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**AMENDED AND RESTATED CRUISE SHIP TERMINAL FINANCING
AND BERTHING AGREEMENT**

THIS AGREEMENT, effective this 18 day of May, 2007, by and between the San Diego Unified Port District (hereinafter the "Port"), a public corporation of the State of California with offices at 3165 Pacific Highway, San Diego, California 92112-0488 and Carnival Corporation (hereinafter "Carnival"), a corporation organized and existing under the laws of the Republic of Panama and having an office and principal place of business at 3655 Northwest 87th Avenue, Miami, Florida 33178-2428.

WITNESSETH:

WHEREAS, Carnival operates cruise ships utilizing cruise ship terminals in ports around the world and the Port owns and operates the Port of San Diego, California, including the cruise ship terminals located within the Port (the "Port Facilities"); and

WHEREAS, Carnival wishes to operate vessels from the Port Facilities and the Port wishes to grow the passenger cruise vessel trade at the Port Facilities; and

WHEREAS, the parties entered into a Letter of Intent dated March 8, 2005 filed on March 21, 2005 in the Port Clerk's Office as Document Number 48537 (the "LOI"), pursuant to which, among other things, Carnival agreed to advance monies to the Port for certain interim improvements to the "B" Street Pier within the Port Facilities up to a maximum of Eight Million Dollars (\$8,000,000) in return for certain preferential berthing rights for Carnival vessels at the north berth of the "B" Street Cruise Terminal; and

WHEREAS, on October 11, 2005, Carnival and the Port entered into a Cruise Ship Terminal Financing and Berthing Agreement (the "Original Agreement") providing for, among other things, a loan from Carnival to the Port up to a maximum of Eight Million Dollars (\$8,000,000) to undertake certain agreed improvements to the B Street Pier in return for certain preferential berthing rights for Carnival at the Port of San Diego, California, including the cruise ship terminals located within the port (the "Port Facilities"); and

WHEREAS, the parties signed a letter dated February 1, 2007, pursuant to which, among other things, Carnival agreed to increase the loan from Eight Million Dollars (\$8,000,000) to Twelve Million

Dollars (\$12,000,000) and revise the original scope of work to provide for the upgrade and improvement of a homeport facility on the Broadway Pier to serve as the second homeport facility during construction on the two-berth "B" Street Cruise Terminal (mainly in lieu of interim improvements to the "B" Street Pier as intended by the parties in the Original Agreement) and the Port agreed to grant Carnival a second preferential berthing right for Carnival vessels at the best available berth between the South Berth of the "B" Street Cruise Terminal and the Broadway Pier; and

WHEREAS, in order to effectuate the terms of said letter, the parties wish to amend and fully restate the Original Agreement; and

WHEREAS, the Port and Carnival intend to continue negotiations toward a long-term agreement for the redevelopment of the Port's primary cruise facility on "B" Street Pier, which long-term agreement would supersede this Agreement, when and if finalized and executed by the parties. X

NOW, THEREFORE, the Port and Carnival, in consideration of the mutual representation, promises, covenants, agreements, terms, conditions, provisions and other considerations herein contained do hereby covenant and agree as follows:

ARTICLE 1 TERM

This Amended and Restated Cruise Ship Terminal Financing and Berthing Agreement (the "Agreement") shall be effective on the date hereof and shall continue in effect until the later of (i) repayment in full of the Carnival Loan and (ii) April 30, 2015 (the "Term"). For purposes of the Berth Schedule to be provided in connection with the preferential rights granted to Carnival vessels hereunder described in Article 4.1, the effective period shall commence as of the date hereof with the current eighteen (18) month Berth Schedule submitted by Carnival as per the terms of the Original Agreement (such Berth Schedule is hereby fully incorporated herein by reference) and continue for each successive eighteen (18) month period until the last vessel call is completed under the final berth schedule submitted prior to the expiration of this Agreement (the "Covered Period").



ARTICLE 2 CRUISE SHIP OPERATIONS

2.1 Carnival Corporation currently owns and/or operates a number of cruise ship lines, which include the following brands: Carnival Cruise Lines, Princess Cruises, P&O Cruises, Holland America Line, Cunard Line, Seabourn Cruise Line, and Costa Crociere. During the Term, Carnival may add, drop, or consolidate brands and this Agreement shall be interpreted to include the then current status of all Carnival brands during the Term. Any vessel operated by one or more of these brands are referred to as a "Carnival vessel" throughout this Agreement.

ARTICLE 3 TERMINAL IMPROVEMENTS AND FUNDING

3.1 Subject to the provisions of this Article 3, Carnival will advance an amount or amounts collectively not to exceed Twelve Million Dollars (\$12,000,000) to the Port (the "Carnival Loan"). Subject to the provisions of this Article 3, the Port shall, at its expense, undertake the construction and completion of the agreed improvements to the Broadway Pier and certain other improvements to the "B" Street Pier (the "Interim Project") through the Carnival Loan as agreed by the parties pursuant to the Project Budget (defined below). The Interim Project will include the works set forth in Exhibit A attached hereto and made a part hereof.

3.2 It is the Port's intention that within 120 days following (i) Carnival's written approval of the design and plans for the Interim Project, and (ii) the written approval of United States Customs and Border Protection and United States Coast Guard (the "Government Approvals"), the bid documents will be prepared and finalized for a design-build project or other procurement method, as determined by the Port for the construction of the Interim Project. Carnival's written approval is limited to concept approval of the Interim Project. Carnival will have no contract management, project management or construction oversight over the Interim Project once written approval is granted. The Port will also make a good faith effort to have a contractor selected and the design completed within 120 days following the latter of Carnival's written approval and Government Approvals. The Port will not exceed the Twelve Million Dollar (\$12,000,000) cap of the Carnival Loan less any monies already advanced as per the Original Agreement

(the "Project Budget"). The Project Budget, once agreed to by the parties, may only be amended by written mutual agreement; provided that in no case shall the Project Budget exceed Twelve Million Dollars (\$12,000,000).

3.3 The Port shall be solely responsible and liable for the contracts, approvals permits, licenses and all other aspects of the design, planning, development and construction of the Interim Project improvements. To the extent permitted by law, the Port shall indemnify Carnival for all fees, costs, expenses and claims arising from any acts or omissions of Port, its employees, officers, agents, contractors or subcontractors, including acts or omissions by the contractor related to the Interim Project. The Port's duty to indemnify, relates solely to the development of the Interim Project, and shall not include any claims or liabilities arising from Carnival's operations or from the negligence or willful misconduct of Carnival. The Port shall use commercially reasonable means to complete the agreed upon Interim Project improvements by October 31, 2008 (the "Completion Date"). Carnival acknowledges that the time frame for completion of construction is contingent on the Interim Project being constructed in adherence to the requirements of the California Least Tern nesting season and California public works bidding laws.

3.4 In the event the completion of the Interim Project is delayed beyond a six (6) month period from the Completion Date for other than a Force Majeure event defined specifically in this Article as acts of God, acts of war, and natural disasters, Carnival may, in its sole option, withhold disbursement of any further advances from the Carnival Loan and defer completion of the works to the long term project improvements to be incorporated into a long-term agreement as described in the recitals above.

3.5 All monies paid to the Port under the Carnival Loan (the "Advances") shall be deposited into the Port's general demand deposit bank account but will be accounted for separately and dedicated solely to Interim Project costs. The funds required to complete each specific project in the scope of work shall be deposited upon the Port awarding the contract for such specific items of work on the Interim Project (the "Construction Schedule"). Advances for payment of costs of design, construction and project management of the Interim Project and the other items shown in the Project Budget are limited to the amounts shown in the Project Budget and must not exceed the aggregate of (i) the costs of labor,

materials, and services incorporated into the Interim Project, plus (ii) if approved by Carnival, the purchase price of all uninstalled materials to be utilized in the construction of the Improvements stored on the property, less (iii) all prior Advances for payment of costs of labor, materials, and services for the construction of the Interim Project. Port shall submit an Application for Advance to Carnival prior to request for any monies under the Carnival Loan (the "Application for Advance") but in no event more than once a month. Each Application for Advance shall be submitted within a reasonable time (but not less than 15 business days) prior to the date on which an Advance is desired by Port. Each Application for Advance shall be accompanied by a Status Report including (i) itemization as of the end of the covered period showing the percentage of work completed for each of the items listed on the Construction Schedule; (ii) a cash flow projection through the end of the period covered by the Application for Advance and through the Completion Date of the Interim Project; (iii) updates to the Construction Schedule which show changes to the Interim Project status since the last reporting period; (iv) copies of all Interim Project invoices paid along with all full and partial releases from contractor, suppliers and other service providers who have been paid to date and (v) a certificate of an inspecting architect/engineer/construction inspector, acceptable to Carnival, which may be a qualified employee of the Port, attesting to the fact that the works, if any, for which payment is being requested have been duly completed in accordance with the plans and specifications (Items (i) through (v) collectively hereinafter referred to as the "Status Report"). The Port acknowledges and agrees that Carnival will not be obligated to advance any monies for the Interim Project without the submission of an executed Application for Advance along with the corresponding Status Report in the agreed form. No Advance will constitute a waiver of any condition precedent to the obligation of Carnival to make any further Advance or preclude Carnival from thereafter declaring the failure of Port to satisfy any condition precedent to the payment of an Advance. The Port shall be obligated to directly pay any and all change orders incurred beyond the Carnival Loan, cost overruns or other amounts incurred above the Project Budget. Once funds are advanced under the Carnival Loan and repaid, they cannot be re-borrowed. The parties acknowledge and agree that as of the date of this Agreement, \$1,895,720.85 has been advanced to the Port under the Carnival Loan.

3.6 All funds paid by Carnival to the Port as part of the Carnival Loan shall bear interest on the advance and the unpaid principal balance thereof at the rate of 4.5% annually.

3.7 Carnival shall have the right to inspect upon reasonable prior notice and during business hours all books and records of the Port related to the Interim Project and the Carnival Loan including, without limitation, all bank statements and information on the bank account used to deposit the funds from the Carnival Loan, documents relating to any and all payments or other withdrawals from the account made by the Port in connection with the Interim Project, as well as inspection of the construction site and access to authorized personnel of the contractor, architect and relevant Port personnel. Copies of all documents will be provided to Carnival if requested. In addition, Carnival has the right, at its expense, to conduct an audit (including an audit conducted by an outside auditing firm retained by Carnival) of the Port's books and records relating to this Agreement.

3.8 The fees, which the Port designates as Special Facility Revenues assessed against and collected from all cruise line users of the Port Facilities as set forth in Section 5.2 (the "Special Facility Fee") shall be deposited by the Port into a segregated account maintained by the Port (the "Account") designated exclusively for the deposit of the Special Facility Fee and accounted for separately on the Port's accounting records. The sole source of funds for repayment of the loan is the Special Facility Fee. As security for the repayment of the Carnival Loan, the Port shall grant a security interest in said Account for the benefit of Carnival and all monies collected from the Special Facility Fee shall, during the Term, be solely used for the repayment of the Carnival Loan and for no other purpose. The Port shall disburse all monies collected from the Special Facility Fee equal up to the unpaid balance of the Advances, plus accrued interest, on a monthly basis to Carnival in repayment of the Carnival Loan. Carnival has the right, at its expense, to conduct an audit (including an audit conducted by an outside auditing firm retained by Carnival) of the Port's books and records relating to the Account and the collection and disbursement of the Special Facility Fee. The Port shall remit to Carnival on a monthly basis by bank wire transfer the Special Facility Fee collected by the Port during the prior month no later than the 25th day of the month subsequent to the collection month.

3.9 Carnival acknowledges and agrees that the Port may seek alternative financing to repay the Carnival Loan. The Port may repay the entire principal amount of the Carnival Loan plus interest accrued thereon, on any date, without premium or penalty, from the Special Facility Fees on deposit in the Account established pursuant to Section 3.8 of this Agreement and/or any other source of legally available funds. Upon the date of such repayment, all financial obligations of the parties set forth in this Article 3 shall terminate except for section 3.3. All other conditions and obligations of the parties set forth in this Agreement shall remain in full force and effect for the remaining Term.

ARTICLE 4 TERMINAL BERTHING

4.1 (a) During the Covered Period, the Port agrees to grant preferential berth privileges to Carnival for homeport vessels (i) at the North berth of the "B" Street Cruise Terminal at the Port Facilities, including the terminal and the adjacent wharf/berth area (collectively called the "North Berth") and (ii) at the best available berth as between the South Berth of the "B" Street Cruise Terminal and the Broadway Pier (collectively, the "Second Berth") to support Carnival's year-round operation of the Elation or other Carnival vessel, during twenty-four (24) hour periods commencing at 0001 hours to 2400 hours for the purpose of embarking and/or disembarking passengers or to conduct Carnival vessel related promotional functions or sailings such as inaugural, travel agent and employees receptions and/or sailings, which preferential rights shall be exercised in accordance with the procedures set forth below. For purposes herein, the "best available berth" means the berth as between the South Berth of the "B" Street Cruise Terminal and the Broadway Pier which is best able to accommodate the Carnival vessel given the then current construction program being undertaken by the Port.

i. On or before October 1, 2007, and each six (6) month period thereafter, Carnival shall submit to the Port its Berth Schedule for each successive eighteen (18) month period for Carnival vessels originating from or calling at the Port and the days of planned utilization by Carnival. Each such Berth Schedule submitted by Carnival to the Port shall be incorporated herein and become part of this Agreement.

ii. The Berth Schedule shall include the dates and times in which Carnival intends to berth such vessels and the brand/owner, size and passenger capacity of each vessel during the eighteen (18) month period. The Port agrees to make the North Berth and the Second Berth and their related Port Facilities available to Carnival for the berthing of its vessels at the times and on the dates indicated by Carnival in the Berth Schedule. Carnival may substitute the actual vessels that call on the dates in the Carnival Berth Schedules.

iii. The Port shall have the right to allow other vessels to use the North Berth and the Second Berth at any time during which such berths are not otherwise committed to Carnival vessels pursuant to the Berth Schedule.

iv. From time to time by notice to the Port, Carnival may propose, pursuant to a subsequent Berth Schedule or otherwise, to amend a prior Berth Schedule by adding or removing vessels. In such event, so long as another cruise line or other Port user has not already reserved the North Berth or the Second Berth for the specified date, Carnival shall have a right and preference to berth its vessel on the requested time and date. The Port must confirm berth availability within three (3) business days of receiving the Berth Schedule.

(b) All other berths at the Port will be available for Carnival vessels' use, including homeport and transit vessel calls, in accordance with the Port's current berthing policies and practices applicable to all users of the Port Facilities. Carnival's Berth Schedule may include reservations for all other berths at the Port. Such reservations shall be granted or denied by the Port upon 21 days written notice by the Port to Carnival after receipt of the Berth Schedule, consistent with the Port's current berthing policies and practices. Once accepted, Carnival vessels shall be deemed to have the same preference rights for such berth as applicable to the North Berth and the Second Berth, for the time and date indicated in the Berth Schedule.

4.2 In the event any physical or other conditions, including weather or the construction of the Interim Project, of the Port or its facilities arise that would prevent Carnival's scheduled use of any of the North Berth or Second Berth, the Port shall notify Carnival and make best efforts to provide an alternative terminal and facilities to berth the scheduled Carnival vessel at another passenger berth within the Port Facilities, which shall be reasonably satisfactory to Carnival and suitable to handle the scheduled Carnival vessel. Prior to the completion of anticipated Broadway Pier improvements, the Port will reimburse Carnival for additional direct costs associated with the use of an alternative berth. If such condition prevents Carnival's scheduled use of the North Berth or the Second Berth for ninety (90) days, Carnival may, in its sole discretion, terminate this Agreement, without liability to the Port and shall be entitled to recover from the Port any damages incurred as a result of the termination, including any and all monies advanced to the Port under the Carnival Loan, which shall become immediately due and payable without demand or other notice. The Port shall keep Carnival reasonably informed as to the nature of the

conditions, plans for correcting the conditions and schedules that define time frames for completing correction or restoration of such facilities.

4.3 Subject to the Port's reasonable rules and regulations applicable to all operators at the Port Facilities, Carnival shall have in connection with its preference rights set forth in Section 4.1: (a) the right of ingress and egress to and from the North Berth and the Second Berth, as applicable, for its officers, cruise agents, employees and passengers and those of its principals; (b) the right to embark and disembark passengers, and to bunker, load, store and moor Carnival cruise ships at said berth; and (c) the right to use all passenger facilities located at such berths, including the use of passenger waiting rooms, offices and storage areas reasonably acceptable to Carnival; comfort and washroom facilities, United States Customs and Border Protection and/or Immigration facilities used in connection with the embarking and debarking of passengers and their luggage during such times and durations as its vessels are within the Port Facilities.

4.4 During scheduled days of Carnival passenger embarkation and debarkation, Carnival shall staff, supervise and control, by contract or by its own personnel, the embarkation/debarkation operation at the berths in accordance with its standard operating procedures. Solely on the days and times during which Carnival is conducting vessel operations, Carnival will provide and pay for security for the outbound screening of provisions. Carnival may elect to use the security provider chosen by the Port. The Port will provide and pay for security in all other areas of the Port Facilities (including passenger screening, perimeter security, traffic control and pier access) as required by applicable law and consistent with industry standards. During the periods where a Carnival vessel is not berthed at the Port Facilities, the Port will provide (and pay for) all security consistent with applicable law and industry standards. The Port will charge Carnival security fees as per the Port's Tariff applicable to all cruise line users, which includes the cost for passenger screening, perimeter security, traffic control and pier access.

4.5 Unless otherwise prevented due to the Interim Project pursuant to Article 3 above and the long-term improvements, the Port shall maintain the "B" Street Pier which include the North and South Berths and the Broadway Pier and adjacent Port Facilities as passenger cruise terminals consistent with

industry standards and capable of accommodating home-port operations of a Post-Panamax sized vessel. In furtherance thereof, the Port shall, at its expense, maintain, repair, clean, refurbish and keep in good working order and in a safe and comfortable state of repair and condition the "B" Street Pier and Broadway Pier (including, without limitation, all public areas and facilities therein, gangways, elevators, escalators, stairs, carpet and other flooring, lighting, roof, ceiling, paint and landscaping (as applicable)), and the adjacent areas including the passenger roads, parking areas and other paved surfaces, the means of ingress and egress to and from the North Berth, South Berth, the Broadway Pier and all other related Port Facilities, the wharf and apron area, all of the utility facilities, furniture and equipment used in connection therewith together with the mooring facilities for the cruise ships. The parties agree that the current maintenance levels at the North Berth meet industry standards. The Port shall provide electricity and water to the North Berth, and telecommunications, and sewer service to the terminal facilities adjacent to the North Berth. The Port shall maintain the berth dredged to a depth to safely accommodate, at all stages of tide, cruise ships having a maximum draft not in excess of 30 feet. While performing repairs, refurbishment or maintenance work on the North Berth or adjacent areas or any other area within the Port Facilities, the Port shall endeavor to minimize the impact of maintenance work on the operation of Carnival's cruise ships in the Port Facilities area.

ARTICLE 5 PORT FEES

5.1 The Port shall assess Carnival charges, fees and rates in accordance with the published tariffs effective as of the date hereof and shall periodically amend the amounts of such tariffs in accordance with the Port's current practice, as applied to all cruise line users. During the Term, the Special Facility Fee will not be increased and no new or different types of charges, or fees shall be assessed against Carnival or its vessels other than as stated herein.

5.2 Effective April 1, 2006, the Port began assessing a Special Facility Fee to all cruise line users of the Port Facilities (whether or not part of the Carnival group and regardless of the terminal or berth used within the Port Facility), equal to \$4.00 per embarking home port cruise passenger and \$4.00 per disembarking home-port passenger at the Port. The Special Facility Fee shall not be assessed

against passengers on board cruise vessels making transit calls. This Special Facility Fee shall remain in effect until the Carnival Loan is repaid in full including any and all interest, late fees and other charges. All monies collected by the Port shall be deposited and disbursed as set forth in Section 3.8. Once the Carnival Loan is fully repaid, the Special Facility Fee shall automatically be cancelled and be of no further force or effect.

5.3 Except with respect to the preferential berthing privileges described in Article 4 and the rates and limitation of such rates established in this Article 5, nothing in this Agreement is intended to limit or diminish the applicability of the Port 's published tariffs and related regulations as may be amended from time to time during the Term of this Agreement, and Carnival hereby acknowledges the applicability of such tariff and regulations and shall observe all the provisions thereof, including, without limitation, making payments for charges as set forth therein. In the event of a conflict between the terms of this Agreement and the provisions of the published tariffs and regulations, as may be amended from time-to-time during the Term of this Agreement, the terms of this Agreement shall prevail.

ARTICLE 6 CONCESSIONS

All concessions at the Port, including but not restricted to passenger terminal concessions, advertising, entertainment, parking and licensing for taxis and rental cars, as appropriate, will be under full contract, regulation and supervision by the Port.

ARTICLE 7 INDEMNITY

7.1 Carnival shall indemnify, defend and hold harmless the Port, its employees, agents, and representatives, from all claims and demands of third persons including, but not limited to, claims and demands for death, claims and demands for personal injury, and claims and demands for property damages and all liabilities, costs, charges and expenses in connection therewith (including, but not limited to, reasonable attorneys' fees), arising out of the operations of Carnival vessels while they are within the waters within the jurisdiction of the Port, including the process of embarkation/debarkation of passengers

in or around any terminal, conducted by Carnival's employees, agents or representatives, except for claims and demands caused by acts or omissions of the Port, its officers, agents or employees or which allege or involve the negligence or willful misconduct of the Port or for claims and demands due to a negligent condition existing on or adjacent to the Port Facilities or the Terminal or for claims and demands due to a breach of this Agreement by the Port.

7.2 The Port shall indemnify, defend and hold harmless Carnival, its officers, directors, employees, agents, representatives and vessels, from all claims and demands of third persons including, but not limited to, claims and demands for death, claims and demands for personal injury, and claims and demands for property damages and all liabilities, costs, charges and expenses in connection therewith (including, but not limited to, reasonable attorneys' fees), arising out of or related in any way to (i) the operations under the control of the Port, including the process of embarkation/debarkation of passengers in or around any terminal conducted by Port 's employees, agents, or representatives, or (ii) a breach of this Agreement by the Port except for claims and demands caused by acts or omissions of Carnival, its officers, agents or employees or claims and demands alleging or involving the negligence or willful misconduct of Carnival, its officers, directors, employees, agents, and representatives.

ARTICLE 8

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ARTICLE 9 REPRESENTATIONS AND WARRANTIES

9.1 Port hereby represents and warrants to Carnival as follows:

9.1.1 Agreement. This Agreement has been duly executed and delivered and constitutes a binding obligation of the Port enforceable in accordance with its terms except as may be provided by

bankruptcy laws and does not violate or conflict with any agreement to which the Port is a party or to which any of its assets are bound.

9.1.2 No Breach. The execution, delivery and performance of this Agreement by Port will not cause a material breach or violation of or default under any security issued by the Port, any agreement, contract or arrangement, whether written or oral, to which the Port is a party or any of its assets are bound or of any applicable governmental law, regulations or requirements (the "Governmental Requirements").

9.1.3 Compliance with Governmental Requirements. The execution and delivery of this Agreement by the Port, the request for Advances hereunder and the consummation of the transactions contemplated hereby comply with all Governmental Requirements. The Port shall and shall cause the selected contractor to timely comply with all Governmental Requirements. Carnival has no obligation or responsibility whatsoever for the such designs, plans or specifications or any other matter incident to the construction of the Interim Project.

9.1.4 Suits, Actions, Etc. The Port is not aware of any material actions, suits, or proceedings pending or to the knowledge of the Port threatened in any court or before or by any governmental authority against or affecting the Port or the Port Facilities including the North Berth, at law or in equity, which would materially affect its ability to perform its obligations hereunder.

9.1.5 Application of Advances. Acceptance of each Advance constitutes reaffirmation, as of the date of such acceptance, of the representations and warranties of the Port contained herein, upon which Carnival shall rely in making such Advance. According to Article 3.8, the Port agrees to disburse all Advances for payment of costs and expenses specified in the Project Budget, and for no other purpose.

9.1.6 The Port represents and warrants that it is duly formed and in good standing, and has taken all corporate action necessary to carry out the terms and conditions of this Agreement so that when executed, this Agreement shall constitute a valid and binding obligation enforceable in accordance with its

terms. The Port further represents and warrants that the undersigned representative of Port has good corporate power and authority to enter into this Agreement on behalf of Port.

9.2 Carnival hereby represents and warrants to the Port as follows:

9.2.1 Agreement. This Agreement has been duly executed and delivered and constitutes a binding obligation of Carnival enforceable in accordance with its terms except as may be provided by bankruptcy laws and does not violate or conflict with any agreement to which Carnival is a party or to which any of its assets are bound.

9.2.2 No Breach. The execution, delivery and performance of this Agreement by Carnival, will not cause a material breach or violation of or default under any security issued by Carnival, any agreement, contract or arrangement, whether written or oral, to which Carnival is a party or any of its assets are bound or of any applicable Governmental Requirements.

9.2.3 Suits, Actions, Etc. There are no material actions, suits, or proceedings pending or to the knowledge of Carnival threatened in any court or before or by any governmental authority against or affecting Carnival, at law or in equity, which would materially affect its ability to perform its obligations hereunder.

9.2.4 Carnival represents and warrants that it is duly formed and in good standing, and has taken all corporate action necessary to carry out the terms and conditions of this Agreement so that when executed, this Agreement shall constitute a valid and binding obligation enforceable in accordance with its terms. Carnival further represents and warrants that the undersigned officer of Carnival has good corporate power and authority to enter into this Agreement on behalf of Carnival.

ARTICLE 10 ATTORNEY FEES AND VENUE

10.1 In any litigation arising out of this Agreement, the prevailing party shall be entitled to reimbursement of all reasonable costs and expenses, including reasonable attorneys' fees and paralegal fees (at both trial and appellate court levels).

10.2 The parties hereby waive all rights to trial by jury regarding any litigation or other legal

proceedings brought by either party against the other to enforce any right or obligation under this Agreement or otherwise related to this Agreement.

10.3 This Agreement and any dispute arising hereunder shall be governed by the laws of the State of California. It is further agreed that venue for all disputes arising from this Agreement lies exclusively in the courts of San Diego County, California and each party hereby expressly waives any right it has to object to the venue and jurisdiction of any action commenced in any such courts; provided, however, that Carnival reserves the right to object to the venue and jurisdiction of any action commenced by a third party in any such courts against Carnival including any action where the Port is named but for which Carnival must indemnify and defend, and is indemnifying and defending, the Port as per the terms hereof.

ARTICLE 11 NOTICE

11.1 All notices required to be given to the Port and Carnival hereunder shall be sent by (a) registered or certified mail, whereupon notice shall be deemed to have been given on the third day after deposit for mailing; or (b) delivery (i.e., courier or other hand delivery), overnight delivery, or facsimile transmission, whereupon notice shall be deemed to have been given on the day of delivery. If the day of notice is a Saturday, Sunday, or legal holiday, notice shall be deemed to have been given on the first calendar day thereafter which is not a Saturday, Sunday, or legal holiday.

All notices required to be given to the Port shall be made to the Port at:

Attn: Senior Director, Maritime Division
San Diego Unified Port District
3165 Pacific Highway
San Diego, CA 92101

Facsimile No. (619) 234-3965

With a copy to:

Director, Marketing
San Diego Unified Port District

3165 Pacific Highway
San Diego, CA 92101

Facsimile No. (619) 686-6400

or to such other address or facsimile number as the Port may direct from time to time by written notice forwarded to Carnival as provided below.

All notices required to be given to Carnival hereunder shall be sent to Carnival at:

Carlos Torres de Navarra
Director
Carnival Corporation
3655 Northwest 87th Avenue
Miami, Florida 33178
Facsimile No. 305.406.5080

With a copy to:

Giora Israel
Vice President
Carnival Corporation
3655 Northwest 87th Avenue
Miami, Florida 33178
Facsimile No. 305.406.5080

or to such other address or facsimile number as Carnival may direct from time to time by written notice forwarded to the Port as provided above.

ARTICLE 12 EVENTS OF DEFAULT

12.1 Carnival shall be in default under this Agreement if any of the following events occur and continue beyond the applicable grace period:

- (i) Carnival fails to timely comply with any payment obligation arising hereunder which is not cured within thirty (30) days from Carnival's receipt of written notice from the Port of failure to meet such payment obligation.
- (ii) Carnival fails to perform or breaches any term, covenant, or condition of this Agreement which is not cured within thirty (30) days after receipt of written notice

from the Port specifying the nature of such breach; provided, however, that if such breach cannot reasonably be cured within thirty (30) days, Carnival shall not be in default if it commences to cure such breach within said thirty (30) day period and diligently prosecutes such cure to completion.

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

12.2 The Port shall be in default under this Agreement if it fails to perform or breaches any term, covenant, or condition of this Agreement and such failure is not cured within sixty (60) days after receipt of written notice from Carnival specifying the nature of such breach; provided, however, that if such breach cannot reasonably be cured within sixty (60) days and such breach does not unreasonably interfere with the operations of Carnival at the Port, the Port shall not be in default if it commences to cure such breach within said sixty (60) day period and diligently prosecutes such cure to completion. The foregoing is without prejudice to Carnival's rights pursuant to Sections 3.4 or 4.2 which shall in no way be limited by this Section 12.2.

12.3 Except as otherwise provided herein, upon the occurrence of a default under this Agreement not cured within the applicable grace period, the non-defaulting party may pursue all remedies available at law or in equity, including, without limitation, termination of this Agreement or the right to seek specific performance of this Agreement. In the event of a default by the Port of this Agreement, amounts advanced under the Carnival Loan but not yet repaid with interest shall become immediately due and payable without demand or notice. However, in no event shall either party be liable to the other for consequential, special or punitive damages, including, without limitation, lost profits as a result of a breach of this Agreement.

12.4 In the event the Port defaults in its obligations to maintain and repair the North Berth and related Port facilities as required by Section 4.5, which default is not cured within 30 days, Carnival may take all actions reasonably necessary, in the sole discretion of Carnival, reasonably exercised, to remedy such default to enable Carnival to continue to utilize the North Berth for the intended use pursuant to this Agreement; provided that Carnival delivers to the Port five (5) days prior written notice of its intention to exercise its rights hereunder and provided, however, that if such breach cannot reasonably be cured within thirty (30) days and such breach does not unreasonably interfere with the operations of Carnival at the Port, the Port shall not be in default if it commences to cure such breach within said thirty (30) day period and diligently prosecutes such cure to completion. The Port will reimburse Carnival for all costs and expenses incurred by Carnival to cure such default by the Port within thirty (30) days of written demand accompanied by appropriate backup documentation with respect to the costs incurred by Carnival; provided that Carnival shall not charge a mark-up or other administrative or management fee for the work performed and provided that the costs shall be based on prevailing market and industry rates and practice.

ARTICLE 13 GENERAL

13.1 This Agreement contains the complete agreement of the parties. No waiver of any breach of covenants herein shall be construed as a waiver of the covenant itself or any subsequent breach thereof.

13.2 If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

13.3 Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between the Port and Carnival.

13.4 The language in all parts of this Agreement shall in all cases be simply construed according to its fair meaning and not strictly for or against the Port or Carnival.

13.5 This Agreement shall bind and inure to the benefit of the Port and Carnival, and any such successors or assigns of the Port and Carnival (including, as to the Port, such third parties) as may succeed by law to the rights, powers and duties of the Port, or become in any manner vested with the administration of affairs of the Port provided, however, that the Carnival Loan shall not be assigned by the Port without the prior written consent of Carnival.

13.6 This Agreement is not a lease and no interest or estate in real property or the improvements located in or at the Terminal is created hereby.

13.7 Force Majeure. The Port and Carnival shall not be liable for any failure, delay, or interruption in performing their individual obligations hereunder due solely to causes or conditions beyond the control of the Port, Carnival and their respective agents, employees, divisions and subsidiaries, affiliates, contractors, subcontractors, guests, including, without limitation, acts of God, extreme weather and act of state or war, public emergency, strikes related to the operation in the Port, picketing, boycotts, work stoppages or labor troubles of any other type (whether affecting the Port, Carnival, its divisions, subsidiaries and affiliates) including the negligence or intentional acts of harbor pilots or third parties, with respect to fire or catastrophic events regarding berths, piers, channels, turning basins, terminal buildings, vessel destruction, mechanical problems of a material nature, fire or catastrophic marine casualty, theft or seizing of the vessels (a "Force Majeure Event"); provided that the party claiming the existence of a Force Majeure Event delivers written notice to the other party of such event within five (5) calendar days of the commencement of such event. Except as set forth in Sections 3.4 and 4.2, the existence of a Force Majeure Event shall not be a cause for termination of this Agreement.

13.8 Adverse Termination. If any new or change of applicable law or regulation is enacted, whether such law or regulation governs or relates to Carnival's obligations and performance under this Agreement, which imposes a fee, tax or other requirement which, in Carnival's opinion, reasonably exercised, could have a material adverse effect (\$5,000,000 or greater) on Carnival and/or its divisions, subsidiaries or affiliates (a "MAC Event") and such adverse effect could be avoided or reduced, in whole or in part, by repositioning Carnival's vessels, Carnival shall have the right to terminate this Agreement,

without liability to the Port except for accrued fees and charges to the date of termination (a "MAC Termination"). Written notice of a MAC Termination shall be delivered by Carnival to Port within 30 calendar days after Carnival's actual knowledge of the occurrence of a MAC Event. If the applicable law causing the MAC Event is repealed within one (1) year of its enactment, Carnival shall, as soon as reasonably practicable after such repeal (given Carnival's then current itineraries, port commitments and marketing plan and operations), reposition the vessel in accordance with the Berth Schedule, at which time the terms of this Agreement shall be restored and in full force and effect for the remaining term.

13.9 Entire Amended and Restated Agreement. The Port and Carnival acknowledge and agree that this Agreement constitutes the entire understanding of the parties and that this Agreement supersedes and replaces the Original Agreement in its entirety. The parties acknowledge and agree that there are no other terms or agreements, written or oral, existing between them. Any modification or amendment hereof shall be effective only upon the execution by the parties of a written agreement.

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

Name: _____

Name: _____

Name: _____

Name: _____

CARNIVAL CORPORATION, a
Panamanian Corporation

By: _____

Giora Israel
Its: Vice-President

SAN DIEGO UNIFIED PORT

By: _____

Its: Vice-President, Operations



EXHIBIT A
INTERIM PROJECT IMPROVEMENTS

Broadway Pier Improvements

*** Construct a cruise terminal between 50,000 and 56,000 square feet and construct a passenger gangway.**

*** Construct structural deck upgrade, to include** removal of pier deck asphalt and decorative concrete topping slabs and other miscellaneous surface penetration; demolition of existing Old Customs Office; relocation of various electrical and water utilities; construction of approximately **86,000 square feet of six (6) to eight (8) inch thick steel reinforced concrete deck overlay;** installation of a pedestrian elevator and miscellaneous hardscape improvements.

"B" Street Pier Improvements

***Design composite fender pile, camel, and Yokohama fender system.**

***Design Sections A, B, (restrooms, offices, FIS area), and C reconfiguration.**

***Design 25,000 square foot passenger and baggage facility for the South Berth**

***Design elevated walkway.**

***Design passenger-loading bridge.**

***Study and develop additional covered storage for baggage.**

***Install composite fender piles, camel, and Yokohama fender system.**

***Construct Sections A, B (restrooms, offices, FIS area) and C reconfiguration.**

***Design 25,000 square foot passenger and baggage facility for the South Berth**

***Construct elevated walkway.**

***Construct passenger-loading bridge.**

The Port will work with its various cruise line customers to reconfirm their requirements and work diligently with Carnival to lower costs of the project to an acceptable minimum within the Project Budget at the Port's sole discretion.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized, somewhat abstract shape.