

**PORT OF GALVESTON
REQUEST FOR DISCUSSION**

BUSINESS ITEM

SUBJECT: Consider and Approve Royal Caribbean Group Restricted Transfer Request – Ceres Terminal Holding, LLC

DISCUSSION: This item was placed on the agenda for Trustee consideration and approval.

RCP



Royal Caribbean Group

February 23, 2021

Mr. Rodger Rees
Port Director/ CEO
The Port of Galveston
123 Rosenburg, 8th Floor
Galveston, Texas 77550

Re: Restricted Transfer Request- Ceres Terminals Holdings, LLC

Dear Rodger:

Reference is made to that certain Ground Lease effective as of December 12, 2019 (“Ground Lease”), by and between The Board of Trustees of Galveston Wharves, also known as the Port of Galveston (“Wharves”) and Galveston Cruise Terminal, LLC (“GCT”), which Ground Lease was also executed for the limited purposes more fully described therein by Royal Caribbean Cruises Ltd. (“RCL”). Further reference is made to Section 40(b) of the Ground Lease which provides that Tenant shall be authorized to make a Restricted Transfer only with the express written approval of Wharves, which shall not be unreasonably withheld, conditioned or delayed. “Restricted Transfer” is defined as (i) any transfer in the shareholding or membership interest in Tenant, (ii) assignment by Tenant of some or all of its obligations under this Lease, (iii) any sublease by Tenant except as may be expressly authorized in this Lease, and (iv) any transfer of a leasehold interest in this Lease pursuant to a Leasehold Mortgage.

As you are aware, subject to Wharves’ written approval, RCL has agreed in principle to transfer fifty percent (50%) of its membership interests in GCT to Ceres Terminals Holdings LLC, a Delaware limited liability company (“Ceres”). Ceres is an experienced, licensed company specializing in the performance of cruise terminal operations, stevedoring services, related passenger luggage services, and ship provision operations. Ceres is wholly-owned by Macquarie Infrastructure Partners III (an infrastructure investment fund managed by Macquarie Infrastructure and Real Assets (“MIRA”). It is anticipated that upon completion of the new cruise terminal, Ceres will manage the cruise terminal pursuant to a management agreement with GCT and will provide RCL with stevedoring services. Ceres clearly meets all of the specified criteria set forth in Section 40(b)- it (i) has the financial strength reasonably sufficient to undertake its obligations, (ii) possesses a good background, responsibility, and reputation, and (iii) has substantial experience in the operation and management of cruise terminals.

We hereby request Wharves’ approval to undertake the aforementioned Restricted Transfer to Ceres. Please countersign this letter below confirming your agreement and return a copy to me. We are excited to commence construction on the new cruise terminal and we look forward to a long and prosperous future for RCL, Ceres, GCT and Wharves. If you have any questions regarding the foregoing, please do not hesitate to contact me at (954) 854-6584.

Sincerely,
ROYAL CARIBBEAN CRUISES LTD.

DocuSigned by:
Joshua Carroll
Josh Carroll
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VP, Destination Development



Restricted Transfer Request- Ceres Terminals Holdings, LLC

Countersigned and Agreed:

BOARD OF TRUSTEES OF THE GALVESTON WHARVES,
also known as THE PORT OF GALVESTON

By: _____
Rodger Rees
Port Director/CEO

Executed on: February __, 2021

Approved as to form:

Anthony P. Brown
Legal Counsel to the Board of Trustees
Of the Galveston Wharves

cc: Anthony Brown, McLeod, Alexander, Powel & Apffel, P.C.
Jon Jaffe, RCL, VP- Assistant General Counsel
Carrie Levine, RCL, VP- Finance
Gareth Maguire, Ceres- Chief Investment Officer
Craig Mygatt, Ceres- Chief Executive Officer