



New York City
Economic Development
Corporation

Madelyn Wils
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July 7, 2010

Mr. James Pasquale
Senior Vice President
New York Power Authority
123 Main Street
White Plains, NY 10601

Dear Mr. Pasquale:

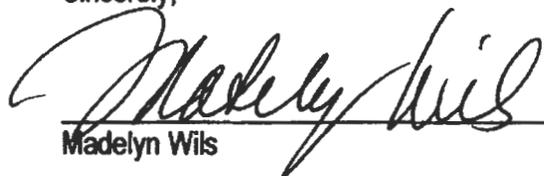
In our effort to establish shore power capability at the Brooklyn Cruise Terminal (BCT), the City of New York and the New York Power Authority agree to share the cost of supplying power to cruise ships (specifically, and limited to the Queen Mary II and the Caribbean Princess) berthing at the facility. The terms of the agreement are as follows:

- Carnival Cruise Line will pay 12 cents per kilowatt hour (kWh)
- NYPA and the City of New York will split the difference between 12 cents per kWh and the NYPA tariff rate
- The term of the deal is five years
- Any escalations would be covered by the City and NYPA in equal proportion

The City of New York, the Port Authority and NYPA will work together to reduce the Con Edison delivery rate.

The term of this agreement will commence on or about January 1, 2012, at which time the Port Authority will have completed the necessary landside infrastructure and the Queen Mary II and Caribbean Princess have been retrofitted to accept shore power connections.

Sincerely,



Madelyn Wils

AGREED TO:



James Pasquale,
Senior Vice President, Marketing and Economic Development
New York Power Authority

AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into as of the ____ day of January, between the City of New York (the "City") with its office located at City Hall, New York, NY 10007, and the New York Power Authority ("NYPA") with its office located at 123 Main Street, White Plains, NY 10601.

WITNESSETH

WHEREAS, the City and NYPA wish to collaborate to establish shore power capability at the facility commonly known as the Brooklyn Cruise Terminal (the "BCT"), which facility is owned by the Port Authority of New York and New Jersey (the "Port Authority") and leased by New York City Economic Development Corporation ("NYCEDC") pursuant to a certain Amendment and Restatement of Agreement of Lease dated as of January 1, 2009;

WHEREAS, pursuant to that certain New York Cruise Terminals Usage Agreement dated as of June 25, 2004 between NYCEDC and Carnival Corporation (as amended by that certain Amendment to New York Cruise Terminals Usage Agreement dated as of June 19, 2006 between NYCEDC and Carnival Corporation), two cruise lines that are subsidiaries of the Carnival Corporation, directly or indirectly, (i.e. Carnival plc, trading as Cunard Line ("Cunard") and Princess Cruise Lines, Ltd., ("Princess")), each have the right to berth cruise ships at the BCT, subject to the terms set forth in such agreement;

WHEREAS, the Port Authority expects to construct shore power infrastructure at the BCT and complete such construction in 2012;

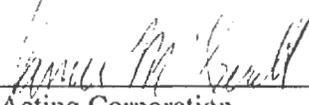
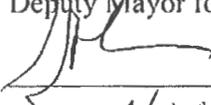
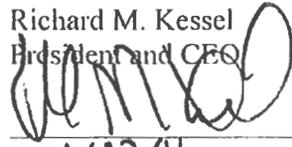
WHEREAS, pursuant to an agreement to be entered into by NYCEDC, Cunard and Princess (the "Carnival Shore Power Agreement"), Cunard and Princess will, following the completion of construction of the shore power infrastructure at the BCT, cause their respective cruise ships, the Queen Mary 2 and the Caribbean Princess, to employ the shore power infrastructure when each such ship is berthed at the BCT and, in connection therewith, Cunard and Princess, as applicable, shall pay NYCEDC or its designee a fixed rate of \$0.12 per Kilowatt hour (the "Carnival Rate") for the NYPA-supplied electricity used by its cruise ship;

WHEREAS, in furtherance of the shared goal of establishing shore power capability at the BCT, the City and NYPA are each willing to be responsible for paying, for a period not to exceed five (5) years, an equal portion of the difference between the Carnival Rate and the actual cost of providing shore power to the Queen Mary 2 and Caribbean Princess;

WHEREAS, NYCEDC, Cunard and Princess will agree, pursuant to the Carnival Shore Power Agreement, that the Carnival Rate will apply no earlier than January 1, 2013.

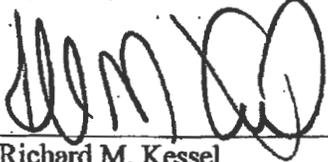
NOW, THEREFORE, the City and NYPA agree as follows:

1. From the date of the first use of the shore power infrastructure at the BCT by either the Queen Mary 2 or the Caribbean Princess on or after January 1, 2013, until the termination of this Agreement, NYPA and the City will each pay half of the difference between the cost of the electrical power consumed by the Queen Mary 2 and the Caribbean Princess when berthed at the BCT and drawing shore power (i) at the Carnival Rate and (ii) at the then applicable NYPA tariff rate.
2. From the date of this Agreement until the termination of this Agreement, NYPA and the City will work together to reduce the Con Edison delivery rate included in the NYPA tariff rate to ensure long-term viability of shore power in New York City.
3. This Agreement shall terminate on December 31, 2017 or upon the expiration or earlier termination of the Carnival Shore Power Agreement, whichever comes first, in either case without the need for any further action by either of the parties hereto.
4. NYPA and the City shall adopt mutually acceptable billing procedures to effectuate the sharing of the costs described in Paragraph 1. NYPA shall not seek recovery from the City of NYPA's share of the costs described in Paragraph 1 through any tariff, the Long Term Agreement between the parties, or any other agreement under which NYPA provides services to the City. In addition, the City shall not seek recovery from NYPA of its share of the costs described in Paragraph 1 through any agreement between the City and NYPA.
5. No amendment, assignment or other modification of any of the terms of this Agreement shall be binding unless such amendment, assignment or other modification shall be in writing and executed by authorized officers of the parties hereto.

<p>Approved as to Form</p>  <p>James M. Kessel Acting Corporation Counsel</p>	<p>CITY OF NEW YORK Authorized Representative: Stephen Goldsmith Title: Deputy Mayor for Operations Signature:  Date: 1/22/2011</p> <p>NEW YORK POWER AUTHORITY Authorized Representative: Richard M. Kessel Title: President and CEO Signature:  Date: 1/22/11</p>
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Certificate of Appointment

Since the office of Executive Vice President and General Counsel very recently became vacant, I, Richard M. Kessel, President and Chief Executive Officer of the Power Authority of the State of New York (the "Authority"), in order to effectuate the Board of Trustees' resolution adopted on October 26, 2010 authorizing the Authority's entry into a cost share agreement with New York City Economic Development Corporation for shore power at the Brooklyn Cruise Terminal as specified in said resolution, hereby appoint Judith McCarthy as Acting General Counsel and an officer of the Authority for the limited purpose of doing any and all things and taking any and all actions and delivering any and all agreements, certificates and other documents, including approving the form of all such documents, to effectuate such resolution.



Richard M. Kessel
President and Chief Executive Officer

February 2, 2011