

**TALL SHIPS AMERICA
TALL SHIPS CHALLENGE®
PORT ORGANIZER AGREEMENT
DECLARATIONS PAGES**

This document, encompassing the port and event specifics set out below, and further encompassing the attached terms pages, memorializes an agreement, by and between the American Sail Training Association and the undersigned Port Organizer, as follows:

- A. The **“Port Organizer”** is: City of Los Angeles Harbor Department
with Notice Address: Port of Los Angeles
Attn: Theresa Adams Lopez, Public Relations
425 S. Palos Verdes Street
San Pedro, CA 90731
- B. **“TALL SHIPS AMERICA”** is: American Sail Training Association
with Notice Address: DBA: Tall Ships America
Attn: Bert Rogers, Executive Director
29 Touro Street
Newport, RI 02840
Phone: (401) 846-1775
- C. The **“Event Year”** is: 2014
- D. The **“Host Port”** is: Los Angeles (also referred to as the “Port”).
- E. The **“Event Dates”** are: 22 August 2014 (date ships arrive) through 25 August 2014 (date ships depart)
- F. The **“Series Title”** or **“Name”** is: TALL SHIPS CHALLENGE® 2014, abbreviated as “TSC 2014,” or “TSC 14.” In Tall Ships America’s discretion the Name may be modified to include the name of a Tall Ships America Sponsor, *e.g.*, “The XYZ TALL SHIPS CHALLENGE® (*Event Year*),” and upon notice thereof, the Name/Series Title shall thereafter be rendered and described accordingly.
- G. The **“Races”** or the **“Tall Ships Challenge® Series”** is: The port-to-port races and cruises, known as the TALL SHIPS® CHALLENGE Series, involving sail-training vessels and other

traditionally rigged sailing vessels (the “Participating Vessels”).

- H. The **“Local Event Title”** is: Tall Ships Los Angeles 2014, an official TALL SHIPS® CHALLENGE 2014 Port
- I. The **“Port Event”** is: The berthing of the Participating Vessels and other participants in the Port, visits on the Participating Vessels, events involving Participating Vessels, and other Ancillary Events, all during the Event Dates.
- J. **“Port Fee”** is: \$60,150.00 USD, broken down as follows: \$50,000.00 Base Fee plus \$10,150.00 for Joint Marketing, and Ship Recruitment Assessment Fee.
- The Port Fee is payable in installments on or before each of the respective Installment Dates, as indicated in Appendix D.
- L. TALL SHIPS AMERICA’s **“Intellectual Property”** includes: A number of trademarks and service marks registered with the U.S. Patent and Trademark Office, including without limitation, the following: TALL SHIPS CHALLENGE® (Reg. No. 2,413,069); TALL SHIPS® (Reg. No. 1,503,408 and 1,086,636); and TALL SHIPS ARE COMING!® (Reg. No. 1,081,983 and 1,086,634), as well as other trademarks and associated designs and logos, whether used alone or in combination with place names and dates or other designations.

In addition to these Declarations Pages, the Agreement between the parties embraces the content of the documents enumerated in the following list, all of which are incorporated by reference, and all of which are contractual and not mere recitations:

Tall Ships Challenge® Terms and Conditions

- Exhibit A - TALL SHIPS AMERICA Graphic Standards
- Appendix A – Basic Services Referred to in Paragraph 1.6
- Appendix B – Services to be Provided by Port Organizer
- Appendix C – Facilities & Support to be Provided by Port Organizer
- Appendix D – Schedule of Payments

IN WITNESS WHEREOF, and thereby to evidence their agreement with the foregoing and with the attached Terms and Conditions, the parties have executed this document by the act of the signatures of their representatives below, effective as of the second signature hereupon.

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| <p>THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners By: _____ Geraldine Knatz, Ph.D. Title: Executive Director Date: _____, 2013 APPROVED AS TO FORM AND LEGALITY _____, 2013 CARMEN A. TRUTANICH, City Attorney By _____ Deputy</p> | <p>AMERICAN SAIL TRAINING ASSOCIATION By: _____ Robert Rogers Title: Executive Director Date: _____, 2013</p> |
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AMERICAN SAIL TRAINING ASSOCIATION
TALL SHIPS CHALLENGE®
PORT ORGANIZER AGREEMENT
TERMS AND CONDITIONS



This document, together with the associated Port-specific Declarations Pages, memorializes an agreement, by and between the American Sail Training Association and the Port Organizer identified in the attached Declarations Pages, according to the terms and conditions that follow:

WHEREAS, TALL SHIPS AMERICA is a 501(c)(3) non-profit organization with a mission of encouraging character-building through sail training, promoting sail training to the North American public, and supporting education under sail, and is the owner and promoter of the TALL SHIPS CHALLENGE® Series, aimed at furthering TALL SHIPS AMERICA's mission;

WHEREAS, Port Organizer desires to be designated as an Official TALL SHIPS CHALLENGE® Port Organizer for the Event Year and to cause the Port to be designated as an official Host Port, and desires to host the Port Event and the public appearance of participating vessels in the Host Port and to use the TALL SHIPS AMERICA Intellectual Property to promote the Host Port and the Event, all in order to:

- 1.) Attract visitors who will provide a positive economic impact to the port city and surrounding area;
- 2.) Enhance visibility of the Port and its city;
- 3.) Encourage area youth to participate in sail training as a character-building experience;
- 4.) Advance the values associated with the sail training phenomenon;

WHEREAS, TALL SHIPS AMERICA and the Port Organizer desire to collaborate with each other to produce a successful TALL SHIPS CHALLENGE® and Port Event;

NOW, THEREFORE, in consideration of the conditions and promises and the allocation of risks and benefits set forth herein and other valuable consideration, and intending to be legally bound by their execution of this document, the Port Organizer and TALL SHIPS AMERICA agree on the terms that follow.

1. DESIGNATION; RELATION OF EVENT TO SERIES; EVENT COLLABORATION

1.1. Designation as Port Organizer.

- 1.1.1. TALL SHIPS AMERICA hereby appoints and designates the Port as an Official Host Port and designates the Port Organizer as an official TALL SHIPS CHALLENGE® Port Organizer, and as the sole Port Organizer for the geographic area associated with the Port, namely the land area within 50 highway statute miles radius of the site of the Harbor Administrative Office Building for the Port of Los Angeles, as defined

by MapQuest®, all as a part of the TALL SHIPS CHALLENGE® Series for the Event Year.

1.1.2. TALL SHIPS AMERICA authorizes the Port Organizer to describe the Port as an Official TALL SHIPS CHALLENGE® Host Port for the Event Year. For the duration of the Event Year and the two calendar years preceding it, Port Organizer shall have the exclusive local right as set forth herein to use the designations “Official Port of the TALL SHIPS CHALLENGE® Race Series (*Event Year*),” “TALL SHIPS CHALLENGE® RACE PORT,” and “(*Event Year*) TALL SHIPS CHALLENGE® HOST PORT” but only when referring to the Port.

1.1.3. In its sole discretion, TALL SHIPS AMERICA may in the future afford the Port Organizer other designations for its use, but none will be valid except as provided by TALL SHIPS AMERICA in writing.

1.2. **Collaboration and its Significance.** In addition to the specific obligations of each to the other, the parties agree to work together in good faith, with the objective of producing a Port Event and a Series of high quality in the eyes of (1) the Participating Vessels, (2) their trainees, (3) public visitors, (4) event sponsors, (5) public officials, and (6) the parties hereto. The Port Organizer recognizes that its Event and its success is a very important element in the success and the fortunes of the entire Series, and has a significant bearing upon the interests of TALL SHIPS AMERICA and the other port organizers and the vessels participating in the Series, each of whom has significant investment in the integrity of the Series. The Port Organizer and TALL SHIPS AMERICA agree to cooperate in making the whole of the TALL SHIPS CHALLENGE® for the Event Year successful for all participants, inclusive of participating vessels and their trainees, other port organizers, supporting governmental entities, and sponsors.

1.3. At no expense to the Port Organizer, TALL SHIPS AMERICA will organize and coordinate the TALL SHIPS CHALLENGE® Races and Cruises and other at-sea events with the US Coast Guard and other US and Canadian governmental agencies (as applicable), including but not limited to US Customs, Immigration, US Agriculture, Transport Canada, etc. TALL SHIPS AMERICA may organize a prize-giving ceremony and provide suitable prizes, provided that TALL SHIPS AMERICA may arrange to have this carried out by a TALL SHIPS AMERICA sponsor. The prize-giving ceremony shall be open to the entire crew and all trainees of all participating vessels and shall be scheduled at a time (in consultation with the Port Organizer’s event schedule) that crewmember/trainees in the race are able to attend. Port Organizer recognizes that the TALL SHIPS CHALLENGE® Races and Cruises are an integral part of the Series, providing programming opportunities for ships and educational experiences for sail trainees.

1.4. TALL SHIPS AMERICA anticipates that it will stage one or more races or cruises in company of the Tall Ships® Race Series (each standing as subcomponents of the TALL SHIPS CHALLENGE® for the Event Year) such that the name of the Port is used to designate the origin or terminus of at least one such race or cruise. TALL SHIPS AMERICA will endeavor to schedule such races or cruises so as to coordinate with the dates of the Port Event. TALL SHIPS AMERICA represents that it is generally in its interests to do so, all in support of a coherent and efficient execution of the TALL SHIPS CHALLENGE®. In some cases, TALL SHIPS AMERICA may find it advisable to arrange the start or finish of a race or cruise at some distance from the Host Port itself, notwithstanding that the name of the Host Port is advertised or associated with the start or finish of the race or cruise, commonly for regulatory

or safety reasons. Any such geographic accommodations shall not diminish the association of the Host Port with any race or cruise that may be designated as having originated or terminated there.

- 1.5. Without expense to TALL SHIPS AMERICA (except as specified herein) and using its own resources or resources others may afford to it, Port Organizer agrees to organize and conduct the Port Event in the Host Port during the period of the Event Dates, the publicity for which may employ the Name. The Port Event shall be conducted so as to welcome and accommodate all of the vessels that accept an invitation to participate in the Port Event, as well as their crews and trainees, all as more fully detailed elsewhere herein. It shall be so organized and executed as to afford the optimum level of safe interaction between the citizenry of the Port, particularly its youth, with the trainees and crew of the participating vessels. Port Organizer will secure, provide for, or arrange for the availability of waterfront facilities safe and adequate for the conduct of the Port Event, for the necessary support services and equipment, and will obtain the licenses, permits, and permissions from local officials necessary to conduct the Port Event lawfully. Port Organizer shall have the right to conduct suitable public display and other activities surrounding the arrival, berthing and departure of the Participants at the Port (the "Ancillary Events").
- 1.6. TALL SHIPS AMERICA will provide those services set forth in the List of Basic Services, attached hereto as Appendix A, which include Joint Marketing, Ship Recruitment and Event Promotion Program, and are incorporated by reference.
- 1.7. TALL SHIPS AMERICA will encourage a variety of traditionally-rigged sailing vessels and other sail training vessels (including without limitation TALL SHIPS AMERICA's member vessels): (1) to participate in the races and at-sea events, and (2) during the Event Dates to participate in the Port Event and in ancillary activities planned by Port Organizer, and to berth at the Port. Port Organizer will enable the Participants to do so.
- 1.8. Port Organizer acknowledges that TALL SHIPS AMERICA pays no fees to Participating Vessels for their participation and does not control any vessels. TALL SHIPS AMERICA makes no commitment that any specific number of vessels or that any vessel in particular will participate. Port Organizer may make its own arrangements to guarantee participation by any specific vessel(s). Port Organizer acknowledges that it is likely that the participation of vessels will depend on the willingness of the Port Organizer (and its fellow Series port organizers) to pay appearance fees to owners of the respective vessels. TALL SHIPS AMERICA will notify Port Organizer of all vessels that indicate to TALL SHIPS AMERICA an interest in participating in the TALL SHIPS CHALLENGE®. All Parties recognize that vessel recruitment is a cooperative effort.
- 1.9. TALL SHIPS AMERICA will provide to Port Organizer the benefit of its experience in conducting Tall Ships® Events, including in maritime security planning and coordination with the Coast Guard, and will make its institutional knowledge available to the Port Organizer before and during the Event. TALL SHIPS AMERICA will apply — in favor of the Port Organizer — the benefit of its long-standing and favorable relationships with the operators of eligible vessels, as well as TALL SHIPS AMERICA's stature within the international sail training community in support of efforts to recruit and work with Participating Vessels.
- 1.10. **Media.** TALL SHIPS AMERICA acknowledges that a media sponsor of the Port Organizer will likely be covering the Port Event. Port Organizer acknowledges that a media affiliate of TALL SHIPS AMERICA will likely be covering the TALL SHIPS CHALLENGE®, including

(without limitation) the Tall Ships® Races. Neither party will act so as to impede or hinder the coverage efforts of the media affiliate of the other party, but the obligations of each party to afford affirmative assistance to the media affiliate of the other party shall be no greater than as expressly set forth in this document. No arrangement by the Port Organizer with any media affiliate shall have the power to limit TALL SHIPS AMERICA's freedom to make contracts or arrangements with a media affiliate, and vice versa.

- 1.10.1. TALL SHIPS AMERICA and Port Organizer shall inform each other in writing whenever either party designates a media affiliate. TALL SHIPS AMERICA and Port Organizer shall inform each other of their respective potential media affiliate targets within 30 days of the execution of this agreement, if known at that time. One (1) year prior to the commencement of the Port Event, and on a monthly basis thereafter, TALL SHIPS AMERICA and Port Organizer shall inform each other of their respective progress made towards securing a media affiliate. The intent of these communications regarding media affiliate relationships is to foster maximum synergy between the media affiliate arrangements of TALL SHIPS AMERICA and the Port Organizer.
- 1.10.2. Neither TALL SHIPS AMERICA nor the Port Organizer shall have any obligation to afford any public or official recognition to any media affiliate of the other, but this provision shall not be taken to diminish the provisions for cooperation as to media access, set forth herein.
- 1.10.3. Neither TALL SHIPS AMERICA nor the Port Organizer may authorize any media affiliate to interfere with the access or operations of a media affiliate of the other.
- 1.10.4. Nothing in this agreement inures or operates to the benefit of any media, etc., organization that has not been made an affiliate of either TALL SHIPS AMERICA or of the Port Organizer. Both parties hereto acknowledge that there may exist no practical means to prevent persons unaffiliated with either party from pursuing coverage, etc. as to aspects of the Event or the Series, etc.
- 1.10.5. Except as provided for herein, each party is the sole arbiter of press and/or media access to events, locations, activities, etc., as to which it has control. Both organizations will endeavor to build cooperative arrangements for dealing with the media.

2. STANDARDS OF QUALITY

- 2.1. **Fundamental Interest of TALL SHIPS AMERICA.** The Port Organizer recognizes and acknowledges the interest of TALL SHIPS AMERICA and other Port Organizers in maintaining and enhancing the goals and the image of sail training, and in the quality of experience for trainees and vessels and agrees that the Port Event shall be organized and conducted in such a way as to contribute to those interests. In particular, activities that seek to capture the commercial benefits that attend the movements and activities of a fleet of sail training vessels must not be allowed to operate in derogation of the underlying objectives of the sail training phenomenon. The Event must function, first and foremost, as a successful "port visit" for the trainees for the betterment of whom the ships exist in the first place.

2.2. **Fundamental Interest of the Port Organizer.** TALL SHIPS AMERICA recognizes and acknowledges the interest of the Port Organizer in the quality of experience for trainees and vessels and the general public visitors to the Port Event.

3. **LICENSE FOR USE OF PARTIES' INTELLECTUAL PROPERTY; MERCHANDISING.**

3.1. TALL SHIPS AMERICA hereby grants to the Port Organizer a limited license for the use of TALL SHIPS AMERICA's Intellectual Property ("the TALL SHIPS AMERICA IP") in connection with promotion of the event, as further defined hereunder.

3.1.1. By this Agreement, TALL SHIPS AMERICA does not license or convey the right to use the TALL SHIPS AMERICA IP for merchandising, or for any commercial purposes other than advertising and promotion of the Event. By way of further specificity, TALL SHIPS AMERICA expressly retains and reserves the right to use of the whole of the TALL SHIPS AMERICA IP for use on tangible objects offered for sale to the public, expressly including (and without limitation), souvenirs, and wearing apparel. In the event that a separate agreement is concluded pursuant to Paragraph 3.2, the provisions of this Paragraph shall be subordinate thereto.

3.1.2. This grant affords to the Port Organizer the right and license to use the TALL SHIPS AMERICA IP, but solely in advertising and promotional materials in connection with the TALL SHIPS CHALLENGE® event within the Port and prior to and during the Event Dates and to sublicense the same (subject to the same limitations) to Port Event Sponsors. The license hereby granted is geographically limited to the radius described elsewhere in this Agreement, and in particular may not be used in a manner adverse to the interests of port organizers that may become signatory to a Port Agreement with TALL SHIPS AMERICA relating to other Host Ports during the Event Year. It is granted for a term that automatically expires on December 31 of the Event Year.

3.1.3. All licensed uses, including without limitation uses by Event sponsors, must comply with TALL SHIPS AMERICA's Graphics Standards attached hereto as Exhibit A, and must be submitted to TALL SHIPS AMERICA for its prior written approval, which shall not be unreasonably withheld or conditioned. If TALL SHIPS AMERICA does not respond to a request for approval within ten (10) days after a request is submitted in writing, TALL SHIPS AMERICA shall be deemed to have approved the licensed use. All uses permitted hereby must include such trademark notices in the form specified in the TALL SHIPS AMERICA Graphics Standards, and all references to TALL SHIPS AMERICA Intellectual Property, even if not in promotional uses, must include the symbol "®." All printed materials must expressly reflect in printed text that any marks used are registered trademarks and service marks owned by the American Sail Training Association; use of the notice provision provided in the TALL SHIPS AMERICA Graphics Standards will be deemed to be a suitable compliance with this requirement.

3.1.4. Other than as expressly granted herein, neither party acquires any right, title or interest in or to the intellectual property of any other party or any right to use of the same, all such uses inuring to the benefit solely of their respective owners. Rights granted for the use of intellectual property shall be solely as defined herein, and any use at odds with any promise or obligation contained in or arising out of this Agreement shall constitute a breach of this Agreement as well as an infringement. Tangible materials lawfully produced hereunder need not be destroyed but shall not be actively distributed or made available to the public after December 31 of the Event Year, and no use of any

intellectual property of TALL SHIPS AMERICA shall be made in a way adverse to its interests.

3.1.5. Port Organizer and its sponsors shall use such trademark notices as reasonably requested by TALL SHIPS AMERICA in the form specified in the TALL SHIPS AMERICA Graphics Standards manual, such as (by way of illustration): “TALL SHIPS®,” “TALL SHIPS ARE COMING!®” and “TALL SHIPS CHALLENGE®,” are registered trademarks and service marks owned by the American Sail Training Association.”

3.2. TALL SHIPS AMERICA may elect to designate a merchandising affiliate to conduct sales of merchandise bearing one or more TALL SHIPS AMERICA marks (including but not limited to the words “TALL SHIPS CHALLENGE® followed by the name of the Port) in the port during the Port Event. Port Organizer will provide 3 or more 10x20’ sales spaces in high-traffic locations in the Venue for such affiliate. If required, the TALL SHIPS AMERICA affiliate shall pay for all tent, equipment and set-up fees associated with these booths.

3.2.1. TALL SHIPS AMERICA (or its affiliate) will contribute to the Port Organizer (or its Designee) 15% of gross revenues (net of sales taxes) gained from the sale of TALL SHIPS IP tangible objects offered for sale to the public at the Port Event, expressly including (and without limitations) souvenirs and wearing apparel.

3.3. Port Organizer hereby grants to TALL SHIPS AMERICA the right and license to use Port Organizer’s trademarks in advertising and promotional materials for TALL SHIPS AMERICA and for the TALL SHIPS CHALLENGE® Series prior to and during the Event Year. TALL SHIPS AMERICA’s series sponsors shall not have the right to use the Port Organizer’s trademarks, unless all such uses comply with Port Organizer’s general trademark standards and are approved as to form in advance, which approval shall not be unreasonably withheld. Port Organizer shall be entitled to withhold its approval if TALL SHIPS AMERICA’s series sponsors’ use of Port Organizer’s trademarks may interfere with sponsorships opportunities that the Port Organizer is pursuing. If Port Organizer does not respond to a request for approval within ten (10) days after a request is submitted in writing, Port Organizer shall be deemed to have approved the licensed use.

4. PROMOTIONAL ACTIVITIES

4.1. TALL SHIPS AMERICA shall mention Port Organizer (and any Title Sponsor of the Port Event when there is a reference to the Port Event) in all TALL SHIPS AMERICA press releases pertinent to TALL SHIPS CHALLENGE® for the Event Year, and in the TALL SHIPS AMERICA directory, the TALL SHIPS AMERICA newsletter, on the TALL SHIPS AMERICA website, in TALL SHIPS AMERICA’s TALL SHIPS CHALLENGE® race materials, web site, brochures and mailings, and in all other meetings and mailings pertinent to the TALL SHIPS CHALLENGE® events to ships and TALL SHIPS AMERICA members worldwide, in its creative discretion. Likewise, Port Organizer shall mention TALL SHIPS AMERICA (and any TALL SHIPS AMERICA Title Sponsor when there is a reference to the TALL SHIPS CHALLENGE®) in all press releases, publications, etc., and in all other meetings and mailings other than those purely internal to the Port Organizer. Any website of the Port Organizer shall include on its home page a prominent link to TALL SHIPS AMERICA’s website.

- 4.2. Consistent with the other provisions herein, the Port Organizer may arrange its own Event sponsors and TALL SHIPS AMERICA may arrange its own Series or Race sponsors, provided in each case that the goods and services being promoted by sponsors shall not include tobacco products or alcoholic spirits (excepting beer or wine). TALL SHIPS AMERICA shall use its best efforts to cause any series sponsors to mention the Port Organizer in advertising and promotions by such sponsors, which mention TALL SHIPS CHALLENGE® events for the Event Year.
- 4.3. Port Organizer shall make available to TALL SHIPS AMERICA (for the use TALL SHIPS AMERICA's Sponsors, as TALL SHIPS AMERICA may allocate) 10% of locations for banners/signage that would otherwise collectively be available to Port Organizer and/or its commercial sponsors (with locations and characteristics parallel to those employed by Port Organizer and/or its sponsors.) Port Organizer shall have no obligation to produce or install the said signs, banners, etc. Not later than 60 days before the first date of the Port Event, Port Organizer shall identify to TALL SHIPS AMERICA in writing the said locations to be available to TALL SHIPS AMERICA's designated sponsors, together with the specifications for display pieces at each said location that apply to all other users of the same, together with the identity of the vendor performing the installation of Port Organizer's comparable signage, banners, etc.
- 4.4. The Port Organizer may produce its own individual local event program.
- 4.5. TALL SHIPS AMERICA and Port Organizer shall inform each other of the respective sponsorship opportunities that each is pursuing, within 30 days of the execution of this Agreement. Neither TALL SHIPS AMERICA nor Port Organizer will seek sponsorship opportunities from, and will not contract with, a sponsor if the business of that firm would conflict with that of any firm that has signed a contract or letter of intent for sponsorship with the other party. The aforesaid prohibition on sponsorship pursuit shall not be effective until TALL SHIPS AMERICA or Port Organizer, as applicable, notifies the other in writing of the name of the firm with which it has signed such a contract or letter of intent, and the product line as to which the sponsorship agreement applies. To the extent that the parties learn that both are in negotiations with a common sponsor candidate (*e.g.*, Coca-Cola Company), each shall seek to broaden the sponsorship opportunity with the said candidate to include the interests of the other party to this agreement, if the same can be accomplished without prejudice to the first.
- 4.5.1. TALL SHIPS AMERICA shall inform the Port Organizer of national-level, series-wide sponsorship prospects that TALL SHIPS AMERICA is soliciting. Port Organizer shall identify for TALL SHIPS AMERICA any prospects which would have a deleterious effect on existing business relationships between the Port Organizer and its commercial customers, if realized in a series-wide sponsorship that includes activation in the Port Event. TALL SHIPS AMERICA shall use its best efforts to secure series-wide sponsorships that do not adversely impact the Port Organizer's business relationship with its commercial customers.
- 4.5.2. The determination of whether there will be a conflict between sponsors shall be governed by the following rules. First, if there is direct significant competition in the market place between two large companies (*e.g.*, Coke and Pepsi), that competition would constitute a conflict. Second, if there is direct competition in the market place between two small companies (*e.g.*, Vectrix motor scooters and Suzuki motor scooters), that competition would constitute a conflict. Sponsorship secured by TALL

SHIPS AMERICA for port-to-port races and cruises terminating in ports *other than the Host Port* shall be deemed *NOT to be in conflict* with any sponsorship secured by the Port Organizer, regardless of category.

- 4.5.3. Whether any sponsor recruited by this process is designated as a "Title Sponsor" for the Tall Ships Challenge® Series, or is granted any other such designation is a matter in TALL SHIPS AMERICA's sole discretion.
- 4.6. The Port Organizer shall not seek or purport to grant to any entity sponsorship rights having a geographic scope that extends onto the geographic scope of any other TALL SHIPS CHALLENGE® Port Organizer participating in the Series during the Event Year.
- 4.7. Notwithstanding any other provisions of this Agreement, TALL SHIPS AMERICA shall remain at liberty to grant a sponsorship right as to the TSC Series or the Tall Ships® Races to a sponsor whose products or services do not conflict with those of a sponsor of the Port Organizer.
- 4.8. Absent further written agreement, TALL SHIPS AMERICA may not convey sponsorship rights as to the name of the local event; and the Port Organizer may not convey sponsorship rights as to the Tall Ships® Races or TALL SHIPS CHALLENGE® nor to any other intellectual property TALL SHIPS AMERICA may own.

5. INSURANCE AND INDEMNIFICATION

- 5.1 Except for the sole negligence or willful misconduct of the Port Organizer, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, TALL SHIPS AMERICA undertakes and agrees to defend, indemnify and hold harmless the Port Organizer and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the Port Organizer, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including TALL SHIPS AMERICA's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by TALL SHIPS AMERICA or its subcontractors of any tier. Rights and remedies available to the Port Organizer under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City of Los Angeles.
- 5.2 Except for the sole negligence or willful misconduct of Tall Ships America, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, the Port Organizer undertakes and agrees to defend, indemnify and hold harmless Tall Ships America and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by Tall Ships America, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Port Organizer's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this

Agreement by the Port Organizer or its subcontractors of any tier. Rights and remedies available to the Tall Ships America under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City of Los Angeles.

- 5.3 Electronic submission is the required method of submitting TALL SHIPS AMERICA's insurance documents. TALL SHIPS AMERICA's insurance broker or agent shall register with the City of Los Angeles' online insurance compliance system Track4LA™ at <http://track4la.lacity.org/> and submit the appropriate proof of insurance on TALL SHIPS AMERICA's behalf.
- 5.4 Each party hereunder shall obtain and maintain at its own expense during the term of this Agreement a Commercial General Liability Insurance policy (including Personal Injury Liability and Medical Payments coverage), which shall include broad form contractual liability, with a total limit of \$1,000,000 per occurrence/\$2,000,000 in the annual aggregate, bodily injury and property damage combined, insuring against any and all liability for libel, slander, false arrest, personal injury, property damage and for injuries to or death of persons. This policy shall be written by an insurance company rated at least "A-/VII" in the most recent edition of A.M. Best and shall be written on an "occurrence" form, not on a "claims made" form. Each party's insurance policy shall list the other party as an additional insured. Each party shall provide the other with such evidence of coverage as may be reasonably acceptable to the other within thirty (30) days following the execution of this Agreement Event.
- 5.5 TALL SHIPS AMERICA shall procure and maintain at its expense and keep in force at all times during the term of this Agreement, automobile liability insurance written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within TALL SHIPS AMERICA's normal limits of liability but not less than One Million Dollars (\$1,000,000) covering damages, injuries or death resulting from each accident or claim arising out of any one claim or accident. Said insurance shall protect against claims arising from actions or operations of the insured, or by its employees. Coverage shall contain a defense of suits provision and a severability of interest clause. Additionally, each policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.
- 5.6 TALL SHIPS AMERICA shall certify that it is aware of the provisions of Section 3700 of the California Labor code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that TALL SHIPS AMERICA shall comply with such provisions before commencing the performance of the tasks under this Agreement. Coverage for claims under U.S. Longshore and Harbor Workers' Compensation Act, if required under applicable law, shall be included. TALL SHIPS AMERICA shall submit Workers' Compensation policies whether underwritten by the state insurance fund or private carrier, which provide that the public or private carrier waives its right of subrogation against the City in any circumstance in which it is alleged that actions or omissions of the City contributed to the accident. Such Worker's Compensation and occupational disease requirements shall include coverage for all employees of TALL SHIPS AMERICA, and for all employees of any subcontractor or other vendor retained by TALL SHIPS AMERICA.

5.7 TALL SHIPS AMERICA shall provide a policy of Railroad Protective Liability insurance in which Pacific Harbor Line (PHL) acting for itself and its railroad users are named insureds and the City of Los Angeles, its boards, officers, agents and employees are included as additional insureds with TALL SHIPS AMERICA. The minimum limits of Railroad Protective Liability insurance shall be the limits normally carried by TALL SHIPS AMERICA but not less than Two Million Dollars (\$2,000,000) combined single limit for property damage and bodily injury including death. If the submitted policies contain aggregate limits, Consultant shall provide evidence of insurance protection for such limits so that the required coverage is not diminished in the event that the aggregate limits become exhausted. Said limit shall be without deduction, provided that the Executive Director or designee may permit a deductible amount when it is justified by the financial capacity of TALL SHIPS AMERICA. Any deductible amount permitted by the Executive Director shall be paid solely by TALL SHIPS AMERICA.

TALL SHIPS AMERICA's Comprehensive General Liability coverage shall also have the railroad exclusion deleted.

5.8 TALL SHIPS AMERICA shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connections with TALL SHIPS AMERICA's operations. The cost of the insurance shall be borne by TALL SHIPS AMERICA. The coverage shall be written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's Rating is not available). Coverage shall include, but not be limited to:

- (i) Hull and machinery coverage up to the value of the vessel(s);
- (ii) Protection and Indemnity coverage with combined single limits of Five Million Dollars (\$5,000,000) per occurrence for bodily injury, illness, death, loss of or damage to the property of another, and Jones Act risks or equivalent thereto internationally.
- (iii) Ship repairers legal liability to cover loss, damage or expenses to any property temporarily in the Consultant's care, custody or control.

Coverage shall contain a defense of suits provision and a severability of interest clause. Each policy shall also contain an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents, and employees as Primary additional insureds, a 10-days notice of cancellation for nonpayment of premium, and a 30-days notice of cancellation for any other reasons.

6. OBLIGATIONS OF PORT ORGANIZER AND TALL SHIPS AMERICA REGARDING THE PORT EVENT

6.1. **Safety Responsibilities.** The Port Organizer acknowledges that it (as distinct from TALL SHIPS AMERICA) is the operating entity within the Port and that TALL SHIPS AMERICA has no responsibility for safety during the Port Event. TALL SHIPS AMERICA acknowledges that it (as distinct from the Port Organizer) is the operating entity for the Races and that the Port Organizer has no responsibility for safety during the Races (i.e., before any Race concludes outside the Port or after the start of any Race outside the Port) or in any other participating port.

- 6.2. **Services Provided By Port Organizer to Participating Vessels.** The Port Organizer shall provide at its own expense the port services set forth in Appendix B (attached hereto and incorporated by reference) to Participants in connection with the planning for, preparation for, and conduct of the Port Event.
- 6.3. **Facilities & Support To Be Provided By Port Organizer to TALL SHIPS AMERICA.** The Port Organizer shall provide the facilities and support set forth in Appendix C (attached hereto and incorporated by reference) to TALL SHIPS AMERICA in connection with the planning for, preparation for, and conduct of the Event.
- 6.4. **Port of the Year Eligibility.** To be eligible to be named "TALL SHIPS CHALLENGE® Port of the Year" for the Event Year, the Port Organizer must provide information as requested by TALL SHIPS AMERICA following the event regarding attendance, economic impact, sponsor satisfaction, etc. Port Organizer understands that the TALL SHIPS AMERICA designated "Port of the Year" is the only port automatically considered for negotiation to become a TALL SHIPS CHALLENGE® Official Host Port in the next TALL SHIPS CHALLENGE® Race Series occurring in Port of the Year's geographical region.
- 6.5. **Compensation to TALL SHIPS AMERICA.** For the rights set forth in this Agreement, and for all services to be provided by TALL SHIPS AMERICA hereunder, Port Organizer shall pay TALL SHIPS AMERICA the Port Fee set forth on the Declarations Pages, in installments according to the schedule set forth in Appendix D (attached hereto and incorporated by reference).
7. **RIGHTS AND BENEFITS RESERVED TO TALL SHIPS AMERICA OR TO PORT ORGANIZER**
- 7.1. **Merchandising.** Except as provided in Paragraph 3.2, TALL SHIPS AMERICA's point of sale for merchandising of goods will be the sole outlet for goods displaying any TALL SHIPS AMERICA IP or TALL SHIPS AMERICA-owned trademark or servicemark. TALL SHIPS AMERICA will be solely responsible for any expenses related to the sale of its merchandise.
- 7.2. **Control of Series.** Port Organizer acknowledges that TALL SHIPS AMERICA will control in its sole discretion all technical aspects and other activities pertinent to the operation of the TALL SHIPS CHALLENGE® Series.
- 7.3. **Monitoring.** TALL SHIPS AMERICA may make reasonable inquiries with civic authorities, infrastructure owners, permitting agencies, vessels, providers of essential services, and the like, in order to satisfy itself that the essentials of the Port Event will be reliably available at the time of performance.
8. **DURATION, TERMINATION, AND REMEDIES**
- 8.1. This Agreement shall become effective on the first date that both of the parties have signed this document, and shall expire on December 31 of the Event Year, unless terminated earlier pursuant to the terms hereof (the "Term"). The expiration of this Agreement by its terms shall not diminish the entitlement of any party to a remedy based on events arising hereunder.
- 8.2. Without limiting or narrowing the range of events that constitute a material breach, a material breach shall occur in the event that TALL SHIPS AMERICA: (1) shall fail to comply with its obligations to the Port Organizer within the time specified in this Agreement; (2) shall fail to comply with its obligation to have the facilities, resources, and permits, etc., necessary to carry

out the Races safely, securely, lawfully, and responsibly; (3) shall be in violation of any agreement with any governmental entity or other entity whose cooperation is essential to the execution of a successful Race; (4) shall fail to have the insurance provided for herein; Without limiting or narrowing the range of events that constitute a material breach, a material breach shall occur in the event that Port Organizer: (1) shall fail to comply with its payment obligations to TALL SHIPS AMERICA; (2) shall fail to comply with its obligation to have the facilities, resources, and permits, etc. necessary to carry out the Port Event safely, securely, lawfully, and responsibly; or shall fail, upon TALL SHIPS AMERICA's demand, to produce satisfactory evidence to verify the same; (3) shall be in violation of any agreement with any governmental entity or other entity whose cooperation is essential to the execution of a successful event; (4) shall fail to have the insurance provided for herein, (5) shall impair TALL SHIPS AMERICA's sponsorship interests in violation of this Agreement; or (6) shall violate TALL SHIPS AMERICA intellectual property rights.

- 8.3. If there is a material breach, as specified in Section 8.2, the Aggrieved Party may initiate termination proceedings as to this Agreement by delivery of notice to the Defaulting Party, notifying the Defaulting Party of the condition of material breach. If the Defaulting Party shall fail to cure the breach within fourteen (14) days after receipt of notice of material breach, the Aggrieved Party shall have the right to terminate this Agreement by giving notice thereof to the Defaulting Party.
- 8.4. If this Agreement is terminated due to Port Organizer's material breach, Port Organizer will use its best efforts to cooperate with TALL SHIPS AMERICA in any efforts TALL SHIPS AMERICA may deem feasible to undertake to mitigate TALL SHIPS AMERICA's damages (including damage to the Series, or to TALL SHIPS AMERICA's trademark and reputation interests), including if necessary efforts to relocate or otherwise salvage the Port Event. In the event of such termination, TALL SHIPS AMERICA shall have the right but not the obligation, to proceed to conduct the Port Event, acting in the capacity of a port organizer
- 8.5. If this Agreement is terminated due to TALL SHIPS AMERICA's material breach, Port Organizer shall be entitled to use TALL SHIPS AMERICA's Intellectual Property until the conclusion of the Port Event without further compensation to TALL SHIPS AMERICA. Port Organizer shall also have the right to retain any documents and materials that TALL SHIPS AMERICA shall have provided to Port Organizer.
- 8.6. In the event of termination, the Defaulting Party will not do or perform any act injurious to efforts of the Aggrieved Party to cause the Port Event to be carried out and/or to promote the best interests of the Series; and the Defaulting Party will in no event attempt to influence the actions of any vessel, vendor, sponsor, governmental entity, or any other entity in any way adverse to the efforts and interests of the Aggrieved Party.
- 8.7. In the event of termination, the Aggrieved Party may seek, in its sole discretion, a temporary restraining order and/or preliminary injunction in order to deal with the consequences of the events leading to termination.
- 8.8. Without prejudice to any other remedy, each party shall be entitled to recover damages for the breach of this Agreement from the other party.

9. **FORCE MAJEURE AND CANCELLATION**

9.1. If the Port Event cannot be conducted due to any Act of God or *force majeure*, including, without limitation, weather, unforeseeable adverse governmental action, fire, flood, strike, labor dispute, civil commotion, riot or threat of violence or similar cause beyond the control of the parties, then Port Organizer and TALL SHIPS AMERICA shall work together to attempt to relocate the Port Event, if feasible, or shall otherwise cancel the Port Event. In such event, TALL SHIPS AMERICA and Port Organizer shall attempt to reach an agreement regarding the payment of any expenses associated with such relocation. The parties shall not have any liability to each other as a result of a cancellation pursuant to this Paragraph, and each shall notify the other immediately when it becomes aware of a situation or event which is or may be covered by this Paragraph.

10. **INTERPRETATION AND ENFORCEMENT**

10.1. **Binding Effect.** This Agreement shall be binding upon each of the parties, and their successors and assigns.

10.2. **Governing Law.** This Agreement shall be governed by the laws of the State of California. Any suit hereunder is to be brought in a federal or state court situated in that state, and the Parties agree and consent to the jurisdiction of any such court, and agree to be bound by the orders and rulings of such court.

10.3. **Integrated Document.** This document is an integrated statement of the agreement of the parties and constitutes the entire agreement between the parties. It overtakes and supplants any alleged contractual effect of any and all prior or extrinsic communication in any form whatever between the Port Organizer or TALL SHIPS AMERICA, directly or through representatives or intermediaries, all of which are deemed to be merged herein.

10.4. **Modifications to be in Writing.** The legal rights of the parties as defined herein may not be modified in any way except by a writing signed by the party to be charged, specifically identifying itself as a modification to this Agreement and containing a representation of authority on the part of the individual signing to execute such a modification.

10.5. **Waiver or Estoppel.** No act or course of conduct shall be deemed to function as a waiver or estoppel of any legal interest provided for herein unless evidenced by a written document signed by the party to be charged, or (in the case of a purported estoppel) delivered to the party charged so as to minimize the likelihood of unintended consequences.

10.6. **Severability.** In the event that some portion of this Agreement is ruled to be unenforceable, the remainder thereof is to be interpreted to achieve, to the greatest extent possible, the allocations of costs, benefits and risks and the economic bargain intended by the parties.

10.7. **Remedies Cumulative.** Any provision for or use of a specific remedy is without prejudice to the use of any other remedy.

10.8. **Time of the Essence.** The parties specifically recognize, acknowledge and agree that time is of the essence in this Agreement.

- 10.9. **Effect of Headings, etc.** No legal effect shall be ascribed to headings of Sections or Paragraphs, which are inserted for convenience of reference. The legal rights of the parties are to be determined by the textual provisions only.
- 10.10. **Authority.** Each Party hereto expressly warrants that it has the necessary authority to execute this Agreement on behalf of its governing board or board of directors and under applicable laws and regulations, and that each signatory hereto has authority to execute this Agreement on behalf of the respective named Party.
- 10.11. **Assignment.** Neither party shall attempt to assign this Agreement, without explicit written consent of the other party to do so. Any attempt to do so shall be void and of no force or effect.
- 10.12. **No Third Party Beneficiaries.** This document shall not be construed as in any way creating any rights or causes of action, legal or equitable, in third parties to enforce this Agreement or to obtain any benefit or benefits therefrom, with the sole exception of any of the authorized licensees of the Parties.
- 10.13. **Relationship of Parties.** This Agreement shall not be deemed to create a joint venture, partnership, principal-agent, employer-employee or similar relationship between TALL SHIPS AMERICA and Port Organizer. Each party is an independent contractor as regards the other.
- 10.14. **Notices.** All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by prepaid certified or registered mail, by facsimile transmission, or by overnight delivery through a private courier (*e.g.*, Federal Express), addressed to the parties at the addresses or facsimile numbers set forth above, or such other address as either party may designate in writing to the other party for this purpose.
- 10.15. **Days.** When this Agreement refers to “days,” that word shall refer to calendar days unless a particular section specifies otherwise.

**AMERICAN SAIL TRAINING ASSOCIATION
TALL SHIPS CHALLENGE®
PORT ORGANIZER AGREEMENT**

**APPENDIX A
(To Terms & Conditions)**

Basic Services referred to in Paragraph 1.6

1. **Ship Recruitment:** Relying on its worldwide network of member vessels, relationship with Sail Training International, extensive knowledge of, and acquaintance with Naval Attachés, and its reputation for well-organized sail training events, and in full cooperation with Port Organizer, TALL SHIPS AMERICA will use its best efforts to recruit ships to participate in the event(s). TALL SHIPS AMERICA will write letters to those individual member vessels designated by Port Organizer, and follow up with telephone calls to captains of member vessels and e-mails updates to member vessels. TALL SHIPS AMERICA will make personal calls upon Naval Attachés in Washington, D.C., to encourage the participation of government-controlled Class A vessels. TALL SHIPS AMERICA shall e-mail or telephone Port Organizer to report on its progress in attracting the Class A and/or Class B vessels designated by Port Organizer to the Port Event and Race. TALL SHIPS AMERICA shall designate one individual who will be responsible for recruiting vessels and reporting to Port Organizer.

2. **Development of Captain's Manual.** TALL SHIPS AMERICA will provide a template for development of the individualized Captain's Manual to be developed by the Port Organizer to describe the experience in the Port for captains, trainees, and crew. The template shall contain the following information:
 1. Arrival Reporting
 2. Pilotage and Tugs
 3. Harbor Master Contact information
 4. Dockage
 5. Customs
 6. Security
 7. Potable Water
 8. Fuel
 9. Provisions
 10. Electricity
 11. Refuse Removal and Agriculture
 12. Emergency Services
 13. Program Information (including boarding and ship access)
 14. Captain's Meeting
 15. Arrival/Departure/Parade Plan
 16. Telephone Directory
 17. Communications
 18. International Visitor's Guide

3. **Sailing Opportunities:** Within thirty (30) days after receipt of Port Organizer's request therefore, TALL SHIPS AMERICA will identify the total number of berths on the vessels, designated by Port Organizer, and will estimate the number of berths that may be available for paying trainees/passengers as they sail to or from the Port. Within thirty (30) days after receipt of Port Organizer's request therefore, TALL SHIPS AMERICA will identify the passenger carrying capacity of vessels, designated by Port Organizer, for sailing excursions during the Port Event. If Port Organizer so requests, TALL SHIPS AMERICA will promote these sailing opportunities, — once known — through its web page in a format designated by Port Organizer.
4. **Information About Ship's Particulars:** TALL SHIPS AMERICA will collect, and provide to Port Organizer, detailed information on each vessel expected to participate in the Port Event or designated by Port Organizer, including dimensions and characteristics, in-port requirements for harbor services, logistics requirements, crew manifests (including the names of trainees and paying passengers), insurance carried by the vessel, and any other information required by the Port Organizer and/or by customs, immigration, security, and other authorities. If any of the information described in the first sentence hereof is not available, TALL SHIPS AMERICA shall provide it to Port Organizer as soon as it becomes available.
5. **Event Planning and Management Support:** TALL SHIPS AMERICA will provide the following materials and or services to assist the Port Organizer in preparing to host the event:
 - a. TALL SHIPS AMERICA will provide a template for a Port Manual, and commence a series of e-mail "Re:Ports" newsletters containing detailed advice on recommended activities, protocol issues, "dos" and "don'ts" of hosting tall ships, and other valuable information based on its extensive experience with the TALL SHIPS CHALLENGE®.
 - b. TALL SHIPS AMERICA will provide a template for development of a Security Plan for the Port Event. The template shall contain information on the following subjects:
 - i. Detailed Itinerary for the TALL SHIPS CHALLENGE®
 - ii. Sailing Instructions for any/all Races to be conducted
 - iii. Facility Vulnerability and Security Measures Summary
 - iv. Event Specific Security Plan for each port to include:
 1. Training and Facilities
 2. Vessel Security
 3. Passenger and Crew Integrity
 4. Visitors
 5. Restricted Areas
 6. Suspicious Persons
 7. Communications
 8. Deliveries
 9. Abandoned Packages / Suspicious Items
 10. Change in MARSEC Level
 - v. Contact Information for each port
 - vi. Detailed Docking plan.

c. If requested by Port Organizer, in advance of the event, TALL SHIPS AMERICA will assist Port Organizer in preparation of an application for the local Marine Event Permit required by the local Coast Guard Sector Commander to be signed by the Port Organizer. TALL SHIPS AMERICA will prepare the application for the local Marine Event Permit within ninety (90) days after the Agreement is executed or two-hundred and ten (210) days before start of the Port Event, (whichever is closer to start of the Port Event).

d. TALL SHIPS AMERICA will deal directly with the vessels needing the same to provide assistance in making their applications for an Attraction Vessel Permit. At regular intervals, TALL SHIPS AMERICA shall inform Port Organizer of the status of these applications.

e. TALL SHIPS AMERICA will assist vessels with their individual Vessel Security Plan. At regular intervals, TALL SHIPS AMERICA shall inform Port Organizer of the status of the Vessel Security Plans.

f. TALL SHIPS AMERICA will include the Port Event in its application for designation of TALL SHIPS CHALLENGE® as a "Marine Event of National Significance" under 46 CFR 26.03-8, and will provide Participating Vessels with guidance for their applications for a special permit to carry passengers for hire during each official port event. TALL SHIPS AMERICA will submit its application for a designation of a Marine Event of National Significance not later than the beginning of November in the year preceding the Event Year.

g. TALL SHIPS AMERICA will work closely with interested Federal agencies, including Coast Guard, Transport Canada, Customs and Border Protection, and Agriculture, to insure all requirements are identified and tracked. Not later than the beginning of December in the year preceding the Event Year, TALL SHIPS AMERICA shall advise Port Organizer in writing of all of the requirements of these government agencies regarding the Port Event and what must be done to fulfill these government requirements.

6. Event Planning and Management Support: TALL SHIPS AMERICA will provide the following materials and or services to assist the Port Organizer in preparing to host the event:

A. TALL SHIPS AMERICA will promote the TALL SHIPS CHALLENGE® through its web page with links to each port, as well as work closely with individual ports on press releases as the event approaches. Port Organizer is requested to have a web page that TALL SHIPS AMERICA can link to, by no later than thirty (30) days after the Agreement is executed, or no later six (6) months prior to the start of the Port Event (whichever is closer to start of the Port Event).

B. TALL SHIPS AMERICA will provide on-line tracking of the transit of Participating Vessels and Races via crew and internet blogs and live video feeds to TALL SHIPS AMERICA's website (to the extent that feeds are available from a given vessel) so the public can follow aboard the ships and will use best efforts to convince Participating Vessels to provide the same.

7. **Coordination with Other Ports:** TALL SHIPS AMERICA will conduct monthly Port Conference calls with all Port Organizers under contract for the Event Year, for which TALL SHIPS AMERICA may use a conferencing service such that each participant is responsible for its share of the expenses.
8. **Sail Training Curriculum:** If requested by Port Organizer, TALL SHIPS AMERICA will provide cooperation and assistance in developing a sail training curriculum for underprivileged youth in the furtherance of the missions of both TALL SHIPS AMERICA and the Port Organizer.
9. **Joint Marketing and Ship Recruitment – TALL SHIPS AMERICA services to include:**
 - (a.) Port Fee includes Membership in TALL SHIPS AMERICA at the Corporate Member level for the year preceding the Event Year and for the Event Year.
 - (b.) Port Fee includes attendance for one (1) person representing the Port Organizer at TALL SHIPS AMERICA's Annual Conference on Sail Training and Tall Ships, for the year preceding the Event Year and for the Event Year (travel and hotel expenses not included).
 - (c.) Port Fee includes attendance for one (1) person representing the Port Organizer at TALL SHIPS AMERICA's Regional Meeting, for the year preceding the Event Year and for the Event Year (travel and hotel expenses not included).
 - (d.) Port Fee includes a full- page color Sponsor Page in TALL SHIPS AMERICA's directory *Sail Tall Ships!* to be published in the year preceding the Event Year. Port organizer must provide camera-ready art to TALL SHIPS AMERICA's graphic, production, and content specifications. Port Organizer may opt for a back-page sponsorship page for an additional \$2,500.00.
 - (e.) Port fee supports TALL SHIPS AMERICA's production and coordination of a reception in Washington, D.C., in the year preceding the Event Year and in the Event Year, inviting Naval Attaches and other relevant persons, for the purpose of promoting awareness of, support for, and participation in the Tall Ships Challenge® Series in the Event Year. Attendance for (2) persons representing the Port Organizer is provided in each year 2013 and 2014 (travel and hotel expenses are not included).
 - (f.) Port fee supports TALL SHIPS AMERICA's International Ship Liaison travel expenses for international ship recruitment, and/or to have a ship representative conduct a port site visit, and/or attend the Regional Meeting.
 - (g.) Port Fee includes Port Organizer's proportional share of expenses for "Host Port Reception" that TALL SHIPS AMERICA will produce at its Annual Conference on Sail Training and Tall Ships in 2014.
 - (h.) Port Fee supports TALL SHIPS AMERICA's Media Research: TALL SHIPS AMERICA will engage professional media data collection services for print, internet and broadcast mentions of the Races and the Port Events. Research includes publicity values and circulation. Not included are hard print copies, audio or video copies, which can be obtained upon request for an additional fee.

**AMERICAN SAIL TRAINING ASSOCIATION
TALL SHIPS CHALLENGE®
PORT ORGANIZER AGREEMENT**

**APPENDIX B
(To Terms & Conditions)
Services To Be Provided by Port Organizer**

The Port Organizer shall provide the following port services to Participants in connection with the planning for, preparation for, and conduct of the Port Event:

- (a) local pilots and tugs for those Participating Vessels who require them, upon at least thirty (30) days prior notice from the Participating Vessel;
- (b) safe berthing, approved by the U.S. Coast Guard or Transport Canada, always afloat, for all Participating Vessels so that the public will have convenient access to the vessels;
- (c) security for the Participating Vessels, the crew and the public, in conformity with security plans approved by local Coast Guard officials or required by government authorities;
- (d) fresh water, electricity, if available and required, refuse removal, fuel availability at the berth (at the expense of the Participating Vessels, unless the Port Organizer has agreed with a Participating Vessel to provide fuel), fresh water and shower, toilet and laundry facilities/services and such other support for the Participating Vessels as the Port Organizer and the Participating Vessels shall agree upon;
- (e) a captains' reception within 24-hours after the beginning of the Port Event, for the purpose of an official welcome;
- (f) a crew and trainee party as well as a maritime-oriented social and cultural program for crews and trainees on Participating Vessels;
- (g) at least one Port Organizer Liaison Officer ("LO") for each A-class and B-class vessel, who shall board the vessel upon arrival or sooner, attend the vessel each morning and insure proper transportation and arrangements for the vessel's crew for the events organized for crews and trainees, and advise and assist the crew and trainees with transportation, social arrangements, and special logistical requirements. At least one hundred twenty (120) days prior to the Port Event, TALL SHIPS AMERICA shall provide the Port Organizer with a detailed written list of the services that each LO is expected to provide.; Updated daily schedules of the Port Event to be provided on arrival;
- (h) a Captain's Dinner;
- (j) so long as TALL SHIPS AMERICA provides its requirements and that of the next Port on the TALL SHIPS CHALLENGE® calendar at least ninety (90) days in advance of the Port Event, reasonable facilities for a Captain's Briefing Meeting on the day before the fleet is scheduled to depart from the Port; Captains' Briefing Meeting is a cooperative meeting for the current Host Port to discuss undocking activities and procedures, for the next Host Port to provide necessary advance information, and for TALL SHIPS AMERICA to provide necessary information regarding upcoming Races or Cruises;

- (k) so long as TALL SHIPS AMERICA provides its requirements at least ninety (90) days in advance of the Port Event, a reasonable venue for a prize-giving ceremony conducted by TALL SHIPS AMERICA or a sponsor selected by it;
- (l) volunteers to assist Participating Vessel crew and trainees with public deck tours and gangway control as requested. At least ninety (90) days prior to the Port Event, TALL SHIPS AMERICA shall provide information regarding the number of volunteers needed by each Participating Vessel, when the volunteers will be needed, and what work/services each volunteer will provide;
- (m) one or more crew center(s) with public phone access and/or internet access for Participant crew and trainees;
- (n) gangways and/or boarding ramps to permit safe boarding of the Participating Vessels that will be in accordance with Coast Guard standards; and
- (o) crew credentials: TALL SHIPS AMERICA will provide a Tall Ships Challenge® lanyard, plastic sleeve, and Tall Ships Challenge® generic identification for each participating crew member. Port Organizer is to provide an Event placard for the back side of the credential. Size is to be determined not later than 60 days in advance of the Port Event.

Port Organizer shall coordinate the foregoing services, activities, and events with the Participating Vessels in order to appropriately address the requirements of each vessel and to avoid over-scheduling activities and events.

**AMERICAN SAIL TRAINING ASSOCIATION
TALL SHIPS CHALLENGE®
PORT ORGANIZER AGREEMENT**

**APPENDIX C
(To Terms & Conditions)
Facilities & Support To Be Provided by Port Organizer**

Port Organizer shall provide the following port services to TALL SHIPS AMERICA in connection with the planning for, preparation for, and conduct of the Port Event.

(a) So long as TALL SHIPS AMERICA sends Port Organizer a written request for office space with the desired dimensions and other requested characteristics at least 150 days prior to the Port Event, Port Organizer shall obtain, at its expense, office space for the TALL SHIPS AMERICA Race Team at a location to be mutually determined by TALL SHIPS AMERICA and Port Organizer, equipped with those facilities that TALL SHIPS AMERICA and Port Organizer shall hereafter agree upon. TALL SHIPS AMERICA has requested high-speed internet access and printer, additional high-speed internet outlets and Ethernet cables for up to 3 TALL SHIPS AMERICA team laptops, and access to a fax machine and a photocopier.

(b) Port Organizer shall provide TALL SHIPS AMERICA, at no expense to TALL SHIPS AMERICA, with appropriate all-access credentials to Participating Vessels and all ceremonies and events open to the general public for the TALL SHIPS AMERICA Race Team and for personnel of any TALL SHIPS AMERICA sponsor, up to a maximum of 25 persons, so long as TALL SHIPS AMERICA sends Port Organizer the names of those persons at least thirty (30) days prior to the Port Event. In addition, if TALL SHIPS AMERICA so requests in writing at least sixty (60) days prior to the Port Event, Port Organizer will supply TALL SHIPS AMERICA with at least one hundred tickets and/or boarding passes payable at their lowest promotional value.

(c) So long as TALL SHIPS AMERICA sends a written request to Port Organizer at least 120 days prior to the Port Event, Port Organizer shall provide TALL SHIPS AMERICA or TALL SHIPS AMERICA's Title Sponsor, if any, with a space up to 1500 square feet area in a high-traffic area adjacent to some of the vessels or in extreme close proximity to some of the vessels to serve as display space for the TALL SHIPS AMERICA's title sponsor. TALL SHIPS AMERICA or TALL SHIPS AMERICA's Title Sponsor shall pay for all tent, equipment and set-up fees associated with this location.

APPENDIX D

TALL SHIPS® FESTIVAL LA 2014

SCHEDULE OF PAYMENTS

| | |
|----------|---|
| \$30,150 | Due upon execution of agreement. Tall Ships America grants to the City of Los Angeles Harbor Department full rights to promote itself as a host port in the Tall Ships® Challenge 2014, grants to the City a license to utilize associated terms (including registered trademarks), and to advertise for the TALL SHIPS CHALLENGE® 2014 event. |
| \$10,000 | June 2013; Upon submission of an invoice and a report detailing all efforts made since the last invoice pursuant to the Agreement Scope of Work, ship recruitment efforts and general promotion for the Tall Ships® Festival LA 2014. During this time period from the last payment date, Tall Ships America must have attended one or more general recruitment or naval attaché events where the Tall Ships Festival LA 2014 was promoted. |
| \$10,000 | December 2013; Upon submission of an invoice and a report detailing all efforts made since the last invoice pursuant to the Agreement Scope of Work, ship recruitment efforts and general promotion for the Tall Ships® Festival LA 2014. During this time period from the past payment date, Tall Ships America must have attended one or more general recruitment or naval attaché events where the Tall Ships Festival LA 2014 was promoted. Tall Ships America must have information on its Tall Ships® Festival LA 2014 web page on the Tall Ships America website. |
| \$10,000 | June 2014; Upon submission of an invoice and a report detailing all efforts made since the last invoice pursuant to the Agreement Scope of Work, ship recruitment efforts and general promotion for the Tall Ships® Festival LA 2014. During this time period from the past payment date, Tall Ships America must have attended one or more general recruitment or naval attaché events where the Tall Ships Festival LA 2014 was promoted. Tall Ships America must have information on its Tall Ships® Festival LA 2014 web page on the Tall Ships America website and be actively promoting the event as part of the Tall Ships Challenge 2014. |

Tall Ships America

Adventure and Education Under Sail™

Registered Trademarks of the
American Sail Training Association



Tall Ships®
Tall Ships America™
TALL SHIPS CHALLENGE®
Tall Ships Are Coming!®
Adventure and Education Under Sail™

Registered Trademarks of the American Sail Training Association

All of the American Sail Training Association's (DBA Tall Ships America) marks are registered in the United States and Canada, and none are unregistered. Thus ® is always appropriate when referring to an event or item originating with the American Sail Training Association or controlled by the American Sail Training Association through a proper trademark license. It is essential that all uses of the registered marks be proper in a trademark and grammatical sense.



Tall Ships®
Tall Ships America™
TALL SHIPS CHALLENGE®
Tall Ships Are Coming!®
Adventure and Education Under Sail™

In General Text

1. A trademark is an adjective. It modifies a noun. In text, a trademark should always be followed by a noun.

Examples of correct usage:

He drove a MACK® truck.
They drank Mount Gay® rum.
They wore Levis® blue jeans.
We went to see the Tall Ships® Rhode Island celebration.
Join us for the TALL SHIPS CHALLENGE® race series.
The USCGC EAGLE is a **Tall Ships America®** member vessel

Examples of incorrect usage:

He drove a MACK.
They drank Mount Gay.
They wore Levis.
We went to see the Tall Ships®.
Join us for the TALL SHIPS CHALLENGE.
The USCGC EAGLE is a member vessel of **Tall Ships America®**

2. A trademark should always be set off from other words in text by the use of italics, all capitals or at least initial capitals.

Examples of correct usage:

A Tall Ships® event
A TALL SHIPS® event
A **Tall Ships America™** member vessel

Example of incorrect usage:

A tall ships event
A tall ships® event
A **tall ships America** event

3. If a trademark is covered by an issued U.S. and/or Canadian trademark or service mark registration (and ALL of the American Sail Training Association's marks are) the first time the mark appears, and every time it appears if possible, whether in text or not, the ® registration symbol should appear at the "foot®" or "shoulder®" of the mark.

For example:

MACK® truck
BRIDGESTONE® tires
TALL SHIPS CHALLENGE® race series
The Tall Ships® Rhode Island celebration

4. If possible, for advertisements, brochures, books, and other print or even television media, it is very desirable to use a footnote claiming ownership, for example:



The sailing ship logo, Tall Ships®, Tall Ships Are Coming!®, TALL SHIPS CHALLENGE®, Tall Ships America™, Adventure and Education Under Sail™ are registered trademarks and service marks owned by the American Sail Training Association.

5. Websites which display any of the registered trademarks MUST display the above footnote on each and every page on which the marks are used.

Stand Alone Use

6. A trademark need not be followed by a noun where the mark is not in a sentence in text, but rather appears in a prominent, attention getting position:

For example:

TALL SHIPS!® (the title of a poster)
"In July 2013 **Tall Ships America** will host a TALL SHIPS® rally to take place....". (text of the poster)

7. The trademark may be followed by a noun even when the mark is in a prominent position, and not in text.

Example:

TALL SHIPS® RALLY
TALL SHIPS CHALLENGE® GREAT LAKES 2013

8. If the (stand alone) mark displayed is a registered trademark or service mark, you **must** include ® at the foot or shoulder of the mark:

Example:

TALL SHIPS®
TALL SHIPS CHALLENGE®
TALL SHIPS ARE COMING!®

The TALL SHIPS® trademark and service mark

1. **Always** use all lower case when talking about tall ships per se, and not an American Sail Training Association (Tall Ships America) organized or originated event, service or product.
2. **Never** use initial capital or all capitals when you are referring to tall ships per se.

Correct: Many tall ships will sail into the harbor.

Incorrect: Many TALL SHIPS will sail into the harbor.

Incorrect: Many Tall Ships will sail into the harbor.

Incorrect: Many Tall Ships® will sail into the harbor.

3. **Always** use Tall Ships® as an adjective followed by a noun in text when referring to an American Sail Training Association (Tall Ships America) event, service or product:

Correct: At the TALL SHIPS® festival we bought a Tall Ships® mug and went aboard many tall ships.

Incorrect: At the tall ships festival we bought a tall ships mug and went aboard many Tall Ships.

4. **Always** use the ® when using TALL SHIPS as an adjective, i.e., trademark.

5. It is okay to use initial capitals for the words "Tall Ships" if the term is part of a title, for example, a conference, and all other terms in the title are also initial capitals:

Correct: "The Tenth Annual Conference on Sail Training and Tall Ships"

Correct: "THE TENTH ANNUAL CONFERENCE ON SAIL TRAINING AND TALL SHIPS"

Incorrect: "The Tenth Annual Conference on Sail Training and TALL SHIPS."

Incorrect: "The Tenth Annual Conference on Sail Training and Tall Ships®."

The TALL SHIPS CHALLENGE® trademark and service mark

1. TALL SHIPS CHALLENGE® should always appear in all capital letters followed by the registered trademark symbol at the shoulder.

Correct: The TALL SHIPS CHALLENGE® series will take place on the Atlantic Coast in 2012.

Incorrect: The Tall Ships Challenge® series will take place on the Atlantic Coast in 2012.

Incorrect: The TALL SHIPS CHALLENGE® will take place on the Atlantic Coast in 2012.

Correct: TALL SHIPS CHALLENGE® Atlantic Coast 2012

Incorrect: Tall Ships Challenge® Atlantic Coast 2012

Correct: In 2012, Chicago will play host to the TALL SHIPS CHALLENGE® race series.

Incorrect: In 2012, Chicago will play host to the TALL SHIPS CHALLENGE®.

The Tall Ships America™ trademark and service mark

1. The trade name (DBA) Tall Ships America is also a registered trademark of the American Sail Training Association.
2. It is not necessary to use the registered trademark symbol when using **Tall Ships America** as a trade name.

Example: **Tall Ships America**
The New Face of ASTA

Tall Ships America
Adventure And Education Under Sail™

3. Wherever possible, when using **Tall Ships America** as a trade name, the tagline *Adventure and Education Under Sail™* should be included.