



MEMORANDUM

Consent Agenda
Item # C

DATE: November 18, 2025
TO: Tiffany DeSimone, Interim Executive Director
AUTHORED BY: Matthew Cress, Business Development Manager
APPROVED BY: Tyler Schroeder, Economic Development Director
SUBJECT: Memorandum of Understanding – Cruise Feasibility Study

Action Requested:

Motion authorizing the Interim Executive Director to sign a Memorandum of Understanding (MOU) with Global Ports Holding (GPH) to perform a Feasibility Study for cruise operations at the Bellingham Cruise Terminal (BCT).

Background:

The Port of Bellingham controls the Bellingham Cruise Terminal (BCT). BCT has existing long-term passenger vessel tenants, including the Alaska Marine Ferry, San Jaun Cruises, Gato Verde Adventure Sailing, and Schooner Zodiac. The existing facility has capacity to increase utilization for small to mid-size cruise operations, with potential destinations in the Salish Sea, British Columbia and Alaska. The facility is strategically located between Seattle and Vancouver with direct airport access at Bellingham International Airport (BLI) and Amtrak station. This work would build off the 2008 Fairhaven Comprehensive Scheme of Harbor Improvements which reviewed passenger vessels utilization.

Global Ports Holding (GPH) and the Port would enter a Memorandum of Understanding (MOU) to allow GPH to exclusively study the feasibility of cruise operations at BCT for a period of one year with the potential to extend if additional time is needed. GPH is an expert in the cruise operations industry, via the feasibility study they will be able to determine the feasibility of increased cruise operations at BCT. GPH will also engage the industry to gauge the interest in BCT for home port vessels for embarking passengers for cruises to our region and Alaska.

The feasibility study and due diligence work will provide the Port the information needed to determine if cruise operations are possible, determine cruise market demand and routes, what infrastructure upgrades would be needed at BCT, what size vessels could be accommodated (small to mid-size under consideration) and outline the necessary agreements for management and operations related to cruise activities for a private-public partnership. The Port will have access to all documents prepared for the feasibility study as contemplated in this MOU.

The MOU does not obligate the Port in any way to enter into a long-term agreement for cruise operations. Additional community and stakeholders (Lummi Nation, City of

Bellingham, etc.) engagement will be accomplished prior to future potential Commission decisions. Environmental stewardship and commitments are of the utmost importance on projects of this nature. Community feedback, additional studies, and the permitting process, will be accomplished following the feasibility study if the Commission decides to move forward.

Financial Impact:

GPH will perform and pay for the work associated with the feasibility study, including market analysis, structural and engineering assessments at BCT, in exchange for a period of exclusivity for timeline outlined in the MOU. Port staff will provide all available information to help facilitate this work and will have regular check-ins with GPH on the work being performed.

Strategic Purpose:

The Port of Bellingham's mission is to promote sustainable economic development, optimize transportation gateways, and manage publicly owned land and facilities to benefit Whatcom County. Optimizing the existing BCT to increase utilization for passenger vessels to the regional and Alaska destinations fits squarely in our mission. Economic benefits are likely to include increased Port revenue, job growth (including ILWU), infrastructure investment, increase BLI passengers, small business spending, increased hospitality and tourism, and local tax base growth. BCT is strategically located between Seattle and Vancouver to optimize transportation gateways and provide water access for passengers to some of our region's most incredible waterways. The feasibility study will provide additional information to determine how best to increase utilization at BCT in a sustainable way that fits the community's values and benefits of Whatcom County.

Recommendation:

Approval of action requested.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made this day of 2025 (the “**Effective Date**”),

BETWEEN

- A. Global Ports Holding Limited, a private limited company incorporated under the laws of the United Kingdom, with its principal place of business at 3rd Floor, 35 Albemarle Street, London, W1S 4JD, England (“**GPH**”), and
- B. Port of Bellingham, a Washington municipal corporation, governed by the Washington Public Records Act, chapter 42.56 RCW and the rules promulgated thereunder and the Washington Open Public Meetings Act, 42.30 RCW (the “**Port**”), and

Each party hereinafter to be referred to as a “Party” and collectively, as the “Parties”.

This Memorandum of Understanding sets forth the terms and conditions upon which the Parties are prepared to discuss and negotiate, on an exclusive basis for a period of twelve (12) months as of the date of this MOU (as may be extended as set out hereunder), the format and structure of the long-term concession agreement, lease agreement and/or other necessary relevant agreements (the “**Definitive Agreements**”) to be entered into between the Parties to operate cruise related services, infrastructure and facilities at the properties located at Port of Bellingham and depicted on Exhibit 1 hereto (the “**Cruise Facilities**”). Nothing herein obligates either Party to enter into any Definitive Agreements; furthermore, any Definitive Agreements negotiated by the Parties would require approval by the Port’s Commission in an open public meeting to be binding on the Port.

NOW THEREFORE, in consideration of the mutual covenants and agreements, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties now agree as follows:

1. Exclusive Due Diligence Period

The Parties agree to a twelve-month due diligence period (the “**Exclusive Due Diligence Period**”) in order to perform the tasks described in this article. The twelve-month period will commence upon the Effective Date. If GPH is unable to complete the required studies within the Exclusive Due Diligence Period, GPH will have the option to extend the Exclusive Due Diligence Period by up to three months at its discretion by providing written notice to the Port at least thirty (30) days before the expiration of the Exclusive Due Diligence Period. The Exclusive Due Diligence Period may also be extended by mutual consent of the Parties at any time.

GPH and their counsels, accountants and representatives shall be afforded an opportunity to perform due diligence and obtain access to books and records relevant to the transactions contemplated by this MOU, as GPH may reasonably deem necessary or desirable to familiarize themselves with the existing Cruise Facilities, operations and physical assets. Among other things, GPH shall review the relevant existing contracts binding upon the Port, tax implications of the operations and other matters related to the legal, accounting, financing and operational aspects of the transactions contemplated in this MOU.

The Port will provide GPH with copies of existing surveys, drawings and maps, to the extent they exist, clearly identifying the limits of the Cruise Facilities and provide GPH with copies of all related legal and commercial agreements related to the operations conducted within the Cruise Facilities, including agreements with any tenants, berthing agreements, other government agencies, etc.

GPH acknowledges the Port's interest in conducting a review of GPH's corporate and financial background in connection with the proposed transaction. The Parties agree that GPH shall not be required to provide the full suite of customary due diligence documentation typically provided in a corporate transaction. Instead, GPH shall provide the Port with customary Know Your Customer ("KYC") documentation, solely for the purpose of satisfying the Port's internal compliance and onboarding procedures.

For the avoidance of doubt, such KYC documentation would be as follows:

- GPH's most recent annual report;
- A current list of GPH's shareholders, directors, and officers;
- Certificate of incorporation;
- Organizational chart reflecting ownership and control;
- Evidence of good standing or equivalent corporate registration;
- Anti-money laundering (AML), anti-bribery and corruption policies; and
- Any other customary KYC materials reasonably requested by the Port and in GPH's possession.

In consideration of the issuance of this MOU and in recognition of the costs and expenses to be incurred by GPH in connection with its due diligence activities, the Port agrees that they are ceasing discussions with other potential counterparties in relation to cruise related services at the Cruise Facilities, and will not, directly or indirectly, make any offer to, solicit any offer from, negotiate with, or accept any agreement with, encourage, discuss, initiate, or accept any discussion or negotiation or otherwise deal with any party other than GPH for the development, construction, financing or operation of cruise related services at the Cruise Facilities during the Exclusive Due Diligence Period.

Notwithstanding the foregoing, the Port shall be entitled to discuss use of the Arrowac Building, Shipyard and Warehouse # 9 portions of the Cruise Facilities with other third-parties for uses not related to cruise related services as part of the Port's normal marketing activity.

2. Definitive Agreements

During the term of this MOU, the Parties will negotiate the terms of the Definitive Agreements with respect to the management and the operation of the Cruise Facilities. Among other terms and conditions, the Definitive Agreements will contain representations, warranties, conditions, clauses on termination and consequences thereof and indemnification clauses customary and market standard for transactions of this nature.

The Port acknowledges that it is not legally required to issue a public tender in relation to the proposed transaction and provided that the Parties successfully negotiate the Definitive Agreements, the Port may enter into such agreements without the need for any public tender process; however, nothing herein restricts the Port's right to utilize a public tender process should the Port determine that is in its best interest.

3. Cooperation

The Parties agree to cooperate on the tax structure and the transactions contemplated in this MOU in order to determine the most tax efficient means of structuring the involvement of each of the Parties.

4. Conditions

The consummation of the transactions contemplated by this MOU will be conditioned upon, among other things (A) negotiation and approval of the Definitive Agreements by Parties; (B) satisfactory completion by GPH of its due diligence review; (C) approval of this transaction and the Definitive Agreements by the Port Commission and GPH board of directors; (D) the procurement of any required third-party or governmental consents and approvals.

5. Assignment

GPH shall have the right to assign or transfer its rights to other affiliated entities as envisioned to execute the Definitive Agreements, with written approval from the Port Commissioners, which approval will not be unreasonably denied.

6. Notice Prior to Public Records Disclosure

In the event the Port receives a public records request under which the Port determines it will have to disclose this MOU, the Port shall notify GPH pursuant to RCW 42.56.520 and provide ten (10) calendar days for GPH to seek court protection of the MOU or other appropriate relief.

7. Announcements

No public announcement or press release in connection with the subject matter of this MOU shall be made or issued by or on behalf of either Party without the prior written approval of the other Party. This does not apply if the announcement or press release is to be made as required by law, or by any governmental authority, as long as the Party making the announcement or press release shall, to the extent possible and legally permitted, give prior notice of the announcement or press release to and consult, to the extent possible and legally permitted, as to the nature of such announcement with the other Party.

8. Termination

This MOU shall automatically terminate upon the expiry of the Exclusive Due Diligence Period (as may have been extended pursuant to the terms hereof) by operation of law, without any notification of termination to the other party being required.

This MOU shall also terminate furthermore upon:

- a. prior to the expiry of the Exclusive Due Diligence Period, by mutual consent;
- b. the execution of the Definitive Agreements; or
- c. written notice to the other party if the other party materially breaches any term or condition of this MoU and fails to cure such breach within 20 business days after receipt of written notice specifying the breach. If the breaching party commences efforts to cure the breach within the cure period but

is unable to complete such cure within that time, the cure period may be extended by a reasonable amount of time, provided that the breaching party continues to diligently pursue the cure but in no case shall the cure take longer than sixty (60) days. If the breach is cured within the cure period or any extension thereof, this Agreement shall continue in full force and effect. If the breach is not cured within the specified cure period or any extension, the terminating party may terminate this Agreement immediately upon written notice.

Upon termination, the Parties shall not be obligated to proceed with the transactions contemplated by this MOU and the Port shall be free to enter into negotiations with third parties to regarding cruise related services at the Cruise Facilities.

9. Expenses

Whether or not the transactions contemplated by this MOU are consummated, each Party shall bear its own expenses in connection with the due diligence and the negotiations of the Definitive Agreements and other documents referred to herein.

10. Defense and Indemnification

In the event GPH or any of its agents conduct any on-site investigations, inspections, or other activities as part of due diligence efforts under this MOU, GPH shall defend (with legal counsel reasonably acceptable to Port), indemnify, and hold harmless Port, and its officers, employees, and/or agents, from any and all demands, claims, judgments, or liability for loss or damage arising as a result of accidents, injuries, or other occurrences on the Cruise Facilities or on Port's property, (i) occasioned by either the negligent or willful conduct of GPH and/or its agents; or (ii) made by any person or entity holding under GPH, or any person or entity on the Cruise Facilities or Port's property as a result of GPH's actions arising hereunder, regardless of who the injured Party may be. This indemnification and hold harmless shall not apply to the extent the damages were caused by the negligence or willful misconduct of Port, its officers, employees or agents.

LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES. For purposes of the foregoing indemnification provision, and only to the extent of claims against GPH by Port under such indemnification provision, GPH specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, the United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this MOU shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the Parties hereto

11. Insurance

- a. **Minimum Scope and Limits of Insurance.** In the event GPH or any of its agents conduct any on-site investigations, inspections, or other activities as part of due diligence efforts under this MOU, GPH shall procure and maintain for the duration of the on-site activities insurance against claims for injuries to persons or damages to property that may arise from or in connection with GPH's on-site investigations, inspections, or other activities as part of due diligence efforts, which cost shall be borne by GPH, as follows:

- Commercial Liability Insurance. Commercial General Liability (“CGL”) Insurance policy with no waterborne exclusions covering all claims for bodily injury (including, without limitation, death); property damage (including, without limitation, all real and personal property located on the Cruise Facilities or Port’s property), and personal and advertising injury arising from the Cruise Facilities or Port’s property as a result of or arising out of GPH’s operations under this MOU. The limits of liability shall be not less than Two Million Dollars (\$2,000,000.00) for each occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to the Cruise Facilities or the general aggregate limit shall be twice the required occurrence limit. A lapse in coverage shall be considered a breach of the MOU. The CGL policy shall be written on an occurrence basis with the insurer’s duty to defend outside of the limits of the policy, meaning that the defense obligation does not erode the liability limits. Any deductible shall be no greater than Twenty-Five Thousand Dollars (\$25,000.00) and defense costs shall satisfy the deductible. All deductibles are the responsibility of GPH. In the event Port pays a deductible, GPH shall reimburse Port no later than thirty (30) days after invoice for the same. No self-insured retentions shall be allowed unless approved by Port in writing. The CGL coverage shall be at least as broad as Insurance Services Office (“ISO”) Form CG 00 01. Coverage is to be placed with insurers authorized to conduct business in the State of Washington with a current A.M. Best’s rating of no less than A: VII. The CGL policy shall provide coverage for damage to Port’s property caused by GPH. The CGL policy shall be written on an occurrence basis, with the insurer’s duty to defend outside the limits of the policy
- Worker’s Compensation. Worker’s Compensation Insurance as required by the State of Washington with statutory limits. Worker’s Compensation Insurance is not required if GPH provides written verification to Port that it has no employees on Port property.
- Property Insurance. Property Insurance against all risk of loss to any of GPH’s personal property at full replacement cost with no co-insurance penalty provision.
 - *GPH’s Casualty Loss Waiver.* Port, and its commissioners, employees, insurance carriers, and insurance policies, shall not be responsible to GPH for any loss, damage, or impairment to GPH’s property, whether real, personal, or mixed, occasioned by reason of any fire, storm, or other occurrence or event whatsoever. It shall be GPH’s sole responsibility to provide its own protection against losses, damage, and impairment of whatsoever kind or nature, regardless of whether or not such loss, damage, or impairment is occasioned by the acts or omissions of Port, GPH, a third party, or an act of nature. GPH hereby releases and discharges Port, and its commissioners, employees, insurance carriers, and insurance policies, from any claims for loss or damage to GPH’s property.
- Automobile Liability. Automobile Liability Insurance using ISO Form CA 00 01

covering any auto, including non-owned and hired autos, with a limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage. Automobile liability insurance is not required if GPH provides written verification to Port that it does not own, hire, rent, or borrow any autos in conjunction with its due diligence activities at the Cruise Facilities. "Auto" carries the same meaning as found in ISO Form CA 00 01.

- Excess or Umbrella Insurance. If any Excess or Umbrella Insurance policies are used to meet the limits of liability required herein, said policies shall be "following form" of the underlying policy coverage, terms, conditions, and provisions, and shall meet all of the liability insurance requirements stated herein, as evidenced by a Following Form Endorsement. Such Excess or Umbrella Insurance carrier shall have a duty to defend Port outside of the policy limits. No insurance policies maintained by the additional insureds, whether primary or excess, shall be called upon to contribute to a loss until GPH's primary and excess liability policies are exhausted.
- **Higher Insurance Limits.** If GPH maintains broader coverage and/or higher limits than the minimums required above, Port requires, and shall be entitled to, the broader coverage and/or higher limits maintained by GPH.
- **Failure to Obtain and Maintain Insurance.** If GPH fails to procure and maintain the insurance described above for the Term of its on-site activities at the Cruise Facilities under this MOU, Port shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Upon demand, GPH shall pay to Port the full amount paid by Port.

b. **INSURANCE PROVISIONS.** The insurance policies required above shall contain, or be endorsed to contain, the following provisions:

- **Additional Insured.** The foregoing liability insurance policies shall name Port as additional insured by way of a policy endorsement at least as broad as ISO Form CG 20 10. The defense and indemnification of Port as an "additional insured" will not be affected by any act or omission by GPH which might otherwise result in a forfeiture of said insurance.
- **Primary Coverage.** For claims related to or arising from this MOU, GPH's coverage shall be primary and non-contributory, and at least as broad as ISO CG 20 01 04 13 with respects to Port, and its elected officials, employees, or agents.
- **Notice of Change or Cancellation.** Each required insurance policy shall provide that coverage shall not be materially changed, amended, or canceled with respect to Port except upon thirty (30) days' prior written notice from the insurance company to Port.
- **Waiver of Subrogation.** GPH grants Port, and its elected officials, employees, and agents, a waiver of any right to subrogation which any insurer of GPH may

acquire against Port by virtue of the payment of any loss under such insurance. GPH shall obtain any endorsement(s) that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether Port has received such an endorsement from the insurer.

- **Separation of Insureds.** The CGL policy shall contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit. The CGL policy shall not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another.
- **Certificates and Policy Documents.** GPH shall provide certificates of insurance, policy declarations, and endorsement pages, and, if requested, copies of any policy, to Port evidencing insurance compliant with this Article V. Receipt of such documents by Port does not constitute approval by Port of the terms of such policy.

12. Binding Nature

Except with respect to Clause 1 “Exclusive Due Diligence Period”, Clause 5 “Assignment”, Clause 6 “Notice Prior to Public Records Disclosure”, Clause 7 “Announcement”, Clause 8 “Termination”, Clause 9 “Expenses”, Clause 10 “Defense and Indemnification”, Clause 11 “Binding Nature”, Clause 13 “Copies of Studies and Documents”, Clause 14 “Notice”, Clause 17 “Counterparts and Clause 18 “Governing Law and Jurisdiction”, the provisions of this MOU are non-binding and are intended solely as a summary of the terms that are currently proposed by the Parties as a basis of the discussions to be further conducted between the Parties until either termination of this MOU or the entry into effect of the Definitive Agreements between the Parties and/or their nominees. For the avoidance of doubt, nothing in this MOU shall oblige the Parties to enter into the Definitive Agreements with one another.

13. Copies of Studies and Documents.

Upon expiration, or earlier termination, of this MOU, GPH shall use reasonable efforts to provide the Port with electronic copies of all any and all investigations, inspections, studies, surveys, or other similar due diligence work product generated by GPH and/or its consultants (the “Due Diligence Studies”). Notwithstanding the foregoing, the Due Diligence Studies shall not include any of GPH’s proprietary business information including, but not limited to, business plans, financial earning’s projections, or similar documents.

14. Notices

Any notice given pursuant to the terms of this MOU shall be in writing and in the English language, or if not in the English language, accompanied by a properly prepared translation into the English language and signed by or on behalf of the person giving it and shall be served by delivering it to the party due to receive it at the address stated in this MOU (or such other address as it shall previously have notified to the other party).

Any notice so served by email, hand or post shall be deemed to have been duly given:

- a) in the case of delivery by hand, when delivered;
- b) if sent by email, when the sender receives an automated message confirming delivery or four (4) hours after the time at which the email is sent (as recorded on the device from which the

- sender sent the email), whichever occurs first, unless the sender receives an automated failure message that the email has not been delivered (this does not include an “out of office” notification) in which case the relevant notice will be deemed not to have been served; and
- c) in the case of prepaid recorded delivery, at the time and date of delivery (as recorded),

Provided that in each case where delivery by hand or by email occurs after 5 pm on a business day or on a day which is not a business day, service shall be deemed to occur at 9 am on the next following business day.

The addresses of the Parties for the purposes of this MOU are as follows:

The Port

Address: 1801 Roeder Ave, Ste 146, Bellingham, WA 98225

Email: mcress@portofbellingham.com

For the attention of: Matthew Cress / Business Development

GPH

Address: 3rd Floor, 35 Albemarle Street, London, W1S 4JD, England

Email: legal@globalportsholding.com

For the attention of: Chief Legal Officer

15. Entire Agreement

Except for the Non-Disclosure Agreement dated 13 March 2025, this MOU and any other documents referred to in this MOU, constitute the whole agreement between the Parties in relation to its subject matter and supersede any previous arrangements or agreements written or oral between them. The Parties confirm that they have not entered into these discussions on the basis of any representation, warranty undertaking, or any other statements whatsoever not expressly incorporated into this MOU.

16. Validity

If any provision of this MOU is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, such part or parts as are illegal, invalid or unenforceable will be deleted and, notwithstanding such deletion, the remaining provisions will remain in full force in that jurisdiction and all provisions will continue in full force in any other jurisdiction.

17. Counterparts

The Parties may execute this MOU in any number of counterparts, each of which is an original. A set of counterparts, executed by all Parties, together forms one and the same instrument.

18. Governing Law and Jurisdiction

This MOU and all related Agreements shall be governed by the laws of the State of Washington without regards for its conflict of laws provision, and any and all disputes, controversy or claims arising out of or related to this MOU or any related agreement, or the breach thereof, shall be brought solely and exclusively

in the Whatcom County Superior Court for the State of Washington. The Parties expressly and irrevocably waive their right to federal court jurisdiction and trial by jury. The substantially prevailing party in any dispute related to or arising out of this MOU shall be entitled to its reasonable attorneys' fees and costs.

For and on behalf of Port of Bellingham

Signature: _____

Name: Tiffany DeSimone

Title: Interim Executive Director

For and on behalf of Global Ports Holding Limited

Signature: _____

Name: Mehmet Kutman

Title: Chairman

Signature: _____

Name: Ayşegül Bense

Title: Director