

**FIRST AMENDMENT TO THE
TERMINAL OPERATING AGREEMENT**

By and Between

BAYONNE LOCAL REDEVELOPMENT AUTHORITY

And

CAPE LIBERTY CRUISE PORT LLC

BAYONNE, NEW JERSEY

Dated as of December 1, 2006

FIRST AMENDMENT TO TERMINAL OPERATING AGREEMENT

THIS FIRST AMENDMENT TO THE TERMINAL OPERATING AGREEMENT dated September 1, 2005 by and between the Bayonne Local Redevelopment Authority, an instrumentality and agency of the City of Bayonne, in the County of Hudson, New Jersey (the "BLRA"), having its offices at 51 Port Terminal Boulevard, Suite 21, Bayonne, NJ 07002, and Cape Liberty Cruise Port LLC, a limited liability corporation organized and existing under the laws of the State of Delaware (the "Port Manager") having its offices at 1050 Caribbean Way, Miami, Florida 33132 (The BLRA and Port Manager each, a "Party" and, together, the "Parties"), is made as of this first day of December, 2006 (the "First Amendment to the Terminal Operating Agreement"). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings prescribed to them in Exhibit A to the Terminal Operating Agreement, as amended below.

WITNESSETH

WHEREAS, on September 1, 2005, the BLRA, Redeveloper and its affiliate, the Port Manager, entered into the Transaction Documents, including the Usage Agreement and the Terminal Operating Agreement, 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, since the execution of the Transaction Documents, it has been determined by the Parties that it is necessary to make certain technical changes to the Usage Agreement and the Terminal Operating Agreement (collectively, the "Agreements"), and further, to enter into the Revenue Collection and Disbursement Agreement in order to make certain changes related to the disbursement of certain funds and payment of certain expenses; and

WHEREAS, Section 13.9 of the Terminal Operating Agreement permits amendments thereto provided they are in writing and signed by the Parties; and

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and in the Terminal Operating Agreement as amended and supplemented by this First Amendment to the Terminal Operating Agreement, and the undertakings of each Party to the other and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, mutually covenant, promise and agree as follows:

Section 1. Amendment to Exhibit A of the Terminal Operating Agreement. Exhibit A to the Transaction Documents is hereby amended to include the following definitions:

"Agent" means the Bank of New York, a state banking corporation organized and existing under the laws of the State of New York, or any successor Agent appointed pursuant to the terms and conditions of the Revenue Collection and Disbursement Agreement.

"Bond Resolution" means the 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, including by a resolution of the BLRA 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 by a certificate of the Executive Director of the BLRA dated as of March 16, 2006.

“Bond Trustee” means the Bank of New York, West Paterson, New Jersey, and its successors and assigns, as trustee with respect to the Bonds.

“Cape Liberty Capital Reserve Fund” shall mean the cape liberty capital reserve fund, a fund established pursuant to Section 3 of the Revenue Collection and Disbursement Agreement, which fund shall be established 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 is reasonably satisfactory to the BLRA

“Cape Liberty Revenue Fund” shall mean the cape liberty revenue fund, established pursuant to Section 3 of the Revenue Collection and Disbursement Agreement, which fund shall be established 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 is reasonably satisfactory to the BLRA

“Revenue Collection and Disbursement Agreement” shall mean the Revenue Collection and Disbursement Agreement dated as of December 1, 2006 entered into by the BLRA, the Redeveloper, the Port Manager and the Agent.

“Terminal Operating Expenses” means Actual Operating Expenses (other than Agent Fees, Priority Charges, the BLRA Financing Charge, Port Management Fee and the Capital Reserve Charge).

Exhibit A to the Transaction Documents is further amended to delete the definitions of Capital Reserve Fund and Revenue Fund. All references to “Capital Reserve Fund” in the Transaction Documents shall be amended to read “Cape Liberty Capital Reserve Fund” and all references to the “Revenue Fund” in the Transaction Documents shall be amended to read “Cape Liberty Revenue Fund.”

Section 2. Amendment to Section 5.1(1), (3) and (4) of the Terminal Operating Agreement. Section 5.1(1), (3) and (4) of the Terminal Operating Agreement are hereby deleted in their entirety and amended to read as follows:

“(1) the establishment and invoicing of the Berthing Tariffs and Wharfage Fees in accordance with Section 5.2, 5.3 and 5.14 of this Terminal Operating Agreement.”

“(3) the provision of notice to the BLRA of the Terminal Operating Expenses, Port Management Fees and Capital Reserve Charge in accordance with Section 5.3.”

“(4) the payment of Terminal Operating Expenses in accordance with Section 5.3.”

Section 3. Amendment to Section 5.3 of the Terminal Operating Agreement. Section 5.3 of the Terminal Operating Agreement is hereby deleted in its entirety and amended to read as follows:

"Section 5.3 Collection of Revenues and Payment of Actual Operating Expenses. (1) The BLRA shall direct the Agent to establish the Cape Liberty Revenue Fund. On a monthly basis, the Port Manager, on behalf of the BLRA, shall invoice RCCL Cruise lines and Other Cruise Lines for the applicable Berthing Tariffs and Wharfage Fees incurred, based on their respective actual Number of Passengers and actual Aggregate Tonnage, for the immediately preceding month. In the event that RCCL Cruise Lines misses a call without cause, the amount of the Port Manager’s invoice shall be based upon one-hundred percent (100%) occupancy for each missed call, less any mitigation income.

(2) The Port Manager shall indicate on each invoice prepared in accordance with Section 5.3(1) (a) the amount of the Berthing Tariffs and Wharfage Fees that shall be remitted to the Bond Trustee for payment toward the BLRA Financing Charge, and (b) that the balance of the Berthing Tariffs and Wharfage Fees due thereunder shall be remitted to the Agent. All amounts shall be payable within 30 calendar days of the receipt of such invoices. To the extent that Berthing Tariffs and Wharfage Fees are remitted to the Agent by wire transfer, such wire transfers shall be made in accordance with the Agent's wire instructions.

(3) The Port Manager shall, on or before the 15th day of each month, provide the BLRA with notice of the amount of Terminal Operating Expenses, Port Management Fees and Capital Reserve Charges. The BLRA shall direct the Agent to pay on the 25th of each month the following amounts in the following order of priority: (a) the Agent's fees; (b) the Priority Charges to the BLRA; (c) the Terminal Operating Expenses to the Port Manager; (d) the Port Management Fee to the Port Manager; (e) the Capital Reserve Charge for deposit in the Cape Liberty Capital Reserve Fund (as applicable); and (f) to the extent there is a Revenue Surplus at the end of each calendar year, application of same in accordance with Section 6.4(4) of the Usage Agreement. In the event the Actual Operating Revenues are insufficient to pay the Actual Operating Expenses in any month(s) after application of any monies in the Cape Liberty Capital Reserve Fund, the BLRA, or as applicable, the Bond Trustee or the Agent, shall demand, and upon receipt use, a Working Capital Advance or an amount equal to any Revenue Deficiency from the Redeveloper under the Usage Agreement to cover any such deficit(s).

(4) The Redeveloper or the Port Manager may, at any time and in their sole discretion with notice to the BLRA, (a) make a Working Capital Advance or pay an amount equal to any Revenue Deficiency to the Agent and/or the Bond Trustee; (b) direct the Agent to defer any repayment due from a Revenue Surplus on account of any Working Capital Advance or any amount equal to a Revenue Deficiency; and, (c) make advance payment of any Terminal Operating Expenses and provide notice to the BLRA for reimbursement by Agent of same in accordance with Section 5.3(3) above. To the extent that there are not sufficient funds to reimburse the Redeveloper or the Port Manager, as the case may be, for advance payments of any Terminal Operating Expenses as aforesaid, then such advance payments shall be treated as a Working Capital Advance. To the extent that any Working Capital Advance, any amount equal to a Revenue Deficiency are remitted to the Agent by wire transfer, such wire transfers shall be made in accordance with the Agent's wire instructions.

(5) The Port Manager shall, to the extent that the Agent provides sufficient funds, pay all Terminal Operating Expenses as and when due, and may, in its discretion, make advance payments pursuant to Section 5.3(4) above. In no event shall the BLRA be responsible for any Terminal Operating Expenses."

Section 4. Amendment to Section 5.4 of the Terminal Operating Agreement. Section 5.4 of the Terminal Operating Agreement is hereby deleted in its entirety and amended to read as follows:

"Section 5.4 Establishment of Cape Liberty Capital Reserve Fund; Collection of Capital Reserve Charge and Funding Improvements, Working Capital Advances and Revenue Deficiencies. The BLRA shall direct the Agent to establish the Cape Liberty Capital Reserve Fund. The BLRA shall, in accordance with the Annual Operating Expense Budget, direct the Agent to transfer the Capital Reserve Charge into the Cape Liberty Capital Reserve Fund from available funds in the priority order set forth in Section 5.3(3) above. Upon the Port Manager's written request, the BLRA shall direct the Agent to pay the Redeveloper or the Port Manager from the Cape Liberty Capital Reserve Fund, to the extent sufficient and applicable, for the costs associated with future Improvements within the Redevelopment Area and, as applicable, Revenue Deficiencies and Working Capital Advances."

Section 5. Amendment to Sections 5.7(2) and (3) of the Terminal Operating Agreement. Sections 5.7(2) and (3) of the Terminal Operating Agreement are hereby deleted in their entirety and amended to read as follows:

“(2) The maintenance of accurate books and records of accounts as to (a) amounts invoiced to RCCL Cruise Lines and the Other Cruise Lines, amounts paid to the Agent and the Bond Trustee by RCCL Cruise Lines, Other Cruise Lines and the Redeveloper, amounts disbursed for Terminal Operating Expenses by the Port Manager and amounts paid to and disbursed by the Agent and the Bond Trustee, including all source documents necessary to support such books and records of accounts, (b) Vessel calls and passenger manifests for each Vessel, (c) Port incidents, and (d) other reports and records as required by this Terminal Operating Agreement (such documentation hereinafter referred to as the “Records”), and submission of such Records to the BLRA quarterly and in connection with any BLRA Audit; and

(3) The issuance of invoices for all Actual Operating Revenues and processing of the payment of all Terminal Operating Expenses.”

Section 6. Amendment to Sections 5.12(1), (2) and (4) of the Terminal Operating Agreement. Sections 5.12(1), (2) and (4) of the Terminal Operating Agreement are hereby deleted in their entirety and amended to read as follows:

“(1) The Port Manager shall implement and maintain an accurate and efficient system of internal controls recording invoices, the receipt of funds and disbursement of Terminal Operating Expenses. Upon 10 days written notice to Port Manager, the BLRA and any other Governmental Body or entity authorized by Applicable Law may conduct an audit of the Records (the “BLRA Audit”) during normal business hours at the office of the Port Manager, or, if no such office is available, at a mutually agreeable venue within the State.”

“(2) All Records pertaining to the receipt of Actual Operating Revenues by the Agent and payment of Terminal Operating Expenses by the Port Manager, including, without limitation, monthly Berthing Tariffs and Wharfage Fee records, daily reports, bank statements, deposit slips invoices, and invoices and cancelled checks shall be retained, to the extent applicable, by the Port Manager, and made available to the BLRA for the purpose of the BLRA Audit for a period of 2 years. Such right to perform the BLRA Audit shall survive the expiration of the Term for a period of 2 years.”

“(4) The Port Manager, in coordination with the Redeveloper, shall provide an itemized quarterly and year to date statement to the BLRA, on or before the 15th day of each January, April, July and October, stating the Actual Operating Revenues, the Actual Operating Expenses, the Terminal Operating Expenses and the beginning and ending cash balances as reported by the Port Manager, the Agent and the Bond Trustee with respect to such three month period ending on the last day of the month immediately preceding such date. Such monthly report shall be prepared in a manner that tracks Actual Operating Expenses to the Annual Operating Expense Budget.”

Section 7. Reaffirmation of Terminal Operating Agreement. Except as amended by this First Amendment to the Terminal Operating Agreement, the Terminal Operating Agreement, and as applicable the Transaction Documents, as previously amended or supplemented, are hereby reaffirmed and ratified.

Section 8. Counterparts. This First Amendment to the Terminal Operating Agreement may be executed and delivered in any number of counterparts, and such counterparts taken together shall constitute one and the same instrument.

Section 9. Governing Law. This First Amendment to the Terminal Operating Agreement shall be construed in accordance with, and governed by, the Applicable Law of the State of New Jersey, without consideration given to choice of law principles.

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IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to the Terminal Operating Agreement to be executed as of the day and year first above written.


THE BLRA:

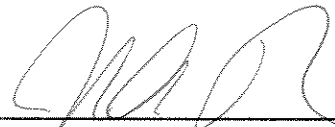
BAYONNE LOCAL REDEVELOPMENT AUTHORITY

By: 
Nancy A. Kist,
Executive Director

PORT MANAGER:

CAPE LIBERTY CRUISE PORT LLC

By: 
Name: Tom Martin
Title: Manager

By: 
Name: John Tercek
Title: Manager

