aggregate of 10% of such

calendar year's Annual Operating Expense Budget, taking into account all deposits made during such calendar year into the Cape Liberty Capital Reserve Fund; and, (D) to be retained in the Cape Liberty Revenue Fund for the sole purpose of applying such amounts towards the payment of Estimated Operating Expenses for the following year's Annual Operating Expense Budget. To the extent that the Agent does not receive a written objection from the Port Manager within five (5) days of receipt of such Withdrawal Directions as applied to any Surplus, the Agent shall proceed with the disbursement of the Surplus in accordance with the Written Directions. If an objection notice is received within the time set forth in this Section 7, the Agent shall not proceed with such disbursement until it receives instructions executed by both the BLRA and the Port Manager, or an order from an arbitrator or court of competent jurisdiction.

Section 8. Redeveloper and Port Manager Rights With Respect to Withdrawal Directions; Compliance. If the Agent receives written notice from the Redeveloper or the Port Manager of an Event of Default which is attributable to the BLRA's failure under the Usage Agreement or the Terminal Operating Agreement to submit Withdrawal Directions which appropriately apply all monies due to the Cape Liberty Revenue Fund or the Cape Liberty Capital Reserve Fund under the Transaction Documents, then the Agent will be authorized to accept written approvals solely from the Redeveloper or the Port Manager with respect to the Withdrawal Directions, provided that such authorization shall only continue until the Agent is notified in writing that the Event of Default has been cured or no longer exists under the Transaction Documents.

Section 9. Investments. Moneys which are held by the Agent hereunder may be invested at the written direction of a BLRA Authorized Representative in accordance with the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq. or such other law governing the investment of funds

by New Jersey municipalities or municipal statutory entities. Notwithstanding anything herein to the contrary, unless otherwise directed by the BLRA, all Funds shall be invested in the Agent's Money Market Fund, or, upon the written direction of a BLRA Authorized Representative, in accordance with the provisions pertaining to investment securities as set forth in the Resolution. All investment income (net of any early withdrawal costs) derived from the investment of moneys which are on deposit in the Funds established hereunder shall be credited to the applicable Fund.

Section 10. Duties of Agent, Indemnification of Parties and Hold Harmless. (A) The Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon invoices submitted to the BLRA for payment (the "Agent Fees"). Payment of such Agent Fees shall be made as provided herein, provided that if the Agent Fees cannot be paid from the Funds as provided for herein, then the Redeveloper shall be affirmatively obligated to pay the Agent Fees to the Agent. The Agent acknowledges that it has no lien on or right to the moneys in any of the Funds for any such reimbursement or payment of its fees or expenses. To the extent permitted by Applicable Law, the Redeveloper shall indemnify and save the Agent harmless against any losses, liabilities or expenses (including legal fees) that it may incur in the exercise and performance of its powers, duties and obligations hereunder that are not due to its gross negligence or willful misconduct, provided that to the extent such losses, liabilities or expenses (including legal fees) are caused by the BLRA's gross negligence or willful misconduct, the BLRA, shall indemnify the Agent for such losses, liabilities or expenses (including legal fees). For clarification purposes, the Redeveloper shall not be responsible, and the BLRA shall be solely responsible, to the Agent for any losses, liabilities or expenses (including legal fees) caused by BLRA's gross negligence and

willful misconduct. To the extent permitted by Applicable Law, the Redeveloper shall indemnify and save the BLRA harmless against any losses, liabilities or expenses (including legal fees) that it may incur hereunder that are due to the Redeveloper's or Port Manager's gross negligence or willful misconduct. To the extent permitted by Applicable Law, the BLRA shall indemnify and save the Redeveloper harmless against any losses, liabilities or expenses (including legal fees) that it may incur hereunder that are due to the BLRA's gross negligence or willful misconduct. This Section 10 shall survive the discharge of this Agreement and the removal and resignation of the Agent.

(B) The Agent shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect of this Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction by the Redeveloper and/or the BLRA. The Agent shall not be liable in connection with the performance of its respective duties hereunder except for its own gross negligence or willful misconduct.

(C) The Agent shall be entitled to conclusively rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper Party or Parties, and may consult with counsel, who may be counsel to the BLRA, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a

certificate signed by a BLRA Authorized Representative and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof in reliance thereon, but in its discretion the Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the BLRA to the Agent shall be sufficiently executed if executed in the name of the BLRA by a BLRA Authorized Representative and may be made by facsimile.

(D) The Agent shall deliver a monthly, written statement to the BLRA, the Redeveloper and the Port Manager which details, among other things, the balances of the Funds as of the date of such statement, together with investment income, if any, which has been earned thereon, which are on deposit in each of the Funds which are held by the Agent pursuant to the terms hereof (the "Monthly Statement"). The Monthly Statement shall also detail all deposits made by category pursuant to the Deposit Report(s), as well as all withdrawals and disbursements, by category, pursuant to the Withdrawal Directions. In addition to the foregoing, the Agent shall, in January of each calendar year, deliver a written statement to the BLRA, the Redeveloper and the Port Manager which details all of the foregoing with respect to each of the Funds for the previous calendar year (the "Annual Statement").

(E) The Agent may perform any of its duties hereunder by and through attorneys, agents or employees and may in all cases pay reasonable compensation to all such attorneys, agents or employees as may reasonably be employed in connection with such duties. Any such amounts which are paid by the Agent shall be reimbursed to the Agent in accordance with Section 10(A).

Section 11. Resignation of Agent. The Agent, or any successor thereof, may at any time resign and shall be discharged of its duties and obligations created by this Agreement by giving not less than sixty (60) days written notice to the BLRA, the Redeveloper and the Port Manager. Such notice shall specify the date when such resignation shall take effect and shall take effect on the day specified in such notice, unless a successor shall have been previously appointed by the BLRA, in which event such resignation shall take effect immediately upon the appointment of such successor. Notwithstanding anything herein to the contrary, the Agent shall be obligated to continue to perform all of the duties and obligations required to be performed by such Agent under the terms hereof, until such time as a successor Agent has been appointed and has accepted such appointment as provided herein, or until the Agent has, on appropriate application to a court of competent jurisdiction, secured the order, judgment or decree of a court of competent jurisdiction permitting its withdrawal or resignation as Agent hereunder.

Section 12. Removal of Agent. The Agent, or any successor thereof, may be removed at any time by the BLRA without cause and upon appointment of a successor, upon forty-five (45) days written notice, by a written instrument or concurrent written instruments signed and duly acknowledged by the BLRA, the Redeveloper and the Port Manager. Such removal shall take effect upon the expiration of said forty-five (45) day period.

Section 13. Appointment of Successor Agent. In case the Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Agent or of its property shall be appointed, or if any public officer shall take charge or control of the Agent or of its property or affairs, the BLRA shall forthwith appoint a successor Agent within sixty (60) days of such event occurring. If the BLRA fails to appoint a successor Agent pursuant to

the foregoing provisions of this Section 13 within sixty (60) days after the Agent has given written notice to the BLRA, the Redeveloper and the Port Manager or after the occurrence of any other event requiring or authorizing such appointment of a successor, the Agent may apply to any court of competent jurisdiction to appoint such successor. Said court may thereupon, after such notice, if any, as such court may deem proper and may prescribe, appoint such successor Agent. Any successor Agent appointed under the provisions of this Section 13 shall be a bank, trust company, national banking association or other banking institution, which is ranked among the top ten (10) financial institutions in the New York/New Jersey area in terms of assets, does business and has its corporate trust office located in the State of New Jersey, has the qualifications which are prescribed herein, it is willing and able to accept the appointment on reasonable and customary terms and which is authorized by Applicable Law to perform all duties which are imposed upon it by the terms hereof.

Section 14. Transfer of Rights and Property to Successor Agent. Any successor Agent which is appointed under the provisions of Section 13 shall execute, acknowledge and deliver to its predecessor Agent and also to the BLRA, the Redeveloper and the Port Manager, a written instrument accepting such appointment, and thereupon such successor Agent without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Agent, with like effect as if named herein as such Agent. The predecessor Agent shall, nevertheless, upon payment of such predecessor Agent Fees and expenses and upon the written request of the BLRA or of the successor Agent, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor Agent all the right, title and interest of the predecessor Agent in and to any

property held by it under the terms hereof. The predecessor Agent shall pay over, assign and deliver to the successor Agent any money or other property which is subject to the trusts and conditions herein set forth. Should any deed, conveyance or written instrument be required from the BLRA, the Redeveloper or the Port Manager by such successor Agent to more fully and certainly vest in and confirm to such successor Agent any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and written instruments shall, upon request, and so far as may be authorized by Applicable Law, be executed, acknowledged and delivered by the BLRA, the Redeveloper and the Port Manager, as applicable.

Section 15. Merger or Consolidation of Agent. Any company into which any Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Agent may sell or transfer its corporate trust business (provided that such company shall be a bank, trust company, national banking association or other banking institution which is qualified to be a successor to such Agent under the provision of Section 13, and which shall be authorized by Applicable Law to perform all the duties imposed upon it by the terms hereof) shall be the successor to such Agent without the execution or filing of any paper, or the performance of any further act, deed or conveyance.

Section 16. Termination. This Agreement shall terminate when the Transaction Documents terminate or expire.

Section 17. Effect of this Agreement. This Agreement does not amend, and is not intended to amend, the terms of the Transaction Documents, and the terms, conditions and covenants of the Transaction Documents shall remain unchanged and otherwise in full force and

effect except as modified pursuant to their own terms. In the event of any inconsistency between this Agreement and the Transaction Documents, the Transaction Documents shall control.

Section 18. Amendment. The BLRA, the Redeveloper, the Port Manager and the Agent may only amend this Agreement by a written amendment executed by all of the Parties.

Section 19. Notices. Except as otherwise specifically provided herein, all notices and demands hereunder shall be in writing and mailed, telecopied, telegraphed or delivered to:

BLRA: Bayonne Local Redevelopment Authority
51 Port Terminal Boulevard
Suite 21
Bayonne, New Jersey 07002
Attention: Nancy A. Kist, Executive Director

With copy to: John F. Coffey, II, Esq.
Bayonne Municipal Building
630 Avenue C
Bayonne, NJ 07002-3898

Joseph P. Baumann, Jr., Esq.
McManimon & Scotland, L.L.C.
One Riverfront Plaza, 4th Floor
Newark, NJ 07102

Redeveloper: Royal Caribbean Cruises Ltd.
1050 Caribbean Way
Miami, Florida 33132
Attention: Vice President, New
Business Development

With a copy to: Royal Caribbean Cruises Ltd.
1050 Caribbean Way
Miami, Florida 33132
Attention: Vice President and
General Counsel

Port Manager:

Cape Liberty Cruise Port LLC, c/o
Royal Caribbean Cruises Ltd.
1050 Caribbean Way
Miami, Florida 33132
Attention: Vice President, New
Business Development

With a copy to:

Royal Caribbean Cruises Ltd.
1050 Caribbean Way
Miami, Florida 33132
Attention: Vice President and
General Counsel

Agent:

The Bank of New York
Corporate Trust Department
385 Rifle Camp Road
West Paterson, New Jersey 07424
Attn: Corporate Trust Administration

Section 20. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. The Parties agree that any action or claim arising out of, or any dispute in connection with, this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof, shall be governed by the applicable dispute resolutions of the Transaction Documents.

Section 21. 2006 Cruise Season. The Parties agree that the terms and conditions of this Agreement shall apply retroactively to January 1, 2006 and prospectively consistent with the terms and conditions of this Agreement and the Transaction Documents. The Parties further agree that all payments made by Redeveloper in respect of Actual Operating Expenses prior to the date of this Agreement from and after January 1, 2006 shall be deemed Working Capital Advances hereunder, and all Revenue for such period will be processed by the Agent pursuant to Section 7 of this Agreement once funds are received so that Redeveloper is reimbursed for such Working Capital Advances prior to December 31, 2006.

Section 22. Performance and Business Days. If the date for performance of any obligation to be performed or undertaken pursuant to the terms hereof shall fall on a day which is not a Business Day, then the date for performance of any such obligation shall be extended to next Business Day.


[Signature Page to Follow]

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


BAYONNE LOCAL REDEVELOPMENT AUTHORITY

By: 
Nancy A. Kist
Executive Director

ATTEST:


By: 
Name: MARIE BOYLE
Title: Dep. Dir.

ROYAL CARIBBEAN CRUISES LTD. as Redeveloper


By: 
Name: Adam M. Goldstein
Title: President R.C.I.



ATTEST:


By: 
Name: James Poink
Title: Director Commercial Development


CAPE LIBERTY CRUISE PORT LLC as Port Manager

By: 
Name: John Tercek
Title: Manager




ATTEST:

By: 
Name: James Poink
Title: Director Commercial Development

By: 
Name: Craig Milan
Title: Manager

THE BANK OF NEW YORK, as Agent

By: 
Name: **SUSAN PSZONEK**
Title: **Vice President**

ATTEST:

By: 
Name: **JOSEPH MATE**
Title: **VICE PRESIDENT**

EXHIBIT A

Definitions

Exhibit A

DEFINITIONS

The Parties agree that for purposes of the Transaction Documents, the following capitalized terms shall have the meanings specified below. Other capitalized terms used within the body of this Exhibit and not expressly defined shall be defined by their context, or in the Transaction Documents. The following definitions shall be applicable to all of the Transaction Documents.

“AAA” means the American Arbitration Association.

“Actual Operating Expenses” means any and all costs, expenses and fees that the BLRA, the Port Manager and the Redeveloper, incurred in connection with the operation, maintenance and management of the Port for the applicable calendar year, including without limitation (1) all expenses payable pursuant to the Terminal Operating Agreement, (2) assessments and other governmental charges, (3) the Priority Charges, (4) the BLRA Financing Charge, and (5) the Capital Reserve Charge. Actual Operating Expenses shall not include Parking Expenses or Incidental Expenses.

“Actual Operating Revenues” means the sum of all revenues generated by the Port including, but not limited to, Berthing Tariffs and Wharfage Fees received during the applicable calendar year. Actual Operating Revenues shall not include Gross Parking Revenues or Incidental Revenues.

“Additional Grants” means grant money received by the BLRA other than for the BLRA Bulkhead Improvements or Additional Parking Improvements.

“Additional Improvements” means all Improvements other than the Existing Improvements.

“Additional Parking Improvements” means those Parking Improvements undertaken and constructed pursuant to Section 4.4 of the Parking Management Agreement and Section 7.15 of the Redevelopment Agreement comprising one or more elevated parking structures which meet, in whole or in part, the Parking Requirements, and the Parking Location Requirements.

“Additional Plan Submission Extension” shall have the meaning set forth in Section 6.2.2(2) of the Redevelopment Agreement.

“Adjacent Lands” shall have the meaning set forth in Section 17.1 of the Redevelopment Agreement.

“Affiliate” means any Person controlled by, under common control with, or which controls any other Person, as may be applicable or warranted by the context in which it is used, by possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person whether through the beneficial ownership of voting or equity securities, by contract or otherwise.

“Agreed Berthing Schedule” means the final schedule for the berthing of Vessels of RCCL Cruise Lines at the Primary Berth(s) and the Secondary Berth.

“Alteration” means the reconfiguration, reduction or relocation of all or portion of the Parking Premises.

"Alternative Development Plan Conditions" means the following conditions for alternative development use, by the BLRA, of a Phase III Severance Parcel: (1) BLRA has an alternative use for not less than 50% of each such Phase III Severance Parcel; (2) the BLRA has a development plan and reasonably believes it will obtain all necessary approvals and/or commence construction of such alternative use pursuant to the development plan within one 1 year, or, should such Phase III Severance Parcel include all or a portion of the Terminal Improvements, within 3 years, and (3) the BLRA provides written Notice of the estimated Commencement Date of construction of such alternative use thereunder.

"Annual Base Charge" shall have the meaning set forth in Section 4.1(3)(a) of the Terminal Operating Agreement.

"Annual BLRA Common Area Charge" shall have the meaning set forth in Section 4.1(3)(d) of the Terminal Operating Agreement.

"Annual Construction Area Charge" shall have the meaning set forth in Section 4.1(3)(b) of the Terminal Operating Agreement.

"Annual Operating Expense Budget" shall have the meaning set forth in Section 4.1(2) of the Terminal Operating Agreement.

"Annual Operating Expenses" shall have the meaning set forth in Section 4.1(2) of the Terminal Operating Agreement.

"Annual Parking Statement" shall have the meaning set forth in Section 7.3(1) of the Parking Management Agreement.

"Annual Profit Statement" shall have the meaning set forth in Section 7.4 of the Parking Management Agreement.

"Annual Terminal Improvements Charge" means the definition set forth in Section 4.1(3)(c) of the Terminal Operating Agreement.

"Applicable Law" means any and all Federal, State, County and local laws, rules, regulations, statutes, ordinances, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses, and similarly binding authority, applicable to the (1) Redevelopment Area, (2) Redevelopment Project, (3) performance by the Parties of their respective obligations under the Transaction Documents, and (4) exercise by the Parties of their respective rights under the Transaction Documents.

"Approval" means any one or more approvals, authorizations, permits, licenses or certificates required and issued or granted by any Governmental Body having jurisdiction, whether Federal, State, County or local, to the extent necessary to implement the Redevelopment Project or a portion thereof including Certificates of Occupancy.

"Approved Contractor" means a contractor of Redeveloper or its Affiliate approved by the BLRA in accordance with the Transaction Documents.

"Approved Lender" means a lender approved by the Redeveloper to finance a Loan for the Purchase Price and Associated Costs, if any, for a given Phase.

"Associated Costs" means any and all costs associated with securing a Loan, Redeveloper Loan or issuing the Bonds, including the BLRA Financing Fee and any required reserve funds.

"Authorized BLRA Representative" means each of the Persons designated to act on behalf of the BLRA by the Transaction Documents or by written certificate furnished to Redeveloper or Port Manager, as the case may be, containing the specimen signatures of such Persons and signed on behalf of the BLRA by an authorized officer or representative of the BLRA.

"Authorized Port Manager Representative" means each of the Persons designated to act on behalf of Port Manager by the Transaction Documents or by a written certificate furnished to the BLRA containing the specimen signatures of such Persons and signed on behalf of Port Manager by an authorized officer of Port Manager.

"Authorized Redeveloper Representative" means each of the Persons authorized and designated to act on behalf of Redeveloper pursuant to the Transaction Documents or by a written certificate furnished to BLRA containing the specimen signatures of such Persons and signed on behalf of Redeveloper by an authorized officer of Redeveloper.

"Available Property" shall have the meaning set forth in Section 17.2 of Redevelopment Agreement.

"Availability Acceptance Period" means the 30 day period Redeveloper shall have to accept the terms and conditions set forth in the BLRA's Availability Notice.

"Availability Schedule" means the BLRA's written Notice to the Redeveloper indicating the availability of any Secondary Berths for the following applicable calendar year.

"Base Parking Profit" means:

- (1) For each calendar year between the Effective Date and December 31, 2008: an amount equal to the greater of (a) 50% of the amount of the Net Parking Profit for the applicable year and (b) the Annual Base Charge for that year payable under Article 4 of the Terminal Operating Agreement; and
- (2) For each calendar year between January 1, 2009 and December 31, 2038: an amount equal to the greater of (a) 50% of the amount of the Net Parking Profit for the applicable calendar year and (b) that portion of the Annual Base Charge attributable to the Parking Area during such year payable under Article 4 of the Terminal Operating Agreement.

"Berth" means individually any berth on the Redevelopment Area where a Vessel may dock and which individually may be identified as Berth N-1, Berth N-2 or Berth N-5 or any other designation so given, and to the degree that such individual berths are developed and constructed pursuant to the terms and conditions of the Transaction Documents.

"Berth N-1" means that certain Berth at the Port as depicted on Exhibit F to the Redevelopment Agreement.

"Berth N-2" means that certain Berth at the Port as depicted on Exhibit G to the Redevelopment Agreement.

"Berth N-5" means that certain Berth at the Port as depicted on Exhibit H to the Redevelopment Agreement.

"Berthing Tariff" means the tariff charged to the RCCL Cruise Lines and the Other Cruise Lines for each passenger embarking at the Port to their respective cruise Vessels, which Berthing Tariff shall equal the lesser of (1) the Breakeven Tariff, and (2) the Maximum Market Tariff.

"Berthing Tariff Deficiency" shall have the meaning set forth in Section 5.2(3) Terminal Operating Agreement.

"BLRA" means the Bayonne Local Redevelopment Authority, an instrumentality and agency of the City.

"BLRA Administrative Fee" shall have the meaning set forth in Section 4.1(3)(g) of the Terminal Operating Agreement.

"BLRA Audit" shall have the respective meanings set forth in Section 6.13(1) of the Parking Management Agreement and Section 5.12(1) of the Terminal Operating Agreement.

"BLRA's Availability Notice" means the written Notice of the BLRA to the Redeveloper, notifying Redeveloper of the availability for development of the Additional Parking Improvements.

"BLRA Bulkhead Improvements" means Bulkhead Improvements and certain other construction, other than the Phase II and Phase III Improvements (which, to the degree undertaken pursuant to the Transaction Documents, shall be the responsibility of the Redeveloper), the cost of which shall be no less than \$5 million and which shall provide a westward extension of Berth N-1 as depicted on Exhibit I to the Redevelopment Agreement, and which are to be constructed by the BLRA in accordance with the Redevelopment Agreement and the Transaction Documents.

"BLRA Capital Charge" shall have the meaning set forth in Section 4.1(3)(h) of the Terminal Operating Agreement.

"BLRA Contribution" means the \$5 million to be contributed by the BLRA towards the costs of the BLRA Bulkhead Improvements.

"BLRA Financing Charge" shall have the meaning set forth in Section 4.1(5) of the Terminal Operating Agreement.

"BLRA Financing Fee" means an amount equal to the lesser of .25% of the par amount of Bonds, Loan or Redeveloper Loan, or the applicable New Jersey Economic Development Authority fee.

"BLRA's Development Offer" shall have the meaning set forth in Section 17.1 of the Redevelopment Agreement.

"BLRA's Incidental Profit Share" means an amount equal to 50% of the amount of the Incidental Profit payable to the BLRA under the Incidental Usage Agreement.

"BLRA's Net Parking Profit Share" means: (1) For each calendar year, between the Effective Date and December 31, 2008, an amount equal to the Base Parking Profit less the Annual Base Charge payable under Article 4 of the Terminal Operating Agreement and (2) For each calendar year between

January 1, 2009 and December 31, 2008: an amount equal to the Base Parking Profit less the Annual Base Charge with respect to the Parking Area only.

“BLRA Resolution” means the resolution numbered 062305-07 adopted at the BLRA’s meeting of June 24, 2005, which authorizes the BLRA’s entry into the Transaction Documents with the Redeveloper, Port Manager and Parking Manager to undertake the performance of the Redevelopment Project contemplated by the Transaction Documents.

“BLRA Share #1” shall have the meaning set forth in Section 4.1(3)(h)(i)(I) of the Terminal Operating Agreement.

“BLRA Share #2” shall have the meaning set forth in Section 4.1(3)(h)(i)(II) of the Terminal Operating Agreement.

“BLRA Supplemental Charge” shall have the meaning set forth in Section 4.1(3)(e) of the Terminal Operating Agreement.

“BLRA Volume charge” shall have the meaning set forth in Section 4.1(3)(f) of the Terminal Operating Agreement.

“Bonds” means any bonds, notes or other evidence of indebtedness issued by the BLRA or other entity approved by the BLRA (such approval being subject to the BLRA’s sole discretion) pursuant to Applicable Law for the purpose of paying the Purchase Price and the Associated Costs. To the degree that any Redeveloper Loan or Loan given by the Redeveloper or an Approved Lender, as the case may be, evidences indebtedness issued by the BLRA, such a Redeveloper Loan or Loan shall be considered a Bond for purposes of the Transaction Documents.

“Bondholders” means the holders of the Bonds.

“Bond Deadline” means the 150 days from receipt of the Financing Notice which the BLRA has to conclude the issuance of Bonds.

“Bond Deficiency” means the inability of the BLRA to issue Bonds, or that the proceeds from the issuance of Bonds are insufficient to pay Redeveloper the entire Purchase Price and Associated Costs, if any.

“Breakeven Tariff” means a quotient where the numerator is the Annual Operating Expenses and the denominator is the Estimated Number of Passengers.

“Building 14” means that building situated on the Redevelopment Area consisting of approximately 120,000 square feet, which has been reconstructed into a Terminal Improvement as depicted on Exhibit J to the Redevelopment Agreement.

“Bulkhead Area” means that portion of the Redevelopment Area and Port, including land underwater, available for the Construction of the Bulkhead Improvements and berthing of the Vessels.

“Bulkhead Improvements” means the totality of the marine and civil engineering undertaken on the Bulkhead Area, including, as reasonably required by Redeveloper in accordance with sound engineering, all waterside bulkhead, relieving platform, fender system, and related Improvements corresponding to one or more Berths, with adjacent water depth of 35 feet, capable of accommodating the berthing of cruise Vessels including at least one Voyager-Class Vessel.

“Bulkhead Improvement Costs” means the total cost for the development and Construction of the Bulkhead Improvements by Redeveloper.

“Business Day” means any day of the week, exclusive of Saturdays, Sundays and legal holidays, during which business is carried out in the ordinary course.

“Capital Reserve Charge” shall have the meaning set forth in Section 4.1(6) of the Terminal Operating Agreement.

“Capital Reserve Fund” means an account in a federally insured financial institution established pursuant to Section 5.4 of the Terminal Operating Agreement, which complies with the Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41 et seq., and which is reasonably acceptable to the BLRA.

“Casualty Restoration” means any repair or restoration of the Improvements undertaken in accordance with Article 10 of the Redevelopment Agreement in the event of fire or other casualty.

“Casualty Termination Date” shall have the meaning set forth in Section 10.2 of the Redevelopment Agreement.

“Certificate of Costs” means a certificate prepared and signed by an Authorized Redeveloper Representative certifying the amount of Redeveloper’s Cost of Construction for the relevant Phase of the Improvements, and any back-up documentation required therewith.

“Certificate of Occupancy” means a temporary or permanent “certificate of occupancy” issued by the City in connection with the Redevelopment Project or the Improvements, if so required by Applicable Law.

“Channel Dredging Project” means the project to be undertaken by the United States Army Corps of Engineers to deepen and straighten the waterway and approach of the Port Jersey Channel such that a cruise Vessel may navigate and dock in an east-west orientation and the eastern most boundary of the Bulkhead Improvements is not more than 250 feet from the northeast corner of the Peninsula, Substantial Completion of which occurs when such cruise Vessel navigation and docking is permissible under Applicable Law.

“City” means the City of Bayonne in the County of Hudson, New Jersey.

“City Council” means the governing body of the City.

“Cleanup and Removal Costs” means all reasonable and necessary expenses, including legal expenses and restoration costs associated with a discharge, incurred by the BLRA or its agents or any Person with written approval from a Governmental Body and to the extent required by Applicable Laws or Hazardous Materials Laws relating to the: (1) investigation, removal or attempted removal and remediation of Hazardous Materials including associated monitoring or disposal of soil, surface water, ground water or media, or (2) taking of reasonable measures to prevent or mitigate damage to the public health, safety, or welfare, including, but not limited to, public and private property, shorelines, beaches, surface waters, water columns and bottom sediments, soils and other affected property, including wildlife and other natural resources, and shall include costs incurred by the BLRA for the indemnification and legal defense of contractors.

"Closing" means the date on which the Parties shall consummate the purchase and sale of each Phase.

"Closing Date" means the date on which a Closing is to be consummated under the Purchase and Sale Agreement.

"Commencement Date" means the date set forth in the Development and Construction Schedule for the beginning of Construction of an applicable Phase. For the Phase II Improvements, it shall be a date no earlier than 30 days prior to the date that the BLRA reasonably expects to complete the BLRA Bulkhead Improvements, or such earlier date as determined by Redeveloper in its sole discretion.

"Completion Date" means the date of Substantial Completion of the Construction of any Phase of the Redevelopment Project.

"Condemnation Termination Date" shall have the meaning set forth in Section 13.3(3) of the Redevelopment Agreement.

"Confidential Information" means and includes all non-public, confidential or proprietary information that one Party or its representatives makes available to the other Party or its representatives, specifically identified as confidential. Confidential Information shall include, but not be limited to, information related to the past, present and future plans, ideas, business, strategies, marketing programs, activities, customers and suppliers of any Party to the Transaction Documents. Confidential Information shall not, however, mean or include information that (1) was, at the time of its disclosure, already in the possession of the receiving Party; (2) is or becomes generally available to the public other than as a result of a breach of any of the Transaction Documents by the receiving Party or its representatives; or (3) becomes available to the receiving Party on a non-confidential basis from a source other than the disclosing Party or its representatives; provided, however, that such source is not to the knowledge of the receiving Party bound by a confidentiality agreement or other legal or fiduciary obligation of secrecy to the disclosing party; (4) information that the BLRA as a Governmental Body has to allow the public at large to view; and (5) the specific terms and conditions of any of the Transaction Documents or any information that has to be derived from it.

Configuration "A" means the configuration of the Phase II Improvements, beginning at a point approximately 250 feet from the northeasterly corner of the Peninsula, as depicted in Exhibit K to the Redevelopment Agreement.

Configuration "B" means the configuration of the Phase II Improvements, beginning at a point approximately 600 feet from the northeasterly corner of the Peninsula, as depicted in Exhibit L to the Redevelopment Agreement.

"Construction" and "Construct" means any work performed by or on behalf of Redeveloper, Port Manager or Parking Manager including, without limitation, construction of the Improvements, all Casualty Restorations, or work performed in connection with the use, maintenance, repair or operation of the Redevelopment Area.

"Construction Area" means that portion of the Redevelopment Area reasonably required by the Redeveloper for the Construction of the Improvements and/or as a temporary staging area for that purpose, the square footage of which shall be established with reasonable accuracy from time to time by the BLRA in accordance with the Transaction Documents.

"Construction Inflation Factor" means the variable by which the relative cost of Construction will increase over time and as adjusted from time to time as set forth in the Engineering News Record Index or a substitute index determined in the reasonable discretion of the BLRA after consultation and an opportunity to comment by the Redeveloper.

"Construction Schedule Approval" means the BLRA's written approval of the Development and Construction Schedule, for Construction of a given Phase.

"Construction Schedule Submission" means the Redeveloper's submission, to the BLRA, of the Development and Construction Schedule, for Construction of a given Phase.

"Consumer Price Index" or "CPI" means the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, N.Y., Northeastern New Jersey Area (1982-1984=100), or any successor index thereto, appropriately adjusted; provided that if there shall be no successor index, a substitute index will be determined in the reasonable discretion of the BLRA after consultation and an opportunity to comment by the Redeveloper.

"County" means the County of Hudson, New Jersey.

"Cruise Operations" means the operation of Vessels (including Voyager-Class Vessels), including the navigation of such Vessels on navigable waters, the docking and berthing of such Vessels at the Port, and the embarking and disembarking of passengers from said Vessels at the Port in connection with the Permitted Uses.

"Declaration" shall have the meaning set forth in Section 4.2 of the Redevelopment Agreement or in Section 3.3 of the Terminal Operating Agreement, as the case may be.

"Default Interest Rate" means, unless otherwise specified in context as another interest rate, the rates of interest prescribed by the New Jersey Rules of Court, specifically, Rule 4:42-11, in connection with interest on judgments in the Superior Court of New Jersey, as such rates may be adjusted from time to time and generally, every calendar year, by the Supreme Court of New Jersey.

"Design Approval Notice" shall have the meaning set forth in Section 6.3 of the Redevelopment Agreement.

"Development and Construction Schedule" means the timetable prepared by Redeveloper and approved by the BLRA setting forth in reasonable detail Redevelopment Project milestones for the Construction of the Improvements, including the dates upon which applications are to be submitted for public approvals pursuant to Applicable Law, the Commencement Date and the Completion Date.

"Development Offer Acceptance Period" shall have the meaning set forth in Section 17.1 of the Redevelopment Agreement.

"Direct Service Date" means the date upon which a private or public utility assumes responsibility for electrical service to the Redevelopment Area.

"Discounting Formulas" shall have the meaning set forth in Section 6.2 of the Usage Agreement and Section 5.14 of the Terminal Operating Agreement.

"Dispute" means any dispute, controversy or claim between the Parties requiring dispute resolution under the Dispute Resolution Article(s) of the respective Transaction Documents.

“Dispute Notice” means the written Notice provided from one Party to another advising of the existence of a Dispute, and expressing a desire for the Party receiving such Notice to consider the Dispute pursuant to the Dispute Resolution Article of the applicable Article of each respective, Transaction Document.

“Docking Area” means that land portion of the Redevelopment Area adjacent to the Bulkhead Improvements upon which is constructed the Docking Area Improvements and which is available to service cruise Vessels, including Voyager-Class Vessels, and which provides a security area, extending, as of the Effective Date, 150 feet (which distance may be increased to up to 300 feet if required by Homeland Security) to the south of the Bulkhead Improvements, the square footage of which shall be established with reasonable accuracy from time to time by the BLRA.

“Docking Area Improvements” means development and Construction on the Docking Area of Improvements such that the Docking Area may be used to service one or more cruise Vessels, including Voyager-Class vessels, and provide a security zone to the south of such Improvements (150’ and up to 300’ if required by Homeland Security).

“Effective Date” means January 1, 2005.

“Engineering News Record Index” means the Construction Cost Index and the Building Cost Index, respectively, maintained by the *Engineering News Record* which apply to general construction costs and which are based upon the *Engineering News Record’s* “20 City” average rate, or any successor Index, as adjusted appropriately; provided that if there shall be no successor index, the BLRA may apply the CPI or a substitute index as determined in the reasonable discretion of the BLRA after consultation and an opportunity to comment by the Redeveloper.

“Environmental Contamination” means the presence of hazardous substance(s), hazardous wastes or Hazardous Materials in the environment such that: (1) significant harm is being caused to the environment or human health or there is a significant possibility of such harm being caused; (2) pollution of controlled waters is being, or is likely to be, caused; or (3) the performance of a remedial action (including the Environmental Remediation) is required pursuant to Applicable Law to address such hazardous substance(s), hazardous waste(s) or Hazardous Materials, including, but not limited to, that contamination which resulted from the prior uses of the Redevelopment Area by the U.S. Government, Department of Defense.

“Environmental Indemnification” shall have the meaning set forth in Section 15.5 of the Redevelopment Agreement.

“Environmental Remediation” means all action necessary to implement the RAWP prepared by Excel Environmental Resources and approved by the New Jersey Department of Environmental Protection, dated July, 2001 and as amended in November, 2001, and as may be amended from time to time, necessary to obtain a site-wide no further action letter from the New Jersey Department of Environmental Protection in accordance with non-residential direct contact criteria established by the New Jersey Department of Environmental Protection.

“Environmental Record” shall have the meaning set forth in Section 15.9 of the Redevelopment Agreement.

“Estimated Aggregate Tonnage” shall have the meaning set forth in Section 5.2(2)(b) of the Terminal Operating Agreement.

“Estimated Number of Passengers” shall have the meaning set forth in Section 5.2(2)(a) of the Terminal Operating Agreement.

“Event of Default” shall have the meaning and include those events set forth in the Default and Remedies Article of the applicable Transaction Document to which it corresponds.

“Existing Improvements” means the Bulkhead Improvements, the Docking Area Improvements, the Parking Improvements, the Terminal Improvements and such other Improvements Constructed and in use as of the date of the Transaction Documents and as depicted on Exhibit M to the Redevelopment Agreement.

“Existing Parking Improvements” means those Parking Improvements Constructed in the Redevelopment Area by Redeveloper as of the date of the Transaction Documents as illustrated in Exhibit N to the Redevelopment Agreement.

“Fair Market Value of the Redevelopment Area” shall have the meaning set forth in Section 13.2 of the Redevelopment Agreement.

“Final Dispute Notice” means the written Notice given by one Party to the other prior to the commencement of binding arbitration pursuant to the Dispute Resolution Article of the applicable Article of each respective, Transaction Document.

“Financing Notice” means the Redeveloper’s written Notices to BLRA setting forth the: (1) Certificate of Costs, (2) Purchase Price, and (3) estimated Associated Costs and form of financing that, in Redeveloper’s sole discretion, the BLRA is requested to secure to close on the purchase of a particular Phase.

“Force Majeure Events” shall have the meaning set forth in the Force Majeure Article of the Transaction Document to which it corresponds.

“Future Parking Improvements” means all Parking Improvements constructed in or on the Redevelopment Area after the Effective Date.

“Governmental Body” means any Federal, State, County or local agency, department, commission, authority, court or tribunal and any successor thereto, exercising executive, legislative, judicial or administrative functions of or pertaining to government.

“Gross Parking Revenues” means the amount equal to the sum of all revenues of any nature paid to or received by Parking Manager from the provision of Parking Services on the Parking Premises during a calendar year.

“Handle” shall have the meaning set forth in Section 3.7.4. of the Terminal Operating Agreement.

“Hazardous Materials” means any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation, fuel oil, petroleum products or any substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” or “toxic substances” under any Applicable Law.

“Hazardous Materials Laws” means Applicable Law pertaining to the industrial hygiene or to the environmental conditions on, under, about or affecting the Redevelopment Area.

"Homeland Security" means the United States Department of Homeland Security or successor agency, and any requirements of that Department imposed by Applicable Law.

"Improvements" means the Existing Improvements, Phase II Improvements, Phase III Improvements, Phase IV(a) Improvements or Phase IV(b) Improvements, Other Improvements, Incidental Improvements and a Casualty Restoration prior to the purchase of same by the BLRA pursuant to the Purchase & Sale Agreement. Improvements shall not include the BLRA Bulkhead Improvements or any Improvements constructed by the BLRA under the Redevelopment Agreement, such as the Waterfront Park.

"Incidental Budget" shall have the meaning set forth in Section 4.7 of the Incidental Usage Agreement.

"Incidental Concession Fee" means an amount equal to 50% of the amount of the Incidental Profit for Incidental Use payable to Redeveloper.

"Incidental Expenses" means the amount equal to the sum of all costs, expenses and fees directly attributable to managing and operating the Incidental Uses of the Port, including without limitation, any additional security services fees, insurance premiums, cleaning and maintenance and labor costs and additional expenses relating to the Construction and maintenance of Incidental Improvements for such Incidental Uses (i.e. conference facilities and equipment). The term "Incidental Expenses" shall not include Parking Expenses and Actual Operating Expenses.

"Incidental Improvements" means those facilities utilized for the undertaking of the Incidental Uses pursuant to the Incidental Usage Agreement.

"Incidental Profit" means the amount equal to Incidental Revenues less Incidental Expenses for the applicable Incidental Uses during the applicable calendar year.

"Incidental Revenues" means the amount equal to the sum of all revenues of any nature generated by the Port Manager from all Incidental Uses of the Port during the applicable calendar year, including, without limitation, revenues derived from (1) payments for the use of the Port or any portion thereof (i.e. rents and fees paid by licensees, vendors and retailers) and (2) fees collected from or in connection with banquets, conferences, trade shows or other events at the Port. The term "Incidental Revenues" shall not include Gross Parking Revenues or Actual Operating Revenues.

"Incidental Usage Agreement" means the Incidental Usage Agreement to be negotiated and executed subsequent to the execution of all of the other Transaction Documents by and between the BLRA, the Redeveloper and the Port Manager, which is one of the Transaction Documents.

"Incidental Use(s)" means all non-cruise related use(s) of the Port and Improvements during the Term, including, without limitation, the operation thereof for shipping, kiosks, food and beverage venues, retail stores, shops, banquets, conferences, trade shows and similar commercial purposes each as may be approved by the BLRA.

"Indemnified Party" means the BLRA Indemnified Parties or the Redeveloper Indemnified Parties or the Port Manager, as the case may be, entitled to, or claiming a right to, indemnification under the Transaction Documents.

"Indemnifying Party" means the BLRA or the Redeveloper or the Port Manager, as the case may be, obligated to provide indemnification under the Transaction Documents.

"Independent Accountant" means an accounting firm mutually selected by Redeveloper and the BLRA for purposes of auditing under the Transaction Documents.

"Independent Accountant Certification" shall have the meaning set forth in Section 7.3(2) of the Parking Management Agreement.

"Invitees" means Persons or entities entering or remaining on the Port upon the express and direct request or invitation of Port Manager, Parking Manager or Redeveloper, including, but not limited to, customers of Port Manager or Parking Manager and contractors retained by Port Manager, Parking Manager or Redeveloper to perform work in the Redevelopment Area.

"Issuance Costs" means all of the costs associated with the issuance of the Bonds including, capitalized interest, if any, and any required reserve funds.

"Known Conditions" means those environmental conditions identified in the RAWP prepared by Excel Environmental Resources, Inc. dated July, 2001 and as amended in November, 2001, and as may be supplemented or amended from time to time, and as approved by the New Jersey Department of Environmental Protection, pursuant to which the Peninsula is being remediated.

"Loan" means the financing of the Purchase Price and Associated Costs through an Approved Lender.

"Manager's Audit" means that audit which the Parking Manager, as part of its system of internal controls, shall perform, in accordance with parking industry standards, of periodic random audits of transactions.

"Maximum Market Tariff" shall have the meaning set forth in Section 5.2(2) of the Terminal Operating Agreement.

"Maximum Market Wharfage Fee" shall have the meaning set forth in Section 5.2(2) of the Terminal Operating Agreement.

"Minimum Fee" shall have the meaning set forth in Section 6.5 of the Usage Agreement.

"N-1 Transition Date" means that certain date upon which there is Substantial Completion of all Construction of the Phase II Improvements and RCCL Cruise Lines may commence Cruise Operations at Berth N-1.

"Negotiating Team" means the respective teams of 1 to 3 representatives of each Party that will attempt to consider and resolve a Dispute prior to binding arbitration pursuant to the Dispute Resolution Article of the applicable Article of each respective, Transaction Document.

"Net Parking Profit" means the amount equal to Gross Parking Revenues less Parking Expenses.

"No Lien Affidavit" means the affidavit executed on the Closing Date as referenced in the Purchase and Sale Agreement, verifying that there are no liens on the applicable Improvements being conveyed at that applicable Closing.

"Notice" shall have the meaning set forth in the Section of the Miscellaneous Article of each respective Transaction Document to which it corresponds.

"Other Cruise Lines" means the operators of Vessels, other than RCCL Cruise Lines, conducting Cruise Operations.

"Other Improvements" means a change, alteration, replacement or addition to a completed Improvement (including replacement, or partial replacement, of a portion of the Parking Area with the Additional Parking Improvements), excluding a Casualty Restoration.

"Parcel" means a parcel of real property in the Redevelopment Area.

"Parking Account" means an account in a federally insured financial institution that meets the requirements of the Governmental Unit Deposit Protection Act, N.J.S.A 17:9-41 et seq. and is reasonably acceptable to the BLRA for the deposit of the Gross Parking Revenues.

"Parking Area" means that portion of the Redevelopment Area available for use by cruise passengers, Port employees, Invitees and guests for the parking of motor vehicles (including circulation within such area) upon which is Constructed the Parking Improvements and which is subject to the Parking Management Agreement, the square footage of which shall be established with reasonable accuracy from time to time by the BLRA. See Exhibit O to the Redevelopment Agreement and Exhibit B to the Parking Management Agreement, respectively, as the case may be.

"Parking Area Location Requirement" means the requirement that the BLRA make reasonable efforts to locate the Parking Area close enough to the Terminal Area so that Redeveloper is not required to make separate or lengthier transportation arrangements for cruise ship passengers than required by the Parking Area of the Existing Parking Improvements for a one Berth facility, and reasonably proximate to the Terminal Area for a two Berth facility.

"Parking Budget" shall have the meaning set forth in Section 6.14 of the Parking Management Agreement.

"Parking Expenses" means the sum of any and all costs, expenses and fees that the Parking Manager incurs in connection with the operation and management of the Parking Premises for the applicable calendar year, including without limitation the costs, expenses and fees incurred in rendering the Parking Services as set forth in the Parking Management Agreement.

"Parking Improvements" means facilities for the parking of cruise passenger, Port employee and Invitee vehicles including but not limited to, pavement, garage structure (if required by the BLRA), striping, fencing, revenue control system, security system and lighting.

"Parking Management Agreement" means the Parking Management Agreement dated as of September 1, 2005 by and between the BLRA and the Redeveloper, which is one of the Transaction Documents.

"Parking Management Fee" shall have the meaning set forth in Section 7.1 of the Parking Management Agreement.

"Parking Manager" means the Redeveloper, its Affiliate or Approved Contractor or such other Person appointed under the Parking Management Agreement to manage and operate the Parking Premises from time to time during the Term.

"Parking Premises" means together the Parking Area inclusive of the Parking Improvements.

"Parking Requirements" means the requirement that any Parking Improvement: (1) provide space for the parking of 690 motor vehicles, or such number of spaces as the Parties may agree upon, in the event that the Terminal Area and Terminal Improvements remain a 1 Berth facility, or (2) provide space for the parking of 1,600 motor vehicles, or such number of spaces as the Parties may agree upon, in the event that the Terminal Area and Terminal Improvements become a 2 Berth facility, all in conformance with the terms and conditions of the Transaction Documents.

"Parking Services" means the services to be rendered by the Parking Manager with respect to the maintenance, operation and management of the Parking Premises, all as set forth in the Parking Management Agreement and Appendix "A" thereto.

"Parking Severance Date" means the date upon which the BLRA expects to separate a Parking Severance Parcel from the Parking Area pursuant to Section 5.6 of the Redevelopment Agreement.

"Parking Severance Notice" means the written Notice given to the Redeveloper by the BLRA pursuant to Section 5.6 of the Redevelopment Agreement to advise of the Parking Severance Date.

"Parking Severance Parcel" means one or more Parcels, each a portion of the Parking Area, that the BLRA has determined to separate from the Parking Area pursuant to Section 5.6 of the Redevelopment Agreement.

"Parties" means the parties to the Transaction Document to which the term corresponds, inclusive of the BLRA, the Redeveloper and the Port Manager.

"Peninsula" means the former U.S. Army Ocean Terminal which was transferred to the BLRA pursuant to the Transfer Documents and deemed an "area in need of redevelopment" under the Redevelopment Law.

"Permitted Uses" means the following lawful uses as they relate to the Port and the Redevelopment Area: (1) the loading and unloading of passengers, their baggage, and cargo from any Vessel in the performance of Cruise Operations; (2) the entertaining of guests and/or holding of functions or banquets on board the Vessels while in the Port and docked between scheduled arrivals and departures; (3) any other use permitted under the Transaction Documents and, (4) any other use approved in writing by the BLRA, provided that any such activity would not be in violation of Applicable Law.

"Person" means any individual, sole proprietorship, corporation, partnership, joint venture, limited liability company or corporation, trust, unincorporated association, institution, public or Governmental Body, or any other entity.

"Phase" means any of the Phase II Improvements, Phase III Improvements, Phase IV(a) Improvements, Phase IV(b) Improvements or Other Improvements as set forth in the Redevelopment Agreement and the Transaction Documents.

"Phase II Commencement Notice" means the Notice which the BLRA may, at any time, serve upon the Redeveloper directing the Redeveloper in writing to undertake the Phase II Improvements.

"Phase II Improvements" means the Construction of Bulkhead Improvements and Docking Area Improvements pursuant to the Redevelopment Agreement such that a Voyager-Class Vessel may berth in

either Configuration "A" or Configuration "B" as required under the Redevelopment Agreement, provided however, that Phase II Improvements shall not include the BLRA Bulkhead Improvements.

"Phase III Completion Date" means that certain date in which all Construction of the Phase III Improvements has reached Substantial Completion such that RCCL Cruise Lines may commence Cruise Operations at Berth N-2.

"Phase III Improvements" means the Construction of Bulkhead Improvements and Docking Area Improvements such that one Voyager-Class Vessel (in addition to a Vessel berthing at the Phase II Improvements) may berth simultaneously as depicted on Exhibit P to the Redevelopment Agreement.

"Phase III Improvements Notice" means that written Notice sent to the Redeveloper by the BLRA advising the Redeveloper to commence the Phase III Improvements, provided that the BLRA reasonably expects the Channel Dredging Project to be completed by the United States Army Corp. of Engineers within 1 year of the issuance of such Notice.

"Phase III Severance Area" means the area identified as Exhibit Q to the Redevelopment Agreement.

"Phase III Severance Date" means the date upon which the BLRA expects to separate a Phase III Severance Parcel pursuant to Section 5.5 of the Redevelopment Agreement.

"Phase III Severance Parcel" means one or more Parcels, each a portion of the Phase III Severance Area, that the BLRA has determined to separate therefrom pursuant to Section 5.5 of the Redevelopment Agreement. The Phase III Severance Parcel shall be configured and measured pursuant to the provisions of Section 5.8 of the Redevelopment Agreement. Each Phase III Severance Parcel separated seriatim shall lie within the boundary of the maximum extent of the Phase III Severance Area.

"Phase III Severance Notice" means the written Notice given to the Redeveloper by the BLRA to advise of the Phase III Severance Date.

"Phase IV(a) Improvements" means the demolition of the then existing Terminal Improvements and the Construction of a new 2 Berth Terminal Improvement to be located adjacent to the Bulkhead Improvements Constructed in connection with the Phase III Improvements as depicted in Exhibit R to the Redevelopment Agreement.

"Phase IV(b) Improvements" means the demolition of the then existing Terminal Improvements and its replacement with a new 1 Berth Terminal Improvement located adjacent to the Bulkhead Improvements as depicted in Exhibit S to the Redevelopment Agreement.

"Plans and Specifications" means the completed final drawings, plans and specifications prepared by Redeveloper that shall conform to the Preliminary Design Plan approved by the BLRA as the same may be modified from time to time with respect to any Phase of the Improvements or a Casualty Restoration.

"Plan Submission Date" means, with respect to the applicable Phase, the date Redeveloper must submit the Preliminary Design Plan to the BLRA pursuant to the Redevelopment Agreement.

"Plan Submission Extension" shall have the meaning set forth in Section 6.2.2(2) of the Redevelopment Agreement.

“Port” means the Cape Liberty Cruise Port located on the Redevelopment Area, and comprised of the Docking Area, the Terminal Area, Bulkhead Improvements, Berths and adjacent waters thereto.

“Port Management Fee” means a management fee of \$150,000 per annum, subject to annual increases based on the percentage change in the CPI over each prior calendar year.

“Port Manager” means Cape Liberty Cruise Port LLC, a Delaware limited liability company, or such other Person appointed under the Terminal Operating Agreement to manage the Port from time to time during the Term.

“Port Manager’s Audit” shall have the meaning set forth in Section 5.12(3) of the Terminal Operating Agreement.

“Port Manager’s Covenants” shall have the meaning set forth in Section 3.2 of the Terminal Operating Agreement.

“Port Security Plan” shall have the meaning prescribed in Section 5.6 of the Terminal Operating Agreement.

“Port Security Manager” shall have the meaning prescribed in Section 5.6(1) of the Terminal Operating Agreement.

“Port Security Officer” shall have the meaning prescribed in Section 5.6(1) of the Terminal Operating Agreement.

“Preconditions for Redevelopment of Phase III Improvements” means:

(1) Redeveloper reasonably determines commercial demand for cruise ship operations is likely to be sufficient to provide utilization of the Bulkhead Improvements which are a part of the Phase III Improvements for a minimum of 2 out of every 3 weekend days (Friday, Saturday and Sunday) during the season for Cruise Operations within the 3 years next following the year in which the Phase III Improvements Notice is given, and

(2) Redeveloper estimates that Redeveloper’s Cost of Construction for the Phase II Improvements plus the Phase III Improvements are, in the aggregate, expected to be less than \$17 million as increased from the Effective Date by the Construction Inflation Factor.

“Pre-Existing Contamination” means and includes all contaminants investigated as part of the RAWP or such other fuel oil, petroleum products or Environmental Contamination existing on or within the Redevelopment Area prior to the Effective Date.

“Preliminary Design Plan” means the preliminary design plan for each Phase.

“Preliminary Site Plan” means a plan that sets forth the location and dimensions of the Improvements, vehicular and pedestrian circulation areas, proposed security zone, easements for utility service, and the boundary of the respective Phase relative to the Redevelopment Area.

“Primary Berth” shall have the meaning set forth in Section 3.2.1 of the Usage Agreement.

“Priority Charges” shall have the meaning set forth in Section 4.1(3) of the Terminal Operating Agreement.

"Project Engineer" means an experienced and licensed engineer appointed by Redeveloper to serve as the head engineer of the Redevelopment Project from time to time.

"Proposed Berthing Schedule" means the Redeveloper's written Notice to BLRA of the Vessels (including size and passenger capacity), dates and times that the RCCL Cruise Lines intend to berth at the Primary Berth(s) and the Secondary Berth for the following calendar year.

"psf" means a unit of measurement reflecting a 1 square foot area.

"Purchase and Sale Agreement" means the Purchase and Sale Agreement dated as of September 1, 2005 by and between the BLRA and Redeveloper, which is one of the Transaction Documents.

"Purchase Price" means an amount which represents Redeveloper's Cost of Construction of a particular Phase and anticipated cost of Construction if a particular Phase is not completed prior to the sale of same pursuant to the Purchase and Sale Agreement.

"Quit Claim Deeds" means the deeds executed and delivered to the BLRA from the United States of America, Department of the Army, on September 28, 2001 and December 11, 2002, respectively, which transferred the Peninsula to the BLRA and which have been subsequently recorded in the public record.

"RAWP" means the remedial action work plan which is a component of the Environmental Remediation.

"RCCL Cruise Lines" means the Redeveloper, Celebrity Cruises, Inc. and their Affiliates.

"Records" shall have the meaning prescribed to those documents referenced in Section 6.13 of the Parking Management Agreement and Section 5.12 of the Terminal Operating Agreement, as the case may be.

"Redeveloper" means Royal Caribbean Cruises Ltd., a corporation organized and existing under the laws of the Republic of Liberia.

"Redeveloper Indemnified Parties" means the RCCL Cruise Lines, and their directors, officers, employees, agents, parent, subsidiaries, contractors, consultants, successors and assigns.

"Redeveloper Licenses" means those licenses granted to Redeveloper for undertaking the Redevelopment Project or to the Port Manager for providing the Terminal Services for the Port, as applicable, under the Transaction Documents.

"Redeveloper Loan" means the financing, through the Redeveloper, of the Purchase Price and the Associated Costs for the purchase of a particular Phase of Improvements under the Purchase and Sale Agreement.

"Redevelopment Agreement" means the Redevelopment Agreement dated as of September 1, 2005 by and between the BLRA and the Redeveloper, which is one of the Transaction Documents.

"Redevelopment Area" means that portion of the Peninsula comprising, from time to time as the case may be, and as established by appropriate measurement and configuration pursuant to Section 5.8 of the Redevelopment Agreement: the Parking Area, the Terminal Area, the Docking Area, the Bulkhead Area, adjacent waters, Berths and the Construction Area, as each is determined in accordance with the

aforementioned terms of the Redevelopment Agreement including such areas of the Maritime Industrial District (as defined in the Redevelopment Plan) determined by the BLRA to be available for the Construction, use and operation of the Improvements, including, upon completion, the Improvements thereon. The measurements shall be established pursuant to Section 5.8.3 of the Redevelopment Agreement. As of the Effective Date, the Redevelopment Area is as presently depicted as the Existing Improvements on Exhibit M to the Redevelopment Agreement.

"Redeveloper's Cost of Construction" means any and all expenses applicable and costs incurred by Redeveloper in connection with the design, development and Construction of the Improvements, including, without limitation, plans, surveys, materials, contractor and sub-contractor fees, permitting fees, costs of capital, government fees, environmental remediation, applicable Priority Charges incurred during Construction of such Improvements, hook-up fees, and taxes, and any back-up documentation associated therewith.

"Redeveloper's Covenants" shall have the meaning set forth in Section 4.1 of the Redevelopment Agreement.

"Redeveloper's Designation" shall have the meaning as set forth in Section 3.1 of the Redevelopment Agreement.

"Redeveloper's Net Parking Profit Share" means for each calendar year the greater of (1) \$0 or (2) the Net Parking Profit less the BLRA's Net Parking Profit Share.

"Redeveloper's Trade Fixtures" means all items of personal property owned or leased by Redeveloper or its contractors, agents, assignees and licensees, located in, attached or affixed to, or used in connection with the Redevelopment Project, and located on the Redevelopment Area including, but not limited to:

- (1) computers;
- (2) office machines, including non-electric comptometers and typewriters, and coin counters;
- (3) Construction and maintenance equipment, including vises, welding outfits, benches, storage bins or cabinets, ladders, portable spray booths, and small hand tools and equipment; maintenance equipment, including vises, welding outfits, benches, storage bins or cabinets, ladders, portable spray booths, and small hand tools and equipment;
- (4) miscellaneous items such as air compressors, alarm systems, blowers, paper balers, pumps, refrigeration units, heavy scales, water coolers, and steel hand trucks, but not including air conditioning equipment, electrical wiring and conduits, air ducts and plumbing fixtures and pipes;
- (5) furniture including desks, file cabinets, chairs and sofas, benches, stools, tables, safes;
- (6) signing and art work, including bulletin boards, pegboards, pictures and decorative art placed on walls, sign holders; and
- (7) any and all renewals, replacements of, additions to, and substitutions for the above-enumerated items.

"Redevelopment Law" means the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented.

"Redevelopment Plan" means the "Peninsula at Bayonne Harbor Redevelopment Plan" adopted by the City Council of the City by ordinance duly adopted December 15, 2004 and as further amended and supplemented from time to time, which Redevelopment Plan governs the redevelopment of the Peninsula.

"Redevelopment Project" means: (1) the undertaking and Construction of the Improvements and Casualty Restorations by the Redeveloper, (2) the operation, maintenance and management of the Redevelopment Area and Improvements by the Port Manager or the Parking Manager, as the case may be, and (3) the usage of the Redevelopment Area, and the Improvements thereon, by the Redeveloper, RCCL Cruise Lines, Port Manager and their Affiliates in accordance with the Transaction Documents.

"Reimbursement Revenue" shall mean the sum of all rents, fees and other income paid to the BLRA, its Affiliates, assigns or designees in connection with use, reuse, lease, sale or other disposition of the Improvements (or any portion thereof) less (1) to the extent applicable, any amount due to the BLRA under the Transaction Documents as of the Termination Date with interest thereon accrued at the Default Interest Rate, (2) reasonable administrative and operating expenses incurred by the BLRA, or on its behalf, in connection with the use, reuse, lease, sale or other disposition of the Improvements, (3) the cost (or debt service on funds borrowed to pay the cost) of any additional improvements, or renovations to the Improvements reasonably contemplated under the Redevelopment Agreement, and undertaken by the BLRA or on its behalf, and (4) the amount of the Priority Charges and the BLRA's Net Parking Profit Share the BLRA could have reasonably expected to receive (net of any of such amounts the BLRA actually received) if the Redeveloper, Parking Manager and Port Manager had continued to use the Redevelopment Area for Cruise Operations as contemplated in the Transaction Documents, provided, however, that the amounts specified in (4) above shall not be deducted in calculating the Reimbursement Revenue if the termination of the Transaction Documents was by virtue of a termination of the Redevelopment Agreement under Sections 10.2, 19.1.1, 19.1.3 and/or 20.4 thereof. For purposes of this calculation, the BLRA's Net Parking Profit Share shall be equal to the average of the BLRA's Net Parking Profit Share for the immediately preceding 3 calendar year period prior to the Termination Date. The maximum amount of Reimbursement Revenue payable by the BLRA to Redeveloper in a calendar year shall be the sum of the Minimum Fee payable with respect to such year and the Stranded Investment Recovery with respect to such year provided, however, that in the event of a sale of such Improvements the maximum amount of Reimbursement Revenue shall be an amount sufficient to defease the unamortized portion of any outstanding Bonds, Redeveloper's Loan, Loans and the Stranded Investment Recovery.

"Relocation Fee" means a corresponding reduction in the BLRA's Net Parking Profit Share payable during each calendar year by the dollar amount required for Redeveloper to pay for reasonably increased transportation costs for failure of the BLRA to satisfy the Parking Area Location Requirement.

"Revenue Deficiency" shall have the meaning set forth in Section 6.4(3) of the Usage Agreement.

"Revenue Fund" means an account established pursuant to Section 5.3 of the Terminal Operating Agreement in a federally insured financial institution which complies with the Governmental Unit Deposit Protection Act, N.J.S.A 17:9-41 et seq. and which is reasonably satisfactory to the BLRA.

"Revenue Surplus" shall have the meaning set forth in Section 6.4(4) of the Usage Agreement.

"Sale Acceptance Period" shall have the meaning set forth in Section 17.2 of the Redevelopment Agreement.

“Sale Offer” shall have the meaning set forth in Section 17.2 of the Redevelopment Agreement.

“Schedule Amendments” shall have the meaning set forth in Section 3.2.2(6) of the Usage Agreement.

“Scheduled Completion Date” means the date specified in the Development and Construction Schedule for completion of the applicable Improvements of an applicable Phase and approved by the BLRA.

“Scheduled Cruise Days” means the dates (as rescheduled from time to time) and times set forth in the Proposed Berthing Schedule and Agreed Berthing Schedule which Redeveloper shall have for the berthing of their Vessels.

“Schedule Deadline” means April 30 of each calendar year or such other date as mutually agreed to by the Parties.

“Secondary Berth” shall have the meaning set forth in Section 2.2.1 of the Usage Agreement.

“sf” means square foot or feet, as a unit of measurement.

“Stranded Investment Recovery” means the amount required to repay the Redeveloper for Redeveloper’s Cost of Construction of any Improvement incurred by the Redeveloper, but not reimbursed to the Redeveloper through the purchase of such Improvement by the BLRA under the Purchase and Sale Agreement, as of the Termination Date. Such repayment is based upon an assumed debt service schedule that amortizes such cost using level debt service over a period of time that commences with the Termination Date and ends on December 31, 2038 at an interest rate that is equal to the corresponding Municipal Market Data yield for “A” rated, tax-exempt, general obligation municipal bonds as published in The Bond Buyer (or a similar index).

“State” means the State of New Jersey.

“Submissions” shall have the meaning set forth in Section 15.9 of the Redevelopment Agreement.

“Substantial Completion” means (1) for the Terminal Improvements, that the City has issued either a temporary or permanent Certificate of Occupancy, and (2) for all other Improvements, that they have been substantially completed in accordance with the Plans and Specifications.

“Taking” shall have the meaning set forth in Section 13.1 of the Redevelopment Agreement.

“Term” shall mean the term of each respective Transaction Document, running from the Effective Date through to and including December 31, 2038.

“Terminal Area” means that portion of the Redevelopment Area available for use as a passenger ship terminal upon which is constructed the Terminal Improvements and including also exterior space used by cruise and related businesses including but not limited to loading and unloading, taxi and passenger vehicle drop-off and pick-up areas, and dedicated routes to and from cruise Vessels and the Terminal Improvements for the transport of passengers, the square footage of which shall be established with reasonable accuracy from time to time by the BLRA in accordance with the Transaction Documents.

“Terminal Improvements” means the Improvements upon the Terminal Area within the Redevelopment Area, used as a passenger ship terminal from time to time during the Term, including Building 14.

“Terminal Operating Agreement” means the Terminal Operation Agreement dated as of September 1, 2005 by and between the BLRA and the Port Manager, which is one of the Transaction Documents.

“Terminal Services” shall have the meaning as set forth and as articulated in Section 5.1 of the Terminal Operating Agreement.

“Termination Date” shall have the meaning set forth in Section 8.1.3 of the Redevelopment Agreement.

“Termination Fee” means the fee required to be paid by the Redeveloper to the BLRA upon termination of the Transaction Documents, and shall be equal to the sum of: (1) \$500,000 as increased by the CPI from the Effective Date, (2) the unamortized portion of \$2 million as amortized on a straight line basis over a 33 year period from the Effective Date, and (3) the unamortized portion of the BLRA Capital Charge.

“Transaction Documents” means collectively the Redevelopment Agreement, the Purchase and Sale Agreement, the Usage Agreement, the Parking Management Agreement, the Incidental Usage Agreement and the Terminal Operating Agreement.

“Transfer Documents” means and refers to the Quit Claim Deeds and all other documents and agreements transferring the Peninsula from the United States of America, Department of the Army, to the BLRA. The Transfer Documents include the U.S. Government Indemnification.

“Unavoidable Delay” means an event, other than an Event of Default, which delays the timely completion and Construction of the Improvements as contemplated by the Plans and Specifications for the applicable Phase, including a Force Majeure Event.

“Unknown Conditions” means any environmental condition which was not identified in the RAWP prepared by Excel Environmental Resources, Inc., dated July, 2001 and as amended in November 2001, and as may be supplemented or amended from time to time, and as approved by the New Jersey Department of Environmental Protection, pursuant to which the Peninsula is being remediated.

“Usage Agreement” means the Usage Agreement dated as of September 1, 2005 by and between the BLRA and Redeveloper, which is one of the Transaction Documents.

“U.S. Government Indemnification” shall have the meaning set forth in Section 15.8 of the Redevelopment Agreement.

“Vessel” means ships (including Voyager-Class cruise ships), which operate on navigable waters that engage in docking and berthing at the Port, and may engage in the embarking and disembarking of passengers at the Port pursuant to the Transaction Documents.

“Voyager-Class” means a class of cruise ship Vessel that is approximately 175,000 tons in weight and 1,100 feet in length.

“Waterfront Park” means the public park to be constructed and maintained by the BLRA on the Waterfront Park Area.

“Waterfront Park Area” means a Parcel of real property of approximately two hundred (200) feet in width and approximately four hundred (400) feet in length situated at the eastern corner of the Peninsula as depicted on Exhibit T of the Redevelopment Agreement.

“Waterfront Park Payment” means \$300,000 payable by Redeveloper to the BLRA in connection with the BLRA's construction of the Waterfront Park as set forth in Sections 6.14 and 7.2 of the Redevelopment Agreement.

“Wharfage Fees” means the charges assessed to the cruise Vessels berthing at the Port, which equals the product of (1) a quotient where the numerator is the Estimated Operating Expenses less the product of the Berthing Tariff and the Estimated Number of Passengers and the denominator is the Estimated Aggregate Tonnage and (2) the Vessels' respective gross registered tonnage.

“Working Capital Advance” shall have the meaning set forth in Section 6.4(2) of the Usage Agreement.

EXHIBIT B

BANK OF NEW YORK

WIRE INSTRUCTIONS

The Bank of New York - NY, NY

ABA 021000018

Credit: GLA 111-565

F/C to: Account Number and name**

Attn: Susan Pszonek 973-357-7046

**Cape Liberty Revenue Fund A/C 763554

or

Cape Liberty Reserve Fund A/C 763555